



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	120,750	121,247	236,732	271,764
Operating expense	(115,727)	(113,953)	(227,603)	(233,476)
Other income	948	1,302	1,444	1,648
Finance cost	(1,712)	(2,145)	(3,505)	(4,308)
Profit/(Loss) before taxation	4,259	6,451	7,068	35,628
Tax expense	(1,077)	(1,367)	(1,980)	(8,455)
Profit/(Loss) for the period	3,182	5,084	5,088	27,173
Other comprehensive income:				
Available-for-sale financial assets	-	(1)	(2)	-
Currency translation differences	291	258	188	133
Total comprehensive income/(expense) for the period	3,473	5,341	5,274	27,306
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	3,182	5,084	5,088	27,173
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	3,473	5,341	5,274	27,306
Basic EPS (sen)	1.08	1.70	1.73	9.06

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At Current Quarter Ended 30-Jun-2020	As at Preceding Financial Year Ended 31-Dec-2019
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	351,860	348,473
Right-of-use asset	5,008	5,127
Equity instruments classified as FVOCI	7	8
Goodwill on consolidation	102	102
Deferred tax assets	289	158
	357,266	353,868
Current Assets		
Biological assets	58,838	56,854
Inventories	43,996	46,612
Trade receivables	50,969	53,557
Other receivables and prepaid expenses	10,820	8,961
Tax recoverable	6,143	1,595
Fixed deposit, bank and cash balances	37,198	41,101
	207,964	208,680
TOTAL ASSETS	565,230	562,548
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,011	60,002
Treasury shares	(8,346)	(8,346)
Reserves	257,406	254,974
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	309,071	306,630
Non-Current Liabilities		
Term loan	42,579	45,323
Hire purchase payable	11,424	12,910
Lease liabilities	3,337	3,354
Deferred tax liabilities	32,509	33,140
	89,849	94,727
Current Liabilities		
Trade payables	33,130	36,200
Other payables and accrued expenses	15,837	22,195
Hire purchase payable	6,841	7,549
Other bank borrowings	109,360	94,313
Derivative liabilities	-	29
Lease liabilities	104	172
Tax Liabilities	1,038	733
	166,310	161,191
TOTAL LIABILITIES	256,159	255,918
TOTAL EQUITY AND LIABILITIES	565,230	562,548
Net asset per share attributable to Ordinary Equity Holders	1.05	1.04

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 2019.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Reverse Acquisition Reserves	Treasury Shares	Capital Reserve from LHI	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 2020	60,002	(26,078)	(8,346)	284	6	599	280,163	306,630
Adjustment							(8)	(8)
Restatement of Balance as at 1 Jan 2020	60,002	(26,078)	(8,346)	284	6	599	280,155	306,622
Profit after taxation for the period							5,088	5,088
Other comprehensive income/(expenses) for the period					(2)	188		186
Dividend paid/payable							(2,939)	(2,939)
ESOS option from LHI granted/ forfeited				105			-	105
Conversion of warrant	9							9
Balance as at 30 JUNE 2020	60,011	(26,078)	(8,346)	389	4	787	282,304	309,071
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)
Balance as at 30 JUNE 2019	60,002	(26,078)	(376)	-	5	697	254,377	288,627

Notes:

1. The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2019.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-to-date 30-Jun-2020 RM'000	Preceding Year-to-date 30-Jun-2019 RM'000
Profit/(Loss) before taxation	7,068	35,628
Adjustments for non-cash flow:		
Non-cash items	11,899	10,495
Non-operating items	3,252	3,844
Operating profit before working capital changes	22,219	49,967
Changes in working capital		
Net changes in current assets	1,072	10,354
Net changes in current liabilities	(9,431)	(17,597)
Cash generated from operations	13,860	42,724
Interest income received	156	176
Income tax refunded/(paid)	(7,018)	(1,769)
Net Cash Flow from Operating Activities	6,998	41,131
Proceeds from disposal of property, plant and equipment	225	220
Purchase of property, plant and equipment	(12,827)	(9,484)
Net Cash Flow from/(used in) Investing Activities	(12,602)	(9,264)
Bank borrowings	7,292	(10,036)
Finance cost paid	(3,505)	(4,308)
Issuance of shares	9	-
Dividend paid	(2,939)	(16,489)
Net Cash Flow from/(used in) Financing Activities	857	(30,833)
Net Increase/(Decrease) in cash and cash equivalents	(4,747)	1,034
Cash and cash equivalents at the beginning of the financial period	41,101	28,324
Cash and cash equivalents at the end of the financial period	36,354	29,358
Cash and bank balances	37,198	31,896
Bank overdraft	(844)	(2,538)
Total Cash and cash equivalents	36,354	29,358

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 2019.



NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2020

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 2019 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.

A3. Auditors’ Report

There was no qualification on the audited financial statements for the financial year ended 31 December 2019.

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 except for allotment of 6,950 ordinary shares arising from the conversion of Warrants and cancellation of the remaining 49,991,825 expired Warrants 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
Poultry Farming	199,150	2,058
Investment and Trading of Related Products	37,582	5,010
TOTAL	236,732	7,068

Business Segments

	Investment and Trading of related poultry products	Poultry Farming	Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	37,582	199,150		236,732
Internal	12,955		(12,955)	-
Total Revenue	50,537	199,150	(12,955)	236,732
Segment profit before interest & tax	8,213	5,496	(3,136)	10,573
Finance cost				(3,505)
Unaudited Consolidated Profit/(Loss) before Tax				7,068
Tax expense				(1,980)
Unaudited Consolidated Profit/(Loss) after Tax				5,088
Assets				
Segment Assets	89,590	473,139	(3,938)	558,791
Unallocated assets: Income producing assets				7
Unallocated assets: Deferred tax assets				289
Unallocated assets: Tax recoverable				6,143
				565,230
Liabilities				
Segment Liabilities	6,866	46,615	(1,074)	52,407
Unallocated liabilities: Borrowings				170,204
Unallocated liabilities: current/deferred tax liabilities				33,548
				256,159



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	8,316
Approved but not contracted for	10,876

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 quarter under review.

A14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities and contingent assets other than the corporate guarantee of RM370.2 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-month ended 30-Jun-2020	Cumulative 6-months ended 30-Jun-2020
	RM'000	RM'000
Sales of eggs, veterinary products, egg trays and others	6,376	12,534
Purchase of day-old-chick, veterinary products and raw material	3,027	9,051
Transportation	1,938	4,124
Other services	114	265

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-2020	30-Jun-2019		30-Jun-2020	30-Jun-2019	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	102,119	105,142	-3%	199,150	240,990	-17%
Investment and Trading	18,631	16,105	16%	37,582	30,774	22%
Total	120,750	121,247	0%	236,732	271,764	-13%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	2,328	3,831	-39%	2,058	32,517	-94%
Investment and Trading	1,931	2,620	-26%	5,010	3,111	61%
Total	4,259	6,451	-34%	7,068	35,628	-80%

The decrease of 13% in revenue to RM236.7 million had resulted a lower pre-tax profit of approximately RM7.1 million representing a decrease of 80% for the current period under review.

Poultry Farming

The revenue decreased by RM41.8 million representing a decrease of 17% due to the decrease in selling price of eggs coupled with lower sales quantities of eggs. As a result, the segment recorded a pre-tax profit of RM2.1 million for the financial period under review.

Investment and Trading

The increase in demand for animal health products had contributed an increase in revenue by 22% and recorded its pre-tax profit of RM5.0 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-2020	31-Mar-2020	RM'000	%
Revenue	120,750	115,982	4,768	4.1
Profit/(Loss) before Interest & Tax	5,971	4,602	1,369	29.7
Profit/(Loss) before Tax	4,259	2,809	1,450	51.6
Profit/(Loss) after Tax	3,182	1,906	1,276	66.9
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,182	1,906	1,276	66.9

The revenue increased by RM4.8 million representing 4.1% mainly due to the improved selling price of eggs for the current quarter under review. In line with the higher revenue, the Group recorded better pre-tax profit of RM4.3 million representing an increase of 51.6% for the current quarter under review.



B3. Current Year Prospects

The Group has assessed its impact that are possibly caused by Covid-19 pandemic operationally and financially aspects, both are insignificantly affect the financial position for the current quarter under review.

Despite the improved selling price of eggs, the Directors are in the opinion that the financial performance for the remaining 6 months is still challenging due to the uncertainty in the market during the Recovery Movement Control Order ("RMCO").

The Group will continue to monitor, reassess the financial position, take appropriate and timely action to minimise the possible impacts caused by Covid-19 pandemic.

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-2020 RM'000	Current YTD 30-Jun-2020 RM'000
Current year provision/(Reversal)	1,211	2,704
Deferred taxation/(Reversal)	(134)	(796)
Real Property Gain Tax ("RPGT") (refund)	-	72
Total Tax Expenses	1,077	1,980

The group effective income tax rate is slightly higher than the statutory rate of 24% due to marginal loss making by subsidiary companies.

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 borrowings as at 30 JUNE 2020 are as follows:

	Long Term				Short Term				TOTAL Borrowings			
	SGD'000	RM'000 Equivalent	RM'000	TOTAL RM'000	SGD'000	RM'000 Equivalent	RM'000	TOTAL RM'000	SGD'000	RM'000 Equivalent	RM'000	TOTAL RM'000
as at 2nd Quarter ended 30 JUNE 2020												
Secured												
Term loan	2,391	7,335	7,013	14,348	564	1,729	2,112	3,841	2,955	9,064	9,125	18,189
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	65	200	11,225	11,425	53	164	6,677	6,841	118	364	17,902	18,266
Sub total (1)				25,773				10,682				36,455
Unsecured												
Term loan	-	-	28,230	28,230	-	-	5,467	5,467	-	-	33,697	33,697
Bankers' acceptance	-	-	-	-	-	-	91,208	91,208	-	-	91,208	91,208
Revolving credit/OD	-	-	-	-	-	-	8,844	8,844	-	-	8,844	8,844
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				28,230				105,519				133,749
TOTAL Borrowings				54,003				116,201				170,204
as at 2nd Quarter ended 30 JUNE 2019												
Secured												
Term loan	2,965	9,063	8,830	17,893	472	1,444	2,116	3,560	3,437	10,507	10,946	21,453
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	-	-	12,792	12,792	-	-	7,972	7,972	-	-	20,764	20,764
Sub total (1)				30,685				11,532				42,217
Unsecured												
Term loan	-	-	18,983	18,983	-	-	5,237	5,237	-	-	24,220	24,220
Bankers' acceptance	-	-	-	-	-	-	93,319	93,319	-	-	93,319	93,319
Revolving credit/OD	-	-	-	-	-	-	7,538	7,538	-	-	7,538	7,538
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				18,983				106,094				125,077
TOTAL Borrowings				49,668				117,626				167,294

1. The increase of RM2.9 million in the total borrowings representing approx. 1.7% was mainly due to term loan financing for CAPEX.
2. The foreign currency exchange rate of SGD1=RM3.0677 was used for the reporting as at 30 June 2020, whereas the interest rates are in the range of 2.25% p.a. to 6.85% p.a.



B8. Financial Instruments

There were no currency contract entered into to hedge the foreign currency purchases as at 30 June 2020.

B9. Trade Receivables

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'000	
External	33,045	7,092	4,929	45,066	Cash-150 days
Related parties	4,058	2,562	1,907	8,527	Cash-150 days
TOTAL Trade Receivables	37,103	9,654	6,836	53,593	
Impairment loss of trade receivables			(2,624)	(2,624)	
NET Trade Receivables	37,103	9,654	4,212	50,969	

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 does not recommend any dividend in respect of the current financial period under review.

B12. Realised and Unrealised Profit/(Loss)

	Current Quarter ended	Preceding Quarter ended
	30-Jun-2020	31-Mar-2020
	RM'000	RM'000
Realised profit	314,564	311,539
Unrealised loss	(32,260)	(32,417)
Retained profit	282,304	279,122

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-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	3,182	5,084	5,088	27,173
Number of ordinary shares in issue ('000)	293,851	299,792	293,851	299,792
Basic earnings/(loss) per share (sen)	1.08	1.70	1.73	9.06



B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30-Jun-2020 RM'000	Cumulative YTD 30-Jun-2020 RM'000
Interest income	(78)	(156)
Other income	(670)	(1,088)
Reversal of Impairment loss from trade receivable	(54)	(96)
(Gain) on disposal of PPE	(39)	(75)
(Gain)/Loss on foreign exchange - realised	(33)	134
(Gain)/Loss on foreign exchange - unrealised	(79)	40
Depreciation and amortisation	5,763	11,359

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 12 August 2020.