

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceeding Year Corresponding Quarter	Current Year To Date	Preceeding Year Corresponding Period
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	RM'000	RM'000	RM'000	RM'000
Revenue	115,451	115,982	115,451	115,982
Operating expense	(113,467)	(111,876)	(113,467)	(111,876)
Other income	1,074	496	1,074	496
Finance cost	(1,615)	(1,793)	(1,615)	(1,793)
Profit/(Loss) before taxation	1,443	2,809	1,443	2,809
Tax expense	(2,241)	(903)	(2,241)	(903)
Profit/(Loss) for the period	(798)	1,906	(798)	1,906
Other comprehensive income:				
Currency translation differences	313	(2)	313	(2)
Available-for-sale financial assets	-	(103)	-	(103)
Total comprehensive income/(expense) for the period	(485)	1,801	(485)	1,801
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(798)	1,906	(798)	1,906
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	(485)	1,801	(485)	1,801
Basic EPS (sen)	(0.27)	0.65	(0.27)	0.65

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 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As At Current Quarter Ended 31-Mar-2021 RM'000	As at Preceding Financial Year Ended 31-Dec-2020 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	373,327	373,605
Right-of-use asset	5,082	5,106
Equity instruments classified as FVOCI	7	7
Goodwill on consolidation	102	102
Deferred tax assets	417	449
Prepayment for purchase of property, plant & equipment	3,721	3,721
	382,656	382,990
Current Assets		
Biological assets	59,223	55,691
Inventories	45,936	48,196
Trade receivables	45,850	50,043
Other receivables and prepaid expenses	5,497	3,358
Tax recoverable	6,069	5,762
Fixed deposit, bank and cash balances	34,199	44,919
	196,774	207,969
TOTAL ASSETS	579,430	590,959
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	60,011	60,002
Treasury shares	(8,346)	(8,346)
Reserves	255,911	256,378
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	307,576	308,034
Non-Current Liabilities		
Term loan	54,140	52,178
Hire purchase payable	5,883	9,246
Lease liabilities	3,331	3,342
Deferred tax liabilities	34,378	33,444
	97,732	98,210
Current Liabilities		
Trade payables	27,054	30,297
Other payables and accrued expenses	19,246	24,281
Hire purchase payable	4,368	6,354
Other bank borrowings	122,056	122,011
Lease liabilities	237	232
Tax Liabilities	1,161	1,540
	174,122	184,715
TOTAL LIABILITIES	271,854	282,925
TOTAL EQUITY AND LIABILITIES	579,430	590,959
Net asset per share attributable to Ordinary Equity Holders	1.05	1.05

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 2020.

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 2021	60,011	(26,078)	(8,346)	447	5	583	281,413	308,035
ESOS- value of employee service				26				26
Profit/(Loss) after taxation for the period							(798)	(798)
Other comprehensive income/(expenses) for the period					-	313		313
Dividend paid/payable								-
Conversion of warrant								-
Balance as at 31 MARCH 2021	60,011	(26,078)	(8,346)	473	5	896	280,615	307,576
Balance as at 1 Jan 2020	60,002	(26,078)	(8,346)	284	6	599	280,155	306,622
ESOS- value of employee service				59				59
Profit/(Loss) after taxation for the period							1,906	1,906
Other comprehensive income/(expenses) for the period					(2)	(103)		(105)
Dividend paid/payable							(2,939)	(2,939)
Conversion of warrant	9							9
Balance as at 31 MARCH 2020	60,011	(26,078)	(8,346)	343	4	496	279,122	305,552

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 2020.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year-to-date 31-Mar-2021 RM'000	Preceding Year-to-date 31-Mar-2020 RM'000
Profit/(Loss) before taxation	1,443	2,809
Adjustments for non-cash flow:		
Non-cash items	5,563	5,709
Non-operating items	1,540	1,673
Operating profit before working capital changes	8,546	10,191
Changes in working capital		
Net changes in current assets	562	1,523
Net changes in current liabilities	(8,015)	(5,158)
Cash generated from operations	1,093	6,556
Interest income received	73	78
Income tax refunded/(paid)	(2,016)	(4,023)
Net Cash Flow from Operating Activities	(850)	2,611
Proceeds from disposal of property, plant and equipment	2,309	167
Purchase of property, plant and equipment	(6,536)	(10,213)
Net Cash Flow from/(used in) Investing Activities	(4,227)	(10,046)
Bank borrowings	(4,456)	710
Finance cost paid	(1,615)	(1,793)
Issuance of shares	-	9
Dividend paid	-	(2,939)
Net Cash Flow from/(used in) Financing Activities	(6,071)	(4,013)
Net Increase/(Decrease) in cash and cash equivalents	(11,148)	(11,448)
Cash and cash equivalents at the beginning of the financial period	43,111	41,101
Cash and cash equivalents at the end of the financial period	31,963	29,653
Cash and bank balances	34,199	30,448
Bank overdraft	(2,236)	(795)
Total Cash and cash equivalents	31,963	29,653

Notes:

- The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2020.*



NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2021

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 2020 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 2020.

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

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	96,760	(1,181)
Investment and Trading of Related Products	18,691	2,624
TOTAL	115,451	1,443

Business Segments

	Investment and Trading of related poultry products	Poultry Farming	Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	18,691	96,760		115,451
Internal	4,427	-	(4,427)	-
Total Revenue	23,118	96,760	(4,427)	115,451
Segment profit before interest & tax	2,706	(25,169)	25,521	3,058
Finance cost				(1,615)
Unaudited Consolidated Profit/(Loss) before Tax				1,443
Tax expense				(2,241)
Unaudited Consolidated Profit/(Loss) after Tax				(798)
Assets				
Segment Assets	60,628	488,828	23,481	572,937
Unallocated assets: Income producing assets				7
Unallocated assets: Deferred tax assets				417
Unallocated assets: Tax recoverable				6,069
				579,430
Liabilities				
Segment Liabilities	12,877	162,005	(27,420)	147,462
Unallocated liabilities: Borrowings				62,259
Unallocated liabilities: current/deferred tax liabilities				62,133
				271,854

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	12,228
Approved but not contracted for	7,291

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 RM417.8 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 31-Mar-2021 RM'000	Cumulative 3-month ended 31-Mar-2021 RM'000
Sales of eggs, veterinary products, egg trays and others	4,320	4,320
Purchase of day-old-chick, veterinary products and raw material	3,811	3,811
Transportation	2,193	2,193
Other services	309	309



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 %
	31-Mar-2021	31-Mar-2020		31-Mar-2021	31-Mar-2020	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	96,760	97,031	0%	96,760	97,031	0%
Investment and Trading	18,691	18,951	-1%	18,691	18,951	-1%
Total	115,451	115,982	0%	115,451	115,982	0%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	(1,181)	(270)	337%	(1,181)	(270)	337%
Investment and Trading	2,624	3,079	-15%	2,624	3,079	-15%
Total	1,443	2,809	-49%	1,443	2,809	-49%

The Group recorded a slightly lower revenue of RM115.5 million and a pre-tax profit of RM1.4 million mainly due to lower sales contribution from the segment of animal health product and higher feed production cost for the current period under review.

Poultry Farming

Despite the segment recorded a sustainable revenue, the pre-tax loss increased from RM0.3 million to RM1.2 million as the result of higher feed production cost coupled with higher depreciation cost for the financial period under review.

Investment and Trading

In line with the lower sales and profit contribution by the segment of animal health products as compared with higher customer's demand during the initial Movement Control Order in the preceding year corresponding period, it recorded a lower pre-tax profit of RM2.6 million for the financial period under review.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance	
	31-Mar-2021	31-Dec-2020	RM'000	%
Revenue	115,451	118,528	(3,077)	(2.6)
Profit/(Loss) before Interest & Tax	3,038	2,554	484	19.0
Profit/(Loss) before Tax	1,443	1,063	380	35.7
Profit/(Loss) after Tax	(798)	(2,143)	1,345	(62.8)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(798)	(2,143)	1,345	(62.8)

The revenue decreased by RM3.1 million representing 2.6% mainly due to the lower sales quantity of eggs. Despite the lower revenue, the group reported a slightly improvement in pre-tax profit by RM0.4 million mainly due to the disposal gain of fixed assets for the current quarter under review.



B3. Current Year Prospects

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. In view of recent increase in raw material price which is partly offsetting the improved selling price of eggs, the Directors are in opinion that the financial performance is remain challenging for the remaining 9 months period ending 31 December 2021.

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-Mar-2021 RM'000	Current YTD 31-Mar-2021 RM'000
Current year provision/(Reversal)	1,333	1,333
Deferred taxation/(Reversal)	908	908
Total Tax Expenses	2,241	2,241

The group effective income tax rate is higher than the statutory rate of 24% due to certain loss-making subsidiary companies and deferred tax adjustment on the unutilised capital allowance and unabsorbed losses.

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 31 March 2021 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 1st Quarter ended 31 MARCH 2021												
Secured												
Term loan	2,085	6,431	2,317	8,748	494	1,523	1,030	2,553	2,579	7,954	3,347	11,301
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	25	77	5,806	5,883	53	165	4,203	4,368	78	242	10,009	10,251
Sub total (1)				14,631				6,921				21,552
Unsecured												
Term loan	-	-	45,392	45,392	-	-	9,343	9,343	-	-	54,735	54,735
Bankers' acceptance	-	-	-	-	-	-	99,924	99,924	-	-	99,924	99,924
Revolving credit/OD	-	-	-	-	-	-	10,236	10,236	-	-	10,236	10,236
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				45,392				119,503				164,895
TOTAL Borrowings				60,023				126,424				186,447
as at 1st Quarter ended 31 MARCH 2020												
Secured												
Term loan	2,514	7,606	7,545	15,151	564	1,706	2,115	3,821	3,078	9,312	9,660	18,972
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	78	236	11,735	11,971	53	160	6,881	7,041	131	396	18,616	19,012
Sub total (1)				27,122				10,862				37,984
Unsecured												
Term loan	-	-	28,034	28,034	-	-	5,796	5,796	-	-	33,830	33,830
Bankers' acceptance	-	-	-	-	-	-	81,617	81,617	-	-	81,617	81,617
Revolving credit/OD	-	-	-	-	-	-	8,795	8,795	-	-	8,795	8,795
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				28,034				96,208				124,242
TOTAL Borrowings				55,156				107,070				162,226

- The increase of RM24.2 million in the total borrowings representing approx. 14.9% was mainly due to additional financing for CAPEX and working capital.
- The foreign currency exchange rate of SGD1=RM3.0845 was used for the reporting as at 31 March 2021, whereas the interest rates are in the range of 2.25% p.a. to 6.7% p.a.



B8. Financial Instruments

The Group has not entered into the forward contract to hedge the foreign currency purchase as at 31 March 2021

B9. Trade Receivables

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'000	
External	32,212	5,232	3,598	41,042	Cash-150 days
Related parties	2,659	1,626	1,864	6,149	Cash-150 days
TOTAL Trade Receivables	34,871	6,858	5,462	47,191	
Impairment loss of trade receivables	(170)	(38)	(1,133)	(1,341)	
NET Trade Receivables	34,701	6,820	4,329	45,850	

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
	31-Mar-2021	31-Dec-2020
	RM'000	RM'000
Realised profit	314,544	314,502
Unrealised loss	(33,929)	(33,088)
Retained profit	280,615	281,414

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
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	(798)	1,906	(798)	1,906
Number of ordinary shares in issue ('000)	293,851	293,851	293,851	293,851
Basic earnings/(loss) per share (sen)	(0.27)	0.65	(0.27)	0.65



B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 31-Mar-2021	Cummulative YTD 31-Mar-2021
	RM'000	RM'000
Interest income	(72)	(72)
Other income	(383)	(383)
Reversal of Impairment loss from trade receivable	(2)	(2)
(Gain) on disposal of PPE	(559)	(559)
(Gain)/Loss on derivative	(11)	(11)
(Gain)/Loss on foreign exchange - realised	(17)	(17)
(Gain)/Loss on foreign exchange - unrealised	(30)	(30)
Depreciation and amortisation:		
Depreciation of Property, plant & equipment	5,961	5,961
Amortisation of right-of-use	75	75

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 7 May 2021.