



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-2021	30-Jun-2020	30-Jun-2021	30-Jun-2020
	RM'000	RM'000	RM'000	RM'000
Revenue	118,019	120,750	233,470	236,732
Operating expense	(134,968)	(115,727)	(248,435)	(227,603)
Other income	4,494	948	5,568	1,444
Finance cost	(1,453)	(1,712)	(3,068)	(3,505)
Profit/(Loss) before taxation	(13,908)	4,259	(12,465)	7,068
Tax expense	3,380	(1,077)	1,139	(1,980)
Profit/(Loss) for the period	(10,528)	3,182	(11,326)	5,088
Other comprehensive income:				
Currency translation differences	21	-	334	(2)
Available-for-sale financial assets	-	291	-	188
Total comprehensive income/(expense) for the period	(10,507)	3,473	(10,992)	5,274
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(10,528)	3,182	(11,326)	5,088
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	(10,507)	3,473	(10,992)	5,274
Basic EPS (sen)	(3.58)	1.08	(3.85)	1.73

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 30-Jun-2021	As at Preceding Financial Year Ended 31-Dec-2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	374,075	373,605
Right-of-use asset	3,388	5,106
Equity instruments classified as FVOCI	7	7
Goodwill on consolidation	102	102
Deferred tax assets	334	449
Prepayment for purchase of property, plant & equipment	3,721	3,721
	381,627	382,990
Current Assets		
Biological assets	57,226	55,691
Inventories	46,890	48,196
Trade receivables	49,552	50,043
Other receivables and prepaid expenses	9,838	3,358
Tax recoverable	4,828	5,762
Fixed deposit, bank and cash balances	30,602	44,919
	198,936	207,969
TOTAL ASSETS	580,563	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	245,425	256,378
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	297,090	308,034
Non-Current Liabilities		
Term loan	52,068	52,178
Hire purchase payable	6,269	9,246
Lease liabilities	3,274	3,342
Deferred tax liabilities	29,557	33,444
	91,168	98,210
Current Liabilities		
Trade payables	38,786	30,297
Other payables and accrued expenses	18,942	24,281
Hire purchase payable	4,639	6,354
Other bank borrowings	128,904	122,011
Lease liabilities	238	232
Tax Liabilities	796	1,540
	192,305	184,715
TOTAL LIABILITIES	283,473	282,925
TOTAL EQUITY AND LIABILITIES	580,563	590,959
Net asset per share attributable to Ordinary Equity Holders	1.01	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				48				48
Profit/(Loss) after taxation for the period							(11,326)	(11,326)
Other comprehensive income/(expenses) for the period					(1)	334		-
Dividend paid/payable								-
Conversion of warrant								-
Balance as at 30 JUNE 2021	60,011	(26,078)	(8,346)	495	4	917	270,087	297,090
Balance as at 1 Jan 2020	60,002	(26,078)	(8,346)	284	6	599	280,155	306,622
ESOS- value of employee service				105				105
Profit/(Loss) 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)
Conversion of warrant	9							9
Balance as at 30 JUNE 2020	60,011	(26,078)	(8,346)	389	4	787	282,304	309,071

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 30-Jun-2021 RM'000	Preceding Year-to-date 30-Jun-2020 RM'000
Profit/(Loss) before taxation	(12,465)	7,068
Adjustments for non-cash flow:		
Non-cash items	8,130	11,899
Non-operating items	2,932	3,252
Operating profit before working capital changes	(1,403)	22,219
Changes in working capital		
Net changes in current assets	(6,414)	1,072
Net changes in current liabilities	2,611	(9,431)
Cash generated from operations	(5,206)	13,860
Interest income received	134	156
Income tax refunded/(paid)	(2,502)	(7,018)
Net Cash Flow from Operating Activities	(7,574)	6,998
Proceeds from disposal of property, plant and equipment	4,342	225
Proceeds from disposal of right-of-used assets	4,620	-
Purchase of property, plant and equipment	(12,199)	(12,827)
Net Cash Flow from/(used in) Investing Activities	(3,237)	(12,602)
Bank borrowings	1,370	7,292
Finance cost paid	(3,068)	(3,505)
Issuance of shares	-	9
Dividend paid	-	(2,939)
Net Cash Flow from/(used in) Financing Activities	(1,698)	857
Net Increase/(Decrease) in cash and cash equivalents	(12,509)	(4,747)
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	30,602	36,354
Cash and bank balances	30,602	37,198
Bank overdraft	-	(844)
Total Cash and cash equivalents	30,602	36,354

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 2020.



NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 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	194,485	(22,018)
Investment and Trading of Related Products	38,985	9,553
TOTAL	233,470	(12,465)

Business Segments

	Investment and Trading of related poultry products	Poultry Farming	Adjustments	Group
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	38,985	194,485		233,470
Internal	9,176	-	(9,176)	-
Total Revenue	48,161	194,485	(9,176)	233,470
Segment profit before interest & tax	9,716	(18,930)	(183)	(9,397)
Finance cost				(3,068)
Unaudited Consolidated Profit/(Loss) before Tax				(12,465)
Tax expense				1,139
Unaudited Consolidated Profit/(Loss) after Tax				(11,326)
Assets				
Segment Assets	156,826	516,427	(97,859)	575,394
Unallocated assets: Income producing assets				7
Unallocated assets: Deferred tax assets				334
Unallocated assets: Tax recoverable				4,828
				580,563
Liabilities				
Segment Liabilities	13,506	41,970	5,764	61,240
Unallocated liabilities: Borrowings				191,880
Unallocated liabilities: current/deferred tax liabilities				30,353
				283,473

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	9,644
Approved but not contracted for	6,816

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 RM398.1 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-2021 RM'000	Cumulative 6-month ended 30-Jun-2021 RM'000
Sales of eggs, veterinary products, egg trays and others	4,482	8,802
Purchase of day-old-chick, veterinary products and raw material	3,625	7,436
Transportation	2,056	4,249
Other services	685	994



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-2021	30-Jun-2020		30-Jun-2021	30-Jun-2020	
	RM'000	RM'000		RM'000	RM'000	
REVENUE						
Poultry Farming	97,725	102,119	-4%	194,485	199,150	-2%
Investment and Trading	20,294	18,631	9%	38,985	37,582	4%
Total	118,019	120,750	-2%	233,470	236,732	-1%
PROFIT/(LOSS) BEFORE TAX						
Poultry Farming	(20,837)	2,328	-995%	(22,018)	2,058	-1170%
Investment and Trading	6,929	1,931	259%	9,553	5,010	91%
Total	(13,908)	4,259	-427%	(12,465)	7,068	-276%

The Group recorded lower revenue of RM233.5 and a pre-tax loss of RM12.5 million mainly due to the lower sales contribution in poultry segment and the hike in commodity prices of raw materials such as maize and soyabean for the current period under review

Poultry Farming

Despite the increase in sales volume, the segment recorded a lower revenue of RM194.5 million and pre-tax loss of RM22.0 million mainly due to the lower egg price and higher feed production cost for the financial period under review.

Investment and Trading

The segment recorded a slightly increase in sales revenue from RM37.6 million to RM39.0 million. Nevertheless, the surge in pre-tax profit of RM9.6 million, representing an increase of 91%, which was due to a gain on the disposal of right-of-use assets.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance	
	30-Jun-2021	31-Mar-2021	RM'000	%
Revenue	118,019	115,451	2,568	2.2
Profit/(Loss) before Interest & Tax	(12,455)	3,038	(15,493)	(510.0)
Profit/(Loss) before Tax	(13,908)	1,443	(15,351)	(1,063.8)
Profit/(Loss) after Tax	(10,528)	(798)	(9,730)	1,219.3
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(10,528)	(798)	(9,730)	1,219.3

The increase of Group's revenue by RM2.6 million representing 2.2% was due to the higher sales quantity of eggs. However, the Group recorded pre-tax loss of RM13.9 million mainly due to the increase in feed production cost for the current quarter under review.



B3. Current Year Prospects

In view of the improved selling price of eggs which partially offset the increase in feed price, coupled with the proactive measures in mitigating the possible impacts to the financial position and operations of the Group, the Directors are in opinion that the financial performance is remain challenging for the remaining 6 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 30-Jun-2021 RM'000	Current YTD 30-Jun-2021 RM'000
Current year provision/(Reversal)	1,288	2,621
Deferred taxation/(Reversal)	(4,738)	(3,830)
Real Property Gain Tax ("RPGT") (refund)	70	70
Total Tax Expenses/(Reversal)	(3,380)	(1,139)

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 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 2nd Quarter ended 30 JUNE 2021												
Secured												
Term loan	1,951	6,023	4,930	10,953	501	1,547	2,085	3,632	2,452	7,570	7,015	14,585
Bankers' acceptance	-	-	-	-	-	-	-	-	-	-	-	-
Revolving credit/OD	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase	12	37	6,232	6,269	53	164	4,475	4,639	65	201	10,707	10,908
Sub total (1)				17,222				8,271				25,493
Unsecured												
Term loan	-	-	41,115	41,115	-	-	7,858	7,858	-	-	48,973	48,973
Bankers' acceptance	-	-	-	-	-	-	109,414	109,414	-	-	109,414	109,414
Revolving credit/OD	-	-	-	-	-	-	8,000	8,000	-	-	8,000	8,000
Hire purchase	-	-	-	-	-	-	-	-	-	-	-	-
Sub total (2)				41,115				125,272				166,387
TOTAL Borrowings				58,337				133,543				191,880
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

1. The increase of RM21.7 million in the total borrowings representing approx. 12.7% was mainly due to additional financing for CAPEX and working capital.
2. The foreign currency exchange rate of SGD1=RM3.0873 was used for the reporting as at 30 June 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 30 June 2021.

B9. Trade Receivables

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'000	
External	36,086	5,246	5,328	46,660	Cash-150 days
Related parties	2,698	2,198	-	4,896	Cash-150 days
TOTAL Trade Receivables	38,784	7,444	5,328	51,556	
Impairment loss of trade receivables	(650)	(44)	(1,310)	(2,004)	
NET Trade Receivables	38,134	7,400	4,018	49,552	

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-2021	31-Mar-2021
	RM'000	RM'000
Realised profit	299,383	314,544
Unrealised loss	(29,296)	(33,929)
Retained profit	270,087	280,615

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-2021	30-Jun-2020	30-Jun-2021	30-Jun-2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	(10,528)	3,182	(11,326)	5,088
Number of ordinary shares in issue ('000)	293,851	293,851	293,851	293,851
Basic earnings/(loss) per share (sen)	(3.58)	1.08	(3.85)	1.73



B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30-Jun-2021	Cummulative YTD 30-Jun-2021
	RM'000	RM'000
Interest income	(62)	(134)
Other income	(162)	(545)
Reversal of Impairment loss from trade receivable	(1)	(3)
(Gain) on disposal of PPE	(1,320)	(1,879)
(Gain) on disposal of right-of-use assets	(2,996)	(2,996)
(Gain)/Loss on derivative	-	(11)
(Gain)/Loss on foreign exchange - realised	138	121
(Gain)/Loss on foreign exchange - unrealised	102	72
Depreciation and amortisation:		
Depreciation of Property, plant & equipment	5,992	11,953
Amortisation of right-of-use	74	149

B15. Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 17 August 2021.