



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED
30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30-Jun-2022	30-Jun-2021	30-Jun-2022	30-Jun-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	157,386	118,019	304,746	233,470
Operating expenses	(164,161)	(134,968)	(306,671)	(248,435)
Other income	10,840	4,494	11,358	5,568
Finance cost	(1,604)	(1,453)	(3,235)	(3,068)
Profit/(Loss) before taxation	2,461	(13,908)	6,198	(12,465)
Tax expenses	1,471	3,380	1,894	1,139
Profit/(Loss) for the period	3,932	(10,528)	8,092	(11,326)
Other comprehensive income:				
Currency translation differences	486	21	646	334
Fair value changes of equity instruments classified as FVOCI	0	0	0	0
Total comprehensive income/(expense) for the period	4,418	(10,507)	8,738	(10,992)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	3,932	(10,528)	8,092	(11,326)
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	4,418	(10,507)	8,738	(10,992)
Earnings per ordinary share:				
Basic EPS (sen)	1.34	(3.58)	2.75	(3.85)
Diluted EPS (sen)	1.34	(3.58)	2.75	(3.85)

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the year ended 31 December 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at Current Quarter ended 30-Jun-2022 RM'000	Audited as at Preceding Financial Year ended 31-Dec-2021 RM'000
Assets		
Non-current Assets		
Property, plant & equipment	375,077	373,443
Right-of-use assets	3,232	3,298
Equity instruments classified as FVOCI	6	7
Goodwill on consolidation	102	102
Deferred tax assets	392	309
Prepayment for purchase of property, plant & equipment	807	807
	379,616	377,966
Current Assets		
Biological assets	63,311	65,073
Inventories	50,472	58,566
Trade receivables	52,308	54,638
Other receivables and prepaid expenses	11,379	12,360
Tax recoverable	5,223	4,752
Fixed deposits, bank and cash balances	50,463	49,016
	233,156	244,405
TOTAL ASSETS	612,772	622,371
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	60,011	60,011
Treasury shares	(8,346)	(8,346)
Reserves	268,565	259,809
Total Equity attributable to Owners of the Company	320,230	311,474
Non-current Liabilities		
Term loan	45,646	48,919
Hire purchase payable	4,073	5,073
Lease liabilities	3,302	3,260
Deferred tax liabilities	23,943	28,923
	76,964	86,175
Current Liabilities		
Trade payables	36,969	39,814
Other payables and accrued expenses	15,854	23,104
Hire purchase payable	4,233	4,500
Other bank borrowings	156,584	156,078
Lease liabilities	102	185
Tax payable	1,836	1,041
	215,578	224,722
TOTAL LIABILITIES	292,542	310,897
TOTAL EQUITY & LIABILITIES	612,772	622,371
Net asset per share attributable to Ordinary Equity Holders	1.09	1.06

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 2021.



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 January 2022	60,011	(26,078)	(8,346)	517	4	910	284,456	311,474
ESOS - value of employee service				18				18
Profit/(Loss) for the period							8,092	8,092
Other comprehensive income/(expenses) for the period						646		646
Balance as at 30 JUNE 2022	60,011	(26,078)	(8,346)	535	4	1,556	292,548	320,230
Balance as at 1 January 2021	60,011	(26,078)	(8,346)	447	5	583	281,413	308,035
ESOS - value of employee service				48				48
Profit/(Loss) for the period							(11,326)	(11,326)
Other comprehensive income/(expenses) for the period					(1)	334		333
Balance as at 30 JUNE 2021	60,011	(26,078)	(8,346)	495	4	917	270,087	297,090

Notes:

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 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year to-date 30-Jun-2022 RM'000	Preceding Year to-date 30-Jun-2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	6,198	(12,465)
Adjustments for non-cash flow:		
Non-cash items	12,703	8,130
Non-operating items	2,972	2,932
Operating profit before working capital changes	21,873	(1,403)
Changes in working capital		
Net changes in current assets	12,892	(6,414)
Net changes in current liabilities	(9,623)	2,611
Cash generated from operations	25,142	(5,206)
Interest received	196	134
Tax (paid)/refund	(2,951)	(2,502)
Net Cash Flow generated from Operating Activities	22,387	(7,574)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant & equipment	238	4,342
Proceed from disposal of ROU assets	0	4,620
Purchase of property, plant & equipment	(12,577)	(12,199)
Net Cash Flows used in Investing Activities	(12,339)	(3,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(5,366)	1,370
Interest paid	(3,235)	(3,068)
Net Cash Flows from/(used in) Financing Activities	(8,601)	(1,698)
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	1,447	(12,509)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	49,016	43,111
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	50,463	30,602
Cash and bank balances	50,463	30,602
Bank overdraft	0	0
CASH AND CASH EQUIVALENTS	50,463	30,602

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 2021.

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

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 2021 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 2021.

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		256,216	(56)	
Investment and trading of poultry related products		48,530	6,254	
TOTAL		304,746	6,198	

Business Segments		Investment & Trading of poultry related products	Poultry Farming	Adjustments	Group
		RM'000	RM'000	RM'000	RM'000
Revenue					
External		48,530	256,216		304,746
Internal		17,260	0	(17,260)	0
TOTAL Revenue		65,790	256,216	(17,260)	304,746
Segment profit before interest & tax		9,860	2,954	(3,577)	9,237
Finance income					196
Finance cost					(3,235)
Unaudited Consolidated Profit/(Loss) before taxation					6,198
Tax expense					1,894
Unaudited Consolidated Profit/(Loss) after taxation					8,092
Assets					
Segment assets		181,624	554,787	(129,260)	607,151
Unallocated assets: Income producing assets					6
Unallocated assets: Deferred tax assets					392
Unallocated assets: Tax recoverable					5,223
TOTAL Assets					612,772
Liabilities					
Segment liabilities		9,189	60,453	(13,415)	56,227
Unallocated liabilities: Bank borrowings					210,536
Unallocated liabilities: Current/Deferred Tax liabilities					25,779
TOTAL Liabilities					292,542

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

	TOTAL
	RM'000
Contracted but not provided for	1,682
Approved but not contracted for	9,859

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 RM430.4 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 months ended 30-Jun-2022 RM'000	Cumulative 6 months ended 30-Jun-2022 RM'000
Sales of eggs, animal health products, egg trays and others	5,393	10,686
Purchase of day-old-chick, animal health products and raw material	4,236	9,037
Transportation	2,092	4,040
Other services	652	1,199

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-2022	30-Jun-2021		30-Jun-2022	30-Jun-2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Poultry farming	130,899	97,725	33.9%	256,216	194,485	31.7%
Investment & Trading of poultry related products	26,487	20,294	30.5%	48,530	38,985	24.5%
TOTAL	157,386	118,019	33.4%	304,746	233,470	30.5%
Profit/(Loss) before taxation						
Poultry farming	(1,270)	(20,837)	93.9%	(56)	(22,018)	99.7%
Investment & Trading of poultry related products	3,731	6,929	-46.2%	6,254	9,553	-34.5%
TOTAL	2,461	(13,908)	117.7%	6,198	(12,465)	149.7%

The Group recorded a higher revenue by RM71.3 million representing an increase of 30.5% and a pre-tax profit of RM6.2 million for the current period under review.

Poultry Farming

The segment reported higher revenue of RM256.2 million representing an increase of 31.7% resulting from the continued improved selling price of eggs. Nevertheless, the continued higher feed cost with the cushion of egg subsidy from the Government had resulted the segment to record a pre-tax loss of RM56,000 for the period under review.

Investment and Trading

The segment recorded an increase in revenue by RM9.5 million and a sustainable pre-tax profit of RM6.3 million, representing a decline of 34.5% in pre-tax profit due to the gain on disposal of right-of-use asset in preceding year corresponding quarter.

B2. Comparison with the immediate Preceding Quarter's Results

	Current Quarter ended	Immediate Preceding Quarter ended	Variance	
	30-Jun-2022	31-Mar-2022		
	RM'000	RM'000	RM'000	%
Revenue	157,386	147,360	10,026	6.8%
Profit/(Loss) before interest & tax	3,869	5,368	(1,499)	-27.9%
Profit/(Loss) before taxation	2,461	3,737	(1,276)	-34.1%
Profit/(Loss) after taxation	3,932	4,160	(228)	-5.5%
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	3,932	4,160	(228)	-5.5%

The revenue increased from RM147.4 million to RM157.4 million representing an improvement of 6.8% which was mainly due to increase in sales quantity of eggs in domestic market. Despite the egg subsidy provided by the Government and better contribution from the segment of animal health products, the Group still recorded a slight decrease in pre-tax profit by RM1.3 million representing a decrease of 34.1% as a consequence of the continued higher production cost in the current quarter.

B3. Current Year Prospects

In view of the business resumption with uncertainty market conditions, the Directors are in opinion that the financial performance is remain challenging for the remaining 6 months period ending 31 December 2022.

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	Current Year to-date
	30-Jun-2022	30-Jun-2022
	RM'000	RM'000
Current year provision/(reversal)	1,827	3,370
(Over)/Underprovision in prior year	0	(117)
Deferred taxation/(reversal)	(3,298)	(5,168)
Real property gain tax/(refund)	0	21

The effective income tax rate is below the statutory income tax rate for the current period under review due to unutilised tax losses carried forward.

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 2022 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 2022												
Secured												
Term loan	0	0	1,030	1,030	0	0	1,030	1,030	0	0	2,060	2,060
Bankers' acceptance	0	0	0	0	0	0	0	0	0	0	0	0
Revolving credit/OD	0	0	0	0	0	0	0	0	0	0	0	0
Hire purchase	0	0	4,073	4,073	12	37	4,196	4,233	12	37	8,269	8,306
Sub total (1)				5,103				5,263				10,366
Unsecured												
Term loan	0	0	44,616	44,616	0	0	11,511	11,511	0	0	56,127	56,127
Bankers' acceptance	0	0	0	0	0	0	134,043	134,043	0	0	134,043	134,043
Revolving credit/OD	0	0	0	0	0	0	10,000	10,000	0	0	10,000	10,000
Hire purchase	0	0	0	0	0	0	0	0	0	0	0	0
Sub total (2)				44,616				155,554				200,170
TOTAL Borrowings				49,719				160,817				210,536
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	0	0	0	0	0	0	0	0	0	0	0	0
Revolving credit/OD	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	41,115	41,115	0	0	7,858	7,858	0	0	48,973	48,973
Bankers' acceptance	0	0	0	0	0	0	109,414	109,414	0	0	109,414	109,414
Revolving credit/OD	0	0	0	0	0	0	8,000	8,000	0	0	8,000	8,000
Hire purchase	0	0	0	0	0	0	0	0	0	0	0	0
Sub total (2)				41,115				125,272				166,387
TOTAL Borrowings				58,337				133,543				191,880

1. The increase of RM18.7 million in the total borrowings representing approx. 9.7% was mainly due to additional financing for working capital.
2. The foreign currency exchange rate of SGD1=RM3.1697 was used for reporting as at 30 June 2022, interest rate in the range of 2.1% p.a. to 3.4% p.a.



B8. Financial Instruments

The was no forward contract entered for the period under review.

B9. Trade Receivables

	<60 days	61-120 days	> 120 days	TOTAL	Credit Term (days)
	RM'000	RM'000	RM'000	RM'000	
External	40,905	4,281	3,542	48,728	Cash-150 days
Related parties	3,099	1,844	23	4,966	Cash-150 days
TOTAL Trade Receivables	44,004	6,125	3,565	53,694	
Impairment loss of trade receivables	(146)	(1)	(1,239)	(1,386)	
NET Trade Receivables	43,858	6,124	2,326	52,308	

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-2022	31-Mar-2022
	RM'000	RM'000
Realised profit	316,043	315,333
Unrealised loss	(23,496)	(27,718)
Retained profit	292,547	288,615



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-2022	30-Jun-2021	30-Jun-2022	30-Jun-2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	3,932	(10,528)	8,092	(11,326)
Number of ordinary shares in issue ('000)	293,851	293,851	293,851	293,851
Basic earnings/(loss) per share (sen)	1.34	(3.58)	2.75	(3.85)

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended	YTD ended
	30-Jun-2022	30-Jun-2022
	RM'000	RM'000
Interest income	(118)	(196)
Other income	(10,577)	(10,816)
(Gain) on disposal of PPE	(121)	(207)
(Gain)/Loss on derivative	-	(6)
(Gain)/Loss on foreign exchange - realised	(21)	(78)
(Gain)/Loss on foreign exchange - unrealised	(3)	(55)
Depreciation and amortisation:		
Depreciation of Property, plant & equipment	6,326	12,577
Amortisation of right-of-use	77	153

B15 Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 16 August 2022.