



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED
30 JUNE 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	177,737	157,386	361,137	304,746
Operating expenses	(161,146)	(164,161)	(336,498)	(306,671)
Other income	7,989	10,840	26,354	11,358
Finance cost	(1,953)	(1,604)	(3,944)	(3,235)
Profit/(Loss) before taxation	22,627	2,461	47,049	6,198
Tax expenses	2,772	1,471	(1,966)	1,894
Profit/(Loss) for the period	25,399	3,932	45,083	8,092
Other comprehensive income:				
Currency translation differences	1,030	486	1,444	646
fair value changes of equity instruments classified as FVOCI	(1)	0	0	0
Total comprehensive income/(expense) for the period	26,428	4,418	46,527	8,738
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	25,399	3,932	45,083	8,092
Total comprehensive income/(expense) attributable to:				
Equity holders of the parent	26,428	4,418	46,527	8,738
Earnings per ordinary share:				
Basic EPS (sen)	8.65	1.34	15.35	2.75
Diluted EPS (sen)	8.65	1.34	15.35	2.75

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 2022.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at Current Quarter ended 30-Jun-2023 RM'000	Audited as at Preceding Financial Year ended 31-Dec-2022 RM'000
Assets		
Non-current Assets		
Property, plant & equipment	386,778	375,222
Right-of-use assets	4,483	3,554
Equity instruments classified as FVOCI	7	7
Goodwill on consolidation	102	102
Deferred tax assets	448	238
Prepayment for purchase of property, plant & equipment	191	191
	392,009	379,314
Current Assets		
Biological assets	72,402	57,346
Inventories	63,576	70,952
Trade receivables	54,450	55,443
Other receivables and prepaid expenses	16,525	11,570
Tax recoverable	4,455	4,442
Fixed deposits, bank and cash balances	45,363	41,100
	256,771	240,853
TOTAL ASSETS	648,780	620,167
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	60,011	60,011
Treasury shares	(8,626)	(8,346)
Reserves	323,578	282,928
Total Equity attributable to Owners of the Company	374,963	334,593
Non-current Liabilities		
Term loan	50,782	42,017
Hire purchase payable	3,833	3,169
Lease liabilities	3,852	3,491
Deferred tax liabilities	28,460	29,984
	86,927	78,661
Current Liabilities		
Trade payables	38,585	51,649
Other payables and accrued expenses	19,250	20,474
Hire purchase payable	3,686	3,841
Other bank borrowings	122,503	129,296
Lease liabilities	876	265
Tax payable	1,990	1,388
	186,890	206,913
TOTAL LIABILITIES	273,817	285,574
TOTAL EQUITY & LIABILITIES	648,780	620,167
Net asset per share attributable to Ordinary Equity Holders	1.28	1.14

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 2022.

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 2023	60,011	(26,078)	(8,346)	535	5	2,371	306,095	334,593
ESOS - value of employee service								0
Profit/(Loss) for the period							45,083	45,083
Dividend paid/payable							(5,876)	(5,876)
Other comprehensive income/(expenses) for the period			(280)			1,443		1,163
Balance as at 30 JUNE 2023	60,011	(26,078)	(8,626)	535	5	3,814	345,302	374,963
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

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 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year to-date 30-Jun-2023 RM'000	Preceding Year to-date 30-Jun-2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	47,049	6,198
Adjustments for non-cash flow:		
Non-cash items	13,885	12,703
Non-operating items	3,079	2,972
Operating profit before working capital changes	64,014	21,873
Changes in working capital		
Net changes in current assets	(11,840)	12,892
Net changes in current liabilities	(14,167)	(9,623)
Cash generated from operations	38,007	25,142
Interest received	863	196
Tax (paid)/refund	(3,333)	(2,951)
Net Cash Flow generated from Operating Activities	35,537	22,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant & equipment	244	238
Proceed from disposal of ROU assets	0	0
Purchase of property, plant & equipment	(21,176)	(12,577)
Net Cash Flows used in Investing Activities	(20,932)	(12,339)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(241)	(5,366)
Share buy-back	(280)	0
Dividend paid	(5,876)	0
Interest paid	(3,944)	(3,235)
Net Cash Flows from/(used in) Financing Activities	(10,342)	(8,601)
NET CHANGES IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	4,264	1,447
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	41,100	49,016
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	45,363	50,463
Cash and bank balances	45,363	50,463
Bank overdraft	0	0
CASH AND CASH EQUIVALENTS	45,363	50,463

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 2022.

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2023

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 2022 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 2022.

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, resale and repayment of debts and equity securities except for repurchase of 315,700 treasury shares for the current financial year to date.

A8. Dividend Paid

A first interim single-tier dividend of RM0.02 per ordinary shares amounting to approximately RM5.90 million in respect of the financial year ending 31 December 2023 was declared on 15 May 2023 and paid on 28 June 2023.

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)	
Poultry farming	
Investment and trading of poultry related products	
TOTAL	

Segmental Revenue	Profit/(Loss) before Taxation
RM'000	RM'000
311,031	42,424
50,106	4,625
361,137	47,049

Business Segments	
Revenue	
External	
Internal	
TOTAL Revenue	
Segment profit before interest & tax	
Finance income	
Finance cost	
Unaudited Consolidated Profit/(Loss) before taxation	
Tax expense	
Unaudited Consolidated Profit/(Loss) after taxation	
Assets	
Segment assets	
Unallocated assets: Income producing assets	
Unallocated assets: Deferred tax assets	
Unallocated assets: Tax recoverable	
TOTAL Assets	
Liabilities	
Segment liabilities	
Unallocated liabilities: Bank borrowings	
Unallocated liabilities: Current/Deferred Tax liabilities	
TOTAL Liabilities	

Investment & Trading of poultry related products	Poultry Farming	Adjustments	Group
RM'000	RM'000	RM'000	RM'000
50,106	311,031		361,137
29,135		(29,135)	0
79,241	311,031	(29,135)	361,137
21,144	45,634	(16,649)	50,129
			864
			(3,944)
			47,049
			(1,966)
			45,083
221,512	590,510	(168,153)	643,870
			7
			448
			4,455
			648,780
12,067	59,092	(8,596)	62,563
			180,804
			30,450
			273,817

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	917
Approved but not contracted for	7,247

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 significant changes on the corporate guarantee 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-2023 RM'000	Cumulative 6 months ended 30-Jun-2023 RM'000
Sales of eggs, animal health products, egg trays and others	4,326	9,250
Purchase of day-old-chick, animal health products and raw material	6,095	12,426
Transportation	2,319	4,762
Other services	910	1,830

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-2023	30-Jun-2022		30-Jun-2023	30-Jun-2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Poultry farming	152,740	130,899	16.7%	311,031	256,216	21.4%
Investment & Trading of poultry related products	24,997	26,487	-5.6%	50,106	48,530	3.2%
TOTAL	177,737	157,386	12.9%	361,137	304,746	18.5%
Profit/(Loss) before taxation						
Poultry farming	20,975	(1,270)	1751.7%	42,424	(56)	75857.1%
Investment & Trading of poultry related products	1,652	3,731	-55.7%	4,625	6,254	-26.0%
TOTAL	22,627	2,461	819.4%	47,049	6,198	659.1%

The Group recorded an impressive pre-tax profit of RM47.0 million representing an increase of 659.1% on the back of higher revenue of RM361.1 million representing an increase of 18.5% for the current period under review.

Poultry Farming

The increase of 21.4% in revenue to RM311.0 million recorded in the current period was primarily contributed from improved selling price of eggs coupled with the higher sales quantity. In line with the improvement in revenue, poultry farming segment recorded a surge in profit before tax of RM42.4 million for the current period under review.

Investment and Trading

The segment recorded a lower pre-tax profit of RM4.6 million representing a decrease of 26.0% for the period under review mainly due to lower sales of companion animal products.

B2. Comparison with the immediate Preceding Quarter's Results

	Current Quarter ended	Immediate Preceding Quarter ended	Variance	
	30-Jun-2023	31-Mar-2023		
	RM'000	RM'000	RM'000	%
Revenue	177,737	183,400	(5,663)	-3.1%
Profit/(Loss) before interest & tax	24,580	26,413	(1,833)	-6.9%
Profit/(Loss) before taxation	22,627	24,422	(1,795)	-7.3%
Profit/(Loss) after taxation	25,399	19,684	5,715	29.0%
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	25,399	19,684	5,715	29.0%

The Group recorded a 3.1% decrease of revenue from RM183.4 million to RM177.7 million. The lower pre-tax profit by RM1.8 million or a decrease of 7.3% was mainly due to slightly lower selling price of eggs.

B3. Current Year Prospects

In view of the improved market conditions, the Directors are in opinion that the financial performance is satisfactory for the remaining 6 months period ending 31 December 2023.

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-2023	30-Jun-2023
	RM'000	RM'000
Current year provision/(reversal)	1,978	3,922
(Over)/Underprovision in prior year	0	0
Deferred taxation/(reversal)	(4,750)	(1,956)
Real property gain tax/(refund)	0	0

The effective income tax rate is below the statutory income tax rate for the current period under review mainly due to utilisation of unabsorbed capital allowance.

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 2023 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 2023												
Secured												
Term loan	0	0	537	537	0	0	1,187	1,187	0	0	1,724	1,724
Hire purchase	0	0	3,833	3,833	0	0	3,686	3,686	0	0	7,519	7,519
Sub total (1)				4,370				4,873				9,243
Unsecured												
Term loan	0	0	50,244	50,244	0	0	11,520	11,520	0	0	61,764	61,764
Bankers' acceptance	0	0	0	0	0	0	104,796	104,796	0	0	104,796	104,796
Revolving credit/OD	0	0	0	0	0	0	5,000	5,000	0	0	5,000	5,000
Sub total (2)				50,244				121,316				171,560
TOTAL Borrowings				54,614				126,189				180,803
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
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
Sub total (2)				44,616				155,554				200,170
TOTAL Borrowings				49,719				160,817				210,536

1. The decrease of RM29.7 million in the total borrowings representing approx. 14.1% was mainly due to reduction in utilization of trade financing.
2. Interest rate was in the range of 2.2% p.a. to 5.1% 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	47,303	3,005	2,028	52,336	Cash-150 days
Related parties	2,812	1,040		3,852	Cash-150 days
TOTAL Trade Receivables	50,115	4,045	2,028	56,188	
Impairment loss of trade receivables	(731)	(6)	(1,001)	(1,738)	
NET Trade Receivables	49,384	4,039	1,027	54,450	

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-2023	31-Mar-2023
	RM'000	RM'000
Realised profit	373,513	358,535
Unrealised loss	(28,211)	(32,756)
Retained profit	345,302	325,779

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-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent (RM'000)	25,399	3,932	45,083	8,092
Number of ordinary shares in issue ('000)	293,694	293,851	293,694	293,851
Basic earnings/(loss) per share (sen)	8.65	1.34	15.35	2.75

B14. Notes to the Statement of Comprehensive Income

	Current Quarter ended 30-Jun-23	YTD ended 30-Jun-23
	RM'000	RM'000
Interest income	(699)	(863)
Other income	(7,085)	(24,963)
Insurance claim	0	(15)
Reversal of Impairment loss from trade receivable	(1)	(1)
(Gain) on disposal of PPE	(23)	(228)
(Gain) on disposal of right-of-use assets	0	0
(Gain)/Loss on derivative	0	(135)
(Gain)/Loss on foreign exchange - realised	(225)	(347)
(Gain)/Loss on foreign exchange - unrealised	44	198
Depreciation and amortisation:		
Depreciation of Property, plant & equipment	6,773	13,322
Amortisation of right-of-use	230	456

B15 Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors on 22 Aug 2023.