

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

(formerly known as Farm's Best Berhad)

Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2017**

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		31/12/2017 Unaudited RM'000	31/12/2016 Restated RM'000	31/12/2017 Unaudited RM'000	31/12/2016 Audited RM'000
Continuing Operations					
Revenue	9, 14 & 15	71,623	76,743	299,532	343,696
Cost of sales		(64,825)	(68,429)	(270,482)	(306,860)
Gross profit		<u>6,798</u>	<u>8,314</u>	<u>29,050</u>	<u>36,836</u>
Other income	24	52,587	2,487	53,962	41,921
Administrative expenses		(20,064)	(9,534)	(44,360)	(53,295)
Selling and marketing expenses		(1,541)	(1,210)	(6,246)	(5,688)
	9	<u>37,780</u>	<u>57</u>	<u>32,406</u>	<u>19,774</u>
Finance costs		(2,107)	(3,605)	(11,302)	(16,559)
Interest income		<u>498</u>	<u>563</u>	<u>1,534</u>	<u>1,756</u>
Profit/(Loss) before tax	9	<u>36,171</u>	<u>(2,985)</u>	<u>22,638</u>	<u>4,971</u>
Income tax expense	20	(3,926)	(990)	(7,019)	6,944
Profit/(Loss) for the period		<u><u>32,245</u></u>	<u><u>(3,975)</u></u>	<u><u>15,619</u></u>	<u><u>11,915</u></u>
Other comprehensive income/(loss), net of tax:					
Exchange differences arising on translation of					
foreign operation		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other comprehensive income/(loss), net of tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income/(loss) for the period		<u><u>32,245</u></u>	<u><u>(3,975)</u></u>	<u><u>15,619</u></u>	<u><u>11,915</u></u>
Profit/(Loss) attributable to:					
Owners of the Parent	14 & 15	32,267	(4,025)	15,633	11,936
Non-Controlling Interest		(22)	50	(14)	(21)
		<u>32,245</u>	<u>(3,975)</u>	<u>15,619</u>	<u>11,915</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Parent		32,267	(4,025)	15,633	11,936
Non-Controlling Interest		(22)	50	(14)	(21)
		<u>32,245</u>	<u>(3,975)</u>	<u>15,619</u>	<u>11,915</u>
Earnings/(Loss) per ordinary share attributable to owners of the parent:					
Basic(sen)	28	<u>52.82</u>	<u>(6.59)</u>	<u>25.59</u>	<u>19.54</u>
Fully diluted(sen)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

(formerly known as Farm's Best Berhad)

*Incorporated in Malaysia***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 DECEMBER 2017**

	Note	As At 31 December 2017 (Unaudited) RM'000	As At 31 December 2016 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		11,471	54,282
Prepaid lease payments		22	44
Goodwill		2,264	2,264
Deferred tax assets		2,246	1,380
Total non-current assets		16,003	57,970
Current Assets			
Property development costs		18,942	14,513
Inventories		12,526	14,876
Accrued billing in respect to development cost		-	1,014
Trade receivables	23	104,025	164,806
Other receivables		78,242	12,388
Tax recoverable		1,197	1,295
Held-to-maturity investments		19,486	58,716
Cash and bank balances		3,824	2,566
		238,242	270,174
Assets held for sale		17,774	15,696
Total current assets		256,016	285,870
TOTAL ASSETS		272,019	343,840
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		123,220	61,083
Share Premium		-	62,410
Other reserves		3,706	3,706
Accumulated losses		(16,920)	(32,553)
Equity attributable to owners of the parent		110,006	94,646
Non-controlling interest		1,289	1,243
Total equity		111,295	95,889
Non-current liabilities			
Bank borrowings	22	14,410	13,912
Deferred tax liabilities		2,168	3,988
		16,578	17,900
Current Liabilities			
Bank borrowings	22	89,767	171,909
Trade payables		20,926	23,474
Other payables		16,127	33,693
Amount due to ultimate holding company		7,900	-
Amount due to directors		-	357
Due to customers on contract		969	-
Tax payable		8,457	618
		144,146	230,051
Total liabilities		160,724	247,951
TOTAL EQUITY AND LIABILITIES		272,019	343,840
Net assets per share attributable to owners of the parent (RM)		1.8009	1.5495

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

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Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2017**

	Note	Attributable to Owners of the Parent					Non-Controlling Interest	Total Equity
		Non-distributable				Total		
		Capital	Share Premium	Warrants Reserves interests	Accumulated Losses			
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
At 1 January 2016		61,083	62,410	3,706	(44,489)	82,710	1,306	84,016
Total comprehensive loss for the period		-	-	-	11,936	11,936	(21)	11,915
Dividend paid to non-controlling interest		-	-	-	-	-	(42)	(42)
At 31 December 2016		<u>61,083</u>	<u>62,410</u>	<u>3,706</u>	<u>(32,553)</u>	<u>94,646</u>	<u>1,243</u>	<u>95,889</u>
At 1 January 2017		61,083	62,410	3,706	(32,553)	94,646	1,243	95,889
Adjustment for effects of Companies Act 2016	(a)	62,410	(62,410)	-	-	-	-	-
Utilisation of share premium account to defray expenses in relation to corporate proposals during the period	(a)	(273)	-	-	-	(273)	-	(273)
Total comprehensive income/(loss) for the period		-	-	-	15,633	15,633	(14)	15,619
Non-controlling interests contribution in new subsidiaries		-	-	-	-	-	60	60
At 30 September 2017		<u>123,220</u>	<u>-</u>	<u>3,706</u>	<u>(16,920)</u>	<u>110,006</u>	<u>1,289</u>	<u>111,295</u>

Note (a)

With the Companies Act 2016 ("CA 2016") that has taken effect on 31 January 2017, the credit standing in the share premium account of RM62,410,000 has been transferred to the share capital account. Pursuant to sub-section 618(3) and 618(4) of the CA 2016, the Group may exercise its right to use the credit amounts being transferred from share premium account within twenty four (24) months after commencement of the CA 2016. During the period, RM272,500 of the share premium account was utilised to defray corporate proposals expenses.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

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Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2017**

		Current Year 12 Months Unaudited 31/12/2017 RM'000	Preceding Year 12 Months Audited 31/12/2016 RM'000
Net profit/(loss) before tax	9	22,638	4,971
Adjustment for non-cash flow:-			
Depreciation and amortisation		1,530	6,438
Non cash items		(27,838)	1,931
Interest expense		11,302	16,559
Interest income		(1,534)	(1,756)
Operating profit before changes in working capital		6,098	28,143
Changes in working capital			
Net decrease in current assets		71,025	14,567
Net decrease in current liabilities		(19,502)	(54,010)
Net cash generated from/(used in) operating activities		57,621	(11,300)
Interest received		1,534	1,756
Interest paid		(11,302)	(16,559)
Tax paid		(1,866)	(1,368)
Net cash flows generated from/(used in) operating activities		45,987	(27,471)
Investing Activities			
Purchase of property, plant and equipment		(7,678)	(2,719)
Proceeds from sale of subsidiary company, net cash		-	12,320
Proceeds from sale of property, plant and equipment		36,904	602
Net cash flows generated from investing activities		29,226	10,203
Financing Activities			
Non-controlling interests contribution in new subsidiaries		60	-
Advance from ultimate holding company		7,900	-
Corporate proposal expenses		(273)	-
Payment to non-controlling interest		-	(42)
Net drawdown/(repayments) on bank borrowings		(76,427)	11,473
Net cash flows generated from/(used in) financing activities		(68,740)	11,431
Net Change in Cash & Cash Equivalents		6,473	(5,837)
Effects of exchange rate changes		-	-
Cash & Cash Equivalents at beginning of period		(13,796)	(7,959)
Cash & Cash Equivalents at end of period		(7,323)	(13,796)
Cash & Cash Equivalents comprises:			
Cash & bank balances		3,824	2,566
Overdraft	22	(11,147)	(16,362)
Cash & Cash equivalents at end of period		(7,323)	(13,796)
Included in the cash flows from operating activities are			
Cash receipts from customers		335,871	331,117
Cash payments to suppliers, contractors and employees		339,123	341,871

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

SINMAH CAPITAL BERHAD (301653-V)

(Formerly known as Farm's Best Berhad)

(Incorporated in Malaysia)

A) Notes in accordance to requirements under Financial Reporting Standards ("FRS") No. 134 - Interim Financial Reporting

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. These explanatory notes attached to the interim 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 since the year ended 31 December 2016.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2016.

On 1 January 2017, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 107: Disclosure Initiative	1 Jan 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
Annual Improvements to FRSs 2014 - 2016 Cycle: Amendments to FRS 12	1 Jan 2017

The adoption of the above standards did not have any material impact on the financial performance or position of the Group.

At the date of these interim financial statements, the following FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to FRSs 2014 - 2016 Cycle: Amendments to FRS 1	1 Jan 2018
Amendments to FRS 128	1 Jan 2018
FRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 Jan 2018
Amendments to FRS 2: Classification and measurement of Share-based payment Transactions	1 Jan 2018
Amendments to FRS 140: Transfers of Investment Property	1 Jan 2018
Amendments to FRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 Jan 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 Jan 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of the forthcoming insurance contracts standard for annual periods beginning before 1 January 2021.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, With the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly will be required to prepare financial statements using MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework.

The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these interim financial statements for the period ended 31 December 2017 could be different if prepared under the MFRS Framework.

3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2016 were reported without any qualification.

4. Comments about Seasonal or Cyclical factors

The Company operations are not affected by any seasonal or cyclical factors.

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2017.

6. Changes in Estimates

There were no changes in estimates that had any material effect to the financial statements in the quarter under review.

7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities for the current quarter and financial year to-date.

8. Dividends paid

No dividend has been declared for the current quarter ended 31 December 2017.

9. Segmental information

The Group is organized into two main business segments:

- (i) Poultry – This consists of manufacturing and wholesale of animal feeds, poultry breeding, hatchery operations, contract farming, and trading of feeds, day-old chicks, medications and vaccines.
- (ii) Property development – This consists of development and construction of residential and commercial properties.

Business segment

Segment information for the year ended 31 December 2017 was as follows:

	<u>Poultry</u>	<u>Property</u> <u>development</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000
2017				
Revenue	757,803	19,425	(477,696)	299,532
Results				
Segment results	33,652	(58)	-	33,594
Unallocated costs				(1,188)
Profit from operations				32,406
Finance income				1,534
Finance costs				(11,302)
Profit before tax				22,638

Unallocated costs represent common costs and expenses incurred by the company and its dormant subsidiary companies.

Segment information for the year ended 31 December 2016 was as follows:

	<u>Poultry</u>	<u>Property</u> <u>development</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000
2016(Audited)				
Revenue	876,583	39,703	(572,590)	343,696
Results				
Segment results	4,996	1,829	-	6,825
Unallocated gains				12,949
Profit from operations				19,774
Finance income				1,756
Finance costs				(16,559)
Profit before tax				4,971

Unallocated gains represent gains on disposal of subsidiary, net off common costs and expenses incurred by the company and its dormant subsidiary companies.

10. Subsequent Events

As at the date of this report, there were no material events subsequent to the current quarter ended 31 December 2017.

11. Changes to the composition of the Group

There were no changes in the composition of the Group in the current quarter under review, except for the following:

On 28 November 2017, Sinmah Livestocks Sdn Bhd (“SLSB”), a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase of Shares Agreement for the disposal of its 58.91% equity interest in Joint Farming Sdn. Bhd. (“JFSB”) equivalent to 3,240 ordinary shares of RM1.00 each to Malar Vili A/P Palanysamy for a total cash consideration of RM3.24. SLSB received the sale consideration on 29 December 2017 and hence, the disposal was completed on 29 December 2017. With that, JFSB. and Joint Food Processing Sdn. Bhd. a 60% owned subsidiary of JFSB, are no longer members of the Sinmah Capital Berhad Group.

Announcements to Bursa Malaysia Securities Berhad were duly made on 28 November 2017 and 2 January 2018 respectively.

12. Contingent Liabilities

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM102.72 million as at 31 December 2017.

13. Capital Commitments

Material capital commitments not provided for in the interim financial statements as at 31 December 2017 amounted to:

	RM'000
Approved and contracted for:	
Purchase consideration for the land measuring 77.94 acres held as part of PN 43209, Lot 6934,	48,760
Upgrading of feedmill production system	748
	<hr/>
	49,508
	<hr/>

14. Review of Current Quarter Events and Performance

The Group’s performance for the current year’s fourth quarter ended 31 December 2017 compared to the preceding year’s fourth quarter ended 31 December 2016 is as shown in Table 1, Table 2 and Table 3 below:

Table 1: Financial review for current quarter and financial year to date

	Individual Period (4 th Quarter)		Changes (Amount/ %)	Cumulative Period		Changes (Amount/ %)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	31/12/2017 RM’000	31/12/2016 RM’000		31/12/2017 RM’000	31/12/2016 RM’000	
Revenue	71,623	76,743	(5,120), (7%)	299,532	343,696	(44,164), (13%)
Profit/(loss) before interest and tax	37,780	57	37,723, >100%	32,406	19,774	12,632, (64%)
Profit/(loss) before tax	36,171	(2,986)	39,157, >100%	22,638	4,971	27,609, >100%
Profit/(loss) after tax	32,245	(3,975)	36,220, >100%	15,619	11,915	3,704, 31%
Profit/(loss) attributable to Ordinary Equity Holders of the Parent	32,267	(4,025)	36,292, >100%	15,633	11,936	3,697, 31%

Table 2: Revenue by Segment (Current Quarter and Corresponding Quarter)

Description	3 months ended	3 months ended	Increase/(Decrease)	
	31-Dec-17	31-Dec-16	RM’000	%
Revenue	RM’000	RM’000	RM’000	%
- Poultry	70,833	68,102	2,731	4
- Property development	790	8,641	(7,851)	(91)
	71,623	76,743		

For the current quarter ended 31 December 2017, the poultry segment recorded a higher revenue of RM70.83 million as compared with RM68.10 million in the corresponding quarter ended 31 December 2016, an increase of 4%. The increase was mainly due to increase in average selling price of live broilers during the current quarter ended 31 December 2017 as compared to the corresponding quarter ended 31 December 2016.

The property development segment posted a lower revenue of RM0.79 million in the current quarter ended 31 December 2017 as compared to the revenue of RM8.64 million in the corresponding quarter ended 31 December 2016, a decrease of 91%. This was due to lower recognition of revenue on the percentage of completion basis in the current quarter ended 31 December 2017 as compared to corresponding quarter ended 31 December 2016.

Although total revenue decreased, the Group posted a profit attributable to owners of the parent of RM32.27 million during the current quarter ended 31 December 2017 as opposed to a loss attributable to owners of the parent of RM4.03 million in the corresponding quarter ended 31 December 2016. The turnaround of results during the current quarter ended were mainly due to gain on disposal of breeder and broiler farm assets together with a processing plant of approximately RM51.81 million was recognized in the current quarter under review as compared to a gain on disposal of subsidiary company of RM18.22 million during the corresponding quarter ended 31 December 2016. Furthermore, there was an increase in average selling price of live broiler during the current quarter ended 31 December 2017 compared with the corresponding quarter ended 31 December 2016. However, these have been partially offset by additional provision for impairment loss on trade receivables of RM16.26 million during the current quarter ended 31 December 2017 as compared to RM5.00 million during the corresponding quarter ended 31 December 2016.

Table 3: Revenue by Segment (Cumulative Period and Corresponding Period)

Description	12 months ended	12 months ended	Increase/(Decrease)	
	31-Dec-17	31-Dec-16	RM'000	%
	RM'000	RM'000		
		(Audited)		
Revenue				
- Poultry	289,952	319,059	(29,107)	(9)
- Property development	9,580	24,637	(15,057)	(61)
	299,532	343,696		

For the year ended 31 December 2017, the poultry segment recorded a lower revenue of RM289.95 million as compared with RM319.06 million in the corresponding year ended 31 December 2016, a decrease of 9%. The decrease was mainly due to revenue from processed poultry products which were included as part of group revenue in 2016 but now excluded as the Group had disposed off the subsidiary company during the fourth quarter of 2016. However, this is partially offset by increase in average selling price of live broilers during the year ended 31 December 2017 when compared to the corresponding year ended 31 December 2016..

The property development segment posted a lower revenue of RM9.58 million during the year ended 31 December 2017 as compared to the revenue of RM24.64 million in the corresponding year ended 31 December 2016, a decrease of 61%. This was mainly due to lower recognition of revenue on the percentage of completion basis in the year ended 31 December 2017 as compared to corresponding year ended 31 December 2016.

Although total revenue decreased, the Group posted a higher profit attributable to owners of the parent of RM15.63 million during the year ended 31 December 2017 as compared to a profit attributable to owners of the parent of RM11.94 million in the corresponding year ended 31 December 2016. This was mainly due to gain on disposal of breeder and broiler farm assets together with a processing plant of RM51.81 million during the year ended 31 December 2017 as compared to RM18.22 million gain on disposal of a subsidiary company in the corresponding year ended 31 December 2016. This was partially offset by additional tax liability and penalty imposed by the Inland Revenue Board on two (2) of the Company's subsidiaries totaling RMRM5.56 million during the second quarter of 2017 and additional provision for impairment loss on trade receivables of RM24.88 million during the year ended 31 December 2017.

The Group has filed appeals on the additional tax liability and penalty imposed on its affected subsidiary companies. As at the date of this report, the Inland Revenue Board had agreed to accept the Group's proposal to pay the additional tax liability and penalty in 48 monthly installments while the appeal process is ongoing. The company is also trying to resolve the matter through the IRB's Dispute Resolution Proceedings ("DRP"). The first DRP had taken place on 15 February 2018 but no outcome was achieved yet as there are differences of opinion between our legal representative and the Inland Revenue Board representatives. Our legal counsel had sought an extension of time till 8 March 2018 to respond to the Inland Revenue Board on the matter.

15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 31 December 2017 compared to the previous quarter ended 30 September 2017 is as shown in Table 4 and Table 5 below:

Table 4: Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31/12/2017 RM'000	Immediate Preceding Quarter 30/9/2017 RM'000	Changes (Amount/%)
Revenue	71,623	71,915	(292), (<1%)
Profit/(loss) before interest and tax	37,780	(2,828)	40,608, >100%
Profit/(loss) before tax	36,171	(5,641)	41,812, >100%
Profit/(loss) after tax	32,245	(5,747)	37,992, >100%
Profit/(loss) attributable to Ordinary Equity Holders of the Parent	32,267	(5,702)	37,969, >100%

Table 5: Revenue by Segment (Current Quarter Compared With Immediate Preceding Quarter)

Description	3 months ended 31-Dec-17 RM'000	3 months ended 30-Sep-17 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue				
-Poultry	70,833	68,135	2,698	4
-Property development	790	3,780	(2,990)	(79)
	71,623	71,915		

For the current quarter ended 31 December 2017, the poultry segment posted a higher revenue of RM70.83 million compared to the turnover of RM68.14 million recorded in the previous quarter ended 30 September 2017, an increase of 4%. The increase was mainly due to increase in average selling price of live broilers during the current quarter ended 31 December 2017.

The property development segment posted a lower revenue of RM0.79 million in the current quarter ended 31 December 2017 as compared to the revenue of RM3.78 million in the preceding quarter ended 30 September 2017, a decrease of 79%. This was due to lower recognition of revenue on the percentage of completion basis in the current quarter ended 31 December 2017 as compared to previous quarter ended 30 September 2017.

The Group posted a profit attributable to owners of the parent of RM32.27 million during the current quarter ended 31 December 2017 as opposed to a loss attributable to owners of the parent of RM5.70 million during the previous quarter ended 30 September 2017.

The turnaround of results during the current quarter under review was mainly due to a gain on disposal of breeder and broiler farm assets together with a processing plant of RM51.81 million was recognized during the current quarter ended 31 December 2017. However, this was partially offset by an additional provision of impairment loss on trade receivables of RM16.26 million during the current quarter ended 31 December 2017 as compared to RM3.11 million during the previous quarter ended 30 September 2017.

16. Prospects

As at the date of this report, the average purchase costs of imported raw materials remain stable and approximate the average prices during the quarter under review. The average selling price of live broilers is also expected to approximate the average selling price during the quarter under review. As such, the Group is hopeful of producing a positive set of results for the first quarter of the next financial year ending 31 December 2018.

17. Disclosure of Realised and Unrealised Profits or Losses

The accumulated losses as at 31 December 2017 and 30 September 2017 are analysed as follows:

	As at 31-Dec-17 RM'000 (Unaudited)	As at 30-Sep-17 RM'000 (Unaudited)
Total accumulated losses of the Group and its subsidiaries:		
- Realised	45,810	78,110
- Unrealised	126	1,880
	<u>45,936</u>	<u>79,990</u>
Less: Consolidation adjustments	(29,016)	(30,802)
	<u>16,920</u>	<u>49,188</u>

The disclosure of realised and unrealised losses above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purposes.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

19. Profit/(Loss) before tax

	Current Year Quarter ended 31 Dec 2017 RM'000	Preceding Year Quarter ended 31 Dec 2016 RM'000	Current Year-to-date 31 Dec 2017 RM'000	Preceding Year-to-date 31 Dec 2016 RM'000
Depreciation and amortization	(2,010)	1,241	1,530	6,438
Foreign exchange loss / (gain)	(12)	(83)	4	80
(Gain) / loss on disposal of properties, plant and equipment	(51,823)	3	(52,280)	(382)
Gain on disposal of subsidiary companies	-	-	-	18,220
Gain on disposal of associated companies	-	-	-	-
Impairment loss of investment in associated companies	-	-	-	-
Impairment loss on trade receivables	16,261	5,000	24,876	22,608
Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(498)	(563)	(1,534)	(1756)
Interest expense	2,107	3,605	11,302	16,559

20. Taxation

The income tax (expense)/income to the Group for the current quarter under review is as follows:

	Quarter ended	Year to-date	Quarter ended	Year to-date
	31 Dec 2017	31 Dec 2017	31 Dec 2016	31 Dec 2016
	RM '000	RM '000	RM '000	RM '000
Current tax	(6,574)	(9,705)	(512)	(556)
Deferred tax	2,648	2,686	(478)	7,500
Total tax expense	<u>(3,926)</u>	<u>(7,019)</u>	<u>(990)</u>	<u>6,944</u>

The tax charge is in respect of profits of certain subsidiaries which do not enjoy group loss relief and other tax incentives.

21. Corporate Proposals

There were no corporate proposals in the current quarter under review, except for the following:

1) Proposed Disposals

Following on from announcements made to Bursa Malaysia Securities Berhad ("BMSB") on 25 November 2016, 29 November 2016, 6 January 2017, 24 January 2017, 17 March 2017, 22 March 2017, 19 May 2017, 29 September 2017, 4 October 2017 and 7 November 2017, the shareholders the company had on 23 November 2017 approved the proposed disposals of breeder and broiler farm land and assets for a total sales consideration of RM121,526,100. Of these, RM87,828,600 of the sales consideration have been taken up to recognize a net gain of RM43.27 million during the financial year ended 31 December 2017, as these farms have met all the conditions precedent.

2) Multiple Proposals

Following on from announcements made to BMSB on 8 July 2017, 20 July 2017, 27 July 2017, 15 September 2017 and 7 September 2017, BMSB had approved the following multiple proposals:

1. Proposed Joint Venture;
2. Proposed Diversification;
3. Proposed Rights Issue;
4. Proposed Exemption; and
5. Proposed SIS

At the date of this report, BMSB had approved the Company's draft circular, subject to conditions to be met prior to printing of the circular. The conditions have yet to be met. Updates on this will be provided from time to time.

22. Group Borrowings

Group borrowings and debt securities as at the end of the reporting period:

(a) The borrowings of the Group are secured by way of fixed and floating charges over certain assets and negative pledges over assets of the Group, corporate guarantees from the Company's certain existing operating subsidiaries and undertaking by the holding company to fully repay the facilities should the Company be unable to meet its obligations.

(b) Group borrowings as at the end of the reporting period are as follows:-

	Short term	Long term	Total
	RM'000	RM'000	RM'000
Bank Overdraft	11,147	-	11,147
Bankers Acceptance	24,417	-	24,417
Revolving Credit	46,980	-	46,980
Hire Purchase Creditors	499	963	1,462
Term Loans	6,724	13,447	20,171
	<u>89,767</u>	<u>14,410</u>	<u>104,177</u>

23. Trade Receivables

	Financial year ended 31 December 2017	Immediate preceding financial year ended 31 December 2016
	RM'000	RM'000
Trade receivables		
Third parties	177,990	213,896
Impairment losses		
- brought forward	(49,089)	(28,742)
- impaired during the year	(24,876)	(22,608)
- reversed during the year	-	2,272
- written off during the year	-	(11)
	(73,965)	(49,089)
	104,025	164,807

The Group's normal credit term for trade receivables ranges from 30 to 120 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. There are no trade receivables due from related parties.

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or groups of receivables.

Ageing analysis of trade receivables is as follows:

	Financial period ended 31 December 2017	Immediate preceding financial year ended 31 December 2016
	RM'000	RM'000
Neither past due nor impaired	61,001	78,206
Past due not impaired:		
Up to 60 days past due	25,049	59,707
More than 60 days	17,975	26,894
	43,024	86,601
	104,025	164,807
Impaired	73,965	49,089
	177,990	213,896

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2017, trade receivables of approximately RM43,024,000 (31 December 2016: RM86,601,000) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to approximately RM73,965,000 relates to customers that are in financial difficulties, have defaulted on payments and / or have disputed on billings. These balances are expected to be recovered through the Group's debt recovery process.

Commentaries on the recoverability of trade receivables which exceeded the average credit term granted

All trade receivables which exceeded the average credit terms are closely monitored by the Group's credit control team. Delinquent cases are handed over promptly to external lawyers for further recovery action.

24. Other Income

	Current Year Quarter Ended 31/12/2017 RM'000	Preceding Year Quarter Ended 31/12/2016 RM'000	Current Year Cumulative Period Ended 31/12/2017 RM'000	Preceding Year Cumulative Period Ended 31/12/2016 RM'000
Other income comprises the following:				
Rental income	144	16	556	320
Sales of used packaging materials, scrap & others	424	-	680	1,604
Sales of corn	-	-	-	1,739
Reversal of bad debts	-	-	-	5,462
Reimbursement of expenses	-	-	-	1,077
Miscellaneous other income	195	-	445	668
Bad debts recovered	1	-	1	-
Reversal of impairment losses on trade receivables	-	2,272	-	2,272
Gain on disposal of property, plant and equipment	51,823	199	52,280	382
Gain on disposal of inventories	-	-	-	10,177
Gain on disposal of subsidiary company	-	-	-	18,220
	<u>52,587</u>	<u>2,487</u>	<u>53,962</u>	<u>41,921</u>

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 23 February 2018.

26. Material Litigations

There was no material litigation for the current quarter under review, except for the Group's appeal against the additional tax liability and penalty on two (2) of the Company's subsidiary companies as mentioned in Note 14 above.

27. Dividend

No interim dividend has been declared for the quarter ended 31 December 2017 (31 December 2016: Nil).

28. Earnings Per Share

Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the current quarter and current year-to-date respectively as follows:

	Current Year Quarter Ended 31/12/2017	Preceding Year Quarter Ended 31/12/2016	Current Year To-Date 31/12/2017	Preceding Year To-Date 31/12/2016
Earnings/(Loss) attributable to owners of the parent (RM'000)	32,267	(4,025)	15,633	11,936
Weighted average number of shares - ('000)	61,083	61,083	61,083	61,083
Basic earnings/(loss) per share (sen)	52.82	(6.59)	25.59	19.54

29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors on 23 February 2018.