

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

	NOTE	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMMULATIVE QUARTER 6 MONTHS ENDED	
		CURRENT YEAR 30/6/2022 UNAUDITED RM'000	PRECEEDING YEAR 30/6/2021 UNAUDITED RM'000	CURRENT YEAR 30/6/2022 UNAUDITED RM'000	PRECEEDING YEAR 30/6/2021 UNAUDITED RM'000
<b>Continuing Operations</b>					
Revenue	9, 14 & 15	23,680	25,540	59,262	54,303
Cost of Sales		(22,208)	(23,460)	(52,741)	(49,323)
<b>Gross Profit</b>		<u>1,472</u>	<u>2,080</u>	<u>6,521</u>	<u>4,980</u>
Other income	23	266	3,500	336	3,645
Administrative expenses		(6,113)	(3,840)	(9,785)	(6,746)
Selling & marketing expenses		-	-	-	-
		<u>(4,375)</u>	<u>1,740</u>	<u>(2,928)</u>	<u>1,879</u>
Finance costs		(1,080)	(1,192)	(2,114)	(2,123)
Interest income		101	120	222	165
<b>Profit/(Loss) before tax</b>	9	<u>(5,354)</u>	<u>668</u>	<u>(4,820)</u>	<u>(79)</u>
Income tax expense	19	56	215	(246)	167
<b>Profit/(loss) for the period</b>	9	<u>(5,298)</u>	<u>883</u>	<u>(5,066)</u>	<u>88</u>
<b>Other comprehensive income/(loss), net of tax:</b>					
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other comprehensive income/(loss), net of tax</b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income/(loss) for the period</b>					
		<u>(5,298)</u>	<u>883</u>	<u>(5,066)</u>	<u>88</u>
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent	14 & 15	(5,298)	890	(5,066)	107
Non-Controlling Interest		-	(7)	-	(19)
		<u>(5,298)</u>	<u>883</u>	<u>(5,066)</u>	<u>88</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		(5,298)	890	(5,066)	107
Non-Controlling Interest		-	(7)	-	(19)
		<u>(5,298)</u>	<u>883</u>	<u>(5,066)</u>	<u>88</u>
<b>Earnings per share attributable to owners of the parent:</b>					
Basic (sen)	27	<u>(1.54)</u>	<u>0.27</u>	<u>(1.50)</u>	<u>0.03</u>
Fully diluted (sen)		<u>(1.39)</u>	<u>0.25</u>	<u>(1.35)</u>	<u>0.03</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE QUARTER ENDED 30 JUNE 2022**

	Note	As at 30 June 2022 (Unaudited) RM'000	As at 31 December 2021 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,708	3,935
Right-of-use assets		1,855	2,085
Inventories		13,621	13,960
Investment property		1,062	1,234
Goodwill		-	-
Other non-current asset		6,376	13,505
<b>Total non-current assets</b>		<u>26,622</u>	<u>34,719</u>
<b>Current assets</b>			
Inventories		52,083	61,730
Contract assets		20,055	12,213
Trade receivables	22	37,330	33,816
Other receivables		11,200	4,348
Tax recoverable		460	468
Deposits, cash and bank balances		28,044	47,559
<b>Total current assets</b>		<u>149,172</u>	<u>160,134</u>
<b>TOTAL ASSETS</b>		<u>175,794</u>	<u>194,853</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		107,188	188,500
Warrants reserve		3,588	3,588
SIS reserve		1,838	-
Accumulated losses)		(5,070)	(88,004)
<b>Equity attributable to owners of the parent</b>		<u>107,544</u>	<u>104,084</u>
<b>Non-controlling interest</b>		-	-
<b>Total equity</b>		<u>107,544</u>	<u>104,084</u>
<b>Non-current liabilities</b>			
Bank borrowings	21	9,575	15,646
Lease liabilities		762	1,045
Deferred tax liabilities		2,313	2,424
		<u>12,650</u>	<u>19,115</u>
<b>Current liabilities</b>			
Bank borrowings	21	41,030	58,873
Lease liabilities		425	373
Trade payables		4,983	6,601
Other payables		7,829	4,821
Amount due to directors		-	9
Tax payable		1,333	977
		<u>55,600</u>	<u>71,654</u>
<b>Total Liabilities</b>		<u>68,250</u>	<u>90,769</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>175,794</u>	<u>194,853</u>
Net assets per share attributable to owners of the parent		0.2740	0.3204

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2022**

	Note	Attributable to owners of the parent				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Capital RM'000	SIS Reserve RM'000	Warrants Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000			
<b>At 1 January 2021</b>		160,229	-	3,619	(80,178)	83,670	(108)	83,562
Total comprehensive income for the financial period		-	-	-	107	107	(19)	88
Disposal of subsidiaries		-	-	-	-	-	127	127
<b>Transaction with owners</b>								
Private placement		28,240	-	-	-	28,240	-	28,240
<b>At 30 June 2021</b>		<u>188,469</u>	<u>-</u>	<u>3,619</u>	<u>(80,071)</u>	<u>112,017</u>	<u>-</u>	<u>112,017</u>
<b>At 1 January 2022</b>		188,500	-	3,588	(88,004)	104,084	-	104,084
Total comprehensive income for the financial period		-	-	-	(5,066)	(5,066)	-	(5,066)
<b>Transaction with owners</b>								
Private placement		6,688	-	-	-	6,688	-	6,688
Share capital reduction		(88,000)	-	-	88,000	-	-	-
SIS reserve		-	1,838	-	-	1,838	-	1,838
<b>At 30 June 2022</b>		<u>107,188</u>	<u>1,838</u>	<u>3,588</u>	<u>(5,070)</u>	<u>107,544</u>	<u>-</u>	<u>107,544</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2022**

	Note	Current Year To-Date (Unaudited) 30 June 2022 RM'000	Preceding Year To-Date (Unaudited) 30 June 2021 RM'000
<b>Net loss before tax</b>	9	(4,820)	(79)
Adjustments for non-cash flow:			
Depreciation and amortisation		609	619
Non-cash items		1,815	(3,590)
Interest expense		2,114	2,123
Interest income		(222)	(165)
<b>Operating loss before changes in working capital</b>		<u>(504)</u>	<u>(1,092)</u>
<b>Changes to working capital</b>			
Net increase in current assets		(8,222)	(6,957)
Net increase in current liabilities		1,390	6,292
<b>Net cash flows used in operating activities</b>		<u>(7,336)</u>	<u>(1,757)</u>
Interest received		222	165
Interest paid		(2,114)	(2,123)
Tax paid		-	(150)
Tax refund		7	-
<b>Net cash used in operating activities</b>		<u>(9,221)</u>	<u>(3,865)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(94)	(434)
Proceeds from sale of property, plant and equipment		24	-
Net cash outflow from disposal of subsidiary company		-	(487)
<b>Net cash used in investing activities</b>		<u>(70)</u>	<u>(921)</u>
<b>Financing activities</b>			
Net (repayments)/proceeds on bank borrowings		(17,320)	5,152
Lease liabilities paid		(118)	(130)
Issuance of new shares		6,688	28,240
Amount due to directors		(9)	(2)
Other non-current asset		7,129	-
<b>Net (used in)/cash generated from financing activities</b>		<u>(3,630)</u>	<u>33,260</u>
Net changes in cash and cash equivalents		(12,921)	28,474
Effects of exchange rate changes		-	-
Cash and cash equivalents at beginning of the period		35,259	12,586
Cash and cash equivalents at the end of the period		<u>22,338</u>	<u>41,060</u>
Cash and cash equivalents comprise:			
Deposits, cash and bank balances		28,044	48,643
Overdraft	22	<u>(5,706)</u>	<u>(7,583)</u>
		<u>22,338</u>	<u>41,060</u>
Included in the cash flows from operating activities are:			
Cash receipts from customers		55,748	55,844
Cash payments to suppliers, contractors and employees		71,936	59,982

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)

**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 2021. 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 2021.

**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 2021.

On 1 January 2022, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: COVID-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant & Equipment – Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to Illustrative Examples accompanying MFRS 16	
• Amendments to MFRS 141	

The adoption of the above amendments and Annual Improvements to Standards did not have any material impact on the Group and the Company’s financial statements upon their initial application.

The following MFRSs, Amendments to FRSs and IC Interpretations were issued by the MASB but are not yet effective to the Group:

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and FMRS 128: Sale or Contribution of Assets between an Investor and its Associates and Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs when they become effective. The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

### 3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2021 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 30 June 2022.

### 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 current quarter and financial year to-date, except as follows:

	Individual Period (2 <sup>nd</sup> Quarter)		Cumulative Period (6 months)	
	Current Year 30/6/2022 RM'000	Preceding Year 30/6/2021 RM'000	Current Year 30/6/2022 RM'000	Preceding Year 30/6/2021 RM'000
Private placements	4,693	28,175	6,688	28,175
Warrant C exercised	-	65	-	65
Total	4,693	28,240	6,688	28,240

### 8. Dividends paid

No dividend has been declared for the current quarter ended 30 June 2022.

### 9. Segmental information

The Group is organized into three main business divisions:

- (i) Poultry – This consists of contract farming, and trading of live broilers, feeds, day-old chicks, medications and vaccines.
- (ii) Property development – This consists of development and construction of residential and commercial properties.
- (iii) Healthcare – This consists of setting up and running of hospitals and clinics.

Segment information for the six months ended 30 June 2022 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Healthcare</u>	<u>Others</u>	<u>Sub-Total</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	development RM'000	RM'000		RM'000	RM'000	RM'000
<b><u>2022</u></b>							
<b>Revenue</b>							
External	40,151	19,111	-	-	59,262	-	59,262
Internal	-	5,954	-	-	5,954	(5,954)	-
<b>Total Revenue</b>	<b>40,151</b>	<b>25,065</b>	<b>-</b>	<b>-</b>	<b>65,216</b>	<b>(5,954)</b>	<b>59,262</b>
<b>Results</b>							
Segment results	832	680	-	(1,551)	(39)	(465)	(504)
Interest income	19	40	-	163	222	-	222
Interest expense	(957)	(829)	-	(328)	(2,114)	-	(2,114)
Non-cash income/(expense)	(129)	(338)	-	(1,957)	(2,424)	-	(2,424)
Loss before tax	(235)	(447)	-	(3,673)	(4,355)	(465)	(4,820)
Taxation	-	(358)	-	-	(358)	112	(246)
Segment loss	(235)	(805)	-	(3,673)	(4,713)	(353)	(5,066)

Segment information for the six months ended 30 June 2021 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Healthcare</u>	<u>Others</u>	<u>Sub-Total</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	Development RM'000	RM'000		RM'000	RM'000	RM'000
<b><u>2021</u></b>							
<b>Revenue</b>							
External	45,301	8,391	611	-	54,303	-	54,303
Internal	-	7,401	-	-	7,401	(7,401)	-
<b>Total Revenue</b>	<b>45,301</b>	<b>15,792</b>	<b>611</b>	<b>-</b>	<b>61,704</b>	<b>(7,401)</b>	<b>54,303</b>
<b>Results</b>							
Segment results	490	(682)	(931)	(1,280)	(2,403)	75	(2,328)
Interest income	3	12	-	150	165	-	165
Interest expense	(697)	(1,005)	(60)	(361)	(2,123)	-	(2,123)
Non-cash income/(expense)	(167)	(200)	(310)	794	117	4,090	4,207
Profit/(loss) before tax	(371)	(1,875)	(1,301)	(697)	(4,244)	4,165	(79)
Taxation	-	2	-	-	2	165	167
Segment profit/(loss)	(371)	(1,873)	(1,301)	(697)	(4,242)	4,330	88

## **10. Subsequent Events**

As at the date of this report, there were no material events subsequent to the current quarter ended 30 June 2022.

## **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 as follows:

On 1 April 2022, the Company acquired Irama Setia Sdn Bhd's entire issued share capital of RM1 for a purchase consideration of RM1 from a third party. With that, Irama Setia Sdn Bhd became a wholly-owned subsidiary of the Company.

At an Extraordinary General Meeting held on 30 June 2022, the shareholders of the Company had approved the disposal of SM Broilers Sdn Bhd to FCH Holdings Sdn Bhd, a director-related. Moving forward, SM Broilers Sdn Bhd will cease to be a subsidiary of the Company upon completion of the disposal.

## **12. Contingent Liabilities**

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM50.60 million as at 30 June 2022.

## **13. Capital Commitments**

There were no material capital commitments not provided for in the interim financial statements as at 30 June 2022.



#### 14. Review of Current Quarter Events and Performance

The Group’s performance for the current year’s second quarter ended 30 June 2022 compared to the preceding year’s second quarter ended 30 June 2021 is shown in Table 1 and Table 2.

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

	Individual Period (2 <sup>nd</sup> Quarter)		Changes (Amount/%)	Cumulative Period (6 Months)		Changes (Amount/%)
	Current Year 30/6/2022 RM’000	Preceding Year 30/6/2021 RM’000		Current Year 30/6/2022 RM’000	Preceding Year 30/6/2021 RM’000	
Revenue	23,680	25,540	-1,860, -7%	59,262	54,303	+4,959, +9%
Profit/(Loss) before interest and tax	(4,375)	1,740	-6,115, ->100%	(2,928)	1,879	-4,807, ->100%
Profit/(Loss) before tax	(5,354)	668	-6,022, ->100%	(4,820)	(79)	-4,741, ->100%
Profit/(Loss) after tax	(5,298)	883	-6,181, ->100%	(5,066)	88	-5,154, ->100%
Loss attributable to Ordinary Equity Holders of the Parent	(5,298)	890	-6,188, ->100%	(5,066)	107	-5,173, ->100%

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

Description	3 months ended	3 months ended	Increase/(Decrease)	
	30-Jun-22	30-Jun-21	RM’000	%
	RM’000	RM’000		
<b>Revenue</b>				
- Poultry	16,073	21,201	(5,128)	(24)
- Property development	7,607	4,022	3,585	89
- Healthcare	-	317	(294)	(100)
	23,680	25,540		

For the current quarter ended 30 June 2022, the poultry segment recorded a lower revenue of RM16.07 million as compared with RM21.20 million in the corresponding quarter ended 30 June 2021, a decrease of 24%. The decrease was mainly due to decrease in sales volume and average selling price of live broilers during the quarter ended 30 June 2022 as compared to the corresponding quarter ended 30 June 2021.

The property development segment posted a higher revenue of RM7.61 million in the current quarter ended 30 June 2022 as compared to the revenue of RM4.02 million in the corresponding quarter ended 30 June 2021, an increase of 89%. This was due to higher recognition of revenue on the percentage of completion basis during the current quarter ended 30 June 2022 as compared to the corresponding quarter ended 30 June 2021.

The healthcare division has no revenue in the current quarter ended 30 June 2022 as the Group had ceased operations of its healthcare division since the end of the second quarter of the financial year ended 31 December 2021.

As total revenue decreased, the Group posted a loss attributable to owners of the parent of RM5.30 million during the current quarter ended 30 June 2022 as opposed to a profit attributable to owners of the parent of RM0.89 million in the corresponding quarter ended 30 June 2021. The loss during the current quarter ended 30 June 2022 was mainly due to decrease in revenue and increase in purchase price/production cost of live broilers and purchase price of building materials as compared to the corresponding quarter ended 30 June 2021. Furthermore, there was a fair value loss of RM1.84 million on the Share Issue Scheme (“SIS”) offered to eligible Directors and employees of the Company and its active subsidiary companies during the quarter ended 30 June 2022.

## 15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 30 June 2022 compared to the previous quarter ended 31 March 2022 is as shown in Table 4 and Table 5 below:

**Table 4: Financial review for current quarter compared with the immediately preceding quarter**

	<b>3 months ended 30 June 2022 RM'000</b>	<b>3 months ended 31 March 2022 RM'000</b>	<b>Changes (Amount/%)</b>
Revenue	23,680	35,582	-11,902, -33%
Profit/(Loss) before interest and tax	(4,375)	1,447	-5,822, ->100%
Profit before tax	(5,354)	534	-5,888, ->100%
Profit/(Loss) after tax	(5,298)	232	-5,530, ->100%
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	(5,298)	232	-5,530, ->100%

**Table 5: Revenue by Segment (Current Quarter Compared With The Immediately Preceding Quarter)**

<b>Description</b>	<b>3 months ended 30-Jun-22 RM'000</b>	<b>3 months ended 31-Mar-22 RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
<b>Revenue</b>				
- Poultry	16,073	24,078	-8,005	-33
- Property development	7,607	11,504	-3,897	-34
- Healthcare	-	-	-	-
	23,680	35,582		

For the current quarter ended 30 June 2022, the poultry segment posted a lower revenue of RM16.07 million compared to the turnover of RM24.08 million recorded in the previous quarter ended 31 March 2022, decrease of 33%. The decrease was mainly due to decrease in sales quantity and average selling price of live broilers during the current quarter ended 30 June 2022.

The property development segment posted a lower revenue of RM7.61 million in the current quarter ended 30 June 2022 as compared to the revenue of RM11.50 million in the preceding quarter ended 31 March 2022, a decrease of 34%. This was mainly due to lower revenue recognised on the percentage of completion method during the current quarter ended 30 June 2022 as compared to the previous quarter ended 31 March 2022.

As a result of the decrease in revenue, the Group posted a loss attributable to owners of the parent of RM5.30 million during the current quarter ended 30 June 2022 as opposed to a profit attributable to owners of the parent of RM0.23 million during the preceding quarter ended 31 March 2022. The loss during the current quarter ended 30 June 2022 was compounded further by an increase in purchase price/production cost of live broilers and purchase price of building materials as compared with the previous quarter ended 31 March 2022. Furthermore, there was a fair value loss of RM1.84 million on the Share Issue Scheme offered to eligible Directors and employees of the Company and its active subsidiary companies during the quarter ended 30 June 2022.

## 16. Prospects

The Group intends to concentrate solely on property development activities and at an Extraordinary General Meeting held on 30 June 2022, the Group obtained approval from non-interested members of the Company for the disposal of SM Broilers Sdn Bhd to FCH Holdings Sdn Bhd, a director-related company. As such, the Group will cease its poultry activities upon completion of the said disposal and focus on its property development activities.

Revenue from property development activities during the current quarter ended 30 June 2022 was much lower compared to the previous quarter ended 31 March 2022. Furthermore, prices of building materials and labour have increased significantly and will have a major impact on the project development costs. Also, sale of houses may be adversely affected due rising borrowing costs as potential buyers are wary of committing to buying a new house. As such, the Group is bracing itself for a challenging second half year for the financial year ending 31 December 2022.

## 17. 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.

## 18. Profit/(Loss) before tax

	CurrentYear	Preceding Year	Current	Preceding
	Quarter ended	Quarter ended	Year to-date	Year to-date
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	310	320	609	619
Gain on disposal of properties, plant and equipment	-	-	(23)	-
Fair value loss on SIS	1,838	-	1,838	-
Interest income	(101)	(120)	(222)	(165)
Interest expense	1,080	1,192	2,114	2,123

## 19. 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
	30 Jun 2022	30 Jun 2022	30 Jun 2021	30 Jun 2021
	RM '000	RM '000	RM '000	RM '000
Current tax	82	-	(358)	-
Deferred tax	(26)	215	112	167
Total tax income/(expense)	56	215	(246)	167

## 20. Corporate Proposals

There were no corporate proposals in the current quarter under review, other than the following:

### Private Placement Pursuant to Circular to Shareholders dated 27 July 2021

The proposed private placement of up to 82,298,500 new ordinary shares in Sinmah Capital Berhad (“the Company”), representing approximately 25% of the existing number of issued shares of the Company was approved by shareholders of the Company at an extraordinary general meeting held on 24 August 2021. The proceeds of the proposed private placement (net of expenses) are to be utilised for future viable investment within 24 months from the receipt of placement funds.

On 19 January 2022, the Company allotted 12,700,000 new ordinary shares in the Company to a third-party investor pursuant to the said private placement at an issue price of RM0.1571 per share. The proceeds of RM1,995,170 was received on 19 January 2022. Hence, the last date for utilisation of the proceeds of RM1,995,170 shall be on 18 January 2024.

On 28 June 2022, the Company allotted 54,821,100 new ordinary shares in the Company to third-party investors pursuant to the said private placement at an issue price of RM0.0856 per share. The proceed of RM4,692,686 was received on 28 June 2022. Hence, the last date for utilisation of the proceeds of RM4,692,686 shall be on 27 June 2024.

With the issue of the 54,821,100 new ordinary shares, the Private Placement pursuant to the circular to shareholders dated 27 July 2021 was completed and there will be no further issue of shares pursuant the said private placement.

Utilisation of proceeds up to the date of this report is as follows:

Date of receipt of proceeds	Purpose of Utilisation	Planned Utilisation	Actual Utilisation	Balance to be Utilised	Last date for Utilisation
		RM'000	RM'000	RM'000	
19 January 2022	For future viable investments	1,995	1,995	-	18 Jan 2024
28 June 2022	For future viable investments	4,693	405	4,288	27 Jun 2024
		<u>6,688</u>	<u>2,400</u>	<u>4,288</u>	

The utilisation of RM2.40 million was for the purchase of land by Irama Setia Sdn Bhd, a wholly-owned subsidiary of the Company.

#### Offer and Grant of Option Under Share Issue Scheme ("SIS")

On 22 June 2022, the Company announced that 50,640,000 options were offered pursuant to the SIS at an option price of RM0.0962 to eligible Directors and employees of the Company and its subsidiaries which are not dormant. As at the date of this report, no SIS options were exercised yet.

## 21. 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, personal guarantees of certain directors of the Company 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 RM'000	Long term RM'000	Total RM'000
Bank overdraft	5,706	-	5,706
Bankers acceptance	25,749	-	25,749
Term loans	9,575	9,575	19,150
	<u>41,030</u>	<u>9,575</u>	<u>50,605</u>

## 22. Trade Receivables

	Financial Period Ended 30 Jun 2022 RM'000	Financial Year Ended 31 Dec 2021 RM'000
Trade receivables		
Third parties	48,200	44,686
Impairment losses		
- brought forward	(10,870)	(6,352)
- impaired during the period/year	-	(4,518)
- reversed during the period/year	-	-
- disposal of subsidiary	-	-
	<u>(10,870)</u>	<u>(10,870)</u>
	<u>37,330</u>	<u>33,816</u>

The Group's normal credit term for trade receivables ranges from 30 to 120 days. They are recognised at their original invoice amounts which represents their fair values upon 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:

	<b>Financial Period Ended 30 Jun 2022 RM'000</b>	<b>Financial Year Ended 31 Dec 2021 RM'000</b>
Neither past due nor impaired	21,569	15,892
Past due not impaired:		
Up to 60 days past due	4,380	7,298
More than 60 days	11,381	10,626
	15,761	17,924
	37,330	33,816
Impaired	10,870	10,870
	48,200	44,686

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

As at 30 June 2022, trade receivables of approximately RM15,761,000 (31 December 2021: RM17,924,000) 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 RM10,870,000 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.

**23. Other Income**

	<b>Current Year Quarter Ended 30 Jun 2022 RM'000</b>	<b>Preceding Year Quarter Ended 30 Jun 2021 RM'000</b>	<b>Current Year Cumulative Period Ended 30 Jun 2022 RM'000</b>	<b>Preceding Year Cumulative Period Ended 30 Jun 2021 RM'000</b>
Other income comprises the following:				
Rental income	28	32	67	55
Miscellaneous other income	10	-	18	-
Live broilers subsidy received	228	-	228	-
Gain on disposal of property, plant and equipment	-	-	23	-
Gain on disposal of subsidiary	-	3,468	-	3,590
	266	3,500	336	3,645

**24. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 23 August 2022.

**25. Material Litigations**

There was no material litigation for the quarter under review.

## 26. Dividend

No interim dividend has been declared for the quarter ended 30 June 2022 (30 June 2021: Nil).

## 27. 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 30 Jun 2022 RM'000	Preceding Year Quarter Ended 30 Jun 2021 RM'000	Current Year To-Date 30 Jun 2022 RM'000	Preceding Year To-Date 30 Jun 2021 RM'000
Profit/(Loss) attributable to owners of the parent (RM'000)	(5,298)	890	(5,066)	107
Weighted average number of shares ('000)	343,164	324,906	337,181	313,167
Basic earnings/(loss) per share (sen)	(1.54)	0.27	(1.50)	0.03

## 28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 August 2022.