

PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 March 2020. 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 March 2020.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2020, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs that have become effective for the financial periods beginning 1 April 2020:

Amendments to MFRS 3: Definition of Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Revised Conceptual Framework for Financial Reporting (<i>The Conceptual Framework</i>)	1 January 2020
Amendments to MFRS 101: Definition of Material	
Amendments to MFRS 108: Definition of Material	1 January 2020

The Group has not early adopted the following new and Amendments to MFRSs, which have been issued and will be effective for the financial periods as stated below: -

Description	Effective date for financial periods beginning on or after
Amendments to MFRS 16: Covid-19-Related Rent Concession	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Annual Improvements to MFRS Standards 2018-2020	
• Amendments to MFRS 1: First time Adoption of Malaysian Financial Reporting Standards	1 January 2022
• Amendments to MFRS 9: Financial Instruments	1 January 2022
• Amendments to MFRS 141: Agriculture	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 101: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Annual Improvements to MFRS Standards 2018-2020	
• Amendments to MFRS 16: Leases	Deferred

The new and amendments to MFRSs will be adopted by the Group when they become effective and that the initial applications of these Standards are not expected to have material impact on the financial statements of the Group.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2020 was not qualified.

A3. Segmental Information

	3 months ended			12 months ended		
	31-Mar-21 RM'000	31-Mar-20 RM'000	Change %	31-Mar-21 RM'000	31-Mar-20 RM'000	Change %
Segment revenue						
Poultry & related products	37,058	35,467	4%	131,965	183,760	-28%
Extraction & sale of sand	1,780	1,078	65%	5,077	3,068	65%
Investment holdings	90	90	0%	360	360	0%
Total	38,928	36,635	6%	137,402	187,188	-27%
Segment results						
Poultry & related products	(5,271)	(10,008)	47%	(18,066)	19,729	-192%
Extraction & sale of sand	346	288	20%	978	(3,036)	132%
Investment holdings	(4,059)	(853)	-376%	(5,687)	(3,445)	-65%
Property development	(5,377)	134	-4113%	(5,665)	(1,778)	-219%
(Loss)/profit before tax	(14,361)	(10,439)	-38%	(28,440)	11,471	-348%
Less: Taxation	2,303	2,408	-4%	1,048	(5,974)	118%
(Loss)/profit net of tax	(12,058)	(8,031)	-50%	(27,392)	5,497	-598%

A4. Unusual Items due to their Nature, Size or Incidence

Following the global outbreak of Covid-19 pandemic, the Malaysian Government had imposed various phases of Movement Control Order ("MCO") since 18 March 2020 as a preventive measure to curb the pandemic. For the current quarter ended 31 March 2021, Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") were implemented in different regions of the country. These have affected the Group's business negatively although quantum arising from the impact cannot be separately measured. On 10 May 2021, the Government had announced the implementation of MCO 3.0 throughout the nation starting from 12 May 2021 until 7 June 2021.

Other than the above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 March 2021.

A5. Changes in Estimate

There were no changes in the estimates that have had a material effect in the current quarter results.

A6. Comments about Seasonal or Cyclical Factors

The Group's performance is not significantly affected by major festive seasons.

A7. Dividends Paid

There was no dividend paid for the quarter under review.

A8. Carrying Amount of Fixed Assets

There were no changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Debt and Equity Securities

There were no issuances, repurchases, and repayments of debt and equity securities during the quarter under review.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2020.

A12. Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements or to be disclosed as at the date of this report.

A13. (Loss)/Profit for the Period

(Loss)/Profit for the period is arrived at after crediting/ (charging): -

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	110	277	614	1,007
Other income including investment income	622	142	1,153	1,171
Interest expense	(908)	(1,060)	(3,718)	(4,434)
Depreciation & amortisation	(1,508)	(1,960)	(6,128)	(8,245)
Fair value changes on biological assets	(5,755)	(4,714)	(6,125)	(5,964)
Provision for and write off of receivables	(236)	(104)	(236)	(104)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(5,307)	322	(5,307)	(4,330)
Foreign exchange (loss)/gain:-				
Realised gain	41	3	14	96
Unrealised gain/(loss)	21	19	20	(17)
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B. BMSB Listing Requirements (Part A of Appendix 9B)**B1. Review of Performance**

	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Change %	Current Year To date RM'000	Preceding Year Corresponding Period RM'000	Change %
Segment revenue						
Poultry & related products	37,058	35,467	4%	131,965	183,760	-28%
Extraction & sale of sand	1,780	1,078	65%	5,077	3,068	65%
Investment holdings	90	90	0%	360	360	0%
Total	38,928	36,635	6%	137,402	187,188	-27%
Segment result						
Poultry & related products	(5,271)	(10,008)	47%	(18,066)	19,729	-192%
Extraction & sale of sand	346	288	20%	978	(3,036)	132%
Investment holdings	(4,059)	(853)	-376%	(5,687)	(3,445)	-65%
Property development	(5,377)	134	-4113%	(5,665)	(1,778)	-219%
(Loss)/profit before tax	(14,361)	(10,439)	-38%	(28,440)	11,471	-348%
Less: Taxation	2,303	2,408	-4%	1,048	(5,974)	118%
(Loss)/profit net of tax	(12,058)	(8,031)	-50%	(27,392)	5,497	-598%

The Group registered a revenue of RM38.93 million and a loss net of tax of RM12.06 million for the current quarter as compared to a revenue of RM36.64 million and a loss net of tax of RM8.03 million in the same quarter of previous year. Revenue for the Group increased by 6% due to higher sales volume of eggs. The Group recorded a loss net of tax of RM12.06 million due mainly to impairment of investment properties and land held for development as compared to the same quarter of previous year.

For the full financial year, the Group recorded a revenue of RM137.40 million and a loss net of tax of RM27.39 million as compared to revenue of RM187.19 million and profit net of tax of RM5.50 million in the corresponding period of previous year. The poultry segment recorded a 28% decrease in revenue due to lower sales volume and average selling price of eggs as compared to the preceding year. The Group recorded loss net of tax of RM27.39 million in tandem with the lower revenue, further impacted by impairment losses on investment properties and land held for development.

There are no other material earnings contribution from the other segments.

B2. Variation of result Against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	37,058	34,541	7%
Extraction & sale of sand	1,780	1,987	-10%
Investment holdings	90	90	0%
Total	<u>38,928</u>	<u>36,618</u>	<u>6%</u>
Segment result			
Poultry & related products	(5,271)	(1,464)	-260%
Extraction & sale of sand	346	485	-29%
Investment holdings	(4,059)	(418)	-871%
Property development	(5,377)	(73)	-7266%
Loss before tax	<u>(14,361)</u>	<u>(1,470)</u>	<u>-877%</u>

The Group posted loss before tax of RM14.36 million for the current quarter as compared to RM1.47 million in the preceding quarter. Revenue increased by 6% arising from increase in sales volume and average selling prices of eggs as compared to preceding quarter. The Group recorded higher loss before tax as compared to the previous quarter due mainly to impairment of investment properties and land held for development and fair value loss recognised on biological assets.

B3. Commentary on Prospects

The Board foresees the next year to continue to be challenging due to the volatility in commodity prices particularly corn and soybean which are the poultry segment's main raw materials. Nonetheless, management shall continue to focus on cost management to minimize the impact of such volatilities.

No material contributions are expected from the other segments in the next period.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	12 months ended	12 months ended
	31.3.21	31.3.20
	RM'000	RM'000
Income tax expense	1,148	8,765
Real property gain tax	-	2
Deferred tax	(2,196)	(2,793)
Total	<u>(1,048)</u>	<u>5,974</u>

The effective tax rate is lower than the statutory rate of 24% due mainly to deferred taxation reversals.

B6. Corporate Proposals

- (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 May 2021.

- (b) Status of Utilisation of Proceeds

Not applicable as there was no corporate proposal to raise funds.

B7. Borrowings

- a) The analysis of Group borrowings classified under short term and long-term categories are as follows:

	As at 31.3.2021	As at 31.3.2020
	RM'000	RM'000
Short term		
<i>Secured:-</i>		
Term loans	8,791	8,291
Banker acceptance	1,220	1,151
Revolving credit	15,500	12,500
	<u>25,511</u>	<u>21,942</u>
<i>Unsecured:-</i>		
Banker acceptance	6,930	-
Revolving credit	9,000	6,000
	<u>15,930</u>	<u>6,000</u>
	<u>41,441</u>	<u>27,942</u>
Long term		
<i>Secured:-</i>		
Term loans	38,217	46,874
	<u>38,217</u>	<u>46,874</u>
Total borrowings	<u>79,658</u>	<u>74,816</u>

- b) There were no borrowings in foreign currency as at 31 March 2021.

- c) Effective average cost of borrowings based on exposure as at 31 March 2021 was 4.23% (31 March 2020: 5.46%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 31 March 2021.

B9. Changes in Material Litigations

There were no changes in material litigations involving the Group for the current quarter under review.

B10. Dividend Payable

No dividend has been declared in the financial period ended 31 March 2021.

B11. Earnings per share (“EPS”)

	3 months ended		12 months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
(Loss)/Profit attributable to ordinary shareholders of the parent	(12,058)	(8,031)	(27,392)	5,497
Number of shares in issue ('000)	130,104	130,104	130,104	130,104
Basic EPS (sen per share)	(9.27)	(6.17)	(21.05)	4.23

Diluted earnings per share are not applicable for the respective periods as there is no dilution effect on the number of shares.

B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 25 May 2021.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2019 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
34	2019	Interim dividend	130,104	1 sen per share, single tier	1,301	12.4.2019
35	2019	Final dividend	130,104	1 sen per share, single tier	1,301	25.10.2019
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020