

**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 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 March 2021.

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 2021, 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 2021:

Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

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
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 161: 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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 17: Insurance Contract	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 2021 was not qualified.

**A3. Segmental Information**

	3 months ended			6 months ended		
	30-Sep-21 RM'000	30-Sep-20 RM'000	Change %	30-Sep-21 RM'000	30-Sep-20 RM'000	Change %
<b>Segment revenue</b>						
Poultry & related products	41,938	32,845	28%	84,378	60,365	40%
Extraction & sale of sand	793	997	-20%	2,287	1,311	74%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>42,821</b>	<b>33,932</b>	<b>26%</b>	<b>86,845</b>	<b>61,856</b>	<b>40%</b>
<b>Segment results</b>						
Poultry & related products	(3,896)	(4,224)	8%	(7,488)	(11,333)	34%
Extraction & sale of sand	54	352	-85%	384	148	160%
Investment holdings	(860)	(590)	-46%	(1,355)	(1,210)	-12%
Property development	(95)	(93)	-2%	(176)	(215)	18%
Loss before tax	(4,797)	(4,555)	-5%	(8,634)	(12,610)	32%
Less: Taxation	(168)	(194)	13%	(540)	(534)	-1%
<b>Loss net of tax</b>	<b>(4,965)</b>	<b>(4,749)</b>	<b>-5%</b>	<b>(9,174)</b>	<b>(13,144)</b>	<b>30%</b>

**A4. 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 quarter ended 30 September 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**

During the current quarter, the Company increased its issued and paid-up ordinary share capital by way of issuance of 13,010,000 ordinary shares at RM0.895 each pursuant to the Private Placement.

**A9. Debt and Equity Securities (cont'd.)**

As at 30 September 2021, the issued and paid-up ordinary share capital of the Company was RM76,695,953. The details are as follows:-

<b>Issued and paid-up share capital</b>	<b>Unit of Ordinary Share</b>	<b>RM'000</b>
As at 1 July 2021	130,104,006	65,052
Issuance of share pursuant to Private Placement	13,010,000	11,644
As at 30 September 2021	143,114,006	76,696

There were no other 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 2021.

**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 for the Period**

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

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Sep-21</b>	<b>30-Sep-20</b>	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Interest income	113	169	253	372
Other income including investment income	231	158	509	446
Interest expense	(882)	(878)	(1,773)	(1,925)
Depreciation & amortisation	(1,494)	(1,536)	(2,984)	(3,105)
Fair value changes on biological assets	287	(948)	723	(1,569)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (loss)/gain:-				
Realised gain	(16)	22	(16)	22
Unrealised gain/(loss)	-	(24)	-	(24)
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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

	<b>Current Quarter RM'000</b>	<b>Preceding Year Corresponding Quarter RM'000</b>	<b>Change %</b>	<b>Current Year To date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>	<b>Change %</b>
<b>Segment revenue</b>						
Poultry & related products	41,938	32,845	28%	84,378	60,365	40%
Extraction & sale of sand	793	997	-20%	2,287	1,311	74%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>42,821</b>	<b>33,932</b>	<b>26%</b>	<b>86,845</b>	<b>61,856</b>	<b>40%</b>
<b>Segment result</b>						
Poultry & related products	(3,896)	(4,224)	8%	(7,488)	(11,333)	34%
Extraction & sale of sand	54	352	-85%	384	148	160%
Investment holdings	(860)	(590)	-46%	(1,355)	(1,210)	-12%
Property development	(95)	(93)	-2%	(176)	(215)	18%
Loss before tax	(4,797)	(4,555)	-5%	(8,634)	(12,610)	32%
Less: Taxation	(168)	(194)	13%	(540)	(534)	-1%
Loss net of tax	(4,965)	(4,749)	-5%	(9,174)	(13,144)	30%

The Group registered a revenue of RM42.82 million and a loss net of tax of RM4.97 million for the current quarter as compared to a revenue of RM33.93 million and a loss net of tax of RM4.75 million in the same quarter of previous year. Revenue for the Group increased by 26% due to higher sales volume and average selling price of eggs. However, the Group recorded a loss net of tax of RM4.97 million due to higher cost of raw materials particularly corn and soybean as compared to the same quarter of previous year.

For the financial year-to-date, the Group recorded a revenue of RM86.85 million and a loss net of tax of RM9.17 million as compared to revenue of RM61.86 million and loss net of tax of RM13.14 million in the corresponding period of previous year. Poultry segment recorded a 40% increase in revenue due to higher sales volume and average selling price of eggs as compared to preceding year corresponding period. However, the higher revenue was off-set by higher cost of sales due to increased cost of raw materials particularly corn and soybean as compared to the same period of preceding year. Consequently, the Group recorded loss net of tax of RM9.17 million as compared to RM13.14 million in the same period of preceding year.

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

**B2. Variation of result Against Preceding Quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	41,938	42,440	-1%
Extraction & sale of sand	793	1,494	-47%
Investment holdings	90	90	0%
<b>Total</b>	<b>42,821</b>	<b>44,024</b>	<b>-3%</b>
<b>Segment result</b>			
Poultry & related products	(3,896)	(3,591)	-9%
Extraction & sale of sand	54	331	-84%
Investment holdings	(860)	(495)	-74%
Property development	(95)	(81)	-17%
<b>Loss before tax</b>	<b>(4,797)</b>	<b>(3,837)</b>	<b>-25%</b>

The Group posted loss before tax of RM4.80 million for the current quarter as compared to RM3.84 million in the preceding quarter. Revenue decreased by 3% due to lower sales volume of eggs and sales of sand as a result of operations disruption from Covid-19. Therefore, the Group recorded higher loss before tax in tandem with lower revenue.

**B3. Commentary on Prospects**

The Board foresees the next period to continue to be challenging due to escalating commodity prices particularly corn and soybean which are the poultry segment's main raw materials and unstable selling price of eggs.

Nonetheless management continues to focus on cost management to minimise any volatilities to production costs.

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**

	6 months ended 30.9.21 RM'000	6 months ended 30.9.20 RM'000
Income tax expense	366	910
Deferred tax	174	(376)
<b>Total</b>	<b>540</b>	<b>534</b>

The effective tax rate is higher than the statutory rate of 24% due mainly to the effects of certain taxable incomes.

**B6. Corporate Proposals**

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 16 November 2021.

## (b) Status of Utilisation of Proceeds

Pursuant to the Private Placement which was duly completed on 30 July 2021 upon the subscription and listing of the 13,010,000 Placement Shares at RM0.895 on the Main Market of Bursa Malaysia Securities Berhad, the gross proceeds raised from the Private Placement Exercise was RM11,643,950.

The utilization of the Private Placement as at 16 November 2021 is as set out below:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation	
				RM'000	%
(i) Working Capital	11,294	11,294	Completed	-	-
(ii) Estimated expenses for the Proposals	350	352	Completed	(2)	-1%

**B7. Borrowings**

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

	As at 30.9.2021 RM'000	As at 30.9.2020 RM'000
<b>Short term</b>		
<i>Secured:-</i>		
Revolving credit	20,500	12,500
Banker acceptance	2,559	3,849
Bank term loans	9,012	8,570
	32,071	24,919
<i>Unsecured:-</i>		
Revolving credit	11,000	11,606
Banker acceptance	9,939	6,000
	20,939	17,606
	53,010	42,525
<b>Long term</b>		
<i>Secured:-</i>		
Bank term loans	33,672	42,680
	86,682	85,205
<b>Total borrowings</b>	86,682	85,205

**B7. Borrowings (cont'd.)**

- b) There were no borrowings in foreign currency as at 30 September 2021.
- c) Effective average cost of borrowings based on exposure as at 30 September 2021 was 4.07% (30 September 2020: 4.38%).

**B8. Off Balance Sheet Financial Instrument**

There were no off-balance sheet financial instruments as at 30 September 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 30 September 2021.

**B11. Earnings per share ("EPS")**

	3 months ended		6 months ended	
	30-Sep-21 RM'000	30-Sep-20 RM'000	30-Sep-21 RM'000	30-Sep-20 RM'000
<b>Loss attributable to ordinary shareholders of the parent</b>	(4,965)	(4,749)	(9,174)	(13,144)
<b>Number of shares in issue ('000)</b>	143,114	143,114	143,114	143,114
<b>Basic EPS (sen per share)</b>	(3.47)	(3.32)	(6.41)	(9.18)

**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 16 November 2021.

**B13. Dividends Paid / Declared**

Dividend paid / declared since the financial year 2020 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020