

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			9 months ended		
	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %
Segment revenue						
Poultry & related products	53,423	34,541	55%	137,801	94,906	45%
Extraction & sale of sand	1,594	1,987	-20%	3,881	3,298	18%
Investment holdings	90	90	0%	270	270	0%
Total	55,107	36,618	50%	141,952	98,474	44%
Segment results						
Poultry & related products	2,461	(1,462)	268%	(5,016)	(12,795)	61%
Extraction & sale of sand	339	484	-30%	723	632	14%
Investment holdings	(616)	(418)	-47%	(1,981)	(1,628)	-22%
Property development	(91)	(74)	-23%	(267)	(289)	8%
Profit/(loss) before tax	2,093	(1,470)	242%	(6,541)	(14,080)	54%
Less: Taxation	226	(721)	131%	(314)	(1,255)	75%
Profit/(loss) net of tax	2,319	(2,191)	206%	(6,855)	(15,335)	55%

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 31 December 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 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. Profit/(loss) for the Period

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

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	142	132	395	504
Other income including investment income	169	184	757	592
Interest expense	(898)	(885)	(2,706)	(2,810)
Depreciation & amortisation	(1,482)	(1,515)	(4,466)	(4,620)
Fair value changes on biological assets	(79)	1,199	644	(370)
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	(17)	(5)	(33)	(27)
Unrealised gain/(loss)	-	-	-	(1)
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	53,423	34,541	55%	137,801	94,906	45%
Extraction & sale of sand	1,594	1,987	-20%	3,881	3,298	18%
Investment holdings	90	90	0%	270	270	0%
Total	55,107	36,618	50%	141,952	98,474	44%
Segment result						
Poultry & related products	2,461	(1,462)	268%	(5,016)	(12,795)	61%
Extraction & sale of sand	339	484	-30%	723	632	14%
Investment holdings	(616)	(418)	-47%	(1,981)	(1,628)	-22%
Property development	(91)	(74)	-23%	(267)	(289)	8%
Profit/(loss) before tax	2,093	(1,470)	242%	(6,541)	(14,080)	54%
Less: Taxation	226	(721)	131%	(314)	(1,255)	75%
Profit/(loss) net of tax	2,319	(2,191)	206%	(6,855)	(15,335)	55%

The Group registered a revenue of RM55.11 million and a profit net of tax of RM2.32 million for the current quarter as compared to a revenue of RM36.62 million and a loss net of tax of RM2.19 million in the same quarter of previous year. Revenue for the Group increased by 50% due to higher sales volume and average selling price of eggs. Therefore, the Group recorded a profit net of tax of RM2.32 million in tandem with higher revenue as compared to the same quarter of previous year.

For the financial year-to-date, the Group recorded a revenue of RM141.95 million and a loss net of tax of RM6.85 million as compared to revenue of RM98.47 million and loss net of tax of RM15.36 million in the corresponding period of previous year. Poultry segment recorded a 45% increase in revenue due to higher sales volume and average selling price of eggs as compared to preceding year corresponding period. Therefore, the Group's loss net of tax narrowed down by 55% as compared to the preceding year corresponding period.

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	53,423	41,938	27%
Extraction & sale of sand	1,594	793	101%
Investment holdings	90	90	0%
Total	<u>55,107</u>	<u>42,821</u>	<u>29%</u>
Segment result			
Poultry & related products	2,461	(3,896)	163%
Extraction & sale of sand	339	54	527%
Investment holdings	(616)	(860)	28%
Property development	(91)	(95)	4%
Profit/(loss) before tax	<u>2,093</u>	<u>(4,797)</u>	<u>144%</u>

The Group posted profit before tax of RM2.09 million for the current quarter as compared to loss before tax of RM4.80 million in the preceding quarter. Revenue increased by 29% due to higher sales volume and average selling price of eggs and higher sales of sand. Therefore, the Group recorded profit before tax in tandem with improved selling prices of eggs.

B3. Commentary on Prospects

The Board is cautious about the next period due to commodity prices particularly corn and soybean which are the poultry segment's main raw materials which remain persistently high; despite better 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

	9 months ended 31.12.2021 RM'000	9 months ended 31.12.2020 RM'000
Income tax expense	159	1,344
Deferred tax	155	(89)
Total	<u>341</u>	<u>1,255</u>

The effective tax rate is lower than the statutory rate of 24% due mainly to operational losses.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 17 February 2022.

(b) Status of Utilisation of Proceeds

As at the date of this report, all proceeds from corporate proposals implemented by the Company in the past have been fully utilised.

B7. Borrowings

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

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	14,500	15,500
Banker acceptance	4,107	3,377
Bank term loans	6,053	8,675
	<u>24,660</u>	<u>27,552</u>
<i>Unsecured:-</i>		
Revolving credit	9,000	6,000
Banker acceptance	12,308	9,212
	<u>21,308</u>	<u>15,212</u>
	<u>45,967</u>	<u>42,764</u>
Long term		
<i>Secured:-</i>		
Bank term loans	35,714	40,474
	<u>35,714</u>	<u>40,474</u>
Total borrowings	<u>81,681</u>	<u>83,238</u>

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

c) Effective average cost of borrowings based on exposure as at 31 December 2021 was 4.06% (31 December 2020: 4.21%).

B8. Off Balance Sheet Financial Instrument

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

B11. Earnings per share (“EPS”)

	3 months ended		9 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to ordinary shareholders of the parent	2,320	(2,191)	(6,854)	(15,335)
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	1.62	(1.53)	(4.79)	(10.72)

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 23 February 2022.

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