

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 2022. 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 2022.

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 2022, 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 2022:

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 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendment to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

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 17: Insurance Contract	1 January 2023
Amendments to MFRS 17: Insurance Contract – 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 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 2022 was not qualified.

A3. Segmental Information

	3 months ended		Change %
	30-Jun-22 RM'000	30-Jun-21 RM'000	
Segment revenue			
Poultry & related products	61,033	42,440	44%
Extraction & sale of sand	1,519	1,494	2%
Investment holdings	90	90	0%
Total	62,642	44,024	42%
Segment results			
Poultry & related products	5,289	(3,591)	247%
Extraction & sale of sand	83	331	-75%
Investment holdings	(638)	(495)	-29%
Property development	(31)	(81)	62%
Profit/(loss) before tax	4,703	(3,837)	223%
Less: Taxation	189	(372)	151%
Profit/(loss) net of tax	4,892	(4,209)	216%

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 June 2022.

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 2022.

A12. Profit/(loss) for the Period

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

	Current Quarter	
	3 months ended	
	30-Jun-22	30-Jun-21
	(RM'000)	(RM'000)
Interest income	158	140
Other income including investment income	3,462	277
Interest expense	(810)	(891)
Depreciation & amortisation	(1,424)	(1,490)
Fair value changes on biological assets	(1,067)	436
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	121	(6)
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 %
Segment revenue			
Poultry & related products	61,033	42,440	44%
Extraction & sale of sand	1,519	1,494	2%
Investment holdings	90	90	0%
Total	62,642	44,024	42%
Segment result			
Poultry & related products	5,289	(3,591)	247%
Extraction & sale of sand	83	331	-75%
Investment holdings	(638)	(495)	-29%
Property development	(31)	(81)	62%
Profit/(loss) before tax	4,703	(3,837)	223%
Less: Taxation	189	(372)	151%
Profit/(loss) net of tax	4,892	(4,209)	216%

The Group registered a revenue of RM62.64 million and a profit net of tax of RM4.89 million for the current quarter as compared to a revenue of RM44.02 million and a loss net of tax of RM4.21 million in the same quarter of previous year. Revenue for the Group increased by 42% due to higher sales volume and average selling price of eggs. The poultry segment's result improved by 247% in tandem with higher revenue and subsidies received from Government but partially offset by higher cost of major raw materials particularly corn and soybean as compared to the same quarter of previous year.

Extraction and sale of sand segment recorded lower earnings despite maintaining its revenue due to higher cost of fuel used in production.

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	61,033	57,899	5%
Extraction & sale of sand	1,519	1,728	-12%
Investment holdings	90	90	0%
Total	62,642	59,717	5%
Segment result			
Poultry & related products	5,289	2,344	126%
Extraction & sale of sand	83	(497)	117%
Investment holdings	(638)	(12,613)	95%
Property development	(31)	(2,507)	99%
Profit/(loss) before tax	4,703	(13,273)	135%

The Group posted profit before tax of RM4.70 million for the current quarter as compared to loss before tax RM13.27 million in the preceding quarter. Revenue increased by 5% arising from improved sales volume and average selling prices of eggs as compared to preceding quarter. The Group recorded profit before tax in the current quarter as compared to loss before tax in the previous quarter mainly contributed by subsidies received from Government and losses from fair valuation of properties recognized in the previous quarter but not in the current quarter.

B3. Commentary on Prospects

The Board foresees the next period to continue to be challenging due to continuous volatility of commodity prices particularly corn and soybean which are the poultry segment's main raw materials. Nonetheless management shall continue to focus on efficiencies at the farm to minimise any volatilities and disruption to the business operations.

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

	3 months ended	3 months ended
	30.6.22	30.6.21
	RM'000	RM'000
Income tax expense	65	267
Deferred tax (reversal)/expense	(254)	105
Total	(189)	372

The effective tax rate is lower than the statutory rate of 24% due mainly to the effects of disallowed losses in respective periods.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 11 August 2022 except for the Proposals as announced by the Company on 8 April 2022 and previously disclosed (Quarterly Report for quarter ended 31 March 2022).

As at the date of this report, application in relation to the Proposals is still pending submission to the Securities Commission of Malaysia.

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 30.6.2022 RM'000	As at 30.6.2021 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	9,000	20,500
Banker acceptance	3,033	4,085
Bank term loans	7,795	8,900
	<u>19,828</u>	<u>33,485</u>
<i>Unsecured:-</i>		
Revolving credit	14,500	11,000
Banker acceptance	9,667	11,483
	<u>24,167</u>	<u>22,483</u>
	<u>43,995</u>	<u>55,969</u>
Long term		
<i>Secured:-</i>		
Bank term loans	32,105	35,947
	<u>32,105</u>	<u>35,947</u>
Total borrowings	<u>76,100</u>	<u>91,916</u>

b) There were no borrowings in foreign currency as at 30 June 2022.

c) Effective average cost of borrowings based on exposure as at 30 June 2022 was 4.30% (30 June 2021: 4.03%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 30 June 2022.

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 June 2022.

B11. Earnings per share (“EPS”)

	3 months ended	
	30-Jun-22	30-Jun-21
	RM'000	RM'000
Profit/(loss) attributable to ordinary shareholders of the parent	4,892	(4,209)
Number of shares in issue ('000)	143,114	130,104
Basic EPS (sen per share)	3.42	(3.24)

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 18 August 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