

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			6 months ended		
	30-Sep-22 RM'000	30-Sep-21 RM'000	Change %	30-Sep-22 RM'000	30-Sep-21 RM'000	Change %
Segment revenue						
Poultry & related products	61,718	41,938	47%	122,751	84,378	45%
Extraction & sale of sand	1,929	793	143%	3,448	2,287	51%
Investment holdings	90	90	0%	180	180	0%
Total	63,737	42,821	49%	126,379	86,845	46%
Segment results						
Poultry & related products	4,530	(3,896)	216%	9,819	(7,488)	231%
Extraction & sale of sand	400	54	640%	482	384	26%
Investment holdings	136	(860)	116%	(501)	(1,355)	63%
Property development	(19)	(95)	80%	(50)	(176)	71%
Profit/(loss) before tax	5,047	(4,797)	205%	9,750	(8,634)	213%
Less: Taxation	(809)	(168)	-382%	(620)	(540)	-15%
Profit/(loss) net of tax	4,238	(4,965)	185%	9,130	(9,174)	200%

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 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		Cumulative Quarter	
	3 months ended		6 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	136	113	294	253
Other income including investment income	4,914	231	8,376	509
Interest expense	(978)	(882)	(1,788)	(1,773)
Depreciation & amortisation	(1,371)	(1,494)	(2,795)	(2,984)
Fair value changes on biological assets	(2,034)	287	(3,101)	723
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/(loss)	47	(16)	168	(16)
Unrealised gain/(loss)	-	-	-	-
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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

	Preceding Year			Current		
	Current	Corresponding	Change	Year To	Preceding Year	Change
	Quarter	Quarter	%	date	Period	%
	RM'000	RM'000		RM'000	RM'000	
Segment revenue						
Poultry & related products	61,718	41,938	47%	122,751	84,378	45%
Extraction & sale of sand	1,929	793	143%	3,448	2,287	51%
Investment holdings	90	90	0%	180	180	0%
Total	63,737	42,821	49%	126,379	86,845	46%
Segment result						
Poultry & related products	4,530	(3,896)	216%	9,819	(7,488)	231%
Extraction & sale of sand	400	54	640%	482	384	26%
Investment holdings	136	(860)	116%	(501)	(1,355)	63%
Property development	(19)	(95)	80%	(50)	(176)	71%
Profit/(loss) before tax	5,047	(4,797)	205%	9,750	(8,634)	213%
Less: Taxation	(809)	(168)	-382%	(620)	(540)	-15%
Profit/(loss) net of tax	4,238	(4,965)	185%	9,130	(9,174)	200%

The Group registered a revenue of RM63.74 million and a profit net of tax of RM4.24 million for the current quarter as compared to a revenue of RM42.82 million and a loss net of tax of RM4.97 million in the same quarter of previous year. Revenue for the Group increased by 49% due to higher sales volume as the corresponding quarter of previous year recorded lower sales due to shutdown during Covid-19 cluster; and higher average selling price of eggs. The poultry segment recorded a profit of RM4.53 million contributed mainly by better margins from export sales and subsidies received from Government.

For the financial year-to-date, the Group recorded a revenue of RM126.38 million and a profit net of tax of RM9.13 million as compared to revenue of RM86.85 million and loss net of tax of RM9.17 million in the corresponding period of previous year. Poultry segment recorded a 45% increase in revenue due to higher sales volume as the corresponding period of previous year recorded lower sales due to shutdown during Covid-19 cluster; and higher average selling price of eggs. The poultry segment recorded a profit of RM9.82 million contributed mainly by better margins from export sales and subsidies received from Government.

The other segments did not record any material contribution to revenue and earnings.

B2. Variation of result Against Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Change %
Segment revenue			
Poultry & related products	61,718	61,033	1%
Extraction & sale of sand	1,929	1,519	27%
Investment holdings	90	90	0%
Total	63,737	62,642	2%
Segment result			
Poultry & related products	4,530	5,289	-14%
Extraction & sale of sand	400	83	382%
Investment holdings	136	(638)	121%
Property development	(19)	(31)	38%
Profit before tax	5,047	4,703	7%

The Group recorded a marginal increase in revenue at RM63.74 million for the current quarter as compared to RM62.64 million in the preceding quarter. The Group's profit before tax improved by RM0.34 million due mainly to subsidies received from the Government which was partially offset by higher operating expenses.

B3. Commentary on Prospects

The Board foresees continuing uncertainty in the next period due to the escalating US dollar and the prolonged Russia-Ukraine war's impact on commodity prices particular on corn and soybean, government policy on egg control price and subsidies and the stability of export sales. 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

	6 months ended 30.9.22 RM'000	6 months ended 30.9.21 RM'000
Income tax expense	1,108	366
Deferred tax (reversal)/expense	(488)	174
Total	620	540

The effective tax rate is lower (6 months ended 30 Sept 2021: higher) than the statutory rate of 24% due mainly carried forward business losses and the effects of disallowed expenses in respective periods.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 15 November 2022 except for the Proposals as announced by the Company on 8 April 2022 and as previously disclosed (Quarterly Report for quarter ended 31 March 2022 and Annual Report 2022).

The application in relation to the Proposals have been submitted to the Securities Commission of Malaysia on 30 September 2022 and is pending its approval.

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 30.9.2022 RM'000	As at 30.9.2021 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	9,000	20,500
Banker acceptance	4,043	2,559
Bank term loans	9,124	9,012
	22,167	32,071
<i>Unsecured:-</i>		
Revolving credit	14,500	11,000
Banker acceptance	13,763	9,939
	28,263	20,939
	50,430	53,010
Long term		
<i>Secured:-</i>		
Bank term loans	29,705	33,672
	29,705	33,672
Total borrowings	80,135	86,682

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

c) Effective average cost of borrowings based on exposure as at 30 September 2022 was 4.67% (30 September 2021: 4.07%).

B8. Off Balance Sheet Financial Instrument

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

B11. Earnings per share (“EPS”)

	3 months ended		9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Profit/(loss) attributable to ordinary shareholders of the parent	4,238	(4,965)	9,130	(9,174)
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	2.96	(3.47)	6.38	(6.41)

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 22 November 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