

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			12 months ended		
	31-Mar-23 RM'000	31-Mar-22 RM'000	Change %	31-Mar-23 RM'000	31-Mar-22 RM'000	Change %
Segment revenue						
Poultry & related products	62,629	57,899	8%	249,817	195,700	28%
Extraction & sale of sand	2,087	1,728	21%	7,095	5,609	26%
Investment holdings	90	90	0%	360	360	0%
Total	64,806	59,717	9%	257,272	201,669	28%
Segment results						
Poultry & related products	18,592	3,013	517%	34,410	(2,003)	1818%
Extraction & sale of sand	(700)	(497)	-41%	(91)	226	-140%
Investment holdings	(653)	(12,613)	95%	(2,095)	(14,594)	86%
Property development	(41)	(2,507)	98%	(1,700)	(2,774)	39%
Profit/(loss) before tax	17,198	(12,604)	236%	30,524	(19,145)	259%
Less: Taxation	(7,862)	3,362	-334%	(9,897)	3,048	-425%
Profit/(loss) net of tax	9,336	(9,242)	201%	20,627	(16,097)	228%

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 March 2023.

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 Non-Current Assets

During the financial year, the Group carried out valuation on its non-current assets in accordance to the Group's accounting policy giving rise to impairment loss of RM0.71 million. This was based on results of valuations carried out in March 2023 by professional independent valuer, Laurelcap Sdn. Bhd.

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		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	214	117	737	512
Other income including investment income	9,462	102	19,177	557
Interest expense	(980)	(816)	(3,768)	(3,522)
Depreciation & amortisation	(1,533)	(1,457)	(5,735)	(5,923)
Fair value changes on biological assets	2,241	(2)	(690)	642
Provision for and write off of receivables	(232)	(34)	(281)	(34)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(2,279)	(15,325)	(2,279)	(15,325)
Foreign exchange (loss)/gain:-				
Realised gain/(loss)	-	1	248	(32)
Unrealised gain/(loss)	930	4	930	4
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	62,629	57,899	8%	249,817	195,700	28%
Extraction & sale of sand	2,087	1,728	21%	7,095	5,609	26%
Investment holdings	90	90	0%	360	360	0%
Total	64,806	59,717	9%	257,272	201,669	28%
Segment result						
Poultry & related products	18,592	3,013	517%	34,410	(2,003)	1818%
Extraction & sale of sand	(700)	(497)	41%	(91)	226	-140%
Investment holdings	(653)	(12,613)	95%	(2,095)	(14,594)	86%
Property development	(41)	(2,507)	98%	(1,700)	(2,774)	39%
Profit/(loss) before tax	17,198	(12,604)	-236%	30,524	(19,145)	259%
Less: Taxation	(7,862)	3,362	-334%	(9,897)	3,048	425%
Profit/(loss) net of tax	9,336	(9,242)	-201%	20,627	(16,097)	228%

The Group registered a revenue of RM64.81 million and a profit net of tax of RM9.34 million for the current quarter as compared to a revenue of RM59.72 million and loss net of tax of RM9.24 million in the same quarter of previous year. Revenue for the Group increased by 9% due to higher average selling price of eggs. The higher average selling price was mainly driven by strong SGD in export sales which also resulted in higher export sales margins. The poultry segment recorded a profit of RM18.59 million contributed mainly by subsidies received from Government and margins from export sales.

For the financial year-to-date, the Group recorded a revenue of RM257.27 million and a profit net of tax of RM20.63 million as compared to revenue of RM201.67 million and loss net of tax of RM16.10 million in the corresponding period of previous year. Poultry segment recorded a 28% increase in revenue due to higher average selling price of eggs. The poultry segment recorded a profit of RM34.41 million derived mainly from other income being subsidies received from Government coupled with margins from export sales. The Group's profit net of tax improved in tandem with earnings from the poultry segment.

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

B2. Variation of result Against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	62,629	64,438	-3%
Extraction & sale of sand	2,087	1,560	34%
Investment holdings	90	90	0%
Total	64,806	66,088	-2%
Segment result			
Poultry & related products	18,592	6,000	210%
Extraction & sale of sand	(700)	127	-651%
Investment holdings	(653)	(951)	31%
Property development	(41)	(1,600)	97%
Profit before tax	17,198	3,576	381%

The Group's revenue decreased by 2% to RM64.81 in the current quarter as compared to RM66.09 million in the preceding quarter. However, the Group's profit before tax improved from RM3.58 million to RM17.20 million due mainly to higher subsidies received from Government in the current quarter.

B3. Commentary on Prospects

The Board foresees continuous uncertainty in the next period due to government policy on egg control price and subsidies, supplies from other producers and volatility in cost of major raw materials such as corn and soybean. 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

	12 months ended 31.3.23 RM'000	12 months ended 31.3.22 RM'000
Income tax expense	8,195	921
Deferred tax expense/(reversal)	1,194	(3,969)
Real property gain tax	508	-
Total	9,897	(3,048)

The effective tax rate is lower (12 months ended 31 Mar 2023: higher) than the statutory rate of 24% due mainly to carried forward business losses.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 May 2023 except for the Proposals as announced by the Company on 8 April 2022 and its subsequent announcements.

On 18 May 2023, the applications in relation to the Proposals which incorporated the variations to the Proposals as announced on 10 March 2023 and amended salient terms of the Proposed Disposals and Proposed Acquisition as announced on 10 May 2023 were submitted to SC.

b) Status of Utilisation of Proceeds

Not applicable as there was no corporate proposal to raise funds as at date of this report.

B7. Borrowings

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

	As at 31.3.2023	As at 31.3.2022
	RM'000	RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	11,000	14,500
Banker acceptance	2,116	4,064
Bank term loans	9,206	6,599
	22,322	25,163
<i>Unsecured:-</i>		
Revolving credit	9,000	9,000
Banker acceptance	11,841	8,599
	20,841	17,599
	43,163	42,762
Long term		
<i>Secured:-</i>		
Bank term loans	27,940	34,077
	27,940	34,077
Total borrowings	71,102	76,839

b) There were no borrowings in foreign currency as at 31 March 2023.

c) Effective average cost of borrowings based on exposure as at 31 March 2023 was 5.29% (31 March 2022: 4.11%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 31 March 2023.

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 2023.

B11. Earnings per share (“EPS”)

	3 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to ordinary shareholders of the parent	9,336	(9,242)	20,627	(16,097)
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	6.52	(6.46)	14.41	(11.25)

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 30 May 2023.

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