

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 2023. 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 2023.

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 2023, 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 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – 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 and 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

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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of cash Flows and MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale of 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 2023 was not qualified.

A3. Segmental Information

	3 months ended		
	30-Jun-23	30-Jun-22	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	62,819	61,033	3%
Extraction & sale of sand	1,848	1,519	22%
Investment holdings	90	90	0%
Total	<u>64,757</u>	<u>62,642</u>	<u>3%</u>
Segment results			
Poultry & related products	4,776	5,289	-10%
Extraction & sale of sand	320	83	286%
Investment holdings	(563)	(638)	12%
Property development	(113)	(31)	-264%
Profit before tax	<u>4,420</u>	<u>4,703</u>	<u>-6%</u>
Less: Taxation	(1,813)	189	-1059%
Profit net of tax	<u>2,607</u>	<u>4,892</u>	<u>-47%</u>

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 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 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 2023.

A12. Profit for the Period

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

	Current Quarter	
	3 months ended	
	30-Jun-23	30-Jun-22
	(RM'000)	(RM'000)
Interest income	272	158
Other income including investment income	2,647	3,462
Interest expense	(966)	(810)
Depreciation & amortisation	(1,449)	(1,424)
Fair value changes on biological assets	(302)	(1,067)
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	145	121
Unrealised gain/(loss)	(953)	-
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	62,819	61,033	3%
Extraction & sale of sand	1,848	1,519	22%
Investment holdings	90	90	0%
Total	<u>64,757</u>	<u>62,642</u>	<u>3%</u>
Segment result			
Poultry & related products	4,776	5,289	-10%
Extraction & sale of sand	320	83	286%
Investment holdings	(563)	(638)	12%
Property development	(113)	(31)	-264%
Profit before tax	4,420	4,703	-6%
Less: Taxation	(1,813)	189	-1059%
Profit net of tax	<u>2,607</u>	<u>4,892</u>	<u>-47%</u>

The Group registered a revenue of RM64.76 million and a profit net of tax of RM2.61 million for the current quarter as compared to a revenue of RM62.64 million and a profit net of tax of RM4.89 million in the same quarter of previous year. Revenue for the Group increased by 3% due to higher average selling price of eggs. The poultry segment's result decreased by 10% due to lower other income and higher other expenses as compared to the same quarter of previous year.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in sand mining activities and lower fuel cost incurred.

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	62,819	62,629	0%
Extraction & sale of sand	1,848	2,087	-11%
Investment holdings	90	90	0%
Total	64,757	64,806	0%
Segment result			
Poultry & related products	4,776	18,592	-74%
Extraction & sale of sand	320	(700)	146%
Investment holdings	(563)	(653)	14%
Property development	(113)	(41)	-175%
Profit before tax	4,420	17,198	-74%

The Group posted profit before tax of RM4.42 million for the current quarter as compared to profit before tax RM17.20 million in the preceding quarter. The Group recorded lower profit before tax in the current quarter as compared to previous quarter mainly due to higher government subsidies received in the previous quarter.

B3. Commentary on Prospects

The Board foresees the next period to continue to be profitable due to strong export eggs prices. 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
	30.6.23	30.6.22
	RM'000	RM'000
Income tax expense	1,885	65
Deferred tax (reversal)/expense	(72)	(254)
Total	1,813	(189)

The effective tax rate is higher than the statutory rate of 24% due mainly to the effects of unallowable expenses.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 11 August 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 Securities Commission 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 30.6.2023 RM'000	As at 30.6.2022 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	9,000	9,000
Banker acceptance	2,793	3,033
Bank term loans	9,557	7,795
	<u>21,350</u>	<u>19,828</u>
<i>Unsecured:-</i>		
Revolving credit	10,750	14,500
Banker acceptance	11,509	9,667
	<u>22,259</u>	<u>24,167</u>
	<u>43,609</u>	<u>43,995</u>
Long term		
<i>Secured:-</i>		
Bank term loans	25,317	32,105
	<u>25,317</u>	<u>32,105</u>
Total borrowings	<u>68,926</u>	<u>76,100</u>

b) There were no borrowings in foreign currency as at 30 June 2023.

c) Effective average cost of borrowings based on exposure as at 30 June 2023 was 5.34% (30 June 2022: 4.30%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 30 June 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 30 June 2023.

B11. Earnings per share (“EPS”)

	3 months ended	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
Profit attributable to ordinary shareholders of the parent	2,607	4,892
Number of shares in issue ('000)	143,114	143,114
Basic EPS (sen per share)	1.82	3.42

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 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