

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 2024. 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 2024.

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 2024, 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 2024:

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 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 107 and MFRS 7 Disclosures: Supplier Finance Arrangements	1 January 2024

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 121: Lack of exchangeability	1 January 2025
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
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 2024 was not qualified.

A3. Segmental Information

	3 months ended			6 months ended		
	30-Sep-24 RM'000	30-Sep-23 RM'000	Change %	30-Sep-24 RM'000	30-Sep-23 RM'000	Change %
Segment revenue						
Poultry & related products	54,990	64,274	-14%	108,896	127,092	-14%
Extraction & sale of sand	3,025	2,454	23%	4,921	4,303	14%
Investment holdings	90	90	0%	180	180	0%
Total	58,105	66,818	-13%	113,997	131,575	-13%
Segment results						
Poultry & related products	13,238	9,250	43%	19,076	14,026	36%
Extraction & sale of sand	883	681	30%	1,285	1,001	28%
Investment holdings	353	(568)	162%	793	(1,131)	170%
Property development	(64)	(19)	-236%	(151)	(132)	-15%
Profit before tax	14,410	9,344	54%	21,003	13,764	53%
Less: Taxation	(1,195)	(2,128)	44%	(2,022)	(3,941)	49%
Profit net of tax	13,215	7,216	83%	18,981	9,823	93%

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 2024.

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 2024.

A12. Profit for the Period

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

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	410	287	646	559
Other income including investment income	12,194	312	15,895	2,899
Interest expense	(897)	(1,017)	(1,752)	(1,983)
Depreciation & amortisation	(1,431)	(1,421)	(2,943)	(2,870)
Fair value changes on biological assets	(395)	752	(851)	450
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				-
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Reversal of impairment/(impairment) of assets	51	-	(122)	-
Foreign exchange (loss)/gain:-				
Realised (loss)/gain	(667)	(22)	(727)	123
Unrealised loss	(1,287)	(1)	(1,402)	(954)
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	54,990	64,274	-14%	108,896	127,092	-14%
Extraction & sale of sand	3,025	2,454	23%	4,921	4,303	14%
Investment holdings	90	90	0%	180	180	0%
Total	58,105	66,818	-13%	113,997	131,575	-13%
Segment result						
Poultry & related products	13,238	9,250	43%	19,076	14,026	36%
Extraction & sale of sand	883	681	30%	1,285	1,001	28%
Investment holdings	353	(568)	162%	793	(1,131)	170%
Property development	(64)	(19)	-236%	(151)	(132)	-15%
Profit before tax	14,410	9,344	54%	21,003	13,764	53%
Less: Taxation	(1,195)	(2,128)	44%	(2,022)	(3,941)	49%
Profit net of tax	13,215	7,216	83%	18,981	9,823	93%

The Group registered a revenue of RM58.11 million and a profit net of tax of RM13.22 million for the current quarter as compared to a revenue of RM66.82 million and a profit net of tax of RM7.22 million in the same quarter of previous year. Revenue for the Group decreased by 13% due mainly to lower egg control price and export sales. However, poultry segment's result increased by 43% mainly contributed by subsidies received from Government and lower cost of major raw materials particularly corn and soybean.

For the financial year-to-date, the Group recorded a revenue of RM114.00 million and a profit net of tax of RM18.98 million as compared to revenue of RM131.58 million and profit net of tax of RM9.82 million in the corresponding period of previous financial year. Poultry segment recorded 14% decrease in revenue due mainly to lower egg control price and export sales. However, the poultry segment recorded 36% increase in profit contributed mainly by lower cost of major raw materials particularly corn and soybean and higher subsidies received from Government as compared to corresponding period of previous financial year.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in sand mining extraction.

Investment holdings segment also recorded higher result contributed mainly by dividends received from investment in securities as compared to the same quarter of previous year.

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	54,991	53,906	2%
Extraction & sale of sand	3,025	1,896	60%
Investment holdings	90	90	0%
Total	<u>58,105</u>	<u>55,892</u>	<u>4%</u>
Segment result			
Poultry & related products	13,238	5,838	127%
Extraction & sale of sand	883	402	120%
Investment holdings	353	440	-20%
Property development	(64)	(87)	27%
Profit before tax	<u>14,411</u>	<u>6,593</u>	<u>119%</u>

The Group posted profit before tax of RM14.41 million for the current quarter as compared to profit before tax RM6.59 million in the preceding quarter. The Group recorded higher profit before tax mainly contributed by higher subsidies received from Government as compared to preceding quarter.

B3. Commentary on Prospects

The Board remains cautious in view of the volatility of the factors affecting its poultry segment. Uncertainty surrounding the continuity of egg price control and volatility of the Ringgit Malaysia against Singapore Dollar continue to affect our revenue and earnings outlook. However we shall focus on operational efficiencies and cost management to minimize the impacts.

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	6 months ended
	30.9.24	30.9.23
	RM'000	RM'000
Income tax expense	2,226	3,833
Deferred tax (reversal)/expense	(204)	108
Total	<u>2,022</u>	<u>3,941</u>

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

B6. Corporate Proposals

a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 November 2024.

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 30.9.2024 RM'000	As at 30.9.2023 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	14,000	13,000
Banker acceptance	3,873	3,632
Bank term loans	5,933	9,687
	23,806	26,319
<i>Unsecured:-</i>		
Revolving credit	6,000	10,500
Banker acceptance	12,832	12,551
	18,832	23,051
	42,638	49,370
Long term		
<i>Secured:-</i>		
Bank term loans	22,035	22,856
	22,035	22,856
Total borrowings	64,673	72,226

b) There were no borrowings in foreign currency as at 30 September 2024.

c) Effective average cost of borrowings based on exposure as at 30 September 2024 was 5.26% (30 September 2023: 5.24%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 30 September 2024.

B9. Changes in Material Litigations

There were no changes in material litigations involving the Group for the current quarter under review.

B10. Dividend Payable

On 13 September 2024, the Board of Directors has declared an interim dividend of 2 sen per ordinary share in respect of the financial year 31 March 2025, which amounted to RM2.86 million and was paid to the shareholders on 18 October 2024.

B11. Earnings per share (“EPS”)

	6 months ended		6 months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary shareholders of the parent	13,215	7,216	18,981	9,823
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	9.23	5.04	13.26	6.86

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 27 November 2024.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2024 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
37	2024	Special dividend	143,114	10 sen per share, single tier	14,311	2.4.2024
38	2025	Interim dividend	143,114	2 sen per share, single tier	2,862	18.10.2024