

**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 2019. 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 2019.

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 2020, 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 2020:

Amendments to MFRS 3: Definition of Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Revised Conceptual Framework for Financial Reporting ( <i>The Conceptual Framework</i> )	1 January 2020
Amendments to MFRS 101: Definition of Material	
Amendments to MFRS 108: Definition of Material	1 January 2020

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: Covid-19-Related Rent Concession	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
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 101: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Annual Improvements to MFRS Standards 2018-2020	
• Amendments to MFRS 16: Leases	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 2020 was not qualified.

**A3. Segmental Information**

	<b>3 months ended</b>		
	<b>30-Jun-20</b>	<b>30-Jun-19</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	27,520	47,447	-42%
Extraction & sale of sand	314	711	-56%
Investment holdings	90	90	0%
Total	<u>27,924</u>	<u>48,248</u>	<u>-42%</u>
<b>Segment results</b>			
Poultry & related products	(7,112)	8,341	-185%
Extraction & sale of sand	(204)	(3,317)	94%
Investment holdings	(620)	(821)	24%
Property development	(120)	(1,474)	92%
(Loss)/profit before tax	<u>(8,055)</u>	<u>2,729</u>	<u>-395%</u>
Less: Tax expense	(340)	(2,219)	85%
(Loss)/profit net of tax	<u>(8,395)</u>	<u>510</u>	<u>-1746%</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 2020.

**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 was 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 2020.

**A12. Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements or to be disclosed as at the date of this report.

**A13. (Loss)/Profit for the Period**

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

	<b>Current Quarter</b>	
	<b>3 months ended</b>	
	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Interest income	203	164
Other income including investment income	288	354
Interest expense	(1,047)	(1,117)
Depreciation & amortisation	(1,569)	(1,836)
Fair value changes on biological assets	(621)	(225)
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	-	(4,652)
Foreign exchange (loss)/gain:-		
Realised (loss)/gain	-	120
Unrealised (loss)/gain	-	25
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

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

	<b>Current Quarter RM'000</b>	<b>Preceding Year Corresponding Quarter RM'000</b>	<b>Change %</b>
<b>Segment revenue</b>			
Poultry & related products	27,520	47,447	-42%
Extraction & sale of sand	314	711	-56%
Investment holdings	90	90	0%
Total	<u>27,924</u>	<u>48,248</u>	<u>-42%</u>
<b>Segment result</b>			
Poultry & related products	(7,112)	8,341	-185%
Extraction & sale of sand	(204)	(3,317)	94%
Investment holdings	(620)	(821)	24%
Property development	(120)	(1,474)	92%
(Loss)/profit before tax	<u>(8,055)</u>	<u>2,729</u>	<u>-395%</u>
Less: Tax expense	(340)	(2,219)	85%
(Loss)/profit net of tax	<u>(8,395)</u>	<u>510</u>	<u>-1746%</u>

The Group registered a revenue of RM27.92 million and a loss net of tax of RM8.40 million for the current quarter as compared to a revenue of RM48.25 million and a profit net of tax of RM0.51 million in the same quarter of previous year. Revenue for the Group dropped by 42% due to lower sales volume and average egg prices. Consequently, the Group recorded a loss net of tax of RM8.40 million due to the drop in revenue cushioned by lower loss in fair value of biological assets as compared to the same quarter of the previous year.

There are no earnings contribution from other segments.

**B2. Variation of result Against Preceding Quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	27,520	35,467	-22%
Extraction & sale of sand	314	1,078	-71%
Investment holdings	90	90	0%
<b>Total</b>	<b>27,924</b>	<b>36,635</b>	<b>-24%</b>
<b>Segment result</b>			
Poultry & related products	(7,112)	(10,011)	29%
Extraction & sale of sand	(204)	288	-171%
Investment holdings	(620)	(864)	28%
Property development	(120)	135	-189%
<b>Loss before tax</b>	<b>(8,055)</b>	<b>(10,451)</b>	<b>23%</b>

The Group posted loss before tax of RM8.06 million for the current quarter as compared to RM10.45 million in the preceding quarter. Revenue decreased by 24% due to lower sales recorded by the poultry segment as a result of lower sales volume. However, the Group recorded lower loss before tax as compared to the previous quarter due to higher fair value loss of biological assets recorded in the previous quarter.

**B3. Commentary on Prospects**

The Board foresees the next period to continue to be challenging due to volatility in the industry that affects the average egg prices. Recoveries in egg prices have been short-lived and its sustainability depends on various factors including consumption driven by economic activities and level of industry output.

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
	30.6.20	30.6.19
	RM'000	RM'000
Income tax expense	523	2,611
Real property gain tax	-	2
Deferred tax	(183)	(394)
<b>Total</b>	<b>340</b>	<b>2,219</b>

The effective tax rate is higher 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 17 August 2020.

## (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 30.6.2020	As at 30.6.2019
	RM'000	RM'000
<b>Short term</b>		
<i>Secured:-</i>		
Term loans	7,875	7,464
Banker acceptance	3,131	849
Revolving credit	12,500	9,500
	<u>23,506</u>	<u>17,813</u>
<i>Unsecured:-</i>		
Term loans	-	45
Banker acceptance	3,448	1,710
Revolving credit	6,000	-
	<u>9,448</u>	<u>1,755</u>
	<u>32,954</u>	<u>19,568</u>
<b>Long term</b>		
<i>Secured:-</i>		
Term loans	45,532	53,454
	<u>45,532</u>	<u>53,454</u>
<b>Total borrowings</b>	<u>78,486</u>	<u>73,022</u>

b) There were no borrowings in foreign currency as at 30 June 2020.

c) Effective average cost of borrowings based on exposure as at 30 June 2020 was 4.78% (2019: 6.12%).

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 30 June 2020.

**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 2020.

**B11. Earnings per share (“EPS”)**

	<b>3 months ended</b>	
	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(Loss)/Profit attributable to ordinary shareholders of the parent</b>	(8,395)	510
<b>Number of shares in issue ('000)</b>	130,104	130,104
<b>Basic EPS (sen per share)</b>	(6.45)	0.39

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 24 August 2020.

**B13. Dividends Paid / Declared**

Dividend paid / declared since the financial year 2019 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
34	2019	Interim dividend	130,104	1 sen per share, single tier	1,301	12.4.2019
35	2019	Final dividend	130,104	1 sen per share, single tier	1,301	25.10.2019
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	651	3 .4.2020