

**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 FRS 134: Interim Financial Reporting and Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012)) 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 2016. 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 2016.

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 2016, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2016:-

Annual Improvements to FRSs 2013 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141 : Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016

The adoption of the above FRSs and Amendments to FRSs did not have any significant effects on the interim financial statements.

The Group has not early adopted the following FRSs and Amendments to FRSs, 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
FRS 9 : Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Deferred

The above new FRS and Amendments to FRSs will be adopted by the Group when they become effective and that the initial applications of these Standards will have no material impact on the financial statements of the Group, except as disclosed below.:

FRS 9: Financial Instruments - Classification and Measurement

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2018.

## A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2016 was not qualified.

## A3. Segmental Information

	3 months ended		Increase/	9 months ended		Increase/
	31-Dec-16	31-Dec-15	(decrease)	31-Dec-16	31-Dec-15	(decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment revenue</b>						
Poultry & related products	42,198	44,279	-5%	127,428	126,387	1%
Extraction & sale of sand	591	650	-9%	1,812	2,264	-20%
<b>Total</b>	<b>42,789</b>	<b>44,929</b>	<b>95%</b>	<b>129,240</b>	<b>128,651</b>	<b>100%</b>
<b>Segment results</b>						
Segment profit :						
Poultry & related products	4,967	5,484	-9%	18,604	15,057	24%
Investment holdings	(1,110)	89	-1348%	(3,034)	(318)	-854%
Extraction & sale of sand	204	266	-23%	685	887	-23%
Others	(343)	(112)	-206%	(870)	(255)	-241%
Profit before tax	3,718	5,727	-35%	15,385	15,371	100%
Less: Tax expense	(1,681)	(1,382)	22%	(5,147)	(3,863)	33%
Profit net of tax	2,037	4,345	-53%	10,238	11,508	-11%

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 December 2016.

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

On 6 October 2016, the Company has paid a final dividend of 3% or 1.5 cent per ordinary share of RM0.50 each in respect of financial year ended 31 March 2016 which amounted to RM1.95 million.

A8. Carrying Amount of Revalued Assets

There were no other 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 2016.

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. Profit for the Period

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

	Current Quarter 3 months ended		Current Quarter 9 months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	159	168	694	583
Other income including investment income	600	595	1,406	1,362
Interest expense	(1,191)	(187)	(2,647)	(512)
Depreciation & amortisation	(1,671)	(1,744)	(4,957)	(5,153)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	36	42	253	1,256
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(411)	(5)	(1,394)	(1,048)
Foreign exchange gain:-				
Realised gain	270	143	631	874
Unrealised (loss)/gain	101	(40)	78	302
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

## A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 31.12.2016 (RM'000)	As at 31.3.2016 (RM'000)	As at 31.12.2016 (RM'000)	As at 31.3.2016 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	130,983	96,678	27,204	24,222
Unrealised (loss)/profits	(4,685)	14,867	0.21	0.21
	126,298	111,545	27,204	24,222
Add : Consolidation adjustments	1,287	7,754	-	-
Retained profits as per consolidated accounts	127,585	119,299	27,204	24,222

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

The Group registered a revenue of RM42.79 million and a profit net of tax of RM2.04 million for the current quarter as compared to a revenue of RM44.93 million and a profit net of tax of RM4.35 million in the same quarter of previous year. The poultry segment revenue and segment profit decreased by 5% and 9% respectively due mainly to lower egg prices. Total profit net of tax was also eroded by higher expenses from the investment holdings segment.

For the financial year-to-date, the Group recorded a revenue of RM129.24 million and a profit net of tax of RM10.24 million as compared to a revenue of RM128.65 million and profit net of tax, of RM11.51 million in the corresponding period of the previous year. The poultry segment revenue increased by 1% whilst segment profit increased by 24% as a result of improved margin. However the increase in profit was offset by higher expenses from investment holdings.

**B2. Comment on Material Change in Profit Before Tax**

The Group posted a profit before tax of RM3.72 million for the current quarter versus RM6.82 million in the preceding quarter. The Group's revenue for this quarter at RM42.79 million is marginally lower compared to RM43.77 million recorded in the preceding quarter. Poultry segment profit was lower in tandem with the lower revenue. Total profit before tax was also eroded by higher expenses from investment holdings.

**B3. Commentary on Prospects**

The Board views the next period as challenging due to the low egg prices whilst costs of major raw materials continue to be volatile due to the weak ringgit.

No material contributions are expected from the other segments.

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

**B5. Tax Expenses**

	9 months ended 31.12.16 RM'000	9 months ended 31.12.15 RM'000
Income tax expense	5,150	3,866
Deferred tax expense	(3)	(3)
<b>Total</b>	<b>5,147</b>	<b>3,863</b>

The effective tax rate for the current period is higher than the statutory rate of 24% due to certain unallowable expenses.

**B6. Corporate Proposals****(a) Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 2 February 2017.

**(b) Status of Utilisation of Proceeds**

Not applicable as there was no corporate proposal to raise funds.

**B7. Borrowings**

The total Group borrowings as at 31 December 2016 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Term loan	4,716	1,730	6,446
Other bank borrowings	2,453	11,921	14,374
	7,169	13,651	20,820
<b>Long term borrowings</b>			
Term loan	65,862	1,606	67,468
Total borrowings	73,031	15,257	88,288

There were no borrowings in foreign currency as at 31 December 2016.

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 31 December 2016.

**B9. Changes in Material Litigations**

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

**B10. Dividend Payable**

On 16 February 2017, the Board of Directors has declared an interim dividend of 1.5 cent (3%) per ordinary share of RM0.50 each in respect of the financial year 31 March 2017, to be paid on 7 April 2017. The entitlement date for the dividend payment is 17 March 2017.

## B11. Earnings per share (“EPS”)

	3 months ended		9 months ended	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>Profit attributable to ordinary shareholders of the parent</b>	2,037	4,345	10,238	11,508
<b>Number of shares in issue ('000)</b>	130,104	130,104	130,104	130,104
<b>Basic EPS (sen per share)</b>	1.57	3.34	7.87	8.85

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 16 February 2017.

## B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2015 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
26	2015	Interim dividend	43,468	10% per RM1.00 share, single tier	4,337	8.4.2015
27	2015	Final dividend	130,104	5% per RM0.50 share, single tier	3,253	6.10.2015
28	2016	Interim dividend	130,104	5% per RM0.50 share, single tier	3,253	8.4.2016
29	2016	Final dividend	130,104	3% per RM0.50 share, single tier	1,952	6.10.2016
30	2017	Interim dividend	130,104	3% per RM0.50 share, single tier	1,952	7.4.2017