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**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 2018. 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 2018.

In the current financial year ending 31 March 2019, the Group has adopted the Malaysian Financial Reporting Standards (MFRS) Framework for the first time. The date of transition to the MFRS Framework was on 1 April 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:-

a) Property, plant and equipment

Upon first time adoption of the MFRS Framework, the Group has elected to use the previous revaluation of the freehold and leasehold land and certain buildings classified under property, plant and equipment as deemed cost. Accordingly, the carrying amounts of these property, plant and equipment as at the date of transition have not been restated. The revaluation reserve as at the date of transition was transferred to retained earnings.

b) Biological assets and produce inventories

With the adoption of MFRS 141: Agriculture, biological assets and produce inventories within the scope of MFRS 141 are measured at fair value less costs to sell with fair value changes recognized in profit or loss.

c) Investment securities

Upon adoption of MFRS Framework, under MFRS 9: Financial Instruments, the Group has elected to account for the subsequent changes of fair value and any gain or loss on disposal of an investment in marketable securities in other comprehensive income. The changes are carried in the Fair Value through Other Comprehensive Income (“FVTOCI”) reserve in equity.

The effects of the adoption of transition from FRSs to MFRSs are as follows:

**Condensed Consolidated Statement of Financial Position**

	<b>Previously stated under FRS RM'000</b>	<b>Effects on adoption of MFRS RM'000</b>	<b>Restated under MFRS RM'000</b>
<u>As at 31 March 2018</u>			
<b>Non-current assets</b>			
Property, plant and equipment	97,597	(157)	97,440
Investment properties	103,295	-	103,295
<b>Current assets</b>			
Biological assets - livestocks	13,873	1,786	15,659
Inventories - produce inventories	720	90	810
<b>Non-current liabilities</b>			
Deferred tax liabilities	6,888	413	7,301
<b>Equity</b>			
Asset revaluation reserve	37,295	(37,295)	-
Available-for-sale reserve	1,080	(1,080)	-
FVTOCI reserve	-	1,467	1,467
Retained profits	127,806	38,214	166,020
<u>As at 1 April 2017</u>			
<b>Non-current assets</b>			
Property, plant and equipment	97,333	(51)	97,282
Investment properties	103,295	-	103,295
<b>Current assets</b>			
Biological assets - livestocks	14,321	1,621	15,942
Inventories - produce inventories	880	106	986
<b>Non-current liabilities</b>			
Deferred tax liabilities	7,170	402	7,572
<b>Equity</b>			
Asset revaluation reserve	37,310	(37,310)	-
Available-for-sale reserve	7,416	(7,416)	-
FVTOCI reserve	-	7,416	7,416
Retained profits	127,864	38,584	166,448

The effects of the adoption of transition from FRSs to MFRSs are as follows (contd):

**Condensed Consolidated Statement of Comprehensive Income**

	<b>Previously stated under FRS RM'000</b>	<b>Effects on adoption of MFRS RM'000</b>	<b>Restated under MFRS RM'000</b>
<u>Preceding year corresponding quarter ended 30 September 2017</u>			
Cost of sales	(38,626)	178	(38,448)
Gross profit	6,187	178	6,365
Other income	1,513	(942)	571
Other expenses	(135)	108	(27)
Taxation	(1,131)	(43)	(1,174)
Profit net of tax	1,904	(699)	1,205
<b>Loss net of tax attributable to:</b>			
Owners of the Parent	1,904	(699)	1,205
Other comprehensive income, net of tax :-			
Net change of AFS/FVTOCI reserve:			
- reversal of gain on fair value changes	(1,745)	(38)	(1,783)
- impairment loss transferred to profit or loss	-	-	-
- profit transferred to profit or loss upon disposal	(875)	875	-
<b>Total comprehensive loss attributable to:</b>			
Owners of the Parent	(716)	138	(578)
<u>Preceding year corresponding period ended 30 September 2017</u>			
Cost of sales	(75,392)	(824)	(76,216)
Gross profit	9,233	(824)	8,409
Other income	2,249	(1,379)	870
Other expenses	(302)	176	(126)
Taxation	(1,489)	198	(1,291)
Profit net of tax	845	(1,829)	(984)
<b>Loss net of tax attributable to:</b>			
Owners of the Parent	845	(1,829)	(984)
Other comprehensive income, net of tax :-			
Net change of AFS/FVTOCI reserve:			
- reversal of gain on fair value changes	(752)	402	(350)
- impairment loss transferred to profit or loss	68	(68)	-
- profit transferred to profit or loss upon disposal	(872)	872	-
<b>Total comprehensive loss attributable to:</b>			
Owners of the Parent	(711)	(623)	(1,334)

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
MFRS 16: Leases	1 January 2019
Amendments to MFRS 3: Business Combination (Annual Improvements to MFRSs 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 11: Joint Arrangements (Annual Improvement to MFRSs 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 112: Income Taxes (Annual Improvement to MFRSs 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 123: Borrowings Costs (Annual Improvement to MFRSs 2015-2017 Cycle)	1 January 2019
Amendments to FRS 10 and FRS 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 2018 was not qualified.

## A3. Segmental Information

	3 months ended			6 months ended		
	30-Sep-18	30-Sep-17	Change	30-Sep-18	30-Sep-17	Change
	RM'000	Restated RM'000	%	RM'000	Restated RM'000	%
<b>Segment revenue</b>						
Poultry & related products	46,157	43,920	5.1%	85,009	82,943	2%
Extraction & sale of sand	469	803	-42%	951	1,502	-37%
Investment holdings	90	90	0%	180	180	0%
Total	46,716	44,813	4%	86,140	84,625	2%
<b>Segment results</b>						
Poultry & related products	11,379	3,088	268%	11,188	1,950	474%
Investment holdings	(789)	(838)	6%	(1,629)	(1,768)	8%
Extraction & sale of sand	(29)	328	-109%	(112)	536	-121%
Property development	(188)	(199)	6%	(393)	(411)	4%
Profit before tax	10,372	2,379	336%	9,053	307	2849%
Less: Tax expense	(2,774)	(1,174)	136%	(3,337)	(1,291)	-158%
Profit/(Loss) net of tax	7,598	1,205	531%	5,716	(984)	681%

**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 2018.

**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 were no dividends paid during the quarter under review.

**A8. Carrying Amount of Revalued 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 2018.

**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/(Loss) for the Period**

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

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Sep-18</b>	<b>30-Sep-17</b>	<b>30-Sep-18</b>	<b>30-Sep-17</b>
		<b>Restated</b>		<b>Restated</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Interest income	122	69	206	153
Other income including investment income	331	336	505	506
Interest expense	(1,329)	(1,245)	(2,573)	(2,574)
Depreciation & amortisation	(1,943)	(1,853)	(3,890)	(3,627)
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 (loss)/gain	229	166	347	211
Unrealised (loss)/gain	27	(25)	53	(124)
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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

	Current Quarter	Preceding Year Corresponding Quarter Restated	Change	Current Year To- date	Preceding Year Corresponding Period Restated	Change
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment revenue</b>						
Poultry & related products	46,157	43,920	5.1%	85,009	82,943	2%
Extraction & sale of sand	469	803	-42%	951	1,502	-37%
Investment holdings	90	90	0%	180	180	0%
Total	46,716	44,813	4%	86,140	84,625	2%
<b>Segment result</b>						
Poultry & related products	11,379	3,088	268%	11,188	1,950	474%
Investment holdings	(789)	(838)	6%	(1,629)	(1,768)	8%
Extraction & sale of sand	(29)	328	-109%	(112)	536	-121%
Property development	(188)	(199)	6%	(393)	(411)	4%
Profit before tax	10,372	2,379	336%	9,053	307	2849%
Less: Tax expense	(2,774)	(1,174)	136%	(3,337)	(1,291)	-158%
Profit/(Loss) net of tax	7,598	1,205	531%	5,716	(984)	681%

The Group registered a revenue of RM46.76 million and a profit net of tax of RM7.60 million for the current quarter as compared to a revenue of RM44.81 million and a profit net of tax of RM1.21 million in the same quarter of previous year. Poultry segment recorded a 5.1% increase in revenue due to improved egg prices as compared to the same quarter of previous year. Poultry segment profit increased by RM8.29 million in tandem with the improved egg prices and gains from biological assets' fair valuations in accordance with MFRS 141.

For the financial year-to-date, the Group recorded a revenue of RM86.18 million and a net profit of RM5.72 million as compared to revenue of RM84.63 million and net loss of RM0.98 million in the corresponding period of previous year. Poultry segment recorded a 2% increase in revenue arising from improved egg prices as compared to preceding year corresponding period. Poultry segment profit increased by RM9.24 million in tandem with the improved egg prices and gains from biological assets' fair valuations in accordance with MFRS 141.

Investment holdings segment recorded loss due mainly to financing cost on investment properties.

Property development segment has not recorded any revenue and earnings as the Group's property development projects have not been launched.

**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	46,157	38,851	19%
Extraction & sale of sand	469	483	-3%
Investment holdings	90	90	0%
<b>Total</b>	<b>46,716</b>	<b>39,424</b>	<b>18%</b>
<b>Segment result</b>			
Poultry & related products	11,379	(191)	6057%
Investment holdings	(789)	(840)	6%
Extraction & sale of sand	(29)	(83)	-65%
Property development	(188)	(205)	8%
<b>Profit/(loss) before tax</b>	<b>10,372</b>	<b>(1,319)</b>	<b>886%</b>

The Group posted a profit before tax of RM10.37 million for the current quarter versus loss before tax of RM1.32 million in the preceding quarter mainly due to higher earnings from poultry. Revenue from poultry had increased by 19% due to improved egg prices. Poultry segment's earnings increased by RM11.57 million in tandem with improved egg prices and gains from biological assets' fair valuation. The loss from investment is due mainly to financing cost of the investment properties. The property development segment has no contribution yet as development project have not been launched. As a result, the Group's profit before tax improved by RM11.69 million as compared to preceding quarter.

**B3. Commentary on Prospects**

The Board views the next period cautiously optimistic as the over-supply situation seems to slowly ease.

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 30.09.18	6 months ended 30.09.17 Restated
	RM'000	RM'000
Income tax expense	1,742	1,287
Real property gain tax	1,136	203
Deferred tax expense	459	(199)
<b>Total</b>	<b>3,337</b>	<b>1,291</b>

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



**B6. Corporate Proposals**

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 31 October 2018.

## (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 30.09.2018	As at 30.09.2017
	RM'000	RM'000
<b>Short term</b>		
<i>Secured:-</i>		
Term loans	6,985	5,268
Banker acceptance	835	862
Revolving credit	9,500	10,000
	<u>17,320</u>	<u>16,130</u>
<i>Unsecured:-</i>		
Term loans	570	1,473
Banker acceptance	4,281	1,762
Revolving credit	-	5,000
	<u>4,851</u>	<u>8,235</u>
	<u>22,171</u>	<u>24,365</u>
<b>Long term</b>		
<i>Secured:-</i>		
Term loans	59,162	61,489
<i>Unsecured:-</i>		
Term loans	-	570
	<u>59,162</u>	<u>62,059</u>
	<u>81,333</u>	<u>86,424</u>
<b>Total borrowings</b>	<u>81,333</u>	<u>86,424</u>

- b) There were no borrowings in foreign currency as at 30 September 2018.
- c) Effective average cost of borrowings based on exposure as at 30 September 2018 was 6.17% (2017: 6.00%).

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 30 September 2018.

**B9. Changes in Material Litigations**

There were no 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 September 2018.

**B11. Earnings per share (“EPS”)**

	3 months ended		6 months ended	
	30-Sep-18 RM'000	30-Sep-17 RM'000 Restated	30-Sep-18 RM'000	30-Sep-17 RM'000
<b>Profit/(Loss) attributable to ordinary shareholders of the parent</b>	7,598	1,205	5,716	(984)
<b>Number of shares in issue ('000)</b>	130,104	130,104	130,104	130,104
<b>Basic EPS (sen per share)</b>	5.84	0.93	4.39	(0.76)

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 14 November 2018.

**B13. Dividends Paid / Declared**

Dividend paid / declared since the financial year 2017 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
30	2017	Interim dividend	130,104	1.5 cent per share, single tier	1,952	7.4.2017
31	2017	Final dividend	130,104	1.5 cent per share, single tier	1,952	6.10.2017
32	2018	Interim dividend	130,104	1 cent per share, single tier	1,301	6.4.2018
33	2018	Final dividend	130,104	1 cent per share, single tier	1,301	5.10.2018