

**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 2015. 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 2015.

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 2015, 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 2015:-

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions  
Annual Improvements to FRSs 2010 - 2012 Cycle  
Annual Improvements to FRSs 2011 – 2013 Cycle

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
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 10 and FRS128: sale or Contribution of Assets between and Investor and its Associate or Joint Venture	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
FRS 9: Financial Instruments	1 January 2016

The above new FRSs 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.:

#### Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

#### Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

#### Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

#### 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 2017.

**A2. Audit Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.

**A3. Segmental Information**

	3 months ended		6 months ended	
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
<b>Segment revenue</b>				
Poultry & related products	42,368	47,142	82,109	91,290
Extraction & sale of sand	600	985	1,613	2,085
<b>Total</b>	<b>42,968</b>	<b>48,127</b>	<b>83,723</b>	<b>93,375</b>
<b>Segment results</b>				
Poultry & related products	6,133	11,137	9,571	20,205
Investment holdings	(113)	(579)	(407)	(377)
Extraction & sale of sand	140	633	621	1,282
Others	(79)	(35)	(144)	(67)
<b>Profit before tax</b>	<b>6,081</b>	<b>11,156</b>	<b>9,641</b>	<b>21,043</b>
<b>Less: Tax expense</b>	<b>(1,373)</b>	<b>(3,424)</b>	<b>(2,480)</b>	<b>(6,179)</b>
<b>Profit net of tax</b>	<b>4,708</b>	<b>7,732</b>	<b>7,161</b>	<b>14,864</b>

**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 2015.

**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 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 2015.

**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 for the interim period.

**A13. Profit for the Period**

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

	<b>Current Quarter</b>		<b>Current Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>30-Sep-15</b>	<b>30-Sep-14</b>
Interest income	202,011	121,366	415,047	206,469
Other income including investment income	533,363	309,778	766,976	1,089,801
Interest expense	(141,116)	(200,311)	(324,893)	(465,678)
Depreciation & amortisation	(1,740,223)	(2,387,842)	(3,408,884)	(4,603,494)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	725,830	154,588	1,213,572	194,532
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(792,247)	(603,250)	(1,043,058)	(603,250)
Foreign exchange gain:-				
Realised gain	480,307	164,942	731,481	291,870
Unrealised gain/(loss)	299,661	80,886	341,868	65,026
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

## A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 30.9.2015 (RM'000)	As at 31.3.2015 (RM'000)	As at 30.9.2015 (RM'000)	As at 31.3.2015 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	85,318	101,294	17,537	40,089
Unrealised profits	13,688	13,407	0.21	0.21
	99,006	114,701	17,537	40,089
Add : Consolidation adjustments	19,061	18,877	-	-
Retained profits as per consolidated accounts	118,067	133,578	17,537	40,089

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

The Group registered revenue of RM42.97 million and a net profit of RM4.71 million for the current quarter as compared to a revenue of RM48.13 million and a net profit of RM7.73 million in the same quarter of previous year. The lower revenue and net profit was mainly due to the decline in egg prices. Although egg prices have improved in the current quarter, it is still below that of the previous year.

Revenue and contribution from other segments did not significantly affect the performance of the Group for the current quarter under review.

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

The Group posted a profit before tax of RM6.08 million for the current quarter versus RM3.56 million in the preceding quarter. The Group's revenue for this quarter at RM42.97 million is also higher compared to RM40.76 million recorded in the preceding quarter. The improvement in revenue and profits were mainly contributed by increase in the egg prices.

The changes in contributions from other segments of the Group were not significant for the quarter under review.

**B3. Commentary on Prospects**

The Board views the next period as challenging due to the volatile egg prices and the impact of the rising US dollar on costs of major raw materials such as corn and soybean. Contributions from the Extraction and Sale of Sand are not expected to significantly differ whilst no material contributions are expected from the other segments.

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

**B5. Tax Expenses**

	6 months ended 30.9.15 RM'000	6 months ended 30.9.14 RM'000
Income tax expense	2,483	6,179
Deferred tax expense	(3)	-
<b>Total</b>	<b>2,480</b>	<b>6,179</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 25<sup>th</sup> November 2015.

**(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 30 September 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Term loan	872	1,578	2,450
Other bank borrowings	-	6,426	6,426
	<u>872</u>	<u>8,210</u>	<u>8,876</u>
<b>Long term borrowings</b>			
Term loan	<u>827</u>	<u>3,849</u>	<u>4,676</u>
<b>Total borrowings</b>	<u>1,699</u>	<u>11,853</u>	<u>13,552</u>

There were no borrowings in any foreign currency as at 30 September 2015.

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 30 September 2015.

**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 2015 (30 September 2014: Nil).

## B11. Earnings per share ("EPS")

	3 months ended		6 months ended	
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
<b>Profit attributable to ordinary shareholders of the parent</b>	4,708	7,732	7,161	14,864
<b>Number of shares *</b>	130,104,006	130,104,006	130,104,006	130,104,006
<b>Basic EPS (sen per share)</b>	3.62	5.94	5.50	11.42

Diluted earnings per share are not applicable for the respective periods as there is no dilution effect on the number of shares.

\*based on issued and paid up share capital as at 30 September 2015 of 130,104,006 ordinary 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 25 November 2015.

## B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2013 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
22	2013	Interim dividend	4% per RM1.00 share, single tier (4 sen)	8.4.2013
23	2013	Final dividend	8% per RM1.00 share, single tier (8 sen)	4.10.2013
24	2014	Interim dividend	8% per RM1.00 share, single tier (8 sen)	8.4.2014
25	2014	Final dividend	10% per RM1.00 share, single tier (10 sen)	3.10.2014
26	2015	Interim dividend	10% per RM1.00 share, single tier (10 sen)	8.4.2015
27	2015	Final dividend	5% per RM0.50 share, single tier (2.5 sen)	6.10.2015