

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 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 2006. 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 2006.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2006 except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective for financial period beginning 1 April 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the Group has also taken the option of early adoption of the following revised FRSs for the financial period beginning 1 April 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above new/revised FRS does not have significant financial impact on the Group except as disclosed below:-

(a) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after tax results of associates and other disclosure. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statements, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(b) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 April 2006, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was last revalued in 2005.

Upon the adoption of the revised FRS 117 at 1 April 2006, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payment as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note A3, certain comparative amounts as at 31 March 2006 have been restated.

A3. Comparatives

The following comparative amounts have been restated due to the adoptions of revised FRSs:-

	Previously stated	FRS 117	Restated
	RM000	RM000	RM000
As at 31 March 2006			
Property, plant and equipment	80,040	(1,714)	78,326
Prepaid lease payments	-	1,714	1,714

A4. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2006 was not qualified.

A5. Segmental Information

	3 months ended 31.12.06	9 months ended 31.12.06
	RM000	RM000
Segment revenue		
Revenue from continuing operations		
Poultry farming	22,041	63,394
Investment holdings	-	-
Others	-	-
Total revenue including inter-segment sales	22,041	63,394
Elimination of inter-segment sales	(112)	(367)
Total	21,929	63,027
Segment results		
Results from continuing operations		
Poultry farming	1,849	4,691
Investment holdings	54	254
Others	(83)	(191)
	1,820	4,754
Elimination	(3)	-
Total	1,817	4,754

A6 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 period ended 31 December 2006.

A7 Changes in Estimate

There were no changes in the estimates that have had a material effect in the current quarter results.

A8. Comments about Seasonal or Cyclical Factors

The Group's performance is not significantly affected by major festive seasons.

A9. Dividends Paid

There were no dividend paid during the quarter under review.

A10. Carrying Amount of Revalued Assets

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A11. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13. 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 2006.

A14. 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.

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

The Group registered a lower pre-tax profit of RM4.75m for the period ended 31 December 2006, as compared to a pre-tax profit of RM13.76m achieved in the same period last year. This was mainly attributable to a significant drop in the average selling prices of eggs during the period under review as compared to the same period last year.

B2. Comment on Material Change in Profit before Taxation

The Group pre-tax profit for the quarter under review of RM1.82m was 28% higher compared with RM1.42m for the preceding quarter mainly due to higher demand for the old hen resulted from the Hari Raya Puasa and Hari Raya Haji festive seasons in the current quarter.

B3. Commentary on Prospects

Barring any unforeseen circumstances, the directors expect the average selling prices of eggs to maintain at the current level in the next quarters. Therefore, the Board is confident to have another profitable year.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Income Tax Expenses

	3 months ended 31.12.06 RM000	9 months ended 31.12.06 RM000
Tax expense		
- provision for the quarter	341	597
Deferred tax		
- provision for the quarter	110	110
	451	707

B6. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Quoted Investments

	3 months ended	9 months ended
	31.12.06	31.12.06
	RM000	RM000
(a) Purchases and disposals		
Total purchase consideration	500	4,880
Total sale proceeds	500	9,002
Total profit on disposal	-	103
(b) Investment		As at 31.12.06
At cost		5,992
At book value		5,992
At market value		6,168

B8. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2007.

(b) Status of Utilisation of Proceeds

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

B9. Borrowings

The total Group borrowings as at 31 December 2006 were as follows:

	Secured	Unsecured	Total
	RM000	RM000	RM000
Short term borrowings			
Bank overdraft	3	-	3
Other bank borrowings	2,380	5,655	8,035
Hire purchase payables	1,138	-	1,138
	<u>3,521</u>	<u>5,655</u>	<u>9,176</u>
Long term borrowings			
Other bank borrowings	5,739	1,800	7,539
Hire purchase payables	794	-	794
	<u>6,533</u>	<u>1,800</u>	<u>8,333</u>
Total	<u>10,054</u>	<u>7,455</u>	<u>17,509</u>

There were no borrowings in any foreign currency as at 31 December 2006.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 20 February 2007.

B11. Changes in Material Litigations

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

B12. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 31 December 2006 (31 December 2005 : Nil)

B13. Earnings per share

	3 months ended		9 months ended	
	31.12.06	31.12.05	31.12.06	31.12.05
Profit attributable to ordinary equity holders of the parent (RM000)	1,366	3,323	4,047	12,838
Weighted average number of shares (000)	40,992	40,119	40,979	40,117
Basic earnings per share (sen)	3.33	8.28	9.88	32.00

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2007.

B15. Dividends Paid / Declared (LTKM)

Dividend paid and declared since listing and up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
1	2000	Final dividend	8% per share less tax	22.9.2000
2	2001	Final dividend	8% per share less tax	29.10.2001
3	2002	Final dividend	2% per share, tax exempt	20.11.2002
4	2003	Final dividend	2% per share, tax exempt	28.10.2003
5	2004	Interim dividend	2% per share, tax exempt	9.1.2004
6	2004	Final dividend	5% per share less tax	15.9.2004
7	2005	Final dividend	6% per share less tax	15.9.2005
8	2006	Interim dividend	3% per share, tax exempt	15.2.2006
9	2006	Final dividend	7% per share less tax	15.9.2006