

**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. Besides biological asset has to be disclosed separately from inventories. 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.

(c) FRS 140 : Investment property

Investment properties are properties held for long-term rental income or for capital appreciation or both, and are not occupied by the Group.

In the previous years, investment property was included in the property, plant and equipment and was stated at valuation less impairment losses. Following the adoption of FRS140, this investment property is now classified separately. As the Group has adopted the cost model in accordance with FRS140, the revalued investment property has been restated to cost as at 31 March 2007. This reclassification is applied prospectively and the comparative as at 31 March 2006 are not 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 31.3.07	12 months ended 31.3.07
	RM000	RM000
<b>Segment revenue</b>		
Revenue from continuing operations		
Poultry farming	22,522	85,549
Investment holdings	-	-
Others	-	-
<b>Total</b>	<b>22,522</b>	<b>85,549</b>
<b>Segment results</b>		
Results from continuing operations		
Poultry farming	945	5,636
Investment holdings	66	320
Others	(91)	(282)
<b>Total</b>	<b>920</b>	<b>5,674</b>

## 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 March 2007.

## 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 RM5.67m for the year ended 31 March 2007, as compared to a pre-tax profit of RM16.75m achieved in the last financial year. This was mainly attributable to a significant drop in the average selling prices of eggs couple with significant increase in the purchase prices of raw materials, mainly corn and soybean during the year 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 was RM0.92m compared with RM1.82m for the preceding quarter mainly due to significant increase in the purchase prices of corn and soybean during the quarter under review.

## B3. Commentary on Prospects

With prudent financial management and effective farm husbandry practices, the Group should be able to achieve a more favourable result for the coming financial year.

## B4. Profit Forecast or Profit Guarantee

This is not applicable.

## B5. Income Tax Expenses

	3 months ended 31.3.07	12 months ended 31.3.07
	RM000	RM000
Tax expense		
- provision for the quarter	16	613
- overprovision in the previous quarter	(109)	(109)
	<u>(93)</u>	<u>504</u>
Deferred tax		
- over-provision in the current year	(375)	(265)
	<u>(468)</u>	<u>239</u>

## 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	12 months ended
	31.3.07	31.3.07
	RM000	RM000
<b>(a) Purchases and disposals</b>		
Total purchase consideration	662	5,542
Total sale proceeds	483	9,485
Total profit on disposal	4	107
<b>(b) Investment</b>		As at 31.3.07
At cost		6,175
At book value		6,175
At market value		6,396

## B8. Corporate Proposals

- (a) Status of Corporate Proposals  
There were no corporate proposals announced but not completed as at 22 May 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 March 2007 were as follows:

	Secured	Unsecured	Total
	RM000	RM000	RM000
<b>Short term borrowings</b>			
Bank overdraft	289	110	399
Other bank borrowings	2,029	4,462	6,491
Hire purchase payables	1,021	-	1,021
	<u>3,339</u>	<u>4,572</u>	<u>7,911</u>
<b>Long term borrowings</b>			
Other bank borrowings	5,223	1,650	6,873
Hire purchase payables	560	-	560
	<u>5,783</u>	<u>1,650</u>	<u>7,433</u>
Total	<u>9,122</u>	<u>6,222</u>	<u>15,344</u>

There were no borrowings in any foreign currency as at 31 March 2007.

**B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 22 May 2007.

**B11. Changes in Material Litigations**

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

**B12. Dividend Payable**

The board of directors proposes a final dividend of 7%, less tax at 27%, in respect of this financial year amounting to RM2.09m subject to shareholders' approval at the forthcoming annual general meeting of the Company. The date for book closure of the Register of Members and Record of Depositors for determining dividend entitlements and the date of payment will be announced at a later date.

On 28 February 2007, the board of directors had declared an interim dividend of 3%, tax exempt, in respect of this financial year. It was paid on 15 May 2007 to Depositors registered in the Record of Depositors at the close of business on 30 April 2007.

**B13. Earnings per share**

	3 months ended		12 months ended	
	31.3.07	31.3.06	31.3.07	31.3.06
Profit attributable to ordinary equity holders of the parent (RM000)	1,388	1,989	5,435	14,827
Weighted average number of shares (000)	40,992	40,745	40,982	40,254
Basic earnings per share (sen)	3.38	4.88	13.26	36.83

**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 29 May 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
10	2007	Interim dividend	3% per share, tax exempt	15.5.2007