

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 2007. 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 2007.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2007 was not qualified.

A3. Segmental Information

	3 months ended 30.9.07	6 months ended 30.9.07
	RM000	RM000
Segment revenue		
Revenue from continuing operations		
Poultry farming	25,769	48,134
Investment holdings	-	21
Others	-	-
Total	25,769	48,155
Segment results		
Results from continuing operations		
Poultry farming	3,000	2,801
Investment holdings	(20)	(39)
Others	(64)	(77)
Total	2,916	2,685

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 period ended 30 September 2007.

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 dividend paid during the quarter under review.

A9. 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.

A10. Debt and Equity Securities

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

A11. Changes in Composition of the Group

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

A12. 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 2007.

A13. 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 pre-tax profit of RM2.69m for the period ended 30 September 2007, as compared to a pre-tax profit of RM2.94m achieved in the same period last year. Revenue increased 17% to RM48.16m from RM41.1m registered previously due to significant increase in egg selling prices. The average selling price of the ordinary eggs achieved to date was 20.2 sen, as compared to 17.5 sen per egg attained at same period last year. Nevertheless, cost of sales escalated higher by 20% to RM42.14m from RM35.2m, recorded in last year's corresponding period. This was mainly attributed to higher purchase prices of corn, soybean and crude palm oil.

B2. Comment on Material Change in Profit before Taxation

The Group pre-tax profit recorded at RM2.92m for the quarter under review as against a pre-tax loss of RM0.23m for the preceding quarter was mainly attributed to the increase in the average selling prices of eggs.

B3. Commentary on Prospects

The Board expects better average selling prices for the next quarter, particularly from the ordinary eggs, due to their anticipation of high demand for those eggs. Nevertheless, feed costs are expected to also increase because of higher world demand for corn and soybean. With prudent management, the Group should be able to maintain profits at current quarter's level.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Income Tax Expenses

	3 months ended 30.9.07	6 months ended 30.9.07
	RM000	RM000
Tax expense		
- provision for the quarter	296	296
	296	296

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	6 months ended
	30.9.07	30.9.07
	RM000	RM000
(a) Purchases and disposals		
Total purchase consideration	1,437	5,841
Total sale proceeds	2,702	3,709
Total profit on disposal	114	128
(b) Investment		As at 30.9.07
At cost		8,436
At book value		8,436
At market value		8,837

B8. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 November 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 30 September 2007 were as follows:

	Secured	Unsecured	Total
	RM000	RM000	RM000
Short term borrowings			
Bank overdraft	535	16	551
Other bank borrowings	3,089	10,529	13,618
Hire purchase payables	937	-	937
	<u>4,561</u>	<u>10,545</u>	<u>15,106</u>
Long term borrowings			
Other bank borrowings	4,414	1,350	5,764
Hire purchase payables	106	-	106
	<u>4,520</u>	<u>1,350</u>	<u>5,870</u>
Total	<u>9,081</u>	<u>11,895</u>	<u>20,976</u>

There were no borrowings in any foreign currency as at 30 September 2007.

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 19 November 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 30 Sep 2007 (30 Sep 2006 : Nil)

B13. Earnings per share

	3 months ended		6 months ended	
	30.9.07	30.9.06	30.9.07	30.9.06
Profit attributable to ordinary equity holders of the parent (RM000)	2,619	1,305	2,388	2,681
Weighted average number of shares (000)	40,992	40,981	40,992	40,973
Basic earnings per share (sen)	6.39	3.18	5.83	6.54

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 26 November 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
11	2007	Final dividend	7% per share less tax	8.10.2007