

**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	12 months ended
	31.3.08	31.3.08
	RM000	RM000
<b>Segment revenue</b>		
Revenue from continuing operations		
Poultry farming	31,501	108,087
Investment holdings	17	38
Others	123	124
Total	31,641	108,249
<b>Segment results</b>		
Profit from continuing operations		
Poultry farming	2,226	8,722
Investment holdings	(140)	(233)
Others	(401)	(532)
Total	1,685	7,957

## 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 31 March 2008.

## 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 amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale 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 2007.

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.

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

The Group revenue was RM108.2 million for the year ended 31 March 2008 as compared with RM85.5 million registered in the previous year, an increase of 27%. For the current quarter under review, revenue increased 40% to RM31.6 million, against RM22.5 million recorded in the same period last year. This was mainly due to increased demand and higher average selling price of eggs.

Despite an increase in the feed costs during the financial year, pre-tax profit for this financial year ended 31 March 2008 rose 40% to RM8.0 million from RM5.7 million registered in the same period last year. Pre-tax profit jumped 89% to RM1.7 million for current quarter compared with RM0.9 million in the corresponding period last year. This was mainly due to the increase in production, higher selling prices of eggs and our ability to contain the operating costs.

The income tax expense for this financial year has increased to RM1.6m as compared to the RM0.5m in the previous year (refer to note B5). This was mainly due to higher utilization of reinvestment allowances in the previous year.

**B2. Comment on Material Change in Profit before Taxation**

The Group pre-tax profit was RM1.7 million for the quarter under review as against a pre-tax profit of RM3.6 million recorded for the preceding quarter, a decrease of 53%. This was mainly attributed to the increase in the purchase price of soybean, provision for doubtful debts, provision for unutilized annual leave and impairment loss on investment.

One of the subsidiaries which commenced the sand mining operations in March 2008 has yet to contribute positively to the Group in this quarter. However, we foresee the subsidiary will be in the black in the next financial year but it will not contribute significantly to the Group's result.

**B3. Commentary on Prospects**

Despite an increasing trend of raw material prices, the Board is cautiously optimistic to achieve favourable result in the next financial year.

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

## B5. Income Tax Expenses

	3 months ended 31.3.08	12 months ended 31.3.08	12 months ended 31.3.07
	RM000	RM000	RM000
Tax expense			
- provision for the quarter	222	1,556	517
- over-provision in prior year	(2)	(2)	-
Total tax expense	220	1,554	517
Deferred tax expense			
- provision for the quarter/year	(427)	(427)	(238)
- Under/(over) provision in prior year	217	217	(40)
Total deferred tax expense	(210)	(210)	(278)
Grand total	10	1,344	239

## 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
	31.3.08	31.3.08
	RM000	RM000
<b>(a) Purchases and disposals</b>		
Total purchase consideration	1,914	8,333
Total sale proceeds	2,018	6,356
Total profit on disposal	(19)	181
<b>(b) Investment</b>		As at 31.3.08
At cost		8,334
At book value		8,038
At market value		8,219

## B8. Corporate Proposals

## (a) Status of Corporate Proposals

There were no corporate proposals announced up to 20 May 2008.

## (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 2008 were as follows:

	Secured	Unsecured	Total
	RM000	RM000	RM000
<b>Short term borrowings</b>			
Bank overdraft	-	254	254
Other bank borrowings	4,152	10,023	14,175
Hire purchase payables	560	-	560
	4,712	10,277	14,989
<b>Long term borrowings</b>			
Other bank borrowings	3,571	2,853	6,424
	3,571	2,853	6,424
Total	8,283	13,130	21,413

There were no borrowings in any foreign currency as at 31 March 2008.

## B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 20 May 2008.

## 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 25%, in respect of this financial year amounting to RM2.15m subject to shareholders' approval at the forthcoming annual general meeting of the Company. The date of 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 5 February 2008, the board of directors had declared an interim dividend of 3%, tax exempt, in respect of this financial year. It was paid on 21 April 2008 to Depositors registered in the Record of Depositors at the close of business on 31 March 2008.

## B13. Earnings per share

	3 months ended		12 months ended	
	31.3.08	31.3.07	31.3.08	31.3.07
Profit attributable to ordinary equity holders of the parent (RM000)	1,675	1,389	6,613	5,436
Weighted average number of shares (000)	41,000	40,992	40,994	40,982
Basic earnings per share (sen)	4.08	3.38	16.13	13.26

## 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 May 2008.

## 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
12	2008	Interim dividend	3% per share, tax exempt	21.4.2008