

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 2010. 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 2010.

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 2010, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs, IC Interpretations and Technical Releases (TRs) that have become effective for the financial periods beginning 1 April 2010.

FRS 4 - Insurance Contracts

FRS 7 - Financial Instruments: Disclosures

FRS 8 - Operating Segments

FRS 101 - Presentation of Financial Statements (revised)

FRS 123 - Borrowing Costs

FRS 139 - Financial Instruments: Recognition and Measurement

Amendments to FRS 1 - First-time Adoption of Financial Reporting Standards

and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 - Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 132 - Financial Instruments: Presentation

Amendments to FRS 139 - Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)

IC Interpretation 9 - Reassessment of Embedded Derivatives

IC Interpretation 10 - Interim Financial Reporting and Impairment

IC Interpretation 11 - FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 - Customer Loyalty Programmes

IC Interpretation 14 - FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR 13 - Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application, other than as stated below:

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄: Segment Reporting requires a management approach under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the

performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as other comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. This revised FRS does not have any impact on the financial position and results of the Group.

FRS 139 Financial Instruments : Recognition and Measurement

FRS 139 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard have been accounted for by adjusting the opening balance of retained earnings as at 1 April 2010. Comparatives are not restated. The details of changes in accounting policies and the effects arising from the adoption of FRS 139 are disclosed below :

- Marketable securities

Prior to 1 April 2010, the Group classified its investments in equity instruments which were held for trading purposes as marketable securities. Such investments were carried at the lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments are designated as financial assets at fair value through profit or loss and accordingly are stated at their fair values as at the date amounting to RM8,056,163. The adjustments to their previous carrying amounts are recognized as adjustments to the opening balance of retained earnings as at 1 April 2010.

- Non-hedging derivatives

Prior to 1 April 2010, all derivative financial instruments were recognized in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. There was no derivatives held upon the adoption of FRS 139 on 1 April 2010. Subsequently, all derivatives arising in the period are recognized at their fair values and are classified as financial assets or financial liabilities at fair value through profit or loss. As at 30 June 2010, the financial liabilities arising from such derivatives amounted to RM164,630.

The following are the effects arising from the changes in the accounting policies as at 1 April 2010 upon the first application of FRS 139:

Condensed Consolidated Statement of Financial Position	As Previously Stated RMø000	Effect of FRS 139 RMø000	As Restated RMø000
Marketable securities	7,806	250	8,056
Retained Earnings	61,590	(250)	61,340

The Group has not applied in advance the following new and revised FRSs, Amendments to FRSs, IC

Interpretations and Technical Releases (δTRö) which are effective from 1 July 2010 :

FRS 1 - First-time Adoption of Financial Reporting Standards
 FRS 3 - Business Combinations (revised)
 FRS 127 - Consolidated and Separate Financial Statements (amended)
 Amendments to FRS 2 - Share-based Payment
 Amendments to FRS 5 - Non-current Assets Held for Sale and Discontinued Operations
 Amendments to FRS138 - Intangible Assets
 Amendments to IC Interpretation 9 - Reassessment of Embedded Derivatives
 IC Interpretation 12 - Service Concession Arrangements
 IC Interpretation 15 - Agreements for the Construction of Real Estate
 IC Interpretation 16 - Hedges of a Net Investment in a Foreign Operation
 IC Interpretation 17 - Distributions of Non-cash Assets to Owners

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR is not expected to have any significant impact on the results and financial position of the Group.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2010 was not qualified.

A3. Segmental Information

	3 months ended	3 months ended
	30.6.10	30.6.09
	RM'000	RM'000
Segment revenue		
Revenue from continuing operations		
Poultry farming	33,495	32,423
Investment holdings	-	-
Sand mining	525	1,060
Others	-	-
Total	34,020	33,483
Segment results		
Results from continuing operations		
Poultry farming	4,619	5,889
Investment holdings	(241)	(95)
Sand mining	(237)	456
Others	(565)	(203)
Total	3,576	6,047

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 June 2010.

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

On 14 May 2010, the Company has paid an interim dividend of 3%, single-tier, in respect of the financial year ended 31 March 2010, amounted to RM1.26 million.

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

Except for the issuance of 175,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS, there were no other 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 2010.

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 registered a lower profit before tax (øPBTø) at RM3.58 million for the current quarter as compared to RM6.05 million recorded in preceding year corresponding quarter. The decrease in PBT was mainly attributable to lower selling prices of eggs and higher costs of major raw materials particularly corn.

B2. Comment on Material Change in Profit before Taxation

The Group posted a PBT of RM3.58 million for this quarter as against a PBT of RM3.04 million recorded in the preceding quarter. The Group's revenue for this quarter was RM34.02 million as compared to RM30.84 million in the preceding quarter. The increase in revenue was mainly contributed by the improved selling prices of eggs.

B3. Commentary on Prospects

The Board sees the next quarter as promising for the poultry farming segment as selling prices of eggs have begun to pick up towards the end of June 2010.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended 30.6.10	3 months ended 30.6.09
	RMø000	RMø000
Income tax expense		
- provision for the period	1,135	1,430
Deferred Tax	(2)	(2)
Total tax expense	<u>1,133</u>	<u>1,428</u>

The effective tax rate for the current quarter is higher than the statutory rate due to undeductible expenses recognized in the quarter.

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	3 months ended
	30.6.10	30.6.09
	RM000	RM000
(a) Purchases and disposals		
Total purchase consideration	51	5
Total sale proceeds	-	-
Total gain on disposal	-	-
(b) Investment	As at 30.6.10	As at 30.6.09
At cost	7,932	4,104
At book value	8,058	3,637
At market value	8,058	3,939

B8. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 August 2010.

(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 June 2010 were as follows:

	Secured	Unsecured	Total
	RM000	RM000	RM000
Short term borrowings			
Bank Overdraft	-	-	-
Term loan	1,294	1,334	2,628
Other bank borrowings	1,000	5,314	6,314
Hire Purchase Payables	597	-	597
	2,891	6,648	9,539

	Secured	Unsecured	Total
Long term borrowings			
Term loan	7,701	2,946	10,647
Hire Purchase Payables	1,941	-	1,941
	9,642	2,946	12,588
Total	12,533	9,594	22,127

There were no borrowings in any foreign currency as at 30 June 2010.

B10. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 19 August 2010.

B11. Changes in Material Litigations

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

B12. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 30 June 2010 (30 June 2009 : Nil)

B13. Earnings per share

	3 months ended 30.6.2010	3 months ended 30.6.2009
Earnings Per Share		
Profit attributable to ordinary equity holders of the parent (RM'000)	2,443	4,619
Weighted average number of shares (000)	42,165	41,119
Basic earnings per share (sen)	5.79	11.23
Effects of dilution	393	135
Adjusted weighted average number of shares (000)	42,558	41,254
Diluted earnings per share (sen)	5.74	11.20

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 25 August 2010.

B15. Dividends Paid / Declared (LTKM)

Dividend paid and declared since the financial year 2005 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
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
13	2008	Final dividend	7% per share less tax	7.10.2008
14	2009	Interim dividend	3% per share, tax exempt	15.5.2009
15	2009	Final dividend	5% per share, single-tier	07.10.2009
16	2010	Interim dividend	3% per share, single-tier	14.5.2010
17	2010	Final dividend	5% per share, single-tier	7.10.2010
17	2010	Special dividend	2% per share, single-tier	7.10.2010