

## **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 (“FRS”), Amendments to FRSs, IC Interpretations and Technical Releases (“TR”) 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 i – 3 - 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 114<sub>2004</sub>: 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 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.

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 RM'000	Effect of FRS 139 RM'000	As Restated RM'000
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 ("TR") 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**

	<b>3 months ended</b>	<b>9 months ended</b>
	<b>31.12.10</b>	<b>31.12.10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment revenue</b>		
<b>Revenue from continuing operations</b>		
Poultry farming	38,293	109,325
Investment holdings	-	-
Sand mining	852	2,152
Others	111	111
<b>Total</b>	<b>39,256</b>	<b>111,588</b>
<b>Segment results</b>		
<b>Results from continuing operations</b>		
Poultry farming	8,868	20,529
Investment holdings	(207)	(545)
Sand mining	(53)	(310)
Others	(1,097)	(1,942)
<b>Total</b>	<b>7,511</b>	<b>17,732</b>

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 Dec 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 7 October 2010, the Company paid a single-tier final dividend of 5% and a single-tier special dividend of 2% in respect of the year ended 31 March 2010, which amounted to RM2.989 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 284,000 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 higher profit before tax (“PBT”) at RM7.51 million for the current quarter as compared to RM5.09 million recorded in preceding year corresponding quarter. The main reason for the rise in the PBT was the higher selling prices of eggs in the current quarter.

For the financial year-to-date, the Group recorded a revenue of RM111.59 million and PBT of RM17.73 million as compared to RM100.59 million and RM18.03 million respectively in the corresponding period of the previous year. The increase in the revenue for the current financial year-to-date was mainly due to the higher selling prices of eggs. However, the PBT was slightly lower as there was higher receipt of government incentives in the previous year.

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

The Group posted a PBT of RM7.51 million for this quarter as against a PBT of RM6.64 million recorded in the preceding quarter. The Group’s revenue for this quarter was RM39.26 million as compared to RM38.31 million in the preceding quarter. The improvement in revenue and PBT was mainly contributed by the improved selling prices of eggs.

## B3. Commentary on Prospects

The Board foresees the next quarter results to remain positive for the poultry farming segment as the selling prices of eggs have been stable.

The new operations consisting of processed glass manufacturing is expected to begin contribution to the Group’s revenue in the next quarter.

## B4. Profit Forecast or Profit Guarantee

This is not applicable.

## B5. Tax Expenses

	3 months ended 31.12.10	9 months ended 31.12.10
	RM’000	RM’000
Income tax expense		
- provision for the period	2,282	5,216
Deferred Tax	-	(2)
Total tax expense	<u>2,282</u>	<u>5,214</u>

The effective tax rate for the current quarter and year-to-date is higher than the statutory rate due to pre-operating expenses which are not eligible for set-off.

## 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
	31.12.10	31.12.10
	RM'000	RM'000
<b>(a) Purchases and disposals</b>		
Total purchase consideration	15	98
Total sale proceeds	3,210	5,778
Total gain on disposal	5	8
<b>(b) Investment</b>	As at 31.12.10	As at 31.12.09
At cost	2,204	7,838
At book value	2,487	7,724
At market value	2,487	7,869

## B8. Corporate Proposals

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 17 February 2011.

## (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 Dec 2010 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<b>Short term borrowings</b>			
Bank Overdraft	-	-	-
Term loan	1,265	1,085	2,350
Other bank borrowings	1,000	7,608	8,608
Hire Purchase Payables	2,134	-	2,134

	Secured	Unsecured	Total
	4,399	8,693	13,092

**Long term borrowings**

Term loan	7,129	2,351	9,480
Hire Purchase Payables	6,708	-	6,708
	13,837	2,351	16,188
<b>Total</b>	<b>18,236</b>	<b>11,044</b>	<b>29,280</b>

There were no borrowings in any foreign currency as at 31 December 2010.

## B10. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 17 February 2011.

## 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 31 December 2010  
(31 December 2009 : Nil)

## B13. Earnings per share

<b>Earnings Per Share</b>	9 months ended 31.12.2010	9 months ended 31.12.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	12,518	14,218
Weighted average number of shares (000)	42,513	41,128
<b>Basic earnings per share (sen)</b>	29.45	34.63
Effects of dilution	415	249

Adjusted weighted average number of shares (000)	42,928	41,377
<b>Diluted earnings per share (sen)</b>	29.16	34.42

## 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 24 February 2011.

## 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



