

**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 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.

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

	3 months ended 31.3.11 RM'000	12 months ended 31.3.11 RM'000
Segment revenue		
Revenue from continuing operations		
Poultry & related products	37,094	146,419
Investment holdings	-	-
Extraction and sale of sand	1,021	3,173
Others	790	901
Total	38,905	150,493
Segment results		
Results from continuing operations		
Poultry & related products	8,360	28,889
Investment holdings	(28)	(573)
Extraction and sale of sand	66	(244)
Others	(2,533)	(4,475)
Total	5,865	23,597

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 Mar 2011.

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 was no dividend 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

Except for the issuance of 224,000 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 revenue at RM38.91 million and profit before tax (“PBT”) at RM5.87 million respectively for the current quarter as compared to RM30.84 million and RM3.03 million recorded in preceding year corresponding quarter. PBT increased in tandem with the increase in revenue.

For the current financial year, the Group recorded a revenue of RM150.49 million and PBT of RM23.60 million as compared to RM131.43 million and RM21.06 million respectively in the corresponding period of the previous year. The increase in revenue for the current financial year was mainly due to the higher sale of eggs. PBT increased in tandem with the increase in revenue.

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

The Group posted a PBT of RM5.87 million for the current quarter as against a PBT of RM7.51million recorded in the preceding quarter. The Group’s revenue for this quarter was RM38.91 million as compared to RM39.26 million in the preceding quarter. The decrease in PBT was mainly due to increase in cost of sales as compared to the preceding quarter.

## B3. Commentary on Prospects

The Board foresees the next quarter results to be challenging for the poultry farming segment due to the increase in the cost of raw materials particularly corn.

## B4. Profit Forecast or Profit Guarantee

This is not applicable.

## B5. Tax Expenses

	3 months ended 31.3.11	12 months ended 31.3.11
	RM’000	RM’000
Income tax expense		
- provision for the period	2,655	7,871
Deferred Tax	(261)	(263)
Total tax expense	2,394	7,608

The effective tax rate for the current quarter and current financial year is higher than the statutory rate due to lower claim for reinvestment and capital allowances coupled with business losses which are not 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	12 months ended
	31.3.11	31.3.11
	RM'000	RM'000
<b>(a) Purchases and disposals</b>		
Total purchase consideration	255	353
Total sale proceeds	-	5,779
Total gain on disposal	(4)	4
<b>(b) Investment</b>	As at 31.3.11	As at 31.3.10
At cost	2,697	7,881
At book value	2,884	7,806
At market value	2,884	8,056

## B8. Corporate Proposals

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 May 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 Mar 2011 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<b>Short term borrowings</b>			
Term loan	1,616	1,085	2,701
Other bank borrowings	1,000	4,712	5,712
Hire Purchase Payables	2,074	-	2,074
	4,690	5,797	10,487

	Secured	Unsecured	Total
<b>Long term borrowings</b>			
Term loan	16,466	2,081	18,547
Hire Purchase Payables	7,225	-	7,225
	23,691	2,081	25,772
<b>Total</b>	<b>28,381</b>	<b>7,878</b>	<b>36,259</b>

There were no borrowings in any foreign currency as at 31 Mar 2011.

B10. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 19 May 2011.

B11. Changes in Material Litigations

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

B12. Dividend Payable

On 2 March 2011, the Board of Directors had declared a single-tier interim dividend of 5% per share in respect of the financial year ended 31 March 2011, amounting to RM2.16 million. It was paid on 14 April 2011 to depositors registered in the Record of Depositors at the close of business on 31 March 2011.

The Board of Directors proposes a single-tier final dividend of 8% per share in respect of the financial year ended 31 March 2011 amounting to RM3.46 million 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 the dividend entitlements and the date of payment will be announced at a later date.

B13. Earnings per share

<b>Earnings Per Share</b>	12 months ended 31.3.2011	12 months ended 31.3.2010
Profit attributable to ordinary equity holders of the parent (RM'000)	16,012	16,242
Weighted average number of shares (000)	42,668	41,207
<b>Basic earnings per share (sen)</b>	<b>37.53</b>	<b>39.42</b>
Effects of dilution	473	341

Adjusted weighted average number of shares (000)	43,141	41,548
<b>Diluted earnings per share (sen)</b>	37.12	39.09

## B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the directors on 26 May 2011.

## B15. Dividends Paid / Declared (LTKM)

Dividend paid and declared since the financial year 2006 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
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
18	2011	Interim dividend	5% per share, single-tier	14.4.2011