

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 2011. 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 2011.

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 2011, 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 2011.

FRS 1 First Time Adoption of Financial Reporting Standards
 FRS 3 Business Combinations (Revised)
 Amendments to FRS 2 Share-based Payment
 Amendments to FRS 5 Non-current Assets Held for Sales and Discontinued Operations
 Amendments to FRS 127 Consolidated and Separate Financial Statements
 Amendments to FRS 138 Intangible Assets
 Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
 IC Interpretation 12 Service Concession Arrangements
 IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
 IC Interpretation 17 Distributions of Non-cash Assets to Owners
 Amendments to FRS 1 – Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
 Amendments to FRS 7 Improving Disclosures about Financial Instruments

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any significant effects on the interim financial statements.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

A3. Segmental Information

	3 months ended	6 months ended
	30.9.11	30.9.11
	RM'000	RM'000
Segment revenue :		
Revenue from continuing operations		
Poultry & related products	37,536	75,350

Extraction and sale of sand	619	1,195
Manufacturing	636	1,790
Others	83	83
Total	<u>38,874</u>	<u>78,418</u>
Segment results :		
Results from continuing operations		
Poultry & related products	3,339	8,451
Investment holdings	(927)	(544)
Extraction and sale of sand	(77)	(316)
Manufacturing	(8,163)	(9,658)
Others	(10)	(43)
Total	<u>(5,842)</u>	<u>(2,110)</u>

A4. Unusual Items due to their Nature, Size or Incidence

Allowances for impairment loss arising from disposal and other costs of cessation of the manufacturing segment amounting to RM6.96 million were provided for and reflected in the result for the current quarter under review. The allowances were made in accordance with the decision of the Group to dispose of machineries and cease operation of the loss making manufacturing segment.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 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 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

Except for the issuance of 5,000 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 2011.

A12. Subsequent Events

On 21 November 2011, a subsidiary of the manufacturing segment entered into a Sale and Purchase Agreement to dispose of its main machineries for a consideration of approximately RM6 million and subsequently the Group announced its decision to cease operation of the manufacturing segment. The impact arising from the disposal and cessation were provided for and reflected in the result for the current quarter under review.

There were no other material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A13. Realised and Unrealised Profits/(Losses) Disclosure

	As at 30.9.2011 (RM'000)	As at 30.6.2011 (RM'000)	As at 31.3.2011 (RM'000)
Total retained profits :			
Realised profits	87,991	99,599	97,715
Unrealised losses	(7,342)	(6,750)	(7,189)
	<u>80,649</u>	<u>92,849</u>	<u>90,526</u>
Less : Consolidation adjustments	(15,823)	(17,825)	(17,826)
Retained profits as per consolidated accounts	<u>64,826</u>	<u>75,023</u>	<u>72,700</u>

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

The Group registered a revenue of RM38.87 million in the current quarter as compared to RM38.31 million in preceding year corresponding quarter. However, it recorded a loss before tax of RM5.84 million as compared to a profit before tax (“PBT”) of RM6.65 million in preceding year corresponding quarter. The sharp decline in PBT was caused by the allowances for impairment loss arising from disposal of machineries and other costs of cessation amounting to RM6.96 million of the manufacturing segment. The poultry segment also recorded a lower PBT due to higher cost of major raw materials particularly corn and soybean in the current quarter.

For financial year-to-date, the Group recorded a revenue of RM78.42 million and a loss before tax of RM2.11 million as compared to a revenue of RM72.33 million and PBT of RM10.22 million in the corresponding period of the previous year. The sharp decline in PBT came mainly from the allowances for impairment loss arising from disposal of machineries and other costs of cessation of RM6.96 million from the manufacturing segment. The poultry segment also recorded a lower PBT as compared to the corresponding period of the previous year due to higher cost of major raw materials particularly corn and soybean.

B2. Comment on Material Change in Profit before Taxation

The Group’s revenue for this quarter was RM38.87 million as compared to RM39.54 million in the preceding quarter. The Group posted a loss before tax of RM5.84 million for the current quarter as against a PBT of RM3.73 million recorded in the preceding quarter. The sharp decline in PBT came mainly from the allowances for impairment loss arising from disposal of machineries and other costs of cessation of the manufacturing segment amounting to RM6.96 million.

B3. Commentary on Prospects

The Board expects the Group’s second half performance to recover due to improved selling prices of eggs in the third quarter. The cessation of the loss making manufacturing segment is also expected to improve the future performance of the Group.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended 30.9.11	6 months ended 30.9.11
	RM’000	RM’000
Income tax expense		
- provision in the period	887	2,296

Total tax expense	887	2,296
-------------------	-----	-------

The effective tax rate for the current quarter is higher than the statutory rate of 25% largely due to disallowed losses.

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

	6 months ended	6 months ended
	30.9.11	30.9.10
	RM'000	RM'000
(a) Purchases and disposals		
Total purchase consideration	1,069	83
Total sale proceeds	1,040	2,568
Total (loss)/gain on disposal	(40)	3
(b) Investment	As at 30.9.11	As at 30.9.10
At cost	2,254	5,396
At book value/market value	2,722	5,645

B8. Corporate Proposals

(a) Status of Corporate Proposals
There were no corporate proposals announced but not completed as at 17 November 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 30 September 2011 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings			
Term loan	1,636	1,084	2,720

	Secured	Unsecured	Total
Other bank borrowings	-	1,456	1,456
Hire Purchase Payables	2,292	-	2,292
	3,928	2,540	6,468
Long term borrowings			
Term loan	15,825	1,538	17,363
Hire Purchase Payables	5,989	-	5,989
	21,814	1,538	23,352
Total	25,742	4,078	29,820

There were no borrowings in any foreign currency as at 30 September 2011.

B10. Off Balance Sheet Financial Instrument

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

B11. Changes in Material Litigations

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

B12. Dividend Payable

On 25 August 2011, the Board of Directors had declared a single-tier final dividend of 8% for the financial year ended 31 March 2011, amounting to RM3.47 million with payment date on 6 October 2011.

No interim ordinary dividend has been declared for the financial period ended 30 Sept 2011 (30 Sept 2010 : Nil)

B13. Earnings per share

Earnings Per Share	6 months ended 30.9.2011	6 months ended 30.9.2010
(Loss)/ profit attributable to ordinary equity holders of the parent (RM'000)	(4,406)	7,290
Weighted average number of shares (000)	43,313	42,331
Basic (loss)/earnings per share (sen)	(10.17)	17.22
Effects of dilution	197	424

Adjusted weighted average number of shares (000)	43,510	42,755
Diluted (loss)/earnings per share (sen)	(10.13)	17.05

B14. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 24 November 2011.

B15. Dividends Paid / Declared

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
19	2011	Final dividend	8% per share, single-tier	6.10.2011