



Notes to the financial report for the quarter ended 30 September 2009

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting and Chapter 9 Part K Para 9.22 of the Bursa Malaysia Listing Requirements.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial report 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 financial year ended 31 December 2008.

2. Auditors' Report of the Preceding Annual Financial Statements

There was no qualification on the Group's preceding annual financial statements.

3. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors in this quarter.

4. Unusual Items

There were no items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their size, or incidence.

5. Material Changes in Estimates

There were no material changes in the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years.

6. Debt and Equity Securities, Share Buy-backs, Share Cancellations and Treasury Shares

There was no issuance, cancellations, repurchases, resale and repayments of debts and equity security during the quarter under review.

7. Dividends Paid

There was no dividend paid during the current quarter and financial year-to-date.

8. Segmental Reporting Analysis By Business Segments

	3 months ended		9 months ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Manufacturing	55,081	60,893	165,549	205,261
Integrated Poultry Operation	57,382	81,909	178,022	227,269
Others	7,358	8,639	16,176	28,691
Total revenue including inter-segment sales	119,821	151,441	359,747	461,221
Eliminations of inter-segment sales	(52,034)	(70,267)	(158,103)	(200,829)
Total	67,787	81,174	201,644	260,392
Segment Result				
Results from continuing operations:				
Manufacturing	2,140	1,634	7,340	8,386
Integrated Poultry Operation	35	4,647	(956)	(1,254)
Others	(522)	(316)	(1,689)	362
	1,653	5,965	4,695	7,494
Eliminations	234	(29)	(291)	(43)
	1,887	5,936	4,404	7,451
Interest expense	(1,208)	(1,592)	(3,861)	(4,733)
Profit before tax	679	4,344	543	2,718
Taxation	(126)	(2,600)	121	(2,419)
Profit for the period	553	1,744	664	299
Minority interest	(55)	(184)	(2)	139
Net profit for the year	498	1,560	662	438

Segmental information on geographical locations has not been prepared as the Group's activities are all based in Malaysia.

9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from previous annual financial statements.

10. Subsequent Events

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

11. Changes in the Composition of the Group

There has been no change in the composition of the Group for this quarter and financial year-to-date.

12. Contingent Liabilities and Contingent Assets

The corporate guarantees issued by the Company for the banking facilities granted to its subsidiaries totalled RM148.010 million as at the date of issue of this report.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Performance

Group revenue for the quarter under review and financial year to September 2009 dropped 16.5% from RM81.2 million to RM67.8 million and 22.6% from RM260.4 million to RM201.6 million respectively compared with corresponding period of preceding year as a result of lower sales revenue of broilers, ducks and raw material trading.

Group revenue for the quarter was also lower by 1.3% compared with RM68.6 million recorded for the immediate preceding quarter due to lower sales of raw material trading..

The Group recorded lower profit before tax of RM0.7 million and RM0.5 million for the quarter and financial year to September 2009, representing a decrease of 84.4% and 80.0% from RM4.3 million and RM2.7 million respectively. This was mainly due to higher operation costs for the quarter under review.

2. Variation of Results for the Quarter Compared with the Preceding Quarter

The Group posted a 56.9% lower profit before tax ('PBT') of RM0.7 million for the quarter under review compared with RM1.6 million PBT of preceding quarter as margin was adversely affected by higher price of feed during the quarter.

3. Current Year Prospects

Barring any unforeseen circumstances, the Group anticipates a satisfactory result for the financial year ending 31 December 2009.

4. Profit Forecast

Not applicable.

5. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-09-2009 RM '000	30-09-2008 RM '000	30-09-2009 RM '000	30-09-2008 RM '000
Current Taxation	304	692	1516	1,549
Deferred Taxation	(177)	1,908	(1637)	870
Total	127	2,600	(120)	2,419

The Group's effective tax rate for the current quarter and financial period ended 30 September 2009 are inconsistent with the statutory tax rate mainly due to claims of certain tax incentives under the Income Tax Act, 1967, disallowable expenses for tax purpose and losses of certain subsidiaries which cannot be set off against taxable profit made by other subsidiaries.

6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties for the current quarter and financial year-to-date

7. Quoted Investments

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

8. Status of Corporate Proposals Announced but Not Completed

There was no corporate proposal being carried out during the period under review.

9. Borrowings

Group borrowings as at 30 September 2009 are as follows: -

	30-09-2009 RM'000	30-09-2008 RM'000
<i>Short term borrowings</i>		
Secured	25,605	23,826
Unsecured	78,740	77,191
	<u>104,345</u>	<u>101,017</u>
<i>Long term borrowings</i>		
Secured	6,505	8,326
Unsecured	0	0
	<u>6,505</u>	<u>8,326</u>
	<u>110,850</u>	<u>109,343</u>

All bank borrowings are in Ringgit Malaysia.

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of issue of this quarterly report.

11. Material Litigation

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration proceedings, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

12. Proposed Dividends

No dividend has been recommended by the Board for the quarter and financial year to date.

13. Earnings/(Loss) Per Share

The basic earnings/loss per share, computed by dividing the net profit/(loss) for the period by the number of ordinary shares in issued, are as follow: -

	Individual Current Year Quarter 30-09-2009	Cumulative Current Year To Date 30-09-2009	Individual Preceding Year Quarter 30-09-2008	Cumulative Preceding Year To Date 30-09-2008
Net Profit/(loss) for the period (RM'000)	498	662	1,560	438
Number of ordinary shares in issued	60,911,250	60,911,250	60,911,250	60,911,250
Basic Earnings per share (sen)	0.82	1.09	2.56	0.72

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 30th day of November 2009.

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