

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 2012. 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 2012.

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 2012, 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 2012.

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
 Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
 Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
 Amendments to FRS 7: Transfers of Financial Assets
 Amendments to FRS 112: Deferred Tax – Recovery of Underlying Assets
 FRS 124: Related Party Disclosures

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

The Group has not early adopted the following FRSs, IC Interpretations and Amendments to FRSs, which have been issued and will be effective for the financial periods as stated below :-

	Effective date for financial periods beginning on or after
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9: Financial Instruments	1 January 2015

The above new FRSs, IC Interpretations and Amendments to FRSs will be adopted by the Group when

they become effective and that the initial applications of these Standards and IC Interpretations will have no material impact on the financial statements of the Group.

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2014.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2012 was not qualified.

A3. Segmental Information

	6 months ending		3 months ending	
	30-Sep-2012	30-Sep-2011	30-Sep-2012	30-Sep-2011
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
Revenue from continuing operations				
Poultry & related products	69,806	75,350	35,298	37,536
Extraction & sale of sand	1,901	1,195	946	619
Others	1,920	84	880	83
	<u>73,627</u>	<u>76,629</u>	<u>37,124</u>	<u>38,238</u>
Revenue from discontinued operations	-	1,790	-	636
Total	<u>73,627</u>	<u>78,419</u>	<u>37,124</u>	<u>38,874</u>
Segment results				
Results from continuing operations				
Poultry & related products	1,597	8,451	1,110	3,339
Investment holdings	172	(544)	214	(827)
Extraction & sale of sand	532	(316)	252	(77)
Others	98	(41)	64	(8)
	<u>2,399</u>	<u>7,550</u>	<u>1,640</u>	<u>2,427</u>
Results from discontinued operations	57	(9,658)	70	(8,269)
Total	<u>2,456</u>	<u>(2,108)</u>	<u>1,710</u>	<u>(5,842)</u>

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 September 2012.

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

A piece of property consisting of land and building was reclassified from Property, Plant and Equipment to Investment Property in accordance with a change in use. Subsequent to the reclassification, the property was remeasured at fair value thus giving rise to a valuation gain of RM11,506 in the previous quarter under review.

There were no other changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Debt and Equity Securities

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 2012.

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.

A13. Profit for the Period

Profit for the period is arrived at after crediting/(charging):-

	6 months ended	
	30 Sept 2012	30 Sept 2011
	RM'000	RM'000
Interest income	120	103
Other income including investment income	892	37
Interest expense	(614)	(964)
Depreciation & amortisation	(4,420)	(5,482)
Provision for and write off of receivables	-	(200)
Provision for and write off of inventories	-	(67)
Gain on disposal of quoted or unquoted investment or properties	42	24
Impairment of assets	(13)	(7,081)
Foreign exchange gain	270	339
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

A14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 30.9.2012 (RM'000)	As at 31.3.2012 (RM'000)
Total retained profits :		
Realised profits	71,450	71,827
Unrealised losses	(5,685)	(5,878)
	<u>65,765</u>	<u>65,949</u>
Less : Consolidation adjustments	<u>3,132</u>	<u>3,135</u>
Retained profits as per consolidated accounts	<u>68,897</u>	<u>69,084</u>

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

The Group registered a revenue of RM37.12 million and a net profit of RM1.47 million for the current quarter as compared to RM38.24 million and a net loss of RM6.73 million respectively in preceding year corresponding quarter. Decrease in selling prices of eggs resulted in lower profit in the Poultry segment. However, overall profit improved due to the absence of loss from discontinued operation in the current quarter as compared to the corresponding quarter of prior year.

For financial year-to-date, the Group recorded a revenue of RM73.63 million and a net profit of RM1.98 million as compared to a revenue of RM76.63 million and net loss of RM4.41 million in the corresponding period of the previous year. Decrease in selling prices of eggs resulted in lower profit in the Poultry segment. However, overall profit improved in the current period due to the absence of loss from discontinued operation as compared to the corresponding period of prior year.

Revenue and contribution from other segments did not significantly affect the performance of the Group for the current quarter under review.

B2. Comment on Material Change in Profit Before Tax

The Group posted a net profit of RM1.47 million for the current quarter as against a net profit of RM0.52 million in the preceding quarter. The Group's revenue for this quarter at RM37.12 million is marginally higher than the RM36.50 million in the preceding quarter. The increase in profit before tax was largely due to higher other income as compared to the preceding quarter.

There were no material change in contributions from other segments of the Group.

B3. Commentary on Prospects

The Board views the Poultry segment's business condition to continue to be challenging in the next period due to the weak selling prices resulting from over-production in the industry. Although the price of soybean has declined from its peak, it is still on the high side.

The contributions from other segments namely the Extraction and Sale of Sand, Investment Holdings and Others are not expected to significantly affect the results of the Group.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	6 months ended 30.6.12	6 months ended 30.6.11
	RM'000	RM'000
Income tax expense		
- provision in the period	476	2,296
Deferred tax	(1)	-
Total tax expense	475	2,296

The effective tax rate for the current quarter is lower than the statutory rate of 25% largely due to lower taxable income.

B6. Corporate Proposals

- (a) Status of Corporate Proposals
There were no corporate proposals announced but not completed as at 15 November 2012.
- (b) Status of Utilisation of Proceeds
Not applicable as there was no corporate proposal to raise funds.

B7. Borrowings

The total Group borrowings as at 30 September 2012 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings			
Term loan	4,726	620	5,346
Other bank borrowings	-	5,361	5,361
Hire Purchase Payables	634	-	634
	<u>5,360</u>	<u>5,981</u>	<u>11,341</u>
Long term borrowings			
Term loan	13,008	918	13,926
Hire Purchase Payables	671	-	671
	<u>13,679</u>	<u>918</u>	<u>14,597</u>
Total	19,039	6,899	25,938

There were no borrowings in any foreign currency as at 30 September 2012.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 15 November 2012.

B9. Changes in Material Litigations

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

B10. Dividend Payable

On 3 September 2012, the Board of Directors had declared a single-tier final dividend of 5% for the financial year ended 31 March 2012, amounting to RM2.17 million with payment date on 4 October 2012.

No interim ordinary dividend has been declared for the financial period ended 30 Sept 2012 (30 Sept 2011 : Nil)

B11. Earnings per share

	6 months ended		3 months ended	
	30-Sep-12 RM'000	30-Sep-11 RM'000	30-Sep-12 RM'000	30-Sep-11 RM'000
Profit/(loss) attributable to ordinary shareholders of the parent :-				
Continuing operations	1,924	5,254	1,396	1,540
Discontinued operation	57	(9,660)	70	(8,269)
Group	1,981	(4,406)	1,466	(6,729)
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of shares ("WAS")				
Effects of dilution	43,368,002	43,313,324	43,368,002	43,350,535
Adjusted WAS	-	196,256	-	173,182
	43,368,002	43,509,580	43,368,002	43,523,717
	Sen per share	Sen per share	Sen per share	Sen per share
Basic EPS :-				
Continuing operations	4.44	12.13	3.22	3.55
Discontinued operation	0.13	(22.30)	0.16	(19.07)
	4.57	(10.17)	3.38	(15.52)
Diluted EPS :-				
Continuing operations	N/A	12.08	N/A	3.54
Discontinued operation	N/A	(22.20)	N/A	(19.00)
	N/A	(10.12)	N/A	(15.46)

B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 22 November 2012.

B13. Dividends Paid / Declared

Dividend paid and declared since the financial year 2007 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
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
20	2012	Interim dividend	5% per share, single tier	3.4.2012
21	2012	Final dividend	5% per share, single tier	4.10.2012