

**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

|                                      | 3 months ended |               | 12 months ended |                |
|--------------------------------------|----------------|---------------|-----------------|----------------|
|                                      | 31-Mar-13      | 31-Mar-12     | 31-Mar-13       | 31-Mar-12      |
|                                      | RM'000         | RM'000        | RM'000          | RM'000         |
| <b>Segment revenue</b>               |                |               |                 |                |
| Revenue from continuing operations:- |                |               |                 |                |
| Poultry & related products           | 39,886         | 37,221        | 147,712         | 153,309        |
| Extraction & sale of sand            | 956            | 856           | 3,885           | 2,746          |
| Others                               | (304)          | 780           | 3,234           | 1,108          |
|                                      | 40,538         | 38,857        | 154,831         | 157,163        |
| Revenue from discontinued operations | -              | (5)           | -               | 2,220          |
| <b>Total</b>                         | <b>40,538</b>  | <b>38,852</b> | <b>154,831</b>  | <b>159,383</b> |
| <b>Segment results</b>               |                |               |                 |                |
| Results from continuing operations:- |                |               |                 |                |
| Poultry & related products           | 4,568          | 2,192         | 8,054           | 18,296         |
| Investment holdings                  | 2,660          | 1,045         | 2,653           | 1,242          |
| Extraction & sale of sand            | 277            | (57)          | 971             | (281)          |
| Others                               | (251)          | 106           | 562             | 40             |
|                                      | 7,254          | 3,286         | 12,240          | 19,297         |
| Results from discontinued operations | (43)           | (1,584)       | 14              | (12,607)       |
| <b>Total</b>                         | <b>7,211</b>   | <b>1,702</b>  | <b>12,254</b>   | <b>6,690</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 quarter ended 31 March 2013.

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

On 1<sup>st</sup> April 2012, 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, resulting in a valuation gain of RM11,506 recognised into profit & loss. As at end of the current financial period, the property together with another piece of investment property were restated to its current fair value, giving rise to RM2,529,000 net gain included in profit and loss. Both valuations were carried out by professional independent valuer, Jordan Lee & Jaafar (S) Sdn Bhd.

Another piece of freehold land held under property, plant and equipment was also revalued by independent professional, Jordan Lee & Jaafar (M'cca) Sdn Bhd, by reference to open market value based on existing use basis. The net gain arising from the revaluation of RM3,596,000 was included in asset revaluation reserve in the current 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):-

|                                | 3 months ended          |                         | 12 months ended         |                         |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                | 31 March 2013<br>RM'000 | 31 March 2012<br>RM'000 | 31 March 2013<br>RM'000 | 31 March 2012<br>RM'000 |
| Interest income                | 29                      | 28                      | 206                     | 137                     |
| Other income including         |                         |                         |                         |                         |
| investment income              | 2,053                   | 987                     | 3,155                   | 1,687                   |
| Interest expense               | (307)                   | (347)                   | (1,242)                 | (1,908)                 |
| Depreciation & amortisation    | (2,146)                 | (2,339)                 | (8,777)                 | (10,372)                |
| Provision for and write off of |                         |                         |                         |                         |
| receivables                    | (43)                    | (655)                   | (237)                   | (856)                   |
| Provision for and write off of |                         |                         |                         |                         |
| inventories                    | -                       | -                       | -                       | (169)                   |
| Gain on disposal of quoted or  |                         |                         |                         |                         |
| unquoted investment or         |                         |                         |                         |                         |
| properties                     | 88                      | (535)                   | 108                     | 344                     |
| Impairment of assets           | (109)                   | (708)                   | (122)                   | (7,416)                 |
| Foreign exchange gain          | 133                     | 55                      | 491                     | 509                     |
| Gain/(loss) on derivatives     | -                       | -                       | -                       | -                       |
| Exceptional items              | -                       | -                       | -                       | -                       |

## A14. Realised and Unrealised Profits/(Losses) Disclosure

|   | As at<br>31.3.2013<br>(RM'000) | As at<br>31.3.2012<br>(RM'000) |
|---|--------------------------------|--------------------------------|
| Total retained profits :                      |                                |                                |
| Realised profits                              | 72,281                         | 71,827                         |
| Unrealised losses                             | (1,889)                        | (5,878)                        |
|   | <u>70,392</u>                  | <u>65,949</u>                  |
| Less : Consolidation adjustments              | 4,403                          | 3,135                          |
| Retained profits as per consolidated accounts | <u>74,795</u>                  | <u>69,084</u>                  |

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

The Group registered a revenue of RM40.54 million and a net profit of RM5.61 million for the current quarter as compared to RM38.86 million and RM0.92 million respectively in preceding year corresponding quarter. Lower cost of soybean in the poultry segment and absence of loss from discontinued operation in the current quarter has resulted in higher profit for the Group.

For the current year under review, the Group recorded a revenue of RM154.83 million and a net profit of RM9.58 million as compared to a revenue of RM157.16 million and net profit of RM1.86 million in the corresponding period of the previous year. Increase in the costs of major raw materials particularly soybean and reduced selling prices of eggs resulted in lower profit in the poultry segment. However, overall profit improved in the current year due to the absence of loss from discontinued operation as compared to 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 RM5.61 million for the current quarter as against a net profit of RM1.99 million in the preceding quarter. The Group's revenue for this quarter at RM40.54 million is marginally lower than the RM40.67 million in the preceding quarter. The increase in profit before tax as compared to the preceding quarter was largely due to lower cost of major raw materials particularly soybean and other income arising from revaluation of investment properties.

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

**B3. Commentary on Prospects**

The Board is optimistic on the poultry segment for the next period as the selling prices of eggs and prices of major raw materials particularly soybean have stabilized.

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

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

**B5. Tax Expenses**

|                       | 12 months ended<br>31.3.13 | 12 months ended<br>31.3.12 |
|-----------------------|----------------------------|----------------------------|
|                       | RM'000                     | RM'000                     |
| Continuing operations |                            |                            |
| - Income tax expense  | 3,235                      | 4,830                      |

|                        |       |       |
|------------------------|-------|-------|
| - Deferred tax         | (557) | -     |
|                        | 2,678 | 4,830 |
| Discontinued operation |       |       |
| - income tax reversal  | -     | (3)   |
| Total tax expense      | 2,678 | 4,827 |

The effective tax rate for the current year-to-date is higher than the statutory rate of 25% due mainly to undeductible expenses.

#### B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 May 2013.

(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 31 March 2013 were as follows:

|                              | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|------------------------------|-------------------|---------------------|-----------------|
| <b>Short term borrowings</b> |                   |                     |                 |
| Term loan                    | 4,901             | 1,306               | 6,207           |
| Other bank borrowings        | 1,500             | 1,870               | 3,370           |
| Hire Purchase Payables       | 691               | -                   | 691             |
|                              | 7,092             | 3,176               | 10,268          |
| <b>Long term borrowings</b>  |                   |                     |                 |
| Term loan                    | 6,961             | 4,771               | 11,732          |
| Hire Purchase Payables       | 302               | -                   | 302             |
|                              | 7,263             | 4,771               | 12,034          |
| Total                        | 14,355            | 7,947               | 22,302          |

There were no borrowings in any foreign currency as at 31 March 2013.

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 22 May 2013.

**B9. Changes in Material Litigations**

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

**B10. Dividend Payable**

On 1 March 2013, the Board of Directors had declared a single-tier interim dividend of 4% per share in respect of the financial year ended 31 March 2013, amounting to RM1.73 million. It was paid on 8 April 2013 to depositors registered in the Record of Depositors at the close of business on 18 March 2013.

**B11. Earnings per share**

|   | 3 months ended       |                      | 12 months ended      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 31-Mar-13            | 31-Mar-12            | 31-Mar-13            | 31-Mar-12            |
|   | RM'000               | RM'000               | RM'000               | RM'000               |
| <b>Profit/(loss) attributable to ordinary shareholders of the parent :-</b> |                      |                      |                      |                      |
| Continuing operations   | 5,653                | 2,467                | 9,562                | 14,429               |
| Discontinued operation  | (43)                 | (1,584)              | 14                   | (12,604)             |
| <b>Group</b>  | <b>5,610</b>         | <b>883</b>           | <b>9,576</b>         | <b>1,825</b>         |
|   | <b>No. of shares</b> | <b>No. of shares</b> | <b>No. of shares</b> | <b>No. of shares</b> |
| <b>Weighted average number of shares ("WAS")</b>                            | 43,368,002           | 43,368,002           | 43,368,002           | 43,339,895           |
| Effects of dilution   | -                    | -                    | -                    | 53,051               |
| <b>Adjusted WAS</b>   | <b>43,368,002</b>    | <b>43,368,002</b>    | <b>43,368,002</b>    | <b>43,392,946</b>    |
|   | <b>Sen per share</b> | <b>Sen per share</b> | <b>Sen per share</b> | <b>Sen per share</b> |
| <b>Basic EPS :-</b>   |                      |                      |                      |                      |
| Continuing operations   | 13.04                | 5.69                 | 22.05                | 33.29                |
| Discontinued operation  | (0.10)               | (3.65)               | 0.03                 | (29.08)              |
|   | <b>12.94</b>         | <b>2.04</b>          | <b>22.08</b>         | <b>4.21</b>          |
| <b>Diluted EPS :-</b>   |                      |                      |                      |                      |
| Continuing operations   | N/A                  | N/A                  | N/A                  | 33.25                |
| Discontinued operation  | N/A                  | N/A                  | N/A                  | (29.05)              |
|   | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>4.20</b>          |

**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 29 May 2013.

**B13. Dividends Paid / Declared**

Dividend paid and declared since the financial year 2008 up to the date of this report.

| Dividend No. | Financial Year | Type             | Rate                      | Payment Date |
|--------------|----------------|------------------|---------------------------|--------------|
| 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    |
| 22           | 2013           | Interim dividend | 4% per share, single tier | 8.4.2013     |