

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

	9 months ended		3 months ended	
	31-Dec-12 RM'000	31-Dec-11 RM'000	31-Dec-12 RM'000	31-Dec-11 RM'000
Segment revenue				
Revenue from continuing operations:-				
Poultry & related products	107,826	116,088	38,020	40,738
Extraction & sale of sand	2,929	1,890	1,028	695
Others	3,538	329	1,618	245
	<u>114,293</u>	<u>118,307</u>	<u>40,666</u>	<u>41,678</u>
Revenue from discontinued operations	-	2,225	-	434
Total	<u>114,293</u>	<u>120,532</u>	<u>40,666</u>	<u>42,112</u>
Segment results				
Results from continuing operations:-				
Poultry & related products	3,480	16,102	1,883	7,651
Investment holdings	414	(673)	241	(129)
Extraction & sale of sand	693	(223)	162	93
Others	399	808	301	849
	<u>4,986</u>	<u>16,014</u>	<u>2,587</u>	<u>8,464</u>
Results from discontinued operations	57	(11,025)	-	(1,365)
Total	<u>5,043</u>	<u>4,989</u>	<u>2,587</u>	<u>7,099</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 31 December 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

On 4 October 2012, the Company has paid a final dividend of 5%, single-tier, in respect of the financial year ended 31 March 2012, amounted to RM2.17 million.

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 prior quarter.

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):-

	9 months ended		3 months ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	RM'000	RM'000	RM'000	RM'000
Interest income	177	109	57	6
Other income including investment income	1,102	700	210	688
Interest expense	(935)	(1,509)	(321)	(545)
Depreciation & amortisation	(6,631)	(8,033)	(2,211)	(2,550)
Provision for and write off of receivables	(297)	(200)	(297)	-
Provision for and write off of inventories	-	(228)	-	(161)
Gain on disposal of quoted or unquoted investment or properties	20	812	(22)	852
Impairment of assets	(13)	(6,708)	-	-
Foreign exchange gain	358	454	88	123
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

A14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31.12.2012 (RM'000)	As at 31.3.2012 (RM'000)
Total retained profits :		
Realised profits	73,273	71,827
Unrealised losses	(5,521)	(5,878)
	<u>67,752</u>	<u>65,949</u>
Less : Consolidation adjustments	<u>3,130</u>	<u>3,135</u>
Retained profits as per consolidated accounts	<u>70,882</u>	<u>69,084</u>

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

The Group registered a revenue of RM40.67 million and a net profit of RM1.99 million for the current quarter as compared to RM41.68 million and RM5.35 million respectively in preceding year corresponding quarter. Increase in the costs of major raw materials particularly soybean and reduced selling prices of eggs resulted in lower profit in the Poultry segment and for the Group.

For financial year-to-date, the Group recorded a revenue of RM114.29 million and a net profit of RM3.97 million as compared to a revenue of RM118.31 million and net profit of RM0.94 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 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 RM1.99 million for the current quarter as against a net profit of RM1.47 million in the preceding quarter. The Group's revenue for this quarter at RM40.67 million is marginally higher than the RM37.12 million in the preceding quarter. The increase in profit before tax was largely due to higher selling prices of eggs 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 be challenging in the next period. Even though selling prices of eggs have slightly recovered, the over-production in the industry has not fully corrected. On the cost side, the price of soybean has declined since its recent peak but is still relatively 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

	9 months ended 31.12.12	9 months ended 31.12.11
	RM'000	RM'000

Continuing operations

- Income tax expense	1,079	4,049
- Deferred tax	(2)	-
	1,077	4,049
Discontinued operation		
- income tax reversal	-	(2)
Total tax expense	1,077	4,047

The effective tax rate for the current year-to-date is lower than the statutory rate of 25% due largely to tax allowances.

B6. Corporate Proposals

- (a) Status of Corporate Proposals
There were no corporate proposals announced but not completed as at 19 February 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 December 2012 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	4,891	449	5,340
Other bank borrowings	-	1,954	1,954
Hire Purchase Payables	644	-	644
	5,535	2,403	7,938
Long term borrowings			
Term loan	8,153	5,108	13,261
Hire Purchase Payables	507	-	507
	8,660	5,108	13,768
Total	14,195	7,511	21,706

There were no borrowings in any foreign currency as at 31 December 2012.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 19 February 2013.

B9. Changes in Material Litigations

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

B10. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 31 December 2012 (31 December 2011 : Nil)

B11. Earnings per share

	9 months ended		3 months ended	
	31-Dec-12 RM'000	31-Dec-11 RM'000	31-Dec-12 RM'000	31-Dec-11 RM'000
Profit/(loss) attributable to ordinary shareholders of the parent :-				
Continuing operations	3,909	11,962	1,985	6,710
Discontinued operation	57	(11,020)	-	(1,362)
Group	3,966	942	1,985	5,348
Weighted average number of shares ("WAS")				
	No. of shares	No. of shares	No. of shares	No. of shares
Effects of dilution	43,368,002	43,330,595	43,368,002	43,364,948
Adjusted WAS	-	88,223	-	67,953
	43,368,002	43,418,818	43,368,002	43,432,901
Basic EPS :-				
	Sen per share	Sen per share	Sen per share	Sen per share
Continuing operations	9.01	27.61	4.58	15.47
Discontinued operation	0.13	(25.43)	-	(3.14)
	9.14	2.18	4.58	12.33
Diluted EPS :-				
Continuing operations	N/A	27.55	N/A	15.45
Discontinued operation	N/A	(25.38)	N/A	(3.14)
	N/A	2.17	N/A	12.31

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 26 February 2013.

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