

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 30.6.12 RM'000	3 months ended 30.6.11 RM'000
Segment revenue :		
Revenue from continuing operations		
Poultry & related products	34,508	37,814
Extraction and sale of sand	955	577
Others	1,040	-
	36,503	38,391
Revenue from discontinued operation	-	1,153
Total	36,503	39,544
Segment results :		
Results from continuing operations		
Poultry & related products	487	5,074
Investment holdings	(42)	280
Extraction and sale of sand	280	(201)
Others	34	(30)
	759	5,123
Results from discontinued operation	(13)	(1,391)
Total	746	3,732

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 June 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 3 April 2012, the Company has paid an interim 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 the current quarter under review 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 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):-

	Current Quarter	
	3 months ended	
	30 June 2012	30 June 2011
	RM'000	RM'000
Interest income	62	68
Other income including investment income	46	11
Interest expense	(265)	(495)
Depreciation & amortisation	(2,197)	(2,728)
Provision for and write off of receivables	-	(200)
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investment or properties	141	-
Impairment of assets	(3)	(370)
Foreign exchange gain	148	177
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

A14. Realised and Unrealised Profits/(Losses) Disclosure

	As at	As at
	30.6.2012	31.3.2012
	(RM'000)	(RM'000)
Total retained profits :		
Realised profits	72,471	71,827
Unrealised losses	(6,004)	(5,878)
	<u>66,467</u>	<u>65,949</u>
Less : Consolidation adjustments	<u>3,132</u>	<u>3,135</u>
Retained profits as per consolidated accounts	<u>69,599</u>	<u>69,084</u>

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group registered a revenue of RM36.50 million and a net profit of RM0.52 million for the current quarter as compared to RM38.39 million and RM2.32 million respectively in preceding year corresponding quarter. The Poultry segment recorded lower revenue due decrease in selling price of eggs. As a result, net profit for the current quarter under review decreased in tandem with the lower revenue.

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 RM0.52 million for the current quarter as against a net profit of RM0.92 million in the preceding quarter. The Group's revenue for this quarter at RM36.50 million is lower as compared to RM38.86 million in the preceding quarter. The decrease in profit before tax was largely due to lower selling prices of eggs recorded by the Poultry segment as compared to the preceding quarter. The preceding quarter also recorded higher other income due to gain from fair valuation of a piece of property.

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 very challenging in the next period due to the impact from the soaring prices of feed materials. Feed materials such as soybean and corn are currently facing global shortage due to the persistent drought in the United States, the world's major producer of soybean and corn. The selling prices of eggs which has been sluggish since the beginning of the year due to over production in the industry, adds another challenge to the outlook of the Group.

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

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended 30.6.12	3 months ended 30.6.11
	RM'000	RM'000
Income tax expense		
- provision in the period	232	1,409
Deferred tax	(1)	-
Total tax expense	231	1,409

The effective tax rate for the current quarter is higher than the statutory rate of 25% largely due to certain expenses being disallowed for taxation purposes.

B6. Corporate Proposals

- (a) Status of Corporate Proposals
There were no corporate proposals announced but not completed as at 22 August 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 June 2012 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	4,703	745	5,448
Other bank borrowings	1,000	3,926	4,926
Hire Purchase Payables	625	-	625
	<u>6,328</u>	<u>4,672</u>	<u>10,999</u>
Long term borrowings			
Term loan	10,680	1,064	11,744
Hire Purchase Payables	833	-	833
	<u>11,513</u>	<u>1,064</u>	<u>12,577</u>
Total	<u>17,841</u>	<u>5,736</u>	<u>23,577</u>

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

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 22 August 2012.

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 30 June 2012 (30 June 2011 : Nil)

B11. Earnings per share

	Quarter Ended	
	30-Jun-12 RM'000	30-Jun-11 RM'000
Profit/(loss) attributable to ordinary shareholders of the parent :-		
Continuing operations	528	3,714
Discontinued operation	(13)	(1,391)
Group	515	2,323
	No. of shares	No. of shares
Weighted average number of shares ("WAS")		
	43,368,002	43,279,991
Effects of dilution	-	225,556
Adjusted WAS	43,368,002	43,505,547
	Sen per share	Sen per share
Basic EPS :-		
Continuing operations	1.22	8.58
Discontinued operation	(0.03)	(3.21)
	1.19	5.37
Diluted EPS :-		
Continuing operations	N/A	8.54
Discontinued operation	N/A	(3.20)
	-	5.34

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 August 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