

A1. **Accounting policies and methods of computation**

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 Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2005. 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 December 2005.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The above mentioned revised/new FRS does not have significant financial impact on the Group except for FRS 3 and FRS 140. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs 3 and 140 are discussed below:-

(a) **FRS 3: Business Combinations**

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit or loss. Prior to 1 January 2006, negative goodwill is not amortised. To the extent that negative goodwill relates to expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which are not identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 of RM 1.463 million, was derecognised with a corresponding increase in retained earnings.

(b) **FRS 140: Investment Property**

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers. Gains or losses arising from the changes in the fair values in investment properties are recognised in the profit or loss in the period in which they arise. Prior to 1 January 2006, investment properties were stated at cost and categorised as property, plant and equipment. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 31 December 2005 are not restated.

A2. **Qualification of financial statements**

The auditors' report for the financial statements for the year ended 31 December 2005 was not qualified.

A3. **Seasonal or cyclical factors**

The business operations of the Group were not affected by any seasonal or cyclical factors.

A4. **Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter.

A5. **Nature and amount of changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter.

A6. **Issuance, cancellation, repurchase, resale and repayment of debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7. **Dividend paid**

No dividends was paid during the current quarter of the financial period.

A8. **Segmental information**

There was no segmental analysis for the period under review as the Company operates principally within one industry and within the country.

A9. **Valuation of property, plant and equipment**

There were no valuation for property, plant and equipment of the Group during the current quarter .

A10. **Material events subsequent to the end of the current quarter**

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statements.

A11. **Effect of changes in the composition of the Group**

There were no material changes in the composition of the Group for the quarter under review and financial year to-date.

A12. **Changes in contingent liabilities or contingent assets**

There was no material changes in contingent liabilities or contingent assets for the current financial period.

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements
of BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of performance of the Company and its principal subsidiaries

The Group recorded a turnover of RM 10.173 million and loss of RM 1.512 million for the first quarter ended 31 March 2006. The Group has achieved a turnover of RM 12.229 million and loss of RM 0.371 million in the same corresponding quarter for 31 March 2005. The decline in performance is due to the recent isolated cases of the Avian Influenza outbreak which hit the states of Selangor, Perak and Penang in West Malaysia which has affected the consumption of eggs as well as the egg prices in the beginning of the year 2006.

B2. Comparison with immediate preceding quarter.

The Group recorded revenue of RM 10.173 million for the current quarter ended 31 March 2006 compared with RM 12.097 million for the immediate preceding quarter. The Group recorded a loss of RM 1.512 million in the current quarter compared to a profit after taxation of RM 0.067 million in the preceding quarter. The decline in performance for the current quarter compared to the preceding quarter is due to decline in the consumption and prices of eggs in the beginning of the year 2006 due to the recent isolated Avian Influenza outbreak.

B3. Current year prospects

With the assistance from the Malaysia's Department of Veterinary and the Group in continuing practicing tight bio-security in the farm, the Group is always ready and confident to overcome any negative impact. In addition, the Group will also continue to enforce and enhance its risk management and cost control measures, increase efficiency and productivity. And with the stabilisation of raw materials prices, the Group will endeavour its best to improve the performance of the group in the forthcoming financial year 2006.

B4. Variance of actual profit from forecast profit for 3 months period ended 31 March 2006

Not applicable for this interim reporting.

B5. Taxation

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31/3/2006		31/3/2006	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	5	-	5	-

There is no taxation for the current quarter.

B6. Profit on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter under review.

B7. Purchase or disposal of quoted securities

The company does not have any quoted securities during the quarter under review.

B8. Corporate Proposals

There are no corporate proposals announced for the current quarter under review.

B9. **Borrowings and debt securities**

The Group's borrowings all of which were denominated in Ringgit Malaysia as at 31 March 2006 are as follows:

	RM'000
<u>Current</u>	
Bank Overdrafts - secured	4,268
Trade Bills - secured	15,659
Term Loan - secured	967
Hire Purchase	381
	<u>21,275</u>
<u>Non Current</u>	
Term Loan - secured	4,124
Hire Purchase	658
	<u>4,782</u>
TOTAL	<u>26,057</u>

B10. **Off balance sheet financial instruments**

There are no material financial instruments with off balance sheet risk as at the date of this report.

B11. **Material litigation**

There are no material litigation as at 10 May 2006.

B12. **Dividend**

The Board of directors does not recommend the payment of interim dividend for the quarter under review.

B13. **Earnings per share**