

Notes :

1. The company is following approved accounting standards and guidelines as prescribed by the Malaysian Accounting Standards Board and International Accounting Standards.
2. There are no exceptional item.
3. There are no extraordinary item.
4. The tax figure do not contain deferred tax. No provision for income tax has been made for the company as the company incurred operating losses.
5. There were no disposal of land and building or unquoted investments during the period.
6. Particulars of purchase and disposal of quoted securities for the current financial year to date and profit arising therefrom :

(a)	<u>RM</u>
Opening balance	3,107,134
Total purchases	0
Total disposal	1,547,851
Total profit/(loss) on disposal	(320,064)

(b) Investments in Quoted Shares at 30/09/2001

	<u>RM</u>
(i) Total investment at Cost	1,559,283
(ii) Total investment at carrying value/book value (after provision for diminution in value)	627,810
(iii) Total investment at market value at end of reporting period	627,810

7. There are no changes in the composition of the Company in the 3rd quarter 2001.
8. Status of Corporate Proposal

As announced on 4 September, 2000, the Company proposes to undertake a restructuring exercise which includes proposed rights issue of up to 40,302,750 new ordinary of RM1.00 each in SHC ("Rights Shares") on the basis of two (2) new ordinary shares for every one (1) ordinary share held ("Proposed Rights Issue").

The Proposed Rights Issue has been approved by Securities Commission on 30 August, 2000 (Please refer to the announcement (Reference No: MM-000901-

46198) on 4 September, 2000 for further details).

9. There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.
10. Group borrowings and debt securities as at the end of the reporting period :
 - (a) Borrowings are secured by a negative pledge over all its assets. The credit facilities of the subsidiary companies from certain banks are guaranteed by the company.
 - (b) Borrowings are on short term tenure.
 - (c) All borrowings are ringgit denominated loans.

Details are as follows :

	3rd Qtr 2001 <u>RM000's</u>	2nd Qtr 2001 <u>RM000's</u>
The Company :		
Bankers' Acceptances	4,350	4,350
Short Term Loan	3,075	3,075
Bank Overdraft	<u>15,115</u>	<u>15,009</u>
	<u>22,540</u>	<u>22,434</u>
Subsidiary companies :		
Bankers' Acceptances	3,916	5,533
Bank Overdraft	<u>18,114</u>	<u>17,233</u>
	22,030	22,766
Add :		
Long Term Loan	<u>5,050</u>	<u>6,385</u>
Total Subsidiary Borrowings	<u>27,080</u>	<u>29,151</u>
Total Group Borrowings	<u>49,620</u>	<u>51,585</u>

11. As of 31st December, 2000, there was a contingent disputed claim against the Group and the Company to the extent of RM8.5 million (RM7.1 million in 1999) and RM4.7 million (RM3.7 million in 1999) respectively in respect of interest claimed on disputed trade debts owing to a company which at all material time together with certain other parties having common directors and controlling shareholders in the Company. In the opinion of management, the interest charges are without any merit and, accordingly, no provision for the amount claimed is deemed necessary.

In 1998, the said company has had instituted legal proceedings for the disputed trade debts, services provided and/or interest as alleged, and the company, expressly without prejudice to all its rights, title, entitlement, interest and estate, its relevant subsidiaries have taken steps to defend and counter-claim against the said company and all other parties, and is seeking, inter alia, substantive exemplary damages which management is of the opinion is meritorious.

12. There are no financial instruments with off balance sheet risk at 30th September, 2001.
13. Besides 11 above, there are no pending material litigation at 30th September, 2001
14. Segment analysis by activities are as follows :

<u>3rd Qtr 2001 (RM000's)</u>	<u>Poultry</u>			<u>Total</u>
	<u>Breeding</u>	<u>Feedmilling</u>	<u>Others</u>	
Operating revenue	7,036	2,400	0	9,436
Profit/loss before taxation	772	189	(2,125)	(1,164)
Assets employed	22,816	15,445	9,871	48,132

<u>2nd Qtr 2001 (RM000's)</u>	<u>Poultry</u>			<u>Total</u>
	<u>Breeding</u>	<u>Feedmilling</u>	<u>Others</u>	
Operating revenue	5,645	2,433	1	8,079
Profit/loss before taxation	793	61	(1,893)	(1,039)
Assets employed	23,899	16,524	9,701	50,124

Segmental information by geographical location has not been disclosed as the Group operates predominantly in Malaysia.

15. Operating revenue increased 17% in 3rd Qtr 2001 when compared with the 2nd Qtr 2001. However loss before tax increased by 12% due to loss on disposal and provision for diminution for value of quoted investments during the quarter.

DOC (day old chicks) sales volume have increased due to improved trading performance of DOC. Prices of DOC have however decreased by 3% in the quarter.

The feedmilling sector registered an increased in profits before tax of RM189,000 in the 3rd Qtr 2001 as compared to RM61,000 in 2nd Qtr 2001. This is due to a 15% increase in volume of feed sold during the quarter.

16. The Group's core activities i.e. poultry breeding and feedmilling registered gains in the current quarter as noted in 14 above.

However, losses from the other activities i.e. trading, investment holding (quoted investments) etc. continued to weigh the Group's performance down.

The year to date loss before taxation is recorded at RM3.4 million.

17. Material events - Not applicable.

18. So long as the exchange control system is in place, chicken feed prices is expected to be stable. The demand for chicken has been stable in the third quarter as compared to the second quarter and will continue to be strong in the fourth quarter when the holidays and festive seasons are.

19. The factors that are likely to influence the company's current year prospect are :

- Bank interest rates as the Company is highly geared.
- Demand and prices for DOC as poultry breeding is a substantial group activity; and
- Prices of imported raw materials and chemicals.

20. Explanatory notes on variances of actual from forecast profit and shortfall in profit guarantee - Not applicable.

21. Dividend - Not applicable.