

SIN HENG CHAN (MALAYA) BERHAD
QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER, 2007

Quarterly report on consolidated results for the financial quarter ended 31/12/2007
 The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/07 RM'000s	PRECEDING YR CORRESPONDING QUARTER 31/12/06 RM'000s	CURRENT YEAR TO DATE 31/12/07 RM'000s	PRECEDING YR CORRESPONDING PERIOD 31/12/06 RM'000s
Continuing Operations				
Revenue	17,802	9,268	52,057	35,587
Cost of Sales	(13,406)	(9,870)	(43,701)	(38,181)
Gross profit/(loss)	4,396	(602)	8,356	(2,594)
Other income	2,225	2,456	2,487	2,574
Selling and distribution expenses	(592)	(733)	(2,475)	(3,009)
General and administrative expenses	1	(1,367)	(2,576)	(4,064)
Other expenses	(3,679)	(3,008)	(4,308)	(2,169)
Restructuring costs	-	-	-	-
Profit from operations	2,351	(3,254)	1,484	(9,262)
Finance cost	(707)	(182)	(1,117)	(521)
Profit/(loss) before tax	1,644	(3,436)	367	(9,783)
Tax	17	361	17	361
Profit/(loss) for the period continuing operations	1,661	(3,075)	384	(9,422)
Discontinued Operations				
Profit/(loss) for the period from discontinued operations	1,275	(4)	1,275	(1)
Profit/(loss) for the period	2,936	(3,079)	1,659	(9,423)
Attributable to :				
Equity holders of the parent	2,060	(2,675)	1,053	(8,185)
Minority interest	876	(404)	606	(1,238)
	2,936	(3,079)	1,659	(9,423)
Earnings per share (sen) attributable to equity holders of the parent :				
Basic (sen), for continuing operations	0.70	(4.39)	(0.20)	(13.40)
Basic (sen), for discontinued operations	1.14	-	1.14	-
Basic (sen) for the period	1.84	(4.39)	0.94	(13.40)
Fully diluted (sen)	N/A	N/A	N/A	N/A

(The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006).

(The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)

SIN HENG CHAN (MALAYA) BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET

The figures have not been audited.

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 31/12/2007 RM'000s	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2006 RM'000s
1 Property, plant and equipment	105,104	15,180
2 Other Investments	5	5
3 Investment Properties	6,443	
4 Prepaid Lease Rental	5,046	-
5 Goodwill on consolidation	11,517	-
6 Current Assets		
<i>Inventories</i>	6,506	8,687
<i>Receivables</i>	9,824	6,002
<i>Short Term Investments</i>	-	-
<i>Cash</i>	13,401	9,844
<i>Others</i>	3,148	7,479
Total Current Assets	32,879	32,012
7 Current Liabilities		
<i>Short Term Borrowings</i>	7,952	8,839
<i>Trade Payables</i>	8,331	3,979
<i>Other Creditors</i>	12,852	3,764
<i>Provision for Taxation</i>	35	-
<i>Others</i>	211	-
Total Current Liabilities	29,381	16,582
8 Net Current Assets or Current Liabilities	3,498	15,428
Net Assets	131,613	30,613
9 Shareholders' Funds		
Share Capital	111,667	60,877
ICULS	-	19,192
Reserves		
<i>Share Premium</i>	-	-
<i>Revaluation Reserve</i>	4,086	-
<i>Capital Reserve</i>	-	-
<i>Statutory Reserve</i>		
<i>Accumulated losses</i>	(51,935)	(53,382)
<i>Others (Prior year's Adjustment)</i>	-	-
Total Reserve	(47,849)	(53,382)
Total Shareholders' Funds/(Deficit)	63,818	26,687
10 Minority Interest	19,816	1,997
11 Long Term Borrowings	33,976	306
12 Other Long Term Liabilities	518	619
13 Deferred Tax Liability	13,485	1,004
Total Shareholders' Funds and Liabilities	131,613	30,613
14 Net Tangible assets per share (RM)	0.57	0.33

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006).

(The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)

SIN HENG CHAN (MALAYA) BERHAD
QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER, 2007

Quarterly report on consolidated results for the financial quarter ended 31/12/2007
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Attributable to equity holders of the parent					Minority Interest RM'000	Total Equity RM'000
		Non-distributable		Distributable				
		Share premium RM'000	Reserve on consolidation RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
3 months quarter ended 31 December 2007								
At 1 October 2007	111,667	-			(53,783)	57,884	18,940	76,824
Issue of ordinary shares :								
- Right issue	-							
- Pursuant to ESOS	-							
Dividend received by MI								
Disposal of Subsidiary/Others	-				(212)	(212)	-	(212)
Net profit / (loss) for the financial period	-	-		4,086	2,060	6,146	876	7,022
At 31 December 2007	111,667	-	-	4,086	(51,935)	63,818	19,816	83,634
3 months quarter ended 30 December 2006								
At 1 October 2006	60,877	0	14	19,192	-53,561	26,522	2,120	28,642
Issue of ordinary shares :								
- Right issue	0					0		
- Debt equity conversion	0					0		
- Pursuant to ESOS	0					0	-73	-73
Share premium reserve written-off		0				0	-11	-11
Net profit / (loss) for the financial period	0	0	-14		179	165	-39	126
At 31 December 2006	60,877	0	0	19,192	-53,382	26,687	1,997	28,684

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.)

(The explanatory notes form an integral part of and should be read in conjunction with this interim financial report)

SIN HENG CHAN (MALAYA) BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Financial Year ended 31 December 2007
The figures have not been audited

	12 months ended 31/12/2007 RM	12 months ended 31/12/2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	2,153,266	(9,783,296)
Adjustment for :		
Finance costs	1,602,933	520,847
Loss on disposal of marketable securities	-	1,476,311
Property, plant & equipment written off	3,299	4,706
Amortisation of lease rental	537,428	-
Depreciation of property, plant & machinery	3,184,229	2,234,186
Allowance for doubtful debts	259,839	(1,539,837)
Change in fair value of investment properties	(5,477,243)	-
Impairment loss of property, plant and equipment	-	1,213,858
Impairment loss of investment in subsidiary companies	2,136,773	-
Interest income	(276,830)	(322,083)
Gain on disposal of investment in subsidiary	(440,908)	-
Gain on disposal of property, plant & machinery	(815,606)	(33,750)
Debt waived	(1,279,946)	-
Allowance for doubtful debts no longer required	(493,387)	-
Allowance for diminution in value of investment	(66)	(30)
Operating Profit/(Loss) Before Working Capital Changes	1,093,781	(6,229,088)
Increase / (Decrease) in :		
Inventories	2,181,093	(1,948,280)
Trade receivables	9,299,764	2,317,705
Other receivables, deposit and prepaid expenses	2,879,659	(3,819,375)
Fixed deposit pledged	-	(4,905)
Increase/(Decrease) in :		
Trade payables	1,514,433	(272,689)
Other payables and accrued expenses	(9,087,994)	(40,987)
Cash Generated From/(Used In) Operations	7,880,736	(9,997,619)
Interest paid	(534,789)	(518,562)
Income tax (paid) / refunded	(363,731)	147,104
Net Cash Generated from/(Used In) Operating Activities	6,982,216	(10,369,077)

CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	-	-
Investment in subsidiary companies	(34,524,245)	
Proceeds from disposal of marketable securities	-	-
Proceeds from disposal of property, plant & machinery	1,003,597	36,900
Interest received	276,830	322,083
Plantation development expenditure incurred	(5,028,973)	-
Disposal of subsidiary companies, net of proceeds	-	-
Purchase of property, plant & equipment	(1,048,731)	(746,878)
Net Cash Flows From/(Used In) Investing Activities	(39,321,522)	(387,895)
CASH FLOWS FROM FINANCING ACTIVITIES		
New Share issued	50,790,287	-
Decrease in ICULS	(19,192,125)	-
Dividend paid	(730,000)	(73,680)
Bankers' acceptance drawdowns	20,493,001	19,288,111
Repayment of hire-purchase and finance lease creditors	(685,687)	(452,758)
Bankers' acceptance payments	(20,188,001)	(15,272,913)
Repayment of long-term loan	(743,891)	(859,377)
Net Cash Flows From/(Used In) Financing Activities	29,743,584	2,629,383
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,595,722)	(8,127,589)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,735,796	16,863,385
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,140,074	8,735,796
Cash and Cash Equivalents Comprise of :		
Fixed deposits	8,256,850	7,257,470
Repo	-	-
Cash and bank balances	5,144,248	2,586,321
Bank Overdrafts	(7,261,024)	(950,525)
Total	6,140,074	8,893,266
Less : Fixed deposits pledged to banks	-	(157,470)
	6,140,074	8,735,796
The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.		

**UNAUDITED QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2007**

NOTES TO THE QUARTERLY FINANCIAL REPORT

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 Bursa Malaysia Securities Berhad's Listing Requirements.

The financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006. 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 2006.

A2 Changes in accounting policies

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

FRS 117	Leases
FRS 119	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 123	Borrowing Cost
FRS 124	Related Party Disclosures
FRS 136	Impairment of Assets
FRS 140	Investment Properties

FRS 6 is effective for accounting periods beginning on or after January 1, 2007. This standard is not relevant to the Group's operations as the Group does not carry out exploration for and evaluation of mineral resources.

FRS 121 is effective for accounting periods beginning on or after February 15, 2007. The amendment to this standard is not relevant to the Group's as the Group does not have any foreign operations.

The adoption of FRS 119 and FRS 124 does not have significant financial impact on the Group. The principal effect of the change in accounting policy resulting from the adoption of the revised FRS 117 is explained below.

FRS117 : Leases

Prior to 1st January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings.

Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land is now classified as operation lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the

inception of the lease. The up-front payment represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. The reclassification of leasehold land from property, plant and equipment to prepaid land lease payments has been accounted for retrospectively in the consolidated balance sheets. At 31st December 2006, the total unamortised amounts of leasehold land amounting to RM1.2 million are retained as the carrying amount of prepaid land lease payments and are amortised on a straight-line basis over their lease terms. However, the adoption of the revised FRS 117 has no financial effect on the consolidated income statements.

FRS 123 : Borrowing Cost

The Company has adopted FRS 123 in respect of borrowing cost with regards to its plantation subsidiary. Capitalisation of its borrowing cost leased for area where the oil palm has commenced harvesting.

FRS 136 : Impairment of Assets

The Company has provided RM2.1 million for impairment on the value of investment costs for subsidiaries which has made significant accumulated losses.

FRS 140 : Investment Properties

The Company has revalued its investment properties and has reflected the gain on revaluation of RM5.5 million in its accounts.

A3 Audit report

The audit report of the preceding annual financial statements was not qualified.

A4 Seasonal or cyclical factors

The operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A5 Unusual items

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

A6 Changes in estimates

There were no other changes in estimates of amounts reported in previous year, which have a material effect in the current quarter.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

A8 Dividend

There was no dividend paid during the financial quarter ended 31 December 2007.

A9 Segmental analysis

The Group is organised into the following operating divisions:

- (i) Feedmilling
- (ii) Poultry breeding
- (iii) Oil Palm Plantations
- (iv) Investment holding
- (v) Others (consist of subsidiary companies which are dormant and pre-operating)

Inter-segment sales are charged at cost plus a percentage profit mark-up.

(a) Primary reporting format – business segment

Segment information for the twelve months ended 31 December 2007 was as follows:

	Feedmilling	Poultry	Oil Palm Plantation	Investment	Others	Group
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<u>2007</u>						
Revenue	31,229	13,511	7,317	-	-	52,057
Results						
Segment results						
Profit from operations	(329)	(431)	389	(758)	3,888	2,759
Finance costs	336	175	635	23	(52)	1,117
Profit/(loss) before tax	(665)	(606)	(246)	(781)	3,940	1,641
Tax	(89)	41	-	22	44	17
Net profit/(loss) for the year	(754)	(565)	(246)	(760)	3,984	1,658

	Feedmilling	Poultry	Oil Palm Plantation	Investment	Others	Group
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Net assets/liabilities						
Segment assets	16,341	14,089	55,406	64,987	70	150,893
Segment liabilities	10,761	2,171	49,264	1,588	989	64,773
Other information						
Capital expenditure	1,755	9,778	47,669	290	-	59,491
Depreciation/amortisation	472	1,003	1,206	188	402	3,271

Segment information for the twelve months ended 31 December 2006 was as follows:

	Feedmilling	Poultry	Oil Palm Plantation	Investment	Others	Group
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<u>2006</u>						
Revenue	21,393	14,194	-	-	-	35,587
Results						
Segment results						
Profit from operations	2,727	(10,494)	-	(1,485)	(10)	(9,262)
Finance costs	265	227	-	29	-	521
Profit/(loss) before tax	2,462	(10,721)	-	(1,514)	(10)	(9,783)
Tax	29	287	-	45	-	361
Net profit/(loss) for the quarter	2,491	(10,434)	-	(1,469)	(10)	(9,422)

	Feedmilling	Poultry	Oil Palm Plantation	Investment	Others	Group
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Net assets/liabilities						
Segment assets	12,781	20,644	-	13,693	78	47,196
Segment liabilities	11,856	4,322	-	1,344	990	18,512
Other information						
Capital expenditure	553	399	-	77	-	1,029
Depreciation/amortisation	604	1,432	-	198	-	2,234

Segment assets consist primarily of property, plant and equipment, investment property, inventories, property development costs, operating receivables and cash, and exclude investments, tax recoverable, deferred tax assets and cash and bank balances for dormant subsidiaries. Segment liabilities comprise operating liabilities and borrowings and exclude items such as current and deferred tax liabilities. Capital expenditure comprises additions to property, plant and equipment.

(b) Secondary reporting format – geographical segment

No geographical segment is presented as the Group's operations are principally carried out in Malaysia.

A10 Valuations of property, plant and equipment

A revaluation on property, plant and equipment was carried out by the Group in accordance with FRS.

A11 Subsequent events

There were no material events subsequent to 31 December 2007 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A12 Changes in the Composition of the Group

On 4 September 2007, the company acquired 100% of Urun Technopalm Plantation Services Sdn Bhd for a cash consideration of RM 1 from its subsidiary Urun Plantations Sdn Bhd, thereby making it a direct 100% own subsidiary company.

A13 Contingent liabilities

A subsidiary had given guarantees to a bank amounting to RM1.2 million for banking facilities extended to a sub-subsiary of which RM 0.4 million has been outstanding as at 31 December 2007.

A14 Capital Commitments

There were no material capital commitments as at 31 December 2007.

A15 Inventories

As at 31 December 2007, the Group did not make any adjustment to its inventory values as it deems that there were no material changes to its net realisable value.

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD'S LISTING REQUIREMENTS**

B1 Review of Performance

The Group's turnover for the three months ended 31 December 2007 increased by 92% to RM 17.80 million compared to RM 9.27 million for the corresponding period in the previous year. The increase in turnover was mainly due to the higher turnover of feed milling and oil palm plantation division.

In line with the increase in turnover, the Group recorded a profit before tax of RM 1.64 million for the three months ended 31 December 2007 against a loss before tax of RM 3.44 million for the corresponding period in the previous year. The group provided for impairment loss of RM2.14 million during the current quarter.

B2 Material Changes in Profit Before Taxation for the Quarter Reported On As Compared with the Immediate Preceding Quarter

For the three months under review, the Group recorded a profit before tax of RM 1.64 million as compared to a profit before tax of RM 0.49 million for the preceding quarter.

The Group recorded a profit before tax of RM 1.64 million for the current quarter mainly due to the above factor.

B3 Current Year Prospects

The high feed cost currently faced by the poultry industry in the year indicates a challenging year for the feed milling and poultry breeding industry.

In view of the competitiveness of the poultry industry, the Group is consolidating and assessing its position in the business. The Group has diversified its business into the oil palm industry with a 51% stake in Urun Plantations Sdn. Bhd. in March 2007. About 39% of the plantation land has been planted with oil palm and of this about 55% has started yielding. Another 20% is expected to mature and start yielding by 2008. Planting on the balance of the land is ongoing and will be conducted in phases.

The oil palm plantation has performed well in the second half of 2007 as harvesting has increased significantly due to the management efforts. Fresh Fruit Bunches ("FFB") price has also bolstered performance and year 2008 should see better result with continued efforts and sustained FFB prices.

B4 Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was provided.

B5 Taxation

Provision for income tax has been made for the group for the quarter ended 31 December 2007.

B6 Profits/(losses) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and the financial year-to-date.

B7 Quoted Securities

There were no transactions for the current quarter and the financial year-to-date.

B8 Status of Corporate Proposals

There were no further corporate developments as at the date of this quarterly report.

B9 Group Borrowings

Details of the Group's borrowings as at 31 December 2007 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Bank borrowings</u>			
Secured	1,135	33,976	35,111
Unsecured	<u>6,817</u>	<u>-</u>	<u>6,817</u>
	<u><u>7,952</u></u>	<u><u>33,976</u></u>	<u><u>41,928</u></u>

The Group's borrowings were denominated in Ringgit Malaysia.

The credit facilities of the group are obtained by a negative charge over all its assets. A subsidiary had given guarantees to a bank amounting to RM1.2 million for banking facilities extended to a sub-subsiary of which RM 0.4 million has been outstanding as at 31 December 2007.

Borrowings are denominated in Ringgit Malaysia.

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk at the date of the issue of this quarterly report.

B11 Material litigation

Urun Plantations Sdn Bhd ("Urun"), a subsidiary of Sin Heng Chan (Malaya) Berhad was served with a 218 Petition commenced in the High Court in Kuching, Sarawak pursuant to the provisions of the Companies Act, 1965. The petition was initiated by Wintrip Maincon Sdn Bhd ("Wintrip") which seeks to recover the sum of RM 2,694,284.26 which it alleges is due to it. On 28.9.2007 the Kuching High Court stayed the petition and in consequence there, directed the parties to refer the dispute to the process of arbitration for determination.

The claim by Wintrip is highly disputed and the Company has initiated a separate suit against Wintrip and its solicitors for appropriate declaratory and related relief.

B12 Dividend

No dividend has been declared for this financial quarter.

B13 Earning Per Share

		<u>12 Months Ended</u>	
		<u>31.12.2007</u>	<u>31.12.2006</u>
Basic earnings per share			
Net profit / (loss) attributable to equity			
Holders of the parent for the period	(RM)	<u>1,053,057</u>	<u>(8,184,726)</u>
Weighted average number of			
ordinary shares in issue			
		<u>111,666,787</u>	<u>60,876,500</u>
Basic earnings / (loss) per share	(SEN)	<u>0.94</u>	<u>(13.40)</u>

Diluted

Fully diluted EPS is not disclosed as there are anti-dilutive effects for the current quarter and financial year-to-date.

By Order of the Board

Secretary

Dated : 29 February 2008

c.c. Securities Commission