

INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

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 financial year ended 31 December 2007. 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 financial year ended 31 December 2007.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2008.

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS120	Accounting for Government Grants and Disclosure of Government Assistance
FRS121	Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments (The Group has not adopted the recognition and measurement because the effective date has yet to be announced)
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-Operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 29 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2 Share-based Payment

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 March 2008.

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

	Feedmilling	Poultry Breeding	Oil Palm Plantations	Investment	Others	Group
2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,507	2,554	3,755	-	-	15,816
<u>Segment results</u>						
Profit/(loss) from operations	494	(923)	952	(425)	(1)	97
Finance cost	83	22	259	4	-	368
Profit/(loss) before tax	411	(945)	693	(429)	(1)	(271)
Tax	-	-	-	-	-	-
Profit/(loss) for the period	411	(945)	693	(429)	(1)	(271)

(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

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 March 2008 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 16 May 2008, the company entered into share sale agreement to acquire 2,900,000 ordinary shares of RM1 each representing approximately 29% of the issued and paid up capital in Urun Plantations Sdn Bhd.("Urun"). Upon completion of the acquisition, Urun will be an 80% owned subsidiary of the 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 0.3 million has been outstanding as at 31 March 2008.

A14 Capital Commitments

There were no material capital commitments as at 31 March 2008.

A15 Inventories

As at 31 March 2008, 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 March 2008 increased by 59% to RM 15.82 million compared to RM 9.95 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.

The Group recorded a loss before tax of RM 0.27 million for the three months ended 31 March 2008 against a loss before tax of RM 1.49 million for the corresponding period in the previous year.

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 loss before tax of RM 0.27 million as compared to a profit before tax of RM 2.37 million for the preceding quarter.

The Group recorded a loss before tax of RM 0.27 million for the current quarter mainly due to low selling price in poultry breeding.

B3 Current Year Prospects

The high feed cost currently faced by the poultry industry indicates a challenging year for the feed milling and poultry breeding industry. In view of the competitiveness, the Group is committed in growing the business.

The oil palm plantation has performed well in the first quarter of 2008 as harvesting has increased significantly and Fresh Fruit Bunches price is expected to remain at satisfactory level given the current price trends.

The Group has invested further in the oil palm division with the additional acquisitions of 29% in Urun Plantations Sdn Bhd. ("Urun"). Upon completion of the acquisition, Urun will be a 80% owned subsidiary of the Company, which will further strengthen the Group results.

B4 Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was provided.

B5 Taxation

No provision for income tax has been made for the group for the quarter ended 31 March 2008.

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

Date of Announcements	Subjects	Status
16 May 2008	Proposed acquisition of 2,900,000 ordinary shares of RM1.00 each representing approximately 29% issued and paid up capital in Urun Plantations Sdn Bhd.	Pending fulfilment of certain condition precedent.

B9 Group Borrowings

Details of the Group's borrowings as at 31 March 2008 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	1,304	40,000	41,304
Unsecured	5,907	-	5,907
	<u>7,211</u>	<u>40,000</u>	<u>47,211</u>

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 0.3 million has been outstanding as at 31 March 2008.

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 Loss Per Share (LPS)

		3 Months Ended	
		31.3.08	31.3.07
Basic loss per share			
Net loss attributable to equity holders of the parent for the period	(RM)	(206,456)	(1,086,106)
Weighted average number of ordinary shares in issue		111,666,787	82,612,500
Basic loss per share	(SEN)	(0.18)	(1.31)

Diluted

Fully diluted LPS is not disclosed as there are anti-dilutive effects for the current quarter and preceding year corresponding period.

By Order of the Board

Secretary

Dated : 30 May 2008

c.c. Securities Commission