



SIN HENG CHAN (MALAYA) BERHAD (4690-V)
(Incorporated In Malaysia)

INTERIM REPORT FOR THE
SECOND QUARTER ENDED
30 JUNE 2008

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SIN HENG CHAN (MALAYA) BERHAD (4690-V)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE, 2008
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2008 RM'000	PRECEDING YR CORRESPONDING QUARTER 30/06/2007 RM'000	CURRENT YEAR TO DATE 30/06/2008 RM'000	PRECEDING YR CORRESPONDING PERIOD 30/06/2007 RM'000
Revenue	12,110	11,681	27,926	21,627
Cost of Sales	(10,344)	(10,150)	(24,420)	(19,787)
Gross profit	1,766	1,531	3,506	1,840
Other income	149	289	320	417
Selling and distribution expenses	(451)	(642)	(904)	(1,347)
General and administrative expenses	(1,344)	(886)	(2,608)	(1,799)
Other expenses	(75)	(438)	(172)	(602)
Profit/(loss) from operations	45	(146)	142	(1,491)
Finance cost	(393)	(126)	(761)	(275)
Loss before tax	(348)	(272)	(619)	(1,766)
Tax	-	-	-	-
Loss for the period	(348)	(272)	(619)	(1,766)
Attributable to :				
Equity holders of the parent	(357)	(116)	(563)	(1,202)
Minority interest	9	(156)	(56)	(564)
	(348)	(272)	(619)	(1,766)
Loss per share attributable to equity holders of the parent :				
Basic (sen)	(0.32)	(0.13)	(0.50)	(1.37)
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 financial year ended 31 December 2007).

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

SIN HENG CHAN (MALAYA) BERHAD (4690-V)
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CONDENSED CONSOLIDATED BALANCE SHEETS

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT QUARTER 30/06/2008	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	87,546	86,710
Other Investments	5	5
Investment Properties	6,378	6,443
Prepaid Lease Rental	23,370	23,440
Goodwill on consolidation	11,517	11,517
Current Assets		
Inventories	10,109	6,506
Receivables	8,619	9,655
Other Receivables	6,747	3,051
Fixed deposits, cash and bank balances	10,754	13,370
	36,229	32,582
TOTAL ASSETS	165,045	160,697
EQUITY AND LIABILITIES		
Share capital	111,667	111,667
Reserves	(47,082)	(46,519)
Equity attributable to equity holders of the parent	64,585	65,148
Minority Shareholder's Interest	20,184	19,816
	84,769	84,964
Non-Current Liabilities		
Long Term Borrowings	40,000	33,976
Hire-Purchase Payables	359	518
Deferred Tax Liabilities	12,093	12,093
	52,452	46,587
Current Liabilities		
Short Term Borrowings	8,339	7,752
Trade Payables	7,015	8,331
Other Payables	12,312	12,852
Hire-Purchase Payables	158	211
	27,824	29,146
	165,045	160,697
Net Tangible assets per share (RM)	0.48	0.48

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007).

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

SIN HENG CHAN (MALAYA) BERHAD (4690-V)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE, 2008
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	ICULS RM'000	Non-distributable Revaluation Reserves RM'000	Distributable Accumulated Loss RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
3 months quarter ended 30 June 2008							
At 1 April 2008	111,667	-	5,378	(52,103)	64,942	20,175	85,117
Net loss for the financial period	-	-	-	(357)	(357)	9	(348)
At 30 June 2008	<u>111,667</u>	<u>-</u>	<u>5,378</u>	<u>(52,460)</u>	<u>64,585</u>	<u>20,184</u>	<u>84,769</u>
3 months quarter ended 30 June 2007							
At 1 April 2007	82,613	19,192	-	(54,468)	47,337	19,739	67,076
Issue of ordinary shares :							
- Conversion of ICULS	19,186	(19,186)	-	-	-	-	-
- Pursuant to ESOS	93	-	-	-	93	-	93
- Private Placement	9,769	-	-	-	9,769	-	9,769
Net loss for the financial period	-	-	-	(116)	(116)	(156)	(272)
At 30 June 2007	<u>111,661</u>	<u>6</u>	<u>-</u>	<u>(54,584)</u>	<u>57,083</u>	<u>19,583</u>	<u>76,666</u>

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007.)

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

SIN HENG CHAN (MALAYA) BERHAD (4690-V)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE, 2008
The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	(UNAUDITED)	(AUDITED)
	6 MONTHS PERIOD ENDED 30/06/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 RM'000
Net cash (used in) / generated from operating activities	(4,050)	937
Net cash used in from investing activities	(4,964)	(28,132)
Net cash generated from financing activities	4,622	30,630
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,392)	3,435
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,171	8,736
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	7,779	12,171

Cash & cash equivalents at end of period consist of :-

Deposits with licensed banks	9,483	10,600
Cash and bank balances	873	2,372
Bank overdrafts	(2,577)	(801)
	7,779	12,171

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying notes attached to the interim financial statements.

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 Basis of preparation

The unaudited interim financial statements 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 in this interim financial statement 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
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 121	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 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 30 June 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 Holding	Others	Group
2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	15,499	5,184	7,243	-	-	27,926
<u>Segment results</u>						
Profit/(loss) from operations	815	(1,212)	1,508	(964)	(5)	142
Finance cost	(165)	(48)	(533)	(15)	-	(761)
Profit/(loss) before tax	650	(1,260)	975	(979)	(5)	(619)
Tax	-	-	-	-	-	-
Profit/(loss) for the period	650	(1,260)	975	(979)	(5)	(619)

(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 30 June 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. Upon completion, Urun Plantations Sdn Bhd 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-sub-subsidiary of which RM 0.3 million has been outstanding as at 30 June 2008.

A14 Capital Commitments

There were no material capital commitments as at 30 June 2008.

A15 Inventories

As at 30 June 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 30 June 2008 increased by 3% to RM12.11 million compared to RM11.68 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 RM0.35 million for the three months ended 30 June 2008 against a loss before tax of RM0.27 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 RM0.35 million as compared to a loss before tax of RM0.27 million for the preceding quarter.

The Group recorded a loss before tax of RM0.35 million for the current quarter mainly due to low selling price in poultry breeding and increase cost in oil palm plantation.

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 second quarter of 2008 as harvesting has increased and Fresh Fruit Bunches price is expected to remain at satisfactory level given the current price trends. However, the imposition of a levy on windfall profit which was implemented in July 2008 will have an impact on the Group's result in the third quarter of 2008.

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 30 June 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
15 July 2008	Proposed acquisition of 2,900,000 ordinary shares of RM1.00 each representing approximately 29% issued and paid up capital in Urun Plantation Sdn Bhd.	All conditions precedent have been fulfilled

B9 Group Borrowings

Details of the Group's borrowings as at 30 June 2008 were as follows:-

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	1,209	40,000	41,209
Unsecured	4,553	-	4,553
	<u>5,762</u>	<u>40,000</u>	<u>45,762</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 30 June 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	
		30.06.2008	30.06.2007
Basic loss per share			
Net loss attributable to equity holders of the parent for the period	(RM)	(356,635)	(115,779)
Weighted average number of ordinary shares in issue		111,666,787	87,996,985
Basic loss per share	(SEN)	(0.32)	(0.13)

Diluted

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

Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 August 2008.

By Order of the Board
Ng See Yen (MAICSA 0729161)
Company Secretary
Kuala Lumpur
18 August 2008

c.c. Securities Commission