

INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

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
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 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 September 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	24,256	9,489	10,973	-	-	44,718
<u>Segment results</u>						
Profit/(loss) from operations	2,111	(731)	677	(1,577)	(30)	450
Finance cost	(234)	(72)	(820)	(19)	-	(1,145)
Profit/(loss) before tax	1,877	(803)	(143)	(1,596)	(30)	(695)
Tax	-	-	-	-	-	-
Profit/(loss) for the period	1,877	(803)	(143)	(1,596)	(30)	(695)

(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 September 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, Urun will be an 80% owned subsidiary of the Company. The company has made announcement that the Acquisition has been completed on 15 July 2008.

A13 Contingent liabilities

A subsidiary had given guarantees to a bank amounting to RM8.5 million for banking facilities extended to a sub-subsidiary of which RM1.1 million has been outstanding as at 30 September 2008.

A14 Capital Commitments

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

A15 Inventories

As at 30 September 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 September 2008 increased by 35% to RM 16.79 million compared to RM 12.44 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 0.076 million for the three months ended 30 September 2008 against a profit before tax of RM 0.49 million for the corresponding period in the previous year mainly due to decrease in price of Day Old Chick in poultry industry.

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 0.076 million as compared to a loss before tax of RM 0.35 million for the preceding quarter.

The Group recorded an improvement for the current quarter mainly due to the higher gross profit by RM 0.58 million to RM 2.35 million as compared with the preceding quarter gross profit of RM 1.77 million.

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 nine months of 2008 as harvesting has increased and this trend is expected to continue. However, price of Fresh Fruit Bunches started to drop due to drop in price of CPO, this will have an impact on the Group's result in the last 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 September 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.	All conditions precedent have been fulfilled. The company has made announcement that the Acquisition has been completed on 15 July 2008.

B9 Group Borrowings

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

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	602	40,000	40,602
Unsecured	4,655	-	4,655
	5,257	40,000	45,257

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 RM8.5 million for banking facilities extended to a sub-subsiary of which RM1.1 million has been outstanding as at 30 September 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 Profit Per Share (LPS)

		3 Months Ended	
		30.09.2008	30.09.2007
		RM'000	RM'000
Basic profit per share			
Net profit attributable to equity holders of the parent for the period	(RM)	171	193
Weighted average number of ordinary shares in issue		111,667	111,667
Basic profit per share	(SEN)	0.15	0.17

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 31 October 2008.

By Order of the Board
Lim Siew Ting
Company Secretary
Kuala Lumpur
31 October 2008

c.c. Securities Commission