

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008**

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**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 <sub>2004</sub> 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 31 December 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	32,265	12,991	13,202	-	-	58,458
<b><u>Segment results</u></b>						
Profit/(loss) from operations	357	(826)	(553)	(1,110)	(13)	(2,145)
Finance cost	(305)	(128)	(1,067)	(15)	-	(1,515)
Profit/(loss) before tax	52	(954)	(1,620)	(1,125)	(13)	(3,660)
Tax	-	-	-	-	-	-
Profit/(loss) for the period	52	(954)	(1,620)	(1,125)	(13)	(3,660)

**(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 December 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 31 December 2008, the Company entered into Shares Sale & Shareholders and Development agreement to acquire 80,000 ordinary shares of RM1 each representing 80% of the issued and paid up capital in Assar-Tubau Plantation Sdn Bhd ("Assar-Tubau"). Upon completion of the acquisition, Assar-Tubau will be an 80% owned subsidiary of the Company.

**A13 Contingent liabilities**

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 31 December 2008.

**A14 Capital Commitments**

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

**A15 Inventories**

As at 31 December 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 December 2008 decreased by 21% to RM 13.74 million compared to RM 17.35 million for the corresponding period in the previous year. The decrease in turnover was mainly due to the lower turnover of feed milling and oil palm plantation division.

The Group recorded a loss before tax of RM 2.96 million for the three months ended 31 December 2008 against a profit before tax of RM 2.37 million for the corresponding period in the previous year mainly due to decrease in price of Day Old Chick in poultry industry and oil palm, Fresh Fruit Bunches price.

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

The Group recorded a loss for the current quarter mainly due to the lower gross profit by RM 1.51 million to RM 0.84 million as compared with the preceding quarter gross profit of RM 2.35 million mainly attributable to decrease in price of Day Old Chick in poultry and oil palm, Fresh Fruit Bunches price.

**B3 Current Year Prospects**

The high feed cost faced by the poultry industry in 2008 was a challenging year for the feed milling and poultry breeding industry. In view of the competitiveness, the Group is committed in growing the business for year 2009.

The oil palm plantation has performed well in 2008 as harvesting has increased and this trend is expected to continue to 2009. However, price of Fresh Fruit Bunches started to drop in third quarter due to drop in price of CPO, which resulted in a negative impact on the Group's result in the last quarter of 2008. As the CPO price is expected to stabilise in year 2009, the Group's performance should be improving.

**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 December 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
23 January 2009	Proposed acquisition of 80,000 ordinary shares of RM1.00 each representing 80% issued and paid up share capital in Assar-Tubau Plantation Sdn Bhd.	Pending fulfilment of conditions precedent.

**B9 Group Borrowings**

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

Bank Borrowings	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	422	40,113	40,535
Unsecured	3,556	-	3,556
	3,978	40,113	44,091

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 31 December 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)/Profit Per Share (L/PPS)**

		<b>3 Months Ended</b>	
		<b>31.12.2008</b>	<b>31.12.2007</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Basic profit per share</b>			
Net (loss)/profit attributable to equity holders of the parent for the period	(RM)	(2,641)	2,704
Weighted average number of ordinary shares in issue		111,667	111,667
Basic (loss)/profit per share	(SEN)	(2.36)	2.42

**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 19th February 2009.

By Order of the Board  
Lim Siew Ting  
Company Secretary  
Kuala Lumpur  
19th February 2009

c.c. Securities Commission