

**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

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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 2008. 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 2008.

**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 2008 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2008.

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

**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 2009.

**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
2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	18,745	7,562	5,483	-	-	31,790
<b><u>Segment results</u></b>						
Profit/(loss) from operations	1,531	(883)	(474)	(1,078)	142	(762)
Finance cost	(81)	(37)	(516)	(6)	-	(640)
Profit/(loss) before tax	1,450	(920)	(990)	(1,084)	142	(1,402)
Tax	-	-	142	-	-	142
Profit/(loss) for the period	1,450	(920)	(848)	(1,084)	142	(1,260)

**(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 2009 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 Plantations 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 RM0.2 million has been outstanding as at 30 June 2009.

**A14 Capital Commitments**

There were no material capital commitments as at 30 June 2009.

**A15 Inventories**

As at 30 June 2009, 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 2009 increased by 24% to RM 15.05 million compared to RM 12.11 million for the corresponding period in the previous year. The increase in turnover was mainly due to the higher turnover of feed milling and poultry breeding division.

The Group recorded a profit before tax of RM 0.10 million for the three months ended 30 June 2009 against a loss before tax of RM 0.35 million for the corresponding period in the previous year mainly due to increase revenue in poultry breeding

**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 0.10 million as compared to a loss before tax of RM 1.50 million for the preceding quarter.

The Group recorded an improvement for the current quarter mainly due to the higher gross profit by RM 0.94 million to RM 2.19 million as compared with the preceding quarter gross profit of RM 1.25 million.

**B3 Current Year Prospects**

The volatile feed cost currently faced by the poultry industry together with low average selling price of DOC indicates a challenging year for the feed milling and poultry breeding industry. Despite of the challenges, the Group is committed in growing the business.

The oil palm plantation continue to perform well in the second quarter of Yr 2009 as harvesting has increase and this trend is expected to continue. However, the price of Fresh Fruit Bunches is still low due to low CPO price but is expected to improve given the current price trends.

**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 2009.

**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 30 June 2009 were as follows:-

<b>Bank Borrowings</b>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured	225	40,000	40,225
Unsecured	3,036	-	3,036
	3,261	40,000	43,261

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 RM0.2 million has been outstanding as at 30 June 2009.

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/Loss) Per Share (P/(L)PS)**

		<b>3 Months Ended</b>	
		<b>30.06.2009</b>	<b>30.06.2008</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Basic profit/(Loss) per share</b>			
Net Profit/(loss) attributable to equity holders of the parent for the period	(RM)	221	(357)
Weighted average number of ordinary shares in issue		111,667	111,667
Basic Profit/(loss) per share	(SEN)	0.20	(0.32)

**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 20 August 2009.

By Order of the Board  
Lim Siew Ting  
Company Secretary  
Kuala Lumpur  
20 August 2009

c.c. Securities Commission