



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



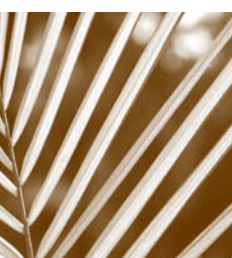
seeking fresh opportunities for growth





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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh (47th) Annual General Meeting of the Company will be held at Semantan Hall, Ground Floor (Block B), Peninsula Residence All Suite Hotel, 10 Jalan Semantan, Bukit Damansara, 50490 Kuala Lumpur on Friday, 22 May 2009 at 10:00 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**
2. To re-elect the Directors who retire in accordance with Article 94 of the Articles of Association of the Company:
 - (a) Dato' Choo Keng Weng **(Resolution 2)**
 - (b) YM Tunku Mahmood bin Tunku Mohammed **(Resolution 3)**
3. To approve the payment of Directors' fees amounting to RM18,000 for the financial year ended 31 December 2008. **(Resolution 4)**
4. To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

5. To consider and, if thought fit, to pass the following Ordinary Resolutions:
 - **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965** **(Resolution 6)**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and to issue shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. "

Special Resolution

- **Proposed Amendments to the Articles of Association of the Company** **(Resolution 7)**

"THAT the proposed deletions, alterations, modifications, variations and additions to the Articles of Association of the Company in the manner set out in the Appendix I of the Circular to Shareholders dated 28 April 2009 be and are hereby approved."



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions**

(Resolution 8)

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its Subsidiaries to enter into all transactions involving the Related Parties as specified in the Circular to Shareholders dated 28 April 2009 provided that such transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders.

AND THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM"), at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
- (iii) revoked or varied by a resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as it may be required) as they may consider expenditure or necessary to give effect to the Mandate."

6. To transact any other business for which due notice has been given.

BY ORDER OF THE BOARD

LIM SIEW TING
(MAICSA 7029466)
Company Secretary

Kuala Lumpur
28 April 2009

Explanatory Notes To Special Business

- (i) **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965**

The proposed Resolution 6, if passed, will empower the Directors from the date of the Forty-Seventh Annual General Meeting to allot and issue up to a maximum of 10% of the issued share capital of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(ii) Proposed Amendments to the Articles of Association of the Company

The Proposed Special Resolution is to amend the Company's Articles of Association to be in line with the Amendments of the Listing Requirements of the Bursa Malaysia Securities Berhad. The details of the Proposed Amendments to the Articles of Association are set out in the Appendix I of the Circular to Shareholders dated 28 April 2009.

(iii) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs")

The Proposed Resolution 8, if passed, will enable the Company and/ or its subsidiaries to enter into recurrent transactions involving the interest of Related Parties, which are of a revenue or trading nature and necessary for Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b), (c) and (d) of the Act shall not apply to the Company. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
2. *In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised in writing.*
3. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.*
4. *To be valid, the original Form of Proxy, duly completed, must be deposited at the Registered Office of the Company at Suite 2.02, Level 2, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*
5. *The lodging of a completed Form of Proxy will not preclude a member from attending and voting in person at the meeting should the member subsequently wish to do so. A member will not be allowed to attend the meeting together with a proxy appointed by him.*
6. *For the purposes of determining a member entitled to attend the meeting, the Company will request Bursa Malaysia Depository Sdn Bhd (in accordance with Article 66(b) of the Company's Articles of Association, to issue the Record of Depositors ("ROD") as at 18 May 2009 for determining the depositors who shall be deemed to be the registered holders of the shares of the Company eligible to be present and vote at the meeting. Only a depositor whose name appears on the ROD as at 18 May 2009 shall be entitled to attend the meeting.*



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION

The following are Directors who are standing for re-election at the Annual General Meeting of the Company:

- (i) Dato' Choo Keng Weng
- (ii) YM Tunku Mahmood bin Tunku Mohammed

The profile of the above Directors are set out in the Section entitled "Profile of Directors" on page 10 of this Annual Report. The details of their securities holding in the Company and Subsidiaries are stated on page 83 and 85 of this Annual Report.

2. DETAILS OF ATTENDANCE OF DIRECTORS

A total of five (5) Board Meetings were held during the financial year ended 31 December 2008.

Details of the current Directors' attendance since their respective appointments are as follows:

Directors	No. of meetings attended
Tuan Syed Omar bin Syed Abdullah	3/5
Dato' Choo Keng Weng	4/5
YM Tunku Mahmood bin Tunku Mohammed	5/5
Mohd Shariff bin Salleh	5/5
Khaw Teik Thye	5/5

All five (5) meetings were held at Board Room, Level 3, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur on the following dates and time:

Date	Time
28.02.2008	10.00 a.m.
22.04.2008	11.00 a.m.
02.06.2008	03.00 p.m.
18.08.2008	11.30 a.m.
31.10.2008	03.30 p.m.

3. DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

The Forty-Seventh Annual General Meeting of SIN HENG CHAN (MALAYA) BERHAD will be held as follows:

Date : Friday, 22 May 2009

Time : 10:00 a.m.

Place : Semantan Hall, Ground Floor (Block B), Peninsula Residence All Suite Hotel, 10 Jalan Semantan, Bukit Damansara, 50490 Kuala Lumpur.





CORPORATE INFORMATION

BOARD OF DIRECTORS

Tuan Syed Omar bin Syed Abdullah
Chairman / Non-Independent Executive

Dato' Choo Keng Weng
Managing Director / Non-Independent Executive

YM Tunku Mahmood bin Tunku Mohammed
Independent Non-Executive

Encik Mohd Shariff bin Salleh
Independent Non-Executive

Mr. Khaw Teik Thye
Independent Non-Executive

AUDIT COMMITTEE

Mr. Khaw Teik Thye
Chairman / Independent Non-Executive

YM Tunku Mahmood bin Tunku Mohammed
Member / Independent Non-Executive

Encik Mohd Shariff bin Salleh
Member / Independent Non-Executive

COMPANY SECRETARY

Lim Siew Ting (MAICSA 7029466)

REGISTERED OFFICE

Suite 2.02, Level 2
Wisma E & C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 03-2094 7992
Fax : 03-2093 5571

SHARE REGISTRAR

PFA Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 03-2264 3883
Fax : 03-2282 1886

PRINCIPAL BANKERS

CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad
RHB Bank Berhad
Malayan Banking Berhad
Malaysia Building Society Berhad
Bank Pertanian Malaysia

AUDITORS

Deloitte KassimChan

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
(Listed since 26 July 1973)
Stock Name: SHCHAN
Stock Code: 4316
ISIN Code: MYL4316OO005
Warrant Code: 4316WA
ISIN Code: MYL4316WAJ74

WEBSITE

www.sinhengchanmalaya.com.my





Sin Heng Chan (Malaya) Berhad



Sin Heng Chan Industries Sdn Bhd (100%)

- Sin Heng Chan Feed Sdn Bhd (100%)
- LKPP-Goldkist Sdn Bhd (60%)
- Goldkist (NS) Sdn Bhd (100%)
- Kuala Lumpur Feedmill Sdn Bhd (100%)
- Central Feedmill Sdn Bhd (100%)



Urun Plantations Sdn Bhd (80%)



SHC Technopalm Plantation Services Sdn Bhd (100%)



Goldkist (Malaysia) Sdn Bhd (100%)



Ayam Segar Sdn Bhd (100%)



Chairman's statement

On behalf of the Board of Directors, I am pleased to present herewith the Annual Report and the Audited Financial Statement of Sin Heng Chan (Malaya) Berhad ("Company") and its group of companies ("Group") for the financial year ended 31 December 2008.



Financial Results

For the financial year ended 31 December 2008, the Group recorded total gross revenue of RM58.46 million, an increase of 13.30% as compared to the preceding year revenue of RM51.61 million. However, there was a loss after taxation of the Group amounting to RM3.66 million as compared to RM1.07 million profit after tax recorded in the preceding year.

The loss after taxation was mainly attributable to low selling price of Day Old Chick in poultry and drop in Crude Palm Oil ("CPO") prices that translate to low Fresh Fruit Bunches ("FFB") prices.

The net assets value per ordinary share stood at RM0.56 for the financial year ended 31 December 2008.

Corporate and Business Developments

The acquisition of an additional 29% of equity interest in Urun Plantations Sdn Bhd, which is involved in the oil palm industry, was completed during the financial year. On 31 December 2008, the Company entered into Shares Sale & Shareholders and Development Agreement to acquire an 80% equity interest in Assar-Tubau Plantation Sdn Bhd for a total cash consideration of RM2.17 million, a company also involved in the oil palm industry and has an interest over 671.74 acres of plantation land. The Board hopes that these additional new investments would enhance the Group's earnings base and growth in years ahead.

Review of Operations

Feedmill

The Group recorded a growth in revenue in the feed milling division where it continue to remain as the largest revenue contributor to the Group, with contributions of 55%. Sin Heng Chan Industries Sdn Bhd, the feed milling arm of the Group achieved higher revenue of RM32.26 million as compared to RM31.23 million in the previous year. It has also recorded a profit after taxation of RM52,000 as compared to a loss after taxation of RM754,000 in the previous year. The improvement in revenue and performance of the feed milling division was mainly contributed by higher volume of sales and selling prices for feed.

Plantation

The year 2008 has been a challenging year for the plantation division in view of the accelerated decline in prices of CPO resulted in decrease in price of FFB for the last two quarters of the year 2008 and increase in maintenance and fertilizer costs. During the financial year, the FFB production from matured areas was 26,206MT as compared to 13,959 tonnes in the previous year. The division recorded a revenue of RM13.20 million which was higher as compared to RM7.32 million in the previous year. This division is the second largest revenue contributor to the Group's revenue, with contributions of 22.6%. The unprecedented highs in commodity prices for the





early part of the year 2008 arising from the excessive speculation in the commodity exchanges and also the improvement in yields has help to improve the revenue of the Plantation division.

The Group has been vigilant in managing its cost to improve the margins and has also taken steps to maximize FFB yields through close monitoring of harvesting rounds. Field conditions are being maintained based on the best practices of the industry in order to facilitate easy harvesting and evacuation of FFB corps to the mills for processing. In order to maximize oil extraction, continuous dialogues are held between the plantation and the oil palm mill management to ensure that the highest quality of FFB in terms of the ripeness and freshness are being transported to the mill for processing. The Group hope to achieve higher production as a result of improvement in yields for the matured areas as the oil palms progressively reach their prime age.

Poultry

The Group recorded a slightly lower revenue of RM12.99 million during the financial year under review as compared to RM13.51 million in the previous year mainly due to the declining prices of day old chick. The Group has implemented measures to improve the production efficiencies and to reduce cost in order to improve on margins.



Prospects

It is anticipated that the current uncertainties arising from meltdown in the global financial market and the impending recession,

the business environment would be fraught with challenges. Nevertheless, the Board and the Management would continue to explore various initiatives to revamp and streamline the Group's business structure in order to enhance the Group's overall competitiveness, particularly to improve the operational efficiency, in particular, the loss making subsidiaries. The Board and Management are confident that with the measure taken to reduce its operation cost, the losses suffered will be mitigated.

Acknowledgment

On behalf of the Board of Directors, I wish to express our sincere gratitude and appreciation to all our valued shareholders, customers, business partners, bankers and government authorities for their invaluable support and confidence towards the Group.

Finally, we are indebted to the management and staff of the Group for their hard work, dedication, loyalty and contribution towards the continued growth of the Group. I am also grateful for the unwavering support and contributions made by my fellow Board members during the year.

TUAN SYED OMAR BIN SYED ABDULLAH
Chairman



PROFILE OF DIRECTORS

TUAN SYED OMAR BIN SYED ABDULLAH

Chairman / Non-Independent Executive Director

Tuan Syed Omar bin Syed Abdullah, age 53, Malaysian citizen, is the Chairman of the Company. He was appointed to the Board of Directors on 28 April 1995. He was a Press Secretary to the Chief Minister of Johor Darul Ta'zi, from 1986 to 1990 and the Political Secretary to the Minister of Law of the Prime Minister's Department from 1990 to 1994. He also sits on the boards of several private limited companies.

DATO' CHOO KENG WENG

Managing Director / Non-Independent Executive Director

Dato' Choo Keng Weng, age 59, Malaysian citizen, is a businessman with varied interest locally and internationally. He was appointed to the Board of Directors on 17 June 1995. He holds degrees in Bachelor of Science and Master in Business Administration (MBA) in Finance from the Louisiana State University, United States of America ("USA").

After graduating in 1978, he served in various corporate positions in the USA, Hong Kong and Indonesia. Upon his return to Malaysia, he became General Manager and Director of Chocolate Products (M) Berhad from 1980 to 1986. Thereafter, he ventured into business. In 1989, he was appointed as an Executive Director of Sungei Besi Mines Berhad (subsequently known as Kelanamas Industries Berhad), a company principally involved in sugar plantation and refinery, stock-broking, construction, quarrying and consumer products distribution. In 2005, he was appointed as Director and Chairman of Java Incorporated Bhd and has remained in this position to the present. Besides being the Managing Director of the Company, Dato' Choo Keng Weng is also a Director of several non-listed companies.

YM TUNKU MAHMOOD BIN TUNKU MOHAMMED

Independent Non-Executive Director

YM Tunku Mahmood bin Tunku Mohammed, aged 64, a Malaysian citizen, was appointed as Director of the Company in January 1999. He is a member of the Audit Committee of the Company.

YM Tunku Mahmood bin Tunku Mohammed served the military for many years. He is a businessman and currently runs a holiday resort in Johore, he also serves on the

board of several other private companies. He is currently a Director of Java Incorporated Bhd, a public company listed on the Bursa Malaysia Securities Berhad.

ENCIK MOHD SHARIFF BIN SALLEH

Independent Non-Executive Director

Encik Mohd Shariff bin Salleh, aged 58, Malaysian citizen, was appointed to the Board on 14 March 2006. He holds a Master of Science in Poultry and Master in Business Administration from Louisiana State University, U.S.A. He has 25 years of experience in poultry industry. He was appointed as Audit Committee of the Company on 22 January 2009.

MR. KHAW TEIK THYE

Independent Non-Executive Director

Mr. Khaw Teik Thye, aged 39, Malaysian citizen, was appointed to the Board on 3 April 2006. He is a Chartered Accountant and a member of MIA with his own accounting practice. He has 18 years corporate experience in several firms, including a Local / Japanese JV in the KLIA project, as the financial advisor to the Board of Directors. He is also the Chairman of Audit Committee of the Company.

Notes to Directors' Profile:

1. FAMILY RELATIONSHIP OF DIRECTORS

None of the Directors have any family relationship with any Director and/ or major shareholders of the Company.

2. CONFLICT OF INTEREST

None of the Directors have any conflict of interest with the Company.

3. CONVICTION OF OFFENCES

None of the Directors have any conviction for offences within the past ten (10) years.

4. ATTENDANCES AT BOARD MEETINGS

The details of the Directors' attendance at Board Meetings are set out on pages 5 and 12 of this Annual Report.

5. SHAREHOLDINGS

The details of the Directors' interest in the securities of the Company are set out on pages 83 and 85 of this Annual Report.



STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance describes the framework and process by which institutions, through their board of directors and senior management, regulate their business activities. These principles are to create balance, safe and sound business operations while complying with relevant laws and regulations.

The Board of Directors ("the Board") of the Sin Heng Chan (Malaya) Berhad Group ("Group") recognises that practices of good Corporate Governance form the cornerstone of a responsible, progressive and effective organisation. It also serves to maintain the trust, confidence and good relationship of the Group with its shareholders, employees, customers, suppliers, business associates, regulatory authorities, as well as the members of the communities in which it operates.

The Board is committed to ensuring and maintaining a high standard of corporate governance within the Group as it forms a fundamental part of discharging its responsibilities and the affairs of the Group are always conducted with integrity, transparency and professionalism with the objective of safeguarding the shareholders' investment and ultimately enhancing the shareholders' interest.

This report describes how the Company has applied its Corporate Governance framework and practices of the Group to comply with the principles of the Malaysian Code of Corporate Governance ("Code"), Guidance Notes 2 on Corporate Governance and Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

BOARD OF DIRECTORS

Role of the Board of Directors

The Board assumes responsibility for stewardship of the Company and its subsidiaries and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders, and supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with the relevant laws, regulations, guidelines and directives which governs the Group. It reviews management performance and affairs of the Group and ensures that the necessary financial and human resources are available to meet the Group's objectives. In addition, the Board is directly responsible for decision making in respect of the following matters:

(a) appointment of directors and key managerial personnels;

(b) announcements including approval and releases of financial results and annual reports;

(c) business strategy including significant acquisition and disposal of subsidiaries or assets or liabilities;

(d) operating budgets, significant investments and capital expenditures; and

(e) corporate policies in keeping with good Corporate Governance and business practices.

Board Composition and Balance

The strength of the Board lies in the composition of its members, who has a wide range of expertise, extensive experience and diverse background in business, finance and technical knowledge.

As at 31 December 2008, the Board consists of five (5) directors of whom two (2) are independent. The composition of Independent Non-Executive Directors has met the minimum prescribed in the Code and Listing Requirements. On 22 January 2009, Encik Mohd Shariff bin Salleh was re-designated as Independent Non-Executive Director. The current list of directors is as follows:

Executive Directors

Tuan Syed Omar bin Syed Abdullah - *Chairman*
Dato' Choo Keng Weng - *Managing Director*

Independent Non-Executive Directors

YM Tunku Mahmood bin Tunku Mohammed
Encik Mohd Shariff bin Salleh
Mr. Khaw Teik Thye

The composition of the Board will be reviewed, when necessary, to ensure that the current Board size is appropriate and effective, taking into account the nature and scope of the Company's operations.

The Board comprises persons who as a group provide the relevant core competencies and mix of skills in the areas of financial, technical and business to meet the Company's requirements. The directors' objectives judgment on corporate affairs and collective experience and knowledge are invaluable to the Group. Profiles of the members of the Board, as set out on page 10 of this Annual Report.

The Board is led by Tuan Syed Omar bin Syed Abdullah as the Chairman and the Executive Management of the Company is led by Dato' Choo Keng Weng, the Managing Director. There is a clear division of responsibilities



STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

between the Chairman and Managing Director to ensure that there is a balance of power and authority. The separation of the roles of the Chairman and the Managing Director was to ensure that considerable concentration of power does not lie with any one individual.

Independent Directors

The Independent Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board committees and their attendance of meetings as set out below. The Independent Directors provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Non-Executive Directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group.

All the Independent Non-Executive Directors are independent of management and free from any business tie or other relationships that could materially interfere with the exercise of their independent judgment.

Board Meetings

The Board met five (5) times during the financial year. The meeting attendance of the individual Directors are as follows:

DIRECTORS	NO. OF MEETINGS ATTENDED
Tuan Syed Omar bin Syed Abdullah	3/5
Dato' Choo Keng Weng	4/5
YM Tunku Mahmood bin Tunku Mohammed	5/5
Encik Mohd Shariff bin Salleh	5/5
Mr. Khaw Teik Thye	5/5

Supply of Information

To assist the Board in fulfilling its responsibilities, the Directors are sent an agenda and a full set of Board papers providing complete, adequate and timely information prior to the Board meetings, to give directors time to deliberate on the issues raised at the meetings. The Board has full and unrestricted access to all information pertaining to the businesses and affairs from Senior Management as well as services of the Company Secretary to enable them to discharge duties effectively. In addition to quantitative information, the Directors are also provided with updates on other areas such as market

developments, customer and risk management. The Directors, whether as a group or individually, is entitled to obtain independent professional advice and when necessary in furtherance of their duties at the Company's expenses. The appointment of such professional advisor is subject to the approval of the Board.

Appointment and Re-election

New candidates for appointment as Directors will be reviewed based on the required mix of skills, expertise, experience and other qualities of individuals concerned to constitute an effective board. As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education program for new Board Members.

In accordance with the Company's Articles of Association, one third of Directors shall retire from office and be eligible for re-election at each Annual General Meeting. Re-appointments are not automatic and all directors shall retire from office at least once in every three (3) years but shall be eligible for re-election by shareholders in the Annual General Meeting.

Pursuant to the Listing Requirements, each member of the Board holds not more than ten (10) directorships in public listed companies and not more than fifteen (15) directorships in non-public listed companies. This ensures that the Board's commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively.

Directors' Training

All the Directors with the exception of Encik Mohd Shariff bin Salleh and Mr. Khaw Teik Thye, have attended the Mandatory Accreditation Programme ("MAP") conducted by Bursa Malaysia Training Sdn Bhd, the training and education arm of Bursa Malaysia Securities Berhad. En. Mohd Shariff bin Salleh and Mr. Khaw Teik Thye will attend and complete the MAP as required under the Listing Requirements.

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities as directors. In addition, the newly appointed Directors will be given briefings and orientation by the Executive Director and top management of the Company on the business activities of the Group and its strategic directors, as well as their duties and responsibilities as directors.



STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Board Committees

To ensure the effective discharge of the Board's fiduciary duties, the Board has delegated specific responsibilities to the following Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board in compliance with the Code.

(i) Audit Committee

Composition of the Audit Committee, its terms of reference and a summary of its activities are set out on pages 15 to 17 of this Annual Report.

(ii) Nomination Committee and Remuneration Committee

The Board has decided not to set up a Nomination Committee and Remuneration Committee as recommended by the Code. As an alternative, the Board will deliberate on the nomination and remuneration of Directors during the normal proceedings of the meeting of Directors.

The remuneration of each Director, are determined by the Board, as a whole. The individual, Directors do not participate in discussion and decision of their own remuneration.

(iii) Employee Share Option Scheme ("ESOS") Committee

The Committee is primarily responsible for administering the Company's ESOS Scheme in accordance with the approved by-laws and regulations, including selection of eligible

employees and options allocations. It also reviews the guidelines and by-laws relating to the schemes and advised the Board accordingly.

DIRECTORS' REMUNERATION

Level and Mix of Remuneration

In setting remuneration packages, the consideration is given on the pay and employment conditions within the industry and in comparable companies. As part of the review, the performance related elements and remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interest with those of shareholder and link rewards to corporate and individual performance. The remuneration of Non-Executive Directors are also reviewed to ensure that the remuneration commensurate with the contributions and responsibilities of the directors. The Company submits the quantum of directors' fees of each year, if any, to the shareholders for approval at each Annual General Meeting.

Disclosure on Remuneration

Remuneration of Non-Executive Directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, based on the sum to be authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors.

The aggregate remuneration of Directors for the financial year ended 31 December 2008 is categorised as follows:

	Salaries RM'000	Other Emoluments RM'000	Fees RM'000	Total RM'000
Executive Directors	530	44	9	583
Non-Executive Directors	-	9	9	18



STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Range of Remuneration

	No. of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM500,000	1	-
RM500,001 to RM600,000	-	-

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders. The Board is responsible for ensuring that financial statements prepared give a true and fair view of the state of affairs of the Company and of the group. The Board considers the presentation of the financial statements and that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The statement of Directors' responsibilities for the preparation of the Financial Statements are set out in Page 20 of this Annual Report.

Internal Control

The Statement on Internal Control provides an overview of the state of internal controls within the Group and is set out on Pages 18 to 19 of this Annual Report.

Relationship with External Auditors

The Board ensures that there are formal and transparent arrangements for the achievement of objectives and maintenance of professional relationship with the External Auditors. The External Auditors have full access to the books and records of the Group at all time. They participate in the annual stock counts of the Group.

The Audit Committee meets the External Auditors to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the External Auditors without the presence of the Executive Directors and any

member of the Management whenever deemed necessary. The Audit Committee's role with respect to Internal and External Auditors is described in the Audit Committee Report set out on Pages 15 to 17 of this Annual Report.

SHAREHOLDERS AND INVESTORS

The Group recognises the importance of effective communication with the shareholders and investors through various appropriate channels. The Group regularly communicates with the investor community in conformity with disclosure requirements.

The Annual General Meeting is the primary forum for the Directors to communicate with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group at every general meeting. The Board encourages other channels of communication with shareholders.

The Company has established a web-site at www.sinhengchanmalaya.com.my dedicated to provide information of the Group to the shareholders, investors and the general public who have an interest in the business and affairs of the Group.

Compliance with the Code

The Board has approved this statement and is of the opinion that the Company has, to its best ability complied with the principles and best practices outlined in the Code for the financial year ended 31 December 2008, save for the appointment of a Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. The Board hopes to identify and appoint a Senior Independent Director soon.



AUDIT COMMITTEE REPORT

The Audit Committee reviews and monitors the integrity of the Group's financial reporting process, in addition to reviewing the Group's system of internal controls. It also reviews the Group's audit process, compliance with legal and regulatory requirements, code of business conduct and any other matters that are specially delegated by the Board.

1. Membership and Attendance

The Audit Committee members and details of attendance of each member of the Audit Committee meetings during the financial year are as follows :

Audit Committee	Number of meetings attended
Mr. Khaw Teik Thye (<i>Chairman</i>) <i>Independent Non-Executive Director</i>	4/4
YM Tunku Mahmood bin Tunku Mohammed <i>Independent Non-Executive Director</i>	4/4
Tuan Syed Omar bin Syed Abdullah <i>Non-Independent Executive Director</i> (<i>Resigned as Audit Committee Member on 22 January 2009</i>)	3/4

Encik Mohd Shariff bin Salleh, an Independent Non-Executive Director, was appointed as Audit Committee Member on 22 January 2009.

The Audit Committee met four (4) times during the financial year ended 31 December 2008.

As at the reporting date, the criteria for composition of members has been met.

2. Summary of Activities of the Audit Committee

During the financial year ended 31 December 2008, the Audit Committee carried out its duties as set out in the terms of reference which included the following :

- review of the quarterly financial reports before recommending to the Board for their approval and release of the Group's results to Bursa Malaysia Securities Berhad;
- review of the Audit Planning Memorandum with the External Auditors;

- review of the internal audit findings and recommendations with the Internal Auditors; and

- review any related party transactions.

3. Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 31 December 2008. The Internal Audit function is to support the Audit Committee in discharging its duties with respect to the adequacy, integrity and effectiveness of the systems of internal control within the Group.

The Internal Auditors independently reviews the risk identification practices and control processes implemented by the management and reports to the Audit Committee.

4. Terms of Reference

Composition

The Committee shall be appointed by the Board from amongst its Directors excluding alternate Directors and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors with a majority of whom shall be Independent Directors. Alternate Director shall not be appointed as members of the Committee.

All members should be financially literate and at least one (1) member must be:

- a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of MIA, he must have at least 3 years' working experience and must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- he must be a member of one of the associations or accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.



AUDIT COMMITTEE REPORT (CONT'D)

In the event a Member of the Committee resigns, dies, or for any reason ceases to be a member with the result the number of members is reduced to below three (3), or if the majority of the members become Non-Independent Directors, the Board of Directors shall within three (3) months of such vacancy, appoint such number of new members as may be required to make up the minimum number of three (3) members or the majority being Independent Directors. Therefore a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The Board of Directors of the Company must review the term of office and performance of an Audit Committee and each of its members at least once every 3 years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Chairman

The Chairman, shall be elected from amongst their number, who shall be an Independent Director. In event of the Chairman's absence, the meeting shall be chaired by an Independent Director.

The Chairman should engage on a continuous basis with Senior Management, such as the Chairman of the Board, the Chief Executive Officer, the Finance Director, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the company.

Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

Meetings

The Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconference. The quorum for a meeting shall be two

(2) members, provided that the majority of the members present at the meeting shall be independent. In addition to its four meetings each financial year, the Committee may take action by unanimous written consent of its members.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The External Auditors and Internal Auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The External Auditors may also request a meeting if they consider it necessary.

The other Directors and employees of the Company may attend any particular Audit Committee meeting only at the Committee's invitation, specific to the relevant meeting.

Rights

The Audit Committee shall:

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group;
- (d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (e) have the right to obtain legal or independent professional or other advice at the Company's expense;
- (f) have the right to convene meetings with the External Auditors, the Internal Auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary;
- (g) promptly report to the Bursa Malaysia Securities Berhad ("Bursa Securities"), or such other name(s) as may be adopted by Bursa Securities, matters



AUDIT COMMITTEE REPORT (CONT'D)

which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;

- (h) have the right to pass resolutions by a simple majority vote from the Committee and that the Chairman shall have the casting vote should a tie arise;
- (i) meet as and when required on a reasonable notice; and
- (j) the Chairman shall convene a meeting to consider any matter External Auditor believes should be brought to the attention of the Directors or shareholders, upon the request of the External Auditors.

Duties

- (a) To review with the External Auditors on:
 - the audit plan, its scope and nature;
 - the audit report;
 - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
 - the assistance given by the officers of the Company to External Auditors, including any difficulties or disputes with Management encountered during the audit.
- (b) To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- (c) To recommend such measures as to be taken by the Board of Directors on the effectiveness of the system of internal control, management information and risk management practices of the Group.
- (d) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (e) To review any appraisal or assessment of the performance of members of the internal audit function.
- (f) To review any appointment or termination of the Internal Auditors and take cognizance of resignations of Internal Auditors and provide the resigning Internal Auditors an opportunity to submit reasons for resigning.
- (g) To review with management:
 - audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
 - interim financial information; and
 - the assistance given by the officers of the Company to External Auditors.
- (h) To review related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (i) To review the quarterly reports on consolidated results and year-end financial statements prior to submission to the Board of Directors, focusing particularly on:
 - changes in or implementation of major accounting policy and practices;
 - significant and/ or unusual matters arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (j) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
- (k) To meet with the External Auditors without executive board members present at least twice a year.
- (l) To consider the appointment and/ or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as External Auditors to the board.
- (m) To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.



STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance and the Companies (Amendment) Act 2007 requires the directors of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Directors of the Company are pleased to present this Statement on Internal Control with respect to the state, nature and scope of the internal control of the Group during the year.

Board's Responsibility

The Board of Directors ("Board") is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Group. Therefore, it should be noted that it can only provide reasonable but not absolute assurance against material mis-statement of management and financial information and records or against financial losses or fraud.

The Board has undertaken the appropriate initiatives to strengthen the transparency, accountability and efficiency of the operations. The Board recognizes the importance of ensuring that a sound system of internal controls and effective risk management practices are in place in the organization. It has therefore given due attention towards improving the effectiveness of internal control, risk management and governance process of the organisation.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control, also in the design, operations and monitoring of suitable internal controls to mitigate and control these risks.

Risk Management Framework

The Board recognises that the management of principal risks plays an important and integral part of the Group's daily operations and that the identification and the management of such risk will affect the achievement of the Group's corporate objectives.

The functional management has been given a clear line of accountability and delegated authorities have been established as part of the internal control efforts

through the standard operating practices. In addition, the functional management is responsible for the identification and assessment of the risks, and instituting adequate procedures and internal controls in order to mitigate and monitor such risks on an on-going basis.

Internal Audit Function

The Company has engaged an independent professional firm to provide Internal Audit services that supports the Audit Committee in discharging its duties with respect to the adequacy, integrity and effectiveness of the systems of internal control within the Group.

The Internal Audit function monitors compliance with policies and procedures and the effectiveness of the internal control systems and highlight significant findings in respect of any non-compliance. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of these units and branches. The annual audit plan is reviewed and approved by the Audit Committee and the findings of the audits are submitted to the said Audit Committee for review.

Key Internal Control Processes

The following are the key processes that have been established as part of the Group's internal control effort:

- (a) internal control effort were done through standard operating practices and guidelines involving operational planning, capital expenditure, safeguarding of assets against unauthorised use or disposition, financial and accounting records, reporting system and monitoring of Group's businesses and performances.
- (b) the Executive Directors through their daily involvement in the business operations and attendance at operational and management level meetings, monitors the Company's policies and procedures.
- (c) the Audit Committee review internal control issues identified by the Internal Auditors and external auditors, and evaluate the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits.



STATEMENT ON INTERNAL CONTROL (CONT'D)

(d) the Corporate Office at the holding company coordinates and monitors the monthly performance results of the independent operational units, based on actual against budgeted financial performances, key business indicators and highlights of the related happenings. The liquidity position of the Group is monitored daily through the online banking system and also through the weekly reporting of bank transactions of the business units.

Review of the Statement by External Auditors

The External Auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Company for the financial year ended 31 December 2008 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement is made in accordance with the resolution of the Board of Directors dated 20 April 2009.



ADDITIONAL COMPLIANCE DISCLOSURES

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements of the Company and of the Group are drawn up in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act 1965 so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results and cashflows of the Company and of the Group for the financial year ended on that date.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured the adoption of applicable approved accounting standards; and
- used the going concern basis for the preparation of the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and are kept in accordance with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Utilisation of Proceeds

There were no corporate proposals conducted in the financial year under review.

Share Buy-Backs

The Company did not enter into any share buy-back transactions during the financial year.

Options, Warrants or Convertible Securities

The 30,000,000 warrants 2004/2009 are in registered form and constituted by a deed poll and which entitles the registered holders to subscribe for 1 ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held subject to adjustments in accordance with the deed poll. The warrants are exercisable at any time from the date of issue to its expiry date on 24 July 2009. There were no warrants exercised during the financial year.

Under the Company's Employees' Share Option Scheme ("ESOS"), options to subscribe for un-issued new ordinary shares in the Company were granted to eligible directors and employees of the Company and its subsidiary companies in 2004. There were no ESOS options exercised during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR during the financial year ended 31 December 2008.

Sanctions and/ or Penalties

There were no material sanctions and/ or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant authorities during the financial year.

Non-Audit Fees

During the financial year, the total non-audit fees payable to companies affiliated to the external auditors' firm for services rendered to the Company and its subsidiaries were RM46,136.

Variation in Results

There were no variances of 10% or more between the results for the financial year and the unaudited results. The Company did not make any release on the profit estimate, forecast or projection for the financial year.

Profit Guarantee

The Company did not grant any profit guarantee during the financial year.

Revaluation of Landed Properties

The Company and its subsidiaries did not adopt any revaluation policy with landed properties during the financial year. Details of the properties are disclosed in page 86 of this Annual Report.

Material Contracts or Loans Involving Directors and Major Shareholders

There were no material contracts or loan entered into between the Company and a director or a major shareholder during the financial year.



CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Bursa Malaysia Securites Berhad's Corporate Social Responsibility ("CSR") Framework is basically a set of guidelines for Malaysian public listed companies to help them in the practice of CSR. CSR relates to open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders. It is designed to deliver sustainable value to society at large.

The Company is committed to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of the diverse stakeholders. The Group firmly believes that caring for its employees will contribute positively to the Group's long term profitability of the business and success through improved efficiency of the work processes. The Group provides Hospitalisation and Surgical insurance coverage and Group Personnel Accident Insurance on top of the statutory SOCSO contribution for employees to mitigate medical and accidental contingencies.

The Group is working responsibly to reduce the environmental impact of our operations and firmly believes in adopting waste management and recycling programme in our manufacturing process. The Group has implemented the several key initiatives such as making available separate bins to collect "production waste" and arranging for proper disposition on a periodic basis. The Group has arrangements with local farmers to dispose chicken manure as fertilizers to enable returning of nutrients to the land.

Our Board would continue to seek ways to enhance its CSR responsibilities and activities as well as its relationship with all stakeholders including shareholders, government and government agencies, the media, non-governmental organizations and interest groups.





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DIRECTOR'S REPORT

DIRECTORS' REPORT

The directors of **SIN HENG CHAN (MALAYA) BERHAD** hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended December 31, 2008.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are as disclosed in Note 14 to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

SIGNIFICANT EVENT

On December 31, 2008, the Company entered into a Shares Sales and Shareholders and Development Agreement with Tubau Corporation Sdn. Bhd, being the vendor of Assar-Tubau Plantation Sdn. Bhd. ("ATPSB"), to acquire 80% equity interest in ATPSB, comprising 80,000 ordinary shares of RM1 each for a total cash consideration of RM2,173,052.

RESULTS OF OPERATIONS

The results of operations of the Group and the Company for the financial year are as follows:

	The Group RM	The Company RM
Loss before tax	4,035,325	1,215,141
Tax (credit)/expense	(83,285)	913,654
Net loss for the year	3,952,040	2,128,795

In the opinion of the directors, the results of operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid, proposed or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.



DIRECTOR'S REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

Under the Company's Employees Share Option Scheme ("ESOS"), options to subscribe for unissued new ordinary shares in the Company were granted to eligible directors and employees of the Company and its subsidiary companies.

The salient features of the ESOS are as follows:

- (a) the total number of shares which may be made available shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (b) any employee (including the executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee:
 - (i) is employed by and on the payroll of a company within the Group;
 - (ii) must have attained the age of eighteen (18) years;
 - (iii) is not an executive director who represents the government or a government institution/agency; and
 - (iv) is not a government employee serving in the public service scheme as defined under Article 132 of the Federal Constitution.
- (c) no option shall be granted for less than 100 shares.
- (d) option shall be granted in the discretion of the ESOS committee based on job ranking, length of services, contribution and performance of the selected employee provided that:
 - (i) not more than ten percent (10%) of the shares available under the ESOS shall be allocated to any individual executive director or selected employee who, either singly or collectively through his/her associates, holds twenty percent (20%) or more in the issued and paid-up share capital of the Company; and
 - (ii) not more than fifty percent (50%) of the shares available under the ESOS shall be allocated, in aggregate, to the executive directors and senior management.
- (e) the option price shall be determined based on a discount of not more than 10% from the average of the mean market quotation of the ordinary shares of the Company as quoted and shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five (5) preceding market days prior to the date of offer or at par value of the ordinary shares of the Company, whichever is higher.
- (f) the options granted may be exercised at anytime within a period of five (5) years from the date of offer of the option or extended to not more than another five (5) years commencing from the day after the expiry of the original five (5) year period.
- (g) the persons to whom the options are granted have no right to participate by virtue of the options in any other share options of any other company within the Group.



DIRECTOR'S REPORT (CONT'D)

The share options granted and exercised during the financial year are as follows:

Exercisable from	No. of Options Over Ordinary Shares of RM1 each				Balance at 31.12.2008
	Balance at 1.1.2008	Granted	Exercised	Forfeited	
13.7.2004	3,286,500	-	-	(2,217,500)	1,069,000

WARRANTS 2004/2009

The warrants issued on 26 July 2004 are constituted under a Deed Poll executed by the Company. The warrants are listed on Bursa Malaysia Securities Berhad.

The movements of the warrants during the financial year is as stated below:

	No. of Warrants Over Ordinary Shares of RM1 each			Balance at 31.12.2008
	Balance at 1.1.2008	Exercised	Expired	
Warrants	10,000,000	-	-	10,000,000

The salient terms of the warrants are as follows:

- Each warrant entitles the registered holder(s) at any time during the exercise period to subscribe for one (1) new ordinary share of RM1 each at an exercise price of RM1 per ordinary share. The warrants entitlement is subject to adjustments under the terms and conditions set out in the Deed Poll.
- The exercise price for the warrants is fixed at RM1 per new ordinary share of the Company, subject to adjustments in certain circumstances under the terms and conditions of the Deed Poll.
- The exercise period is five (5) years from the date of issuance until the mature date, i.e. the date immediately preceding the fifth (5th) anniversary of the date of issuance. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes.
- The new ordinary shares of RM1 each to be issued pursuant to the exercise of the warrantees will upon issue and allotment, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares so allotted shall not be entitled to any dividends, rights, allotment and/or other distributions declared, made or paid to shareholders, the entitlement date for which is before the date of allotment of the said new ordinary shares.

OTHER FINANCIAL INFORMATION

Before the income statements and the balance sheets of the Group and the Company were made out, the directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.



DIRECTOR'S REPORT (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Choo Keng Weng
Tuan Syed Omar bin Syed Abdullah
YM Tunku Mahmood bin Tunku Mohammed
Mohd Shariff bin Salleh
Khaw Teik Thye

In accordance with Article 94 of the Company's Articles of Association, Dato' Choo Keng Weng and Y.M. Tunku Mahmood bin Tunku Mohammed retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.



DIRECTOR'S REPORT (CONT'D)

DIRECTORS' INTERESTS

The interest in shares in the Company and in related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134, of the Companies Act, 1965, are as follows:

	Balance at 1.1.2008	No. of Shares of RM1 each		Balance at 31.12.2008
		Bought	Sold	
Shares in the Company				
Registered in the name of directors				
Dato' Choo Keng Weng	11,815,793*	-	-	11,815,793*
Mohd Shariff bin Salleh	65,000	-	(30,000)	35,000
Deemed Interest				
<i>(by virtue of his interest in Macronet Sdn. Bhd.)</i>				
Dato' Choo Keng Weng	2,925,000	-	-	2,925,000

Note: * Includes shares held by nominees

	Balance at 1.1.2008	No. of Options Over Ordinary Shares of RM1 each		Balance at 31.12.2008
		Granted	Exercised	
Share Options in the Company				
Registered in the name of director				
Tuan Syed Omar bin Syed Abdullah	600,000	-	-	600,000

	Balance at 1.1.2008	Warrants Issued Pursuant To A Deed Poll Exercisable At Any Time From July 25, 2004 to July 24, 2009		Balance at 31.12.2008
		Bought	Exercised/ Sold	
Warrants in the Company				
Registered in the name of director				
Dato' Choo Keng Weng	2,646,000	-	(500,000)	2,146,000

By virtue of his interests in the shares of the Company, Dato' Choo Keng Weng is deemed to have beneficial interest in the shares of the subsidiary companies during the financial year to the extent that the Company has interest.

None of the other directors has interest in the shares of the Company and the related company during and as of the end of the financial year.



DIRECTOR'S REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of rental of premises paid and payable to companies in which Dato' Choo Keng Weng has substantial financial interest as disclosed in Note 19, to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' CHOO KENG WENG

MOHD SHARIFF BIN SALLEH

Kuala Lumpur
20 April 2009



INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

Report on the Financial Statements

We have audited the financial statements of **SIN HENG CHAN (MALAYA) BERHAD**, which comprise the balance sheets of the Group and of the Company as of December 31, 2008, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 78.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our audit opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entities' preparation and fair presentation of the financial statements in order to design our audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2008 and of their financial performance and cash flows for the year then ended.



INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations as required by us for these purposes; and
- (c) The auditors' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN

AF 0080

Chartered Accountants

WU CHIH SHAN

Partner - 1887/03/10 (J)

Chartered Accountants

20 April 2009



INCOME STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Revenue	5 & 6	58,457,562	51,607,009	-	-
Cost of sales		(51,759,163)	(44,622,086)	-	-
Gross profit		6,698,399	6,984,923	-	-
Other operating income		1,218,936	3,883,746	1,389,439	3,403,948
Selling and distribution expenses		(2,186,429)	(2,575,874)	-	-
Administrative expenses		(4,427,320)	(5,242,518)	(1,796,696)	(1,450,366)
Finance costs	7	(1,495,209)	(1,116,924)	(13,571)	(23,393)
Other operating expenses		(3,843,702)	(859,145)	(794,313)	(2,673,584)
(Loss)/Profit before tax	8	(4,035,325)	1,074,208	(1,215,141)	(743,395)
Tax credit/(expense)	9	83,285	16,715	(913,654)	21,500
(Loss)/Profit for the year		(3,952,040)	1,090,923	(2,128,795)	(721,895)
Attributable to:					
Equity holders of the Company		(3,325,393)	1,696,721		
Minority interest		(626,647)	(605,798)		
		(3,952,040)	1,090,923		
(Loss)/Earnings per ordinary share					
Basic	10	(2.98) sen	1.83 sen		
Diluted	10	-	1.60 sen		

The accompanying Notes form an integral part of the Financial Statements.



BALANCE SHEETS

AS OF DECEMBER 31, 2008

		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	88,393,325	86,710,444	238,059	289,639
Prepaid lease payments	12	22,720,525	23,439,892	-	-
Investment properties	13	6,178,124	6,442,500	6,178,124	6,442,500
Investment in subsidiary companies	14	-	-	60,789,009	44,600,001
Other investments	15	5,290	5,373	5,290	5,373
Goodwill on consolidation	16	16,354,080	11,517,239	-	-
		133,651,344	128,115,448	67,210,482	51,337,513
Current Assets					
Inventories	17	7,883,245	6,505,792	-	-
Trade receivables	18	5,941,090	9,655,125	-	-
Other receivables, deposits and prepaid expenses	18	1,354,476	1,218,479	552,341	344,462
Tax recoverable		1,264,384	1,832,904	1,120,547	2,034,201
Amount owing by subsidiary companies	19	-	-	3,403,591	5,946,214
Fixed deposits, cash and bank balances	20	11,124,958	13,370,202	5,800,042	7,666,460
		27,568,153	32,582,502	10,876,521	15,991,337
Total assets		161,219,497	160,697,950	78,087,003	67,328,850
		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	21	111,666,787	111,666,787	111,666,787	111,666,787
Revaluation surplus	22	5,377,640	5,377,640	5,377,640	5,377,640
Accumulated loss		(55,222,513)	(51,897,120)	(53,306,940)	(51,178,145)
Shareholders equity		61,821,914	65,147,307	63,737,487	65,866,282
Minority interest		9,691,931	19,816,187	-	-
Total equity		71,513,845	84,963,494	63,737,487	65,866,282



BALANCE SHEETS (CONT'D)

AS OF DECEMBER 31, 2008

		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Non-current liabilities					
Hire-purchase payables	23	397,127	517,798	172,887	237,292
Long-term loans	24	40,000,000	33,976,075	-	-
Deferred tax liabilities	25	11,514,649	12,093,375	279,500	279,500
		51,911,776	46,587,248	452,387	516,792
Current liabilities					
Trade payables	26	7,818,674	8,331,104	-	-
Other payables and accrued expenses	26	25,645,864	12,852,380	13,506,616	834,143
Amount owing to subsidiary companies	19	-	-	326,107	49,500
Bank borrowings	27	4,090,097	7,752,451	-	-
Hire-purchase payables	23	199,173	211,273	64,406	62,133
Tax liabilities		40,068	-	-	-
		37,793,876	29,147,208	13,897,129	945,776
Total liabilities		89,705,652	75,734,456	14,349,516	1,462,568
Total equity and liabilities		161,219,497	160,697,950	78,087,003	67,328,850

The accompanying Notes form an integral part of the Financial Statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008

← Attributable to Equity Holders of The Company →

The Group	Note	Issued Capital RM	ICULS RM	Accumulated Loss RM	Non- Distributable Reserves Revaluation Reserve RM	Total RM	Minority Interest RM	Total Equity RM
Balance as of								
January 1, 2007		60,876,500	19,192,125	(53,381,961)	-	26,686,664	1,996,965	28,683,629
Issue of shares	21	31,598,162	-	-	-	31,598,162	-	31,598,162
Conversion of ICULS to ordinary shares	21	19,192,125	(19,192,125)	-	-	-	-	-
Revaluation of property, plant and equipment		-	-	-	5,377,640	5,377,640	-	5,377,640
Total recognised income and expense:								
Profit for the year		-	-	1,696,721	-	1,696,721	(605,798)	1,090,923
Acquisition of new subsidiary companies		-	-	-	-	-	18,358,140	18,358,140
Disposal of subsidiary company		-	-	(211,880)	-	(211,880)	66,880	(145,000)
Balance as of								
December 31, 2007		111,666,787	-	(51,897,120)	5,377,640	65,147,307	19,816,187	84,963,494

← Attributable to Equity Holders of The Company →

		Issued Capital RM	ICULS RM	Accumulated Loss RM	Non- Distributable Reserves Revaluation Reserve RM	Total RM	Minority Interest RM	Total Equity RM
Balance as of								
January 1, 2008		111,666,787	-	(51,897,120)	5,377,640	65,147,307	19,816,187	84,963,494
Total recognised income and expense:								
Net loss for the year		-	-	(3,325,393)	-	(3,325,393)	(626,647)	(3,952,040)
Issuance of ordinary shares		-	-	-	-	-	1,424,580	1,424,580
Additional acquisition of shares in a subsidiary		-	-	-	-	-	(10,922,189)	(10,922,189)
Balance as of								
December 31, 2008		111,666,787	-	(55,222,513)	5,377,640	61,821,914	9,691,931	71,513,845



STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

The Company	Note	Issued Capital RM	ICULS RM	Accumulated Loss RM	Revaluation Reserve RM	Total RM
Balance as of						
January 1, 2007		60,876,500	19,192,125	(50,456,250)	-	29,612,375
Issue of shares	21	31,598,162	-	-	-	31,598,162
Conversion of ICULS to ordinary shares	21	19,192,125	(19,192,125)	-	-	-
Revaluation of property, plant and equipment		-	-	-	5,377,640	5,377,640
Total recognised income and expenses:						
Loss for the year		-	-	(721,895)	-	(721,895)
Balance as of						
December 31, 2007		111,666,787	-	(51,178,145)	5,377,640	65,866,282
Balance as of						
January 1, 2008		111,666,787	-	(51,178,145)	5,377,640	65,866,282
Total recognised income and expenses:						
Loss for the year		-	-	(2,128,795)	-	(2,128,795)
Balance as of						
December 31, 2008		111,666,787	-	(53,306,940)	5,377,640	63,737,487

The accompanying Notes form an integral part of the Financial Statements.



CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

Note	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax	(4,035,325)	1,074,208	(1,215,141)	(743,395)
Adjustments for:				
Depreciation of property, plant and equipment	2,627,735	3,197,559	144,598	187,583
Allowance for doubtful debts/ (Allowance for doubtful debts no longer required)	1,744,708	(172,156)	(4,000)	58,735
Finance costs	1,495,209	1,116,924	13,571	23,393
Amortisation of prepaid lease payments	719,367	555,760	-	-
Insurance claim receivable written off	289,564	-	-	-
Changes in fair values of investment properties	264,376	-	264,376	-
Allowance/(Allowance no longer required) for diminution in value of other investments	83	(66)	83	(66)
Interest income	(304,867)	(276,830)	(243,734)	(234,267)
Gain on disposal of property, plant and equipment	(17,390)	(815,606)	(1,269)	(795,689)
Write-down of inventories	-	7,487	-	-
Property, plant and equipment written off	-	3,299	-	-
Reversal of impairment loss on revaluation of property, plant and equipment	-	(99,601)	-	(99,601)
(Allowance for doubtful debts no longer required)/Allowance for doubtful debts on amount owing by subsidiary company	-	-	(45,000)	1,000,000
Gain on disposal of subsidiary company	-	(445,694)	-	-



CASH FLOW STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Operating Profit/(Loss) Before Working Capital Changes		2,783,460	4,145,284	(1,086,516)	(603,307)
(Increase)/Decrease in:					
Inventories		(1,377,453)	1,003,148	-	-
Trade receivables		1,935,785	(5,076,260)	-	-
Other receivables, deposits and prepaid expenses		(392,019)	5,706,676	(203,879)	5,300,496
Fixed deposit pledged to banks		(120,000)	137,470	(120,000)	-
Amount owing by subsidiary companies		-	-	2,587,623	(2,608,224)
Increase/(Decrease) in:					
Trade payables		(512,430)	(876,023)	-	-
Other payables and accrued expenses		93,484	(100,970)	(27,527)	164,213
Amount owing to subsidiary company		-	-	(165,301)	-
Cash From Operations		2,410,827	4,939,325	984,400	2,253,178
Interest paid		(3,297,834)	(3,516,832)	(13,571)	(23,393)
Income tax refunded/(paid) - net		113,147	(473,296)	-	(270,000)
Net Cash (Used In)/From Operating Activities		(773,860)	949,197	970,829	1,959,785
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Interest received		304,867	276,830	243,734	234,267
Proceeds from disposal of property, plant and equipment		18,823	1,003,595	2,700	942,468
Additional acquisition of a subsidiary company		(3,059,030)	-	(3,047,100)	(3,924,244)
Purchase of property, plant and equipment		(2,400,831)	(1,940,736)	(94,449)	(12,587)
Acquisition of subsidiary companies		-	(30,297,255)	-	(30,600,001)
Proceeds from disposal of subsidiary company		-	2,826,007	-	-
Net Cash Used In Investing Activities		(5,136,171)	(28,131,559)	(2,895,115)	(33,360,097)



CASH FLOW STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

		The Group		The Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Proceeds from long-term loans		6,500,000	-	-	-
Proceeds of issue of shares to minority shareholders		1,424,580	-	-	-
Proceeds from issue of shares		-	31,598,162	-	31,598,162
Short-term bank borrowings – net		(3,337,412)	670,766	-	-
Repayment of hire-purchase and finance lease creditors		(241,364)	(529,286)	(62,132)	(228,195)
Repayment of long-term loans		-	(743,891)	-	-
Net Cash From/(Used In) Financing Activities		4,345,804	30,995,751	(62,132)	31,369,967
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS					
		(1,564,227)	3,813,389	(1,986,418)	(30,345)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		12,549,185	8,735,796	7,646,460	7,676,805
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	29	10,984,958	12,549,185	5,660,042	7,646,460

During the financial year, the Group's additions to property, plant and equipment amounted to RM4,312,049 (2007: RM4,516,544) of which RM1,802,625 (2007: RM2,399,908) represents borrowing costs capitalised and RM108,593 (2007: RM175,900) was financed through hire-purchase arrangements. The remaining additions of RM2,400,831 (2007: RM1,940,736) and RM94,449 (2007: RM12,587) were paid in cash by the Group and the Company respectively.

The accompanying Notes form an integral part of the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company is principally an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 14.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office is located at Suite 2.02, Level 2, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business is located at Level 3, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 20 April 2009.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with the provision of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia.

Adoption of Financial Reporting Standards

On January 1, 2008, the Company adopted all the new and revised Financial Reporting Standards ("FRSs"), amendments to FRSs and interpretations issued by the MASB that are relevant to its operations and effective for annual periods beginning on or after January 1, 2008 as follows:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2

The adoption of the abovementioned new/revised FRSs has not resulted in substantial changes to the Group's accounting policies and does not have any material financial effect on the net profit of the Group and of the Company for the current and prior financial years.

Accounting Standards and Interpretations in Issued But Not Yet Effective

At the date of authorisation of the financial statements, the following FRSs and Interpretations ("IC Interpretations") were issued but not yet effective until future periods:

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

Accounting Standards and Interpretations in Issued But Not Yet Effective (cont'd)

The above FRSs and IC Interpretations shall apply to annual periods beginning on or after January 1, 2010 except for FRS 8 which will be effective for annual periods beginning on or after July 1, 2009.

Save for FRS 139, the directors anticipate that the adoption of these FRSs and IC Interpretations in future periods will have no material financial effect on the financial statements of the Group and of the Company. By virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

Revenue Recognition

Revenue from sales of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed to the customers. Revenue represents gross invoiced value of goods sold, net of trade discounts.

Foreign Currency Conversion

The financial statements of the Group and the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (its functional currency).

In preparing the financial statements of the Group and the Company, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax (cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and subsidiary companies intend to settle their current tax assets and liabilities on a net basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment, except for freehold land which is not depreciated, is computed on the straight-line method at the following rates based on the estimated useful lives of the various assets or their lease periods. The annual depreciation rates are as follows:

Buildings	4% - 5%
Plant and machinery	7 1/2% - 33 1/3%
Renovations, furniture, fixtures and equipment	5% - 20%
Motor vehicles	20%

New planting expenditure incurred on land clearing, upkeep of immature palms, administrative expenses and interest incurred during the pre-maturing period (pre-cropping costs) is capitalised under plantation development expenditure. Upon maturity, all subsequent maintenance expenditure is recognised in income statements and the capitalised plantation development expenditure is amortised on a straight-line basis over 30 years.

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed of are transferred to accumulated loss account.

Transfers from property, plant and equipment to investment property are made when there is a change in use of the properties. Where the property becomes an investment property that will be carried at fair value, any difference at that date of change in use between the carrying amount of the property and its fair value are treated as follows:

- (a) any resulting decrease in the carrying amount of the property is recognised in income statements; and
- (b) any resulting increase in the carrying amount is credited directly to equity in revaluation surplus.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of future economic benefits embodied in the property, plant and equipment.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Borrowings

(a) Classification

Borrowings are initially recognised based on the proceeds received, net of repayments during the period. Portions repayable after 12 months are disclosed as non-current liabilities.

Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(b) Capitalisation of Borrowing Costs

Borrowing costs directly attributable to plantation development expenditure during pre-maturing period (pre-cropping costs) are capitalised as part of the cost of those assets, until maturity. The amount of borrowing costs eligible for capitalisation is capitalised based on the total immature area over the total plantable area.

Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised as property, plant and equipment and the corresponding obligations treated as liabilities in the financial statements. These assets are depreciated according to the basis set out above. Finance costs are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Leased Assets

Assets under leases which in substance transfer the risks and benefits of ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the lease assets which approximates the present value of the minimum lease payments, at the beginning of the respective lease terms.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statements over the term of the relevant lease period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. All other leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statements as incurred.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Prepaid Lease Payments on Leasehold Land

Lease of land with title not expected to pass to the lessee by the end of the lease term is treated as operating lease as land normally has an indefinite economic life. The upfront payments made on entering into a lease or acquiring a leasehold land that is accounted for as an operating lease are accounted for as prepaid lease payments and are amortised over the lease term on a straight-line basis and charged to the income statements for the period.

Investment Properties

Investment properties which consist of freehold and leasehold land and buildings are properties held to earn rentals and/or for capital appreciation and are measured at fair value. Gains and losses arising from changes in the fair value of investment property are based on active market prices, adjusted, if necessary, for any difference in the nature, location or conditions of the specific asset. Changes in fair value are included in income statements for the period in which they arise.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus is taken directly to the accumulated loss account.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the subsidiary companies controlled by the Company made up to December 31, 2008. Control is achieved where the Company has the power to govern the financial and operating policies of the subsidiary companies so as to obtain benefits therefrom.

The subsidiary companies are consolidated using the acquisition method of accounting whereby, on acquisition, the assets acquired and liabilities and contingent liabilities assumed of the subsidiary companies are measured at their fair values at the date of acquisition. Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany transactions, balances and unrealised gains on transactions between group of companies are eliminated on consolidation.

Minority interest represents that portion of profit or loss and net assets of a subsidiary company attributable to equity interests that are not owned, directly or indirectly through subsidiary company, by the parent. It is measured at the minority's share of the fair value of the subsidiary company's identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiary company's equity since that date.

Losses applicable to the minority in excess of the minority's interest in the subsidiary company's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation(cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Goodwill

Goodwill arising on consolidation represents the excess of the purchase consideration over the share of the fair values of the identifiable net assets, liabilities and contingent liabilities of a subsidiary company at the date of acquisition.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Investments

Investments in unquoted shares of subsidiary companies, which are eliminated on consolidation, are stated at cost. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Other investments held for short-term are stated at the lower of cost (determined using the first-in first-out method) and market value based on an aggregate portfolio basis. All increases or decreases in the carrying amount of other investments are taken up in the income statements.

Inventories

Inventories are valued at the lower of cost (determined generally on the first-in, first-out method) and net realisable value. The costs of raw materials and consumables comprise the original cost of purchase plus the cost of bringing the stocks to their present location and condition. The costs of finished goods and hatching eggs include the cost of raw materials, direct labour and certain allocation of manufacturing overheads. The cost of parent stocks consists of the original purchase price of breeder birds plus assigned growing costs and adjusted for amortisation (calculated based on their economic egg-laying lives). Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Receivables

Trade and other receivables are reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses that may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee Benefits

(a) Short-Term Employee Benefits

Salaries, wages, annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

(b) Defined Contribution Plan

The Group and the Company are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees. Both the Group and the Company and their employees are required to make monthly contributions to EPF calculated at certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately while the employees' contributions to EPF are included in salaries and wages and shown under staff costs.

(c) Equity Compensation Benefits

The Group's Employees Share Options Scheme ("ESOS") allows the employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

Financial Instruments

Financial instruments are any contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise. The Group's and the Company's principal financial assets are trade and other receivables, tax recoverable, intercompany indebtedness, fixed and short-term deposits, cash and bank balances.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. The Group's and the Company's significant financial liabilities include trade and other payables, bank borrowings, hire-purchase payables and intercompany indebtedness, which are stated at their nominal values.

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged to banks.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as follows:

(i) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and doubtful debts expense in the period in which such estimate has been changed.

(ii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

5. REVENUE

	Note	The Group		The Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Sales of formulated animal feeds		32,264,559	31,228,511	-	-
Poultry breeding		12,990,881	13,511,082	-	-
Sales of fresh fruit bunches		13,202,122	6,867,416	-	-
		58,457,562	51,607,009	-	-

6. SEGMENT REPORTING

For management purposes, the Group is organised into the following operating divisions:

- Feedmilling
- Poultry breeding
- Plantation
- Investment holding
- Others (consist of subsidiary companies which are dormant and pre-operating)

Inter-segment sales are charged at cost plus a percentage profit mark-up.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

6. SEGMENT REPORTING (CONT'D)

Other segment activities comprise mainly expenses incurred by certain subsidiary companies which are not directly attributable to any significant segment.

Segmental information by geographical location has not been disclosed as the Group operates predominantly in Malaysia.

SEGMENT ANALYSIS

The Group

2008	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Revenue							
External sales	32,264,559	12,990,881	13,202,122	-	-	-	58,457,562
Inter-segment sales	10,181,772	-	676,910	-	-	(10,858,682)	-
Total revenue	42,446,331	12,990,881	13,879,032	-	-	(10,858,682)	58,457,562
Results							
Segment results	394,762	(1,122,822)	(552,734)	(1,246,688)	(12,634)	-	(2,540,116)
Loss from operations							(2,540,116)
Finance costs							(1,495,209)
Loss before tax							(4,035,325)
Tax credit							83,285
Loss for the year							(3,952,040)
Other information							
Capital additions	216,970	235,152	3,765,477	94,450	-	-	4,312,049
Depreciation of property, plant and equipment	(311,383)	(945,318)	(1,205,061)	(144,598)	(21,375)	-	(2,627,735)
Consolidated Balance Sheets							
Assets							
Segment Assets	11,274,682	15,811,934	118,814,996	13,814,716	1,503,169	-	161,219,497
Consolidated total assets							161,219,497



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

6. SEGMENT REPORTING (CONT'D)

The Group

2007	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Liabilities							
Segment liabilities	6,240,067	1,799,423	66,583,353	14,023,408	1,059,401	-	89,705,652
Consolidated total liabilities							89,705,652
Revenue							
External sales	31,228,511	13,511,082	6,867,416	-	-	-	51,607,009
Inter-segment sales	10,571,692	-	-	449,779	-	(11,021,471)	-
Total revenue	41,800,203	13,511,082	6,867,416	449,779	-	(11,021,471)	51,607,009
Results							
Segment results	4,242,217	(408,143)	115,596	(1,799,434)	40,896	-	2,191,132
Profit from operations							2,191,132
Finance costs							(1,116,924)
Profit before tax							1,074,208
Tax credit							16,715
Profit for the year							1,090,923
Other information							
Capital additions	294,699	232,639	3,976,619	12,587	-	-	4,516,544
Depreciation of property, plant and equipment	(466,035)	(981,827)	(1,555,862)	(193,835)	-	-	(3,197,559)
Consolidated Balance Sheets							
Assets							
Segment Assets	16,446,600	15,302,596	112,035,401	16,843,744	69,609	-	160,697,950
Consolidated total assets							160,697,950



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

6. SEGMENT REPORTING (CONT'D)

The Group

2007	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Liabilities							
Segment liabilities	10,342,225	2,169,697	60,744,960	2,853,947	988,877	-	77,099,706
Consolidated total liabilities							77,099,706

7. FINANCE COSTS

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expense on:				
Term loans	2,975,060	3,115,976	-	-
Less: Interest expense capitalised in plantation development expenditure	(1,802,625)	(2,399,908)	-	-
	1,172,435	716,068		
Bankers' acceptances	252,089	278,410	-	-
Hire-purchase	37,014	51,136	12,401	23,235
Bank overdrafts	32,499	37,498	-	-
Others	1,172	450	1,170	158
Finance lease	-	33,362	-	-
	1,495,209	1,116,924	13,571	23,393



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

8. (LOSS)/PROFIT BEFORE TAX

a) (Loss)/Profit before tax is arrived at after (charging)/crediting the following:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Depreciation of property, plant and equipment	(2,627,735)	(3,197,559)	(144,598)	(187,583)
(Allowance for doubtful debts)/Allowance for doubtful debts no longer required	(1,744,708)	172,156	4,000	(58,735)
Amortisation of prepaid lease payment	(719,367)	(555,760)	-	-
Insurance claim receivable written off	(289,564)	-	-	-
Changes in fair value of investment properties	(264,376)	-	(264,376)	-
Rental of premises:				
- Related parties (Note 19)	(95,022)	(211,522)	(95,022)	(211,522)
- Subsidiary company (Note 19)	-	-	69,762	84,000
Audit fee	(83,300)	(83,300)	(25,000)	(25,000)
(Allowance for diminution)/Allowance no longer required for diminution in value of other investments	(83)	66	(83)	66
Insurance claim received	380,000	-	-	-
Interest income	304,867	276,830	243,734	234,267
Rental income from motor vehicle	20,400	-	-	-
Gain on disposal of property, plant and equipment	17,390	815,606	1,269	795,689
Realised gain on foreign exchange	12,920	7,770	-	-
Rental income from letting of premise	-	39,100	-	34,000
Write-down of inventories	-	(7,487)	-	-
Reversal of impairment loss on revaluation of property, plant and equipment	-	99,601	-	99,601
Property, plant and equipment written-off	-	(3,299)	-	-
Gain on disposal of subsidiary company	-	445,694	-	-
Management fees from subsidiary companies (Note 19)	-	-	965,000	720,000
Allowance for doubtful debts no longer required/(Allowance for doubtful debts) on amount owing by subsidiary company	-	-	45,000	(1,000,000)

The costs of inventories recognised in expenses of the Group and the Company amounting to RM46,316,086 and RMNil (2007: RM35,152,152 and RMNil) respectively.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

8. (LOSS)/PROFIT BEFORE TAX (CONT'D)

b) Directors' remuneration

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive directors:				
Other emoluments	550,000	517,500	550,000	517,500
Fees	22,000	-	9,000	-
Non-executive directors:				
Other emoluments	11,000	21,000	9,000	21,000
Fees	66,000	-	9,000	-
	649,000	538,500	577,000	538,500

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group and the Company amounted to RM24,000 (2007 : RM110,800) during the financial year.

Included in directors' remuneration are contributions to EPF made by the Group and the Company for the current year amounting to RM87,810 (2007 : RM71,925).

c) Staff costs

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries and allowances	3,278,477	3,491,342	810,722	538,500

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses. Included in staff costs are contributions to EPF made by the Group and by the Company for the current year amounting to RM403,960 and RM136,518 (2007: RM245,436 and RM118,751) respectively.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

9. TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Estimated tax payable:				
Current	6,371	35,100	-	-
Underprovision in prior years	489,070	55,890	913,654	-
	495,441	90,990	913,654	-
Deferred tax (Note 25)				
Current	(505,633)	(71,532)	-	(21,500)
Overprovision in prior years	(73,093)	(36,173)	-	-
	(578,726)	(107,705)	-	(21,500)
Total	(83,285)	(16,715)	913,654	(21,500)

A numerical reconciliation of income tax expense at the applicable statutory income tax rate to tax (credit)/expense at the effective income tax rate is as follows:

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
(Loss)/Profit before tax	(4,035,325)	1,074,208	(1,215,141)	(743,395)
(Tax loss)/Tax at income tax rate of 26% (2007: 27%)	(1,049,185)	290,036	(315,937)	(200,716)
Tax effect of expenses not deductible in determining tax	603,684	1,499,294	142,937	498,716
Utilisation of deferred tax asset not previously recognised	-	(444,000)	-	(298,000)
Tax effect of income not assessable in determining taxable profit	(930,491)	(2,032,567)	-	-
Deferred tax asset not recognised	829,000	517,700	173,000	-
Effect on deferred tax balances due to change in tax rate	47,730	133,105	-	(21,500)
Underprovision in prior years	415,977	19,717	913,654	-
Tax (credit)/expense	(83,285)	(16,715)	913,654	(21,500)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

9. TAX (CREDIT)/EXPENSE (CONT'D)

As of December 31, 2008, one of the subsidiary companies has tax-exempt income arising from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act 1967 and chargeable income on which income tax has been waived under Income Tax (Amended) Act 1999 totalling to approximately RM1,397,000 (2007: RM1,397,000) which, subject to the agreement of the tax authorities, is available for payment of tax-exempt dividends to the shareholders of the said subsidiary company.

As of December 31, 2008, one of the subsidiary companies has unabsorbed reinvestment allowances carried forward amounting to approximately RM1,436,000 (2007: RM1,436,000) which, if agreed by the tax authorities, are available for set-off against future taxable income of the said subsidiary company. The tax effect will be recognised only upon actual realisation.

As of December 31, 2008, one of the subsidiary companies has unabsorbed business losses carried forward amounting to approximately RM27,100,000 (2007: RM24,500,000) which, if agreed by the tax authorities, are available for set-off against future taxable income of the said subsidiary company. The tax effect will be recognised only upon actual realisation.

10.(LOSS)/EARNINGS PER ORDINARY SHARE

Basic

Basic (loss)/earnings per ordinary share is calculated by dividing the net (loss)/profit for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2008 RM	The Group 2007 RM
(Loss)/Profit attributable to equity holders of the Company	(3,325,393)	1,696,721

	2008 Units	The Group 2007 Units
Number of shares in issue as of January 1	111,666,787	60,876,500
Private Placement of New Issue of Shares	-	4,978,258
Conversion of ICULS	-	9,202,263
Exercise of Warrants	-	16,273,973
Exercise of ESOS	-	1,467,690

Weighted average number of shares outstanding	111,666,787	92,798,684
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	2008	The Group 2007
Basic (loss)/earnings per share (sen)	(2.98)	1.83



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

10.(LOSS)/EARNINGS PER ORDINARY SHARE (CONT'D)

Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year 2007 and the weighted average number of ordinary shares in issue in 2007 have been diluted for dilutive effects of all potential ordinary shares in respect of the ICULS, Warrants and ESOS.

	The Group 2007 Units
Weighted average number of shares in issue	92,798,684
Conversion of ICULS	-
Exercise of warrants	10,000,000
Exercise of ESOS	3,286,000
Adjusted weighted average number of shares for calculating diluted earnings per share	106,084,684
Diluted earnings per share (sen)	1.60

The diluted loss per share of the Company in 2008 has not been presented as the average fair value of the shares of the Company is lower than the exercise price for the conversion of Warrants and ESOS to ordinary shares. The effect of this would be anti-dilutive to the loss per ordinary share.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT

The Group December 31, 2008	←		Cost/Valuation				→	
	Beginning of Year RM	Additions RM	Write off/ Disposals RM	Acquisition of Subsidiary Companies RM	Disposal of Subsidiary Company RM	Revaluation RM	Transfer To Investment Properties RM	End of Year RM
Buildings								
At cost	15,300,266	85,821	-	-	-	-	-	15,386,087
Plant and machinery	16,883,924	81,964	-	-	-	-	-	16,965,888
Renovations, furniture, fixtures and equipment	5,905,712	309,651	-	-	-	-	-	6,215,363
Motor vehicles	5,132,356	49,141	(95,487)	-	-	-	75,465	5,161,475
Motor vehicles under hire- purchase and finance lease	975,365	108,593	-	-	-	-	(75,465)	1,008,493
Plantation development expenditure	76,333,901	3,676,879	-	-	-	-	-	80,010,780
	120,531,524	4,312,049	(95,487)	-	-	-	-	124,748,086



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

December 31, 2008	Beginning of Year RM	Additions RM	Write off/ Disposals of Subsidiary RM	Accumulated Depreciation				End of Year RM
				Acquisition of Subsidiary RM	Disposal of Subsidiary RM	Revaluation RM	Reclassification RM	
Buildings								
At cost	6,297,864	592,928	-	-	-	-	-	6,890,792
Plant and machinery	15,429,642	398,159	-	-	-	-	-	15,827,801
Renovations, furniture, fixtures and equipment	5,079,228	249,930	-	-	-	-	-	5,329,158
Motor vehicles	4,300,623	300,596	(94,054)	-	-	-	75,465	4,582,630
Motor vehicles under hire- purchase and finance lease	467,148	171,560	-	-	-	-	(75,465)	563,243
Plantation development expenditure	2,246,575	914,562	-	-	-	-	-	3,161,137
	33,821,080	2,627,735	(94,054)	-	-	-	-	36,354,761

December 31, 2008	Beginning of Year RM	Charge For The Year RM	Accumulated Impairment Loss				End of Year RM	Net Book Value RM
			Write off RM	Disposal of Subsidiary RM	Revaluation RM	Reclassification RM		
Buildings								
At cost	-	-	-	-	-	-	-	8,495,295
Building under finance lease	-	-	-	-	-	-	-	1,138,087
Renovations, furniture, fixtures and equipment	-	-	-	-	-	-	-	886,205
Motor vehicles	-	-	-	-	-	-	-	578,845
Motor vehicles under hire-purchase	-	-	-	-	-	-	-	445,250
Plantation development expenditure	-	-	-	-	-	-	-	76,849,643
Total	-	-	-	-	-	-	-	88,393,325



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group December 31, 2007	←			→			→		
	Beginning of Year RM	Additions RM	Write off/ Disposals RM	Acquisition of Subsidiary Companies RM	Cost/Valuation Disposal of Subsidiary Company RM	Revaluation RM	Transfer To Investment Properties RM	Reclassification RM	End of Year RM
Freehold land									
At cost	94,170	-	-	-	-	(94,170)	-	-	-
At 1978 valuation	293,000	-	-	-	-	(293,000)	-	-	-
At 2007 valuation	-	-	-	-	-	543,998	(543,998)	-	-
Land under long leases									
At cost	144,501	-	-	-	-	(144,501)	-	-	-
At 1978 valuation	782,000	-	(68,000)	-	-	(714,000)	-	-	-
At 2007 valuation	-	-	-	-	-	6,079,314	(6,079,314)	-	-
Buildings									
At cost	22,098,918	113,282	-	863,858	(5,573,746)	(2,274,846)	-	72,800	15,300,266
At 1978 valuation	3,320,000	-	-	-	-	(3,320,000)	-	-	-
At 2007 valuation	-	-	-	-	-	5,285,550	(5,285,550)	-	-
Building under finance lease	72,800	-	-	-	-	-	-	(72,800)	-
Plant and machinery	20,444,847	163,048	(80)	209,179	(4,983,530)	-	-	1,050,460	16,883,924
Plant and machinery under finance lease	1,050,460	-	-	-	-	-	-	(1,050,460)	-
Renovations, furniture, fixtures and equipment	5,848,704	262,064	(7,451)	229,557	(959,854)	-	-	532,692	5,905,712



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	←			Cost/Valuation				→		
	December 31, 2007	Beginning of Year RM	Additions RM	Write off/ Disposals RM	Acquisition of Subsidiary Companies RM	Disposal of Subsidiary Company RM	Revaluation RM	Transfer To Investment Properties RM	Reclassification RM	End of Year RM
Renovations, furniture, fixtures and equipment										
under finance lease	532,692		-	-	-	-	-	-	(532,692)	-
Motor vehicles	3,864,738		419,328	(525,191)	1,029,215	(434,509)	-	-	778,775	5,132,356
Motor vehicles under hire-purchase and finance lease	2,004,397		79,757	(330,014)	-	-	-	-	(778,775)	975,365
Plantation development expenditure	335,538		3,479,065	-	72,519,298	-	-	-	-	76,333,901
	60,886,765		4,516,544	(930,736)	74,851,107	(11,951,639)	5,068,345	(11,908,862)	-	120,531,524



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

December 31, 2007	Beginning of Year RM	Additions RM	Write off/ Disposals RM	Accumulated Depreciation				End of Year RM
				Acquisition of Subsidiary RM	Disposal of Subsidiary RM	Revaluation RM	Reclassification RM	
Land under long leases								
At cost	56,154	1,880	-	-	-	(58,034)	-	-
At 1978 valuation	302,229	10,678	(40,129)	-	-	(272,778)	-	-
Buildings								
At cost	11,207,818	613,733	-	48,844	(3,604,762)	(1,982,816)	15,047	6,297,864
At 1978 valuation	3,152,734	-	-	-	-	(3,152,734)	-	-
Building under finance lease	12,135	2,912	-	-	-	-	(15,047)	-
Plant and machinery	18,667,753	378,504	(59)	119,328	(4,671,411)	-	935,527	15,429,642
Plant and machinery under finance lease	830,481	105,046	-	-	-	-	(935,527)	-
Renovations, furniture, fixtures and equipment	5,215,130	173,476	(4,150)	194,883	(889,211)	-	389,100	5,079,228
Renovations, furniture, fixtures and equipment under finance lease	320,122	68,978	-	-	-	-	(389,100)	-
Motor vehicles	3,803,811	210,969	(525,184)	460,510	(428,256)	-	778,773	4,300,623
Motor vehicles under hire- purchase and finance lease	1,093,634	322,192	(169,905)	-	-	-	(778,773)	467,148
Plantation development expenditure	-	1,309,191	-	937,384	-	-	-	2,246,575
	44,662,001	3,197,559	(739,427)	1,760,949	(9,593,640)	(5,466,362)	-	33,821,080



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

December 31, 2007	Beginning of Year		Charge For The Year		Write off		Disposal of Subsidiary		Revaluation		End of Year		Net Book Value	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Buildings														
At cost	1,210,939		-		-		(969,309)		(241,630)		-		9,002,402	
At 1978 valuation	167,266		-		-		-		(167,266)		-		-	
Building under finance lease	-		-		-		-		-		-		-	
Plant and machinery	158,645		-		(21)		(158,624)		-		-		1,454,282	
Plant and machinery under finance lease	-		-		-		-		-		-		-	
Renovations, furniture, fixtures and Equipment	34,932		-		-		(34,932)		-		-		826,484	
Renovations, furniture, fixtures and equipment under finance lease	-		-		-		-		-		-		-	
Motor vehicles	3,149		-		-		(3,149)		-		-		831,733	
Motor vehicles under hire-purchase	47,844		-		-		(47,844)		-		-		508,217	
Plantation development expenditure	-		-		-		-		-		-		74,087,326	
Total	1,622,775		-		(21)		(1,213,858)		(408,896)		-		86,710,444	



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

The Company	Cost/Valuation				
December 31, 2008	Beginning of Year RM	Additions RM	Write off/ Disposals RM	Revaluation RM	End of Year RM
Renovations, furniture, fixtures and equipment	657,830	89,306	-	-	747,136
Motor vehicles	845,721	5,143	(6,133)	-	844,731
Motor vehicles under hire-purchase	529,144	-	-	-	529,144
	2,032,695	94,449	(6,133)	-	2,121,011
Accumulated Depreciation					
December 31, 2008	Beginning of Year RM	Charge For The Year RM	Disposals RM	Revaluation RM	End of Year RM
Renovations, furniture, fixtures and equipment	569,711	37,577	-	-	607,288
Motor vehicles	842,039	1,194	(4,702)	-	838,531
Motor vehicles under hire-purchase	331,306	105,827	-	-	437,133
	1,743,056	144,598	(4,702)	-	1,882,952
Accumulated Impairment Loss					
December 31, 2008	Beginning of Year RM	Charge For The Year RM	Write off RM	End of Year RM	Net Book Value RM
Renovations, furniture, fixtures and equipment	-	-	-	-	139,848
Motor vehicles	-	-	-	-	6,200
Motor vehicles under hire-purchase	-	-	-	-	92,011
Total	-	-	-	-	238,059



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

The Company		Cost/Valuation				
December 31 2007	Beginning of Year RM	← Additions RM	Write off/ Disposals RM	Revaluation RM	→ Transfer To Investment Properties RM	End of Year RM
Freehold land						
At cost	94,170	-	-	(94,170)	-	-
At 1978 valuation	293,000	-	-	(293,000)	-	-
At 2007 valuation	-	-	-	543,998	(543,998)	-
Land under long leases						
At cost	144,501	-	-	(144,501)	-	-
At 1978 valuation	782,000	-	(68,000)	(714,000)	-	-
At 2007 valuation	-	-	-	6,079,314	(6,079,314)	-
Buildings						
At cost	2,274,846	-	-	(2,274,846)	-	-
At 1978 valuation	3,320,000	-	-	(3,320,000)	-	-
At 2007 valuation	-	-	-	5,285,550	(5,285,550)	-
Plant and machinery	80	-	(80)	-	-	-
Renovations, furniture, fixtures and equipment	645,243	12,587	-	-	-	657,830
Motor vehicles	1,109,998	-	(264,277)	-	-	845,721
Motor vehicles under hire- purchase	800,296	-	(271,152)	-	-	529,144
	9,464,134	12,587	(603,509)	5,068,345	(11,908,862)	2,032,695



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

December 31, 2007	← Accumulated Depreciation →				
	Beginning of Year RM	Charge For The Year RM	Disposals RM	Revaluation RM	End of Year RM
Freehold land					
At cost	-	-	-	-	-
At 1978 valuation	-	-	-	-	-
Land under long leases					
At cost	56,154	1,880	-	(58,034)	-
At 1978 valuation	302,229	10,678	(40,129)	(272,778)	-
Buildings					
At cost	1,982,816	-	-	(1,982,816)	-
At 1978 valuation	3,152,734	-	-	(3,152,734)	-
Plant and machinery	59	-	(59)	-	-
Renovations, furniture, fixtures and equipment	545,524	24,187	-	-	569,711
Motor vehicles	1,105,091	1,223	(264,275)	-	842,039
Motor vehicles under hire-purchase	333,937	149,615	(152,246)	-	331,306
	7,478,544	187,583	(456,709)	(5,466,362)	1,743,056



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

December 31, 2007 RM	Beginning of Year RM	Accumulated Impairment Loss			End of Year RM	Net Book Value
		Charge For The Year RM	Write off RM	Reversal RM		
Freehold land						
At cost	-	-	-	-	-	-
At 1978 valuation	-	-	-	-	-	-
Land under long leases			-			
At cost	-	-	-	-	-	-
At 1978 valuation	-	-	-	-	-	-
Buildings						
At cost	241,630	-	-	(241,630)	-	-
At 1978 valuation	167,266	-	-	(167,266)	-	-
Plant and machinery	21	-	(21)	-	-	-
Renovations, furniture, fixtures and equipment	-	-	-	-	-	88,119
Motor vehicles	-	-	-	-	-	3,682
Motor vehicles under hire- purchase	-	-	-	-	-	197,838
Total	408,917	-	(21)	(408,896)	-	289,639

The carrying values of the revalued building of the Group and the Company based on historical costs are as follows:

	The Group and The Company 2008 RM
Cost	2,482,489
Accumulated depreciation	(2,379,740)
Accumulated impairment loss	(102,749)
Net Book Value	-

Property, plant and equipment of the Group with carrying amounts of RM84,753,000 (2007: RM84,830,000) are charged to certain licensed banks in respect of credit facilities granted to the Group as disclosed in Note 24.

Included in property, plant and equipment of the Group and the Company are fully depreciated property, plant and equipment which are still in use, with a cost of approximately RM24,006,870 (2007: RM19,943,964) and RM1,415,720 (2007: RM1,370,964) respectively.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

12. PREPAID LEASE PAYMENTS

Prepaid lease payments are as follows:

	2008 RM	The Group 2007 RM
At beginning of the year	25,556,065	888,853
Acquisition of new subsidiary companies	-	24,667,212
At end of year	25,556,065	25,556,065
Cumulative amortisation		
At beginning of year	(2,116,173)	(311,287)
Acquisition of new subsidiary companies	-	(1,249,126)
Amortisation for the year	(719,367)	(555,760)
At end of year	(2,835,540)	(2,116,173)
	22,720,525	23,439,892

The unexpired lease period of leasehold land of the Group are as follows:

	2008 RM	Net book value The Group 2007 RM
15 years	306,207	327,447
41 years	216,051	222,465
50 years	22,198,267	22,889,980
	22,720,525	23,439,892

Certain leasehold land with carrying amounts of RM22,504,473 (2007 : RM23,217,427) are charged to local banks for term loans granted to the Group as disclosed in Note 27.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

13. INVESTMENT PROPERTIES

	2008 RM	The Group and The Company 2007 RM
At beginning of year	6,442,500	-
Changes in fair values	(264,376)	-
Transfer from property, plant and equipment	-	6,442,500
At end of year	6,178,124	6,442,500

The fair values have been arrived at based on valuations carried out by Messrs. Raine Horne International Zaki & Partner Sdn. Bhd., an independent firm of professional valuers on March 18, 2009. The valuations were arrived at by reference to market evidence of transaction prices for similar properties.

The investment properties comprise the following:

	2008 RM	The Group and The Company 2007 RM
Freehold land	544,000	544,000
Land and building under long lease	5,634,124	5,898,500
	6,178,124	6,442,500

Investment properties of the Group and of the Company did not generate rental income during the financial year. Direct operating expenses incurred by the Group and the Company for investment properties during the financial year amounted to RM128,990 (2007: RM56,148).

14. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	2008 RM	The Company 2007 RM
Unquoted shares in subsidiary companies - at cost	60,875,205	44,686,197
Impairment loss	(86,196)	(86,196)
Net	60,789,009	44,600,001



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies (all incorporated in Malaysia) are as follows:

Direct subsidiary companies	Effective Equity Interest		Principal Activities
	2008	2007	
Sin Heng Chan Industries Sdn. Bhd.	100%	100%	Manufacturing and trading of formulated animal feeds.
Goldkist (Malaysia) Sdn. Bhd.	100%	100%	Dormant.
Urun Plantations Sdn. Bhd.	80%	51%	Cultivation of palm oil.
SHC Technopalm Plantation Services Sdn. Bhd.	100%	100%	Provision of management services.
Ayam Segar Sdn. Bhd.	100%	100%	Pre-operating.
Goldkist (NS) Sdn. Bhd.	100%	100%	Dormant.
Kuala Lumpur Feedmill Sdn. Bhd.	100%	100%	Pre-operating.
Sub-subsidiary companies of Sin Heng Chan Industries Sdn. Bhd.			
Sin Heng Chan Feed Sdn. Bhd.	100%	100%	Dormant.
LKPP - Goldkist Sdn. Bhd.	60%	60%	Broiler breeding and the planting of fragrant coconut trees.
Central Feedmill Sdn. Bhd.	100%	100%	Dormant.

During the financial year, the Group acquired additional 2,900,000 ordinary shares of RM1 each in Urun Plantations Sdn. Bhd. ("UPSB") representing 29% of the issued and paid-up capital of UPSB for a total cash consideration of RM15,747,100. With the completion of the acquisition, the Group's equity interest in UPSB increased from 51% to 80%. The acquisition has given rise to a goodwill on acquisition of RM4,836,841.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

15.OTHER INVESTMENTS

	2008 RM	The Group and The Company 2007 RM
Quoted shares in Malaysia - at cost	3,387	3,387
Allowance for diminution in value	(3,347)	(3,264)
	40	123
Gold Bullion	5,250	5,250
	5,290	5,373

16.GOODWILL ON CONSOLIDATION

	2008 RM	The Group 2007 RM
At beginning of year	11,517,239	-
Arising from acquisition of additional shares in a subsidiary company (Note 14)	4,836,841	-
Acquisition of a subsidiary company	-	11,517,239
At end of year	16,354,080	11,517,239

Goodwill on consolidation arose from acquisition of subsidiary companies, which principal activities are cultivation of oil palm. Goodwill on consolidation has been allocated to the Group's cash-generating unit ("CGU") namely, cultivation of oil palm.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, projected yields and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The projected yields are based on industry average forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts based on the cash flows for 25 harvesting years. The rate used to discount the forecasts cash flows is 10%.

17.INVENTORIES

	2008 RM	The Group 2007 RM
At cost:		
Parent stocks	3,306,689	2,195,529
Raw materials	1,462,317	2,049,698



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

17. INVENTORIES (CONT'D)

	The Group	
	2008 RM	2007 RM
Hatching eggs	156,568	739,475
Consumables	1,787,406	1,153,277
Finished goods	1,170,265	375,300
	7,883,245	6,513,279
Less: Write-down of inventories	-	(7,487)
	7,883,245	6,505,792

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group	
	2008 RM	2007 RM
Trade receivables	17,911,077	19,909,953
Less: Allowance for doubtful debts	(11,969,987)	(10,254,828)
Net	5,941,090	9,655,125

Trade receivables of the Group comprise amounts receivable for the sales of goods. The credit period granted on sales of goods ranges from 7 to 60 days (2007: 7 to 60 days). During the financial year, the allowance for doubtful debts written off against trade receivables amounted to RM63,091.

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Other receivables	9,623,583	9,561,636	7,344,650	7,150,817
Less: Allowance for doubtful debts	(8,843,315)	(8,876,857)	(7,070,380)	(7,074,380)
	780,268	684,779	274,270	76,437
Deposits	452,505	409,664	269,315	254,638
Prepaid expenses	121,703	124,036	8,756	13,387
	1,354,476	1,218,479	552,341	344,462

Included in other receivables, deposits and prepaid expenses of the Group and the Company are rental deposits and advanced rental of RM196,368 (2007: RM196,368) paid to Desa Samudra Sdn. Bhd., a company in which Dato' Choo Keng Weng is also a director. Transactions with related parties are disclosed in Note 19.

Also, included in the other receivables of the Group is insurance claim receivable of RM400,000 (2007: RM553,580) in respect of compensation for assets damages.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

19.RELATED PARTY TRANSACTIONS

	2008 RM	The Company 2007 RM
Amount owing by subsidiary companies		
- net of allowance for doubtful debts of RM13,631,550 (2007: RM13,676,550)	3,403,591	5,946,214
Amount owing to subsidiary companies	326,107	49,500

Amount owing by/to subsidiary companies arose mainly from trade transactions and unsecured interest-free advances and repayable on demand.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Name of related parties	Relationship
Seng Hoe & Choong Corporation Sdn. Bhd.	A company in which Dato' Choo Keng Weng has substantial financial interest.
Desa Samudra Sdn. Bhd.	A company in which Dato' Choo Keng Weng is also a director.

During the financial year, significant related party transactions are as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Subsidiary company				
Management fees receivable	-	-	965,000	720,000
Rental of premises receivable	-	-	69,762	84,000
Other related parties				
Rental of premises paid and payable				
Desa Samudra Sdn. Bhd.	71,022	109,522	71,022	109,522
Seng Hoe & Choong Corporation Sdn. Bhd.	24,000	102,000	24,000	102,000
	95,022	211,522	95,022	211,522
Rental income from motor vehicle				
Desa Samudra Sdn. Bhd.	20,400	5,100	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

19. RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of Key Management Personnel

The remuneration of key management personnel, excluding directors during the year are as follows:

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Short-term employee benefits	187,000	188,000	187,000	188,000
EPF contribution	10,560	5,040	10,560	5,040
	197,560	193,040	197,560	193,040

20. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2008	2007	2008	2007
Fixed deposits with licensed banks	7,172,856	7,697,891	5,740,000	7,320,000
Short-term deposits with licensed banks	1,400,000	3,300,000	-	300,000
Cash and bank balances	2,552,102	2,372,311	60,042	46,460
	11,124,958	13,370,202	5,800,042	7,666,460

Fixed deposits with licensed banks of the Group and of the Company of RM140,000 (2007: RM20,000) are pledged to licensed banks for overdraft facilities granted and guarantees issued by the said banks.

The maturity periods of the deposits as at the end of the financial year are as follows:

	The Group		The Company	
	2008	2007	2008	2007
Fixed deposits with licensed banks	30 to 720 days	30 to 730 days	30 to 90 days	30 to 90 days
Short-term deposits with licensed banks	2 to 31 days	2 to 21 days	2 to 14 days	2 to 14 days

The interest rates per annum are as follows:

	The Group		The Company	
	2008	2007	2008	2007
Fixed deposits with licensed banks	3.0% to 3.7%	3.0% to 3.7%	3.2% to 3.5%	3.0% to 5.0%
Short-term deposits with licensed banks	1.8% to 3.7%	2.0% to 3.7%	2.0% to 2.5%	2.0% to 2.4%



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

21.SHARE CAPITAL

	2008 RM	2007 RM
Authorised:		
Ordinary shares of RM1 each		
Beginning and end of year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
Beginning of year	111,666,787	60,876,500
Private Placement of New Issue of Shares	-	9,769,162
Conversion of ICULS	-	19,192,125
Exercise of Warrants	-	20,000,000
Exercise of ESOS	-	1,829,000
End of year	111,666,787	111,666,787

22.REVALUATION SURPLUS

	The Group and the Company	
	2008 RM	2007 RM
At beginning of year	5,377,640	-
Revaluation surplus	-	5,377,640
At end of year	5,377,640	5,377,640

Freehold land and factory building and short-term leasehold land located in Ipoh, Perak and Melaka were revalued on the basis of valuations carried out by Messrs. Raine Horne International Zaki & Partner Sdn. Bhd., an independent firm of professional valuers on March 18, 2009. The valuations were arrived at by reference to market evidence of transaction prices for similar properties.

23.HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Total instalments outstanding	667,342	827,719	257,675	332,208
Less: Interest-in-suspense	(71,042)	(98,648)	(20,382)	(32,783)
Principal outstanding	596,300	729,071	237,293	299,425
Less: Portion due within one year	(199,173)	(211,273)	(64,406)	(62,133)
Non-current portion	397,127	517,798	172,887	237,292



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

23.HIRE-PURCHASE PAYABLES (CONT'D)

The non-current portion is repayable as follows:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Due within:				
2 years	-	183,567	-	64,405
3 years	173,335	187,338	57,800	57,800
4 years	148,176	143,249	60,437	115,087
After 4 years	75,616	3,644	54,650	-
	397,127	517,798	172,887	237,292

The interest rates implicit in the hire-purchase payables of the Group and of the Company range from 2.5% to 4.0% (2007: 4.44% to 12.10%) per annum. The Group's and the Company's hire-purchase payables are secured by the financial institutions charge over the assets under hire-purchase.

24.LONG-TERM LOANS

	The Group	
	2008 RM	2007 RM
Outstanding loan principal	40,534,259	34,667,311
Less: Portion due within one year (included under bank borrowings) (Note 27)	(534,259)	(691,236)
Non-current portion	40,000,000	33,976,075

The non-current portion is repayable as follows:

	2008 RM	2007 RM
Due within:		
2 years	-	476,075
3 years	8,000,000	-
4 years	8,000,000	8,000,000
After 4 years	24,000,000	25,500,000
	40,000,000	33,976,075

Certain subsidiary companies have obtained term loans from certain local banks amounting to RM46.2 million (2007: RM39.7 million). These term loans bear interest at rates ranging from 3.75% to 8.63% (2007: 3.8% to 8.0%) per annum and consist of:

- (a) a seven-year term loan of RM1,200,000, repayable in eighty four (84) monthly installments commencing in October, 2002;



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

24. LONG-TERM LOANS (CONT'D)

- (b) a eight-year term loan of RM5,000,000, repayable in ninety six (96) monthly installments commencing in November, 2001;
- (c) a term loan of RM25,000,000, repayable in sixty (60) monthly installments commencing January, 2011;
- (d) a term loan of RM10,000,000, repayable in sixty (60) monthly installments commencing January, 2011; and
- (e) a term loan of RM5,000,000, repayable in sixty (60) monthly installments commencing January, 2011.

The term loans are secured by:

- (a) a fixed charge on the leasehold land and buildings of the said subsidiary companies with carrying amounts of about RM107,256,984 (2007: RM108,047,427) as of December 31, 2008;
- (b) a first fixed and floating charge on all the assets of the said subsidiary companies; and
- (c) by way of a debenture over present and future assets of the said subsidiary companies.

The bank reserves the right to demand for full repayment of certain term loans amounting to RM40,000,000 (2007: RM33,500,000) in the event the subsidiary companies did not maintain its gearing of 1:4. As of December 31, 2008, the subsidiary company has met this condition of maintaining its gearing of 1:4.

25. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Beginning of year	12,093,375	1,004,298	279,500	301,000
Transfer to income statements (Note 9)	(578,726)	(107,705)	-	(21,500)
Acquisition of subsidiary companies	-	11,740,782	-	-
Disposal of subsidiary company	-	(544,000)	-	-
End of year	11,514,649	12,093,375	279,500	279,500

The deferred tax liabilities are in respect of the tax effects of temporary differences arising from:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Property, plant and equipment	-	764,278	279,500	279,500
Unused tax losses	-	(691,185)	-	-
Tax effects on revaluation of property, plant and equipment	11,514,649	12,020,282	-	-
	11,514,649	12,093,375	279,500	279,500



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

25.DEFERRED TAX LIABILITIES (CONT'D)

As mentioned in Note 3, deferred tax asset is generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. As of December 31, 2008, the estimated amount of deferred tax asset calculated at the current tax rate which has not been recognised in the financial statements due to uncertainty of realisation, is as follows:

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Tax effects of temporary differences arising from:				
Property, plant and equipment	1,242,000	1,265,000	504,000	504,000
Unabsorbed capital allowances	8,585,000	8,097,000	427,000	397,000
Unused tax losses	22,590,000	22,226,000	10,363,000	10,220,000
	32,417,000	31,588,000	11,294,000	11,121,000

The unabsorbed capital allowances and unused tax losses are subject to agreement by the tax authorities.

26.TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. The credit period granted to the Group for trade purchases ranges from 15 to 90 days (2007: 15 to 90 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Other payables	23,975,097	11,068,307	13,148,200	448,200
Accrued expenses	1,670,767	1,784,073	358,416	385,943
	25,645,864	12,852,380	13,506,616	834,143

Included in other payables are:

- (i) an amount of RM12,700,000 (2007: RMNil) owing by the Company to a vendor for additional acquisition of shares in a subsidiary;
- (ii) an amount of RM8,555,008 (2007: RM8,979,587) owing by the Group to a former minority shareholder of a subsidiary company. The outstanding balance is interest free and is for working capital purposes of the subsidiary company;
- (iii) an amount of RM327,291 (2007: RM368,211) owing by the Group to a related party. The amount arose mainly from trade transactions and unsecured interest-free advances and repayable on demand; and



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

- (iv) an amount of RM133,620 (2007: RM103,620) owing by the Group to Lembaga Kemajuan Perindustrian Pertanian Negeri Pahang, a statutory body which is a substantial shareholder of a subsidiary company. The amount arose mainly from annual tribute paid and payable by the subsidiary company of RM30,000 (2007: RM30,000) during the financial year.

27. BANK BORROWINGS

	2008 RM	The Group 2007 RM
Bankers' acceptances	3,437,000	5,816,000
Long-term loans - current portion	534,259	691,236
Bank overdrafts	-	801,017
Revolving credit	118,838	444,198
	4,090,097	7,752,451

As of December 31, 2008, the Group has bank overdrafts and other credit facilities amounting to RM56 million (2007: RM53.7 million). The credit facilities of the Group bear interest at rates ranging from 1% to 7.5% (2007: 4.10% to 8.5%) per annum and are obtained by a negative charge over all the assets of the Group. The credit facilities of the subsidiary companies from certain banks are guaranteed by the Company.

A subsidiary company having credit facilities amounting to RM9.2 million (2007: RM9.2 million) is required to comply with conditions which include maintaining a gearing of not more than 1 and net tangible assets of not less than RM15.5 million based on its latest audited financial statements. As of December 31, 2008, the said subsidiary company's net tangible assets stand at RM15.8 million.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, market risk, credit risk and cash flow risk. The Group has taken measures to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Foreign Currency Risk

Foreign exchange risk arises from currency exposure primarily in respect of trade purchase transactions denominated in foreign currencies.

The Group monitors its foreign exchange exposure closely.

Interest Rate Risk

The Group is exposed to interest rate risk through the impact of the rate changes on bank borrowings, long-term loans and interest bearing fixed and short-term deposits. The interest rates of interest bearing fixed and short-term deposits, long-term loans and bank borrowings are disclosed in Notes 23, 24 and 27.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market Risk

The Group is exposed to fluctuations in the prices of the key raw materials used in its operations. The Group does not enter into any fixed-priced contracts to establish determinable prices for raw materials used but monitors the prices of key raw materials closely.

Credit risk

The Group is exposed to credit risk mainly from trade receivables. However, the Group and the Company will extend credit to its customers based on careful evaluation of the customers' financial condition and credit history and ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

The Group's and the Company's exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of December 31, 2008, is the carrying amount of these receivables as disclosed in the balance sheets.

Cash Flow Risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair Values

The carrying amounts of financial assets and financial liabilities approximate their fair values because of the short-term maturity of these instruments except for the following:

		The Group		The Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities					
Long-term loans	24	40,000,000	28,701,242	-	-
Hire-purchase payables	23	596,300	456,751	237,293	214,410

Fair values of long-term loans and hire-purchase payables are estimated using discounted cash flow analysis based on the current borrowing rates for similar type of borrowing arrangements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2008

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group		The Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Fixed and short-term deposits with licensed banks	8,572,856	10,997,891	5,740,000	7,620,000
Cash and bank balances	2,552,102	2,372,311	60,042	46,460
Bank overdrafts (Note 27)	-	(801,017)	-	-
Total	11,124,958	12,569,185	5,800,042	7,666,460
Less: Fixed deposits pledged to banks	(140,000)	(20,000)	(140,000)	(20,000)
	10,984,958	12,549,185	5,660,042	7,646,460

30. CONTINGENT LIABILITIES

- (i) As of December 31, 2008, the Company has issued corporate guarantees totalling RM15,900,000 (2007: RM8,600,000) in respect of credit facilities granted by a local licensed bank to its subsidiary company. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities utilised by the subsidiary company as of December 31, 2008.
- (ii) In 2007, a subsidiary company was served with winding-up petition by a creditor who seeks to recover a sum of approximately RM2.7 million owing by the said subsidiary, of which an amount of RM1.2 million is recorded by the said subsidiary. The claim is highly disputed by the directors and the directors had initiated a separate suit against the said creditor. The High Court stayed the petition and directed the parties to refer the dispute to the process of arbitration. Pending the outcome of the arbitration process, the directors are of the opinion that the amount recorded in the books of the subsidiary company is adequate and that no further provision for the claim is required.

31. SIGNIFICANT EVENT

On December 31, 2008, the Company entered into a Shares Sales and Shareholders and Development Agreement with Tubau Corporation Sdn. Bhd, being the vendor of Assar-Tubau Plantation Sdn. Bhd. ("ATPSB"), to acquire 80% equity interest in ATPSB, comprising 80,000 ordinary shares of RM1 each for a total cash consideration of RM2,173,052.



STATEMENT BY DIRECTORS

The Directors of **SIN HENG CHAN (MALAYA) BERHAD** state that, in their opinion, the financial statements of the Group and the Company, which comprise the balance sheets as of December 31, 2008, and the related income statements, statements of changes in equity and cash flow statements for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 78, are drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2008 and of the results of their businesses and the cash flows of the Group for the year ended on that date.

Signed in accordance with a resolution of the Directors,

DATO' CHOO KENG WENG

Director

Kuala Lumpur,
20 April 2009

MOHD SHARIFF BIN SALLEH

Director

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LIM CHEE KHOON**, the Officer primarily responsible for the financial management of **SIN HENG CHAN (MALAYA) BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and the Company, which comprise the balance sheets as of December 31, 2008, and the related income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 78, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LIM CHEE KHOON

Subscribed and solemnly declared by the abovenamed **LIM CHEE KHOON** at **KUALA LUMPUR** this 20th day of April 2009.

Before me,

SHAFIE B. DAUD (No. W350)
Commissioner for Oaths



RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 12 June 2008, the Company obtained its shareholders' mandate to allow the Group to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature.

In accordance with the Listing Requirements of the Bursa Malaysia Securities Berhad, the details of RRPTs conducted during the financial year ended 31 December 2008 pursuant to the shareholders' mandate are as follows:

No	Company in the Sin Heng Chan (Malaya) Berhad ("SHCMB") Group involved in the transaction	Transacting Party	Nature of transaction	Interest Related Party	Nature of Relationship	Incurred from 12 June 2008 to 31 December 2008 (RM)	2008 Mandate (RM)
1.	SHCMB	Desa Samudra Sdn Bhd ("DSSB")	Rental of Office Premises and Car Park Rental	Dato' Choo Keng Weng ("DCKW")	Director of DSSB and he holds 50% equity in DSSB	50,820	100,000
2.	SHCMB	Seng Hoe & Choong Corporation Sdn Bhd ("SHCCSB")	Rental of Accommodation	DCKW	Director of SHCCSB and he holds 60% equity in SHCCSB	-	50,000
3.	Sin Heng Chan Industries Sdn Bhd ("SHCI")	LKPP-Goldkist Sdn Bhd ("LKPP-G")	Supply of poultry feed by SHCI	DCKW	DCKW is the common director in SHCI and LKPP-G	5,758,416	7,000,000
4.	SHCI	LKPP-G	Supply of parent stock for breeding purposes by SHCI	DCKW	DCKW is the common director in SHCI and LKPP-G	519,650	700,000
5.	LKPP-G	Lembaga Kemajuan Perusahaan Pertanian ("LKPP")	Rental paid for the use of the land belonging to LKPP	Dato' Haji Md Adnan bin Sulaiman ("DHMA") Dato' Haji Ishak bin Haji Muhamad ("DHI")	DHMA and DHI are common directors in LKPP-G and LKPP	17,500	30,000



SHAREHOLDING STATISTICS

ANALYSIS OF SHAREHOLDERS AS AT 31 MARCH 2009

Authorised Share Capital	: RM500,000,000
Paid-up Share Capital	: RM111,666,787
Class of Share	: Ordinary Shares of RM1.00 each
Voting Rights	: 1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDING AS AT 31 MARCH 2009 – ORDINARY SHARES

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 – 99	116	2.79	3,501	0.00
100 – 1,000	1,366	32.85	1,246,346	1.11
1,001 – 10,000	2,048	49.25	8,650,432	7.74
10,001 – 100,000	561	13.49	16,722,624	14.97
100,001 – 5,583,338	63	1.52	39,281,070	35.18
5,583,339 and above	4	0.10	45,762,814	41.00
	4,158	100.00	111,666,787	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct	%	Indirect	%
	No. of Shares		No. of Shares	
Wan Jin Resources Sdn Bhd	19,182,125	17.18	-	-
Dato' Haji Esa bin Mohamed	12,830,689	11.49	-	-
Dato' Choo Keng Weng	11,815,793*	10.58	-	-
Samudera Sentosa Sdn Bhd	8,000,000	7.16	-	-

Notes: *Includes shares held by nominees.

THIRTY LARGEST ORDINARY SHAREHOLDERS AS AT 31 MARCH 2009

Shareholders	No. of Shares Held	%
1 Sabah Development Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wan Jin Resources Sdn Bhd	19,182,125	17.18
2 Esa bin Mohamed	12,580,689	11.27
3 Samudera Sentosa Sdn Bhd	8,000,000	7.16
4 HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choo Keng Weng (M09)	6,000,000	5.37
5 Choo Keng Weng	5,053,793	4.53
6 Niaga Serimas Sdn Bhd	5,001,000	4.48
7 J.V. Avenue Sdn Bhd	4,769,162	4.27
8 HSBC Nominees (Asing) Sdn Bhd Exempt An for HSBC Private Bank (Suisse) S.A. (SPORE TST AC CL)	4,000,000	3.58
9 Macronet Sdn Bhd	2,925,000	2.62



SHAREHOLDING STATISTICS (CONT'D)

Shareholders	No. of Shares Held	%
10 ECML Nominees (Tempatan) Sdn Bhd Khatijah binti Ab Samad (PCS)	2,282,000	2.04
11 Asraman Sdn Bhd	1,283,900	1.15
12 TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Teck Loong	1,052,400	0.94
13 CitiGroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (CLIENT A/C-NR)	927,726	0.83
14 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Eng Holdings Sdn Bhd	838,553	0.75
15 Lee Lai Leng	695,600	0.62
16 TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choo Keng Weng	600,000	0.54
17 HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Lee (M09)	486,200	0.44
18 Thoon Soon Ling	420,000	0.38
19 OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Chong Lee Fong	402,000	0.36
20 Choo Keng Kit	376,200	0.34
21 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Soon Leong (E-TCS)	356,000	0.32
22 Tan Wan Chee	351,400	0.31
23 Sy Ban Lee	305,000	0.27
24 HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kah Huat (M03)	298,100	0.27
25 Lim Chee Khang	266,000	0.24
26 Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Esa bin Mohamed	250,000	0.22
27 Ho Ching Yeu	250,000	0.22
28 Tay Kuan Tea @ Tay Swee Seng	244,000	0.22
29 HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lawrence Lee (M15)	238,800	0.21
30 Tan Hui Ming	238,000	0.20
Total	79,673,648	71.34



SHAREHOLDING STATISTICS (CONT'D)

DIRECTORS' INTEREST IN SHARES (Based on the Register of Directors' Shareholdings)

	Direct No. of Shares	%	Indirect No. of Shares	%
Tuan Syed Omar bin Syed Abdullah	-	-	-	-
Dato' Choo Keng Weng	11,815,793 ¹	10.58	2,925,000 ²	2.62
YM Tunku Mahmood bin Tunku Mohammed	-	-	-	-
Mohd Shariff bin Salleh	35,000	0.03	-	-
Khaw Teik Thye	-	-	-	-

Notes: ¹Includes shares held by nominees.

²Deemed interest in shares held by Macronet Sdn Bhd by virtue of Section 6A of Companies Act 1965.

DIRECTORS' INTEREST IN OPTIONS

	No. of Options
Tuan Syed Omar bin Syed Abdullah	600,000 ¹
Dato' Choo Keng Weng	-
YM Tunku Mahmood bin Tunku Mohammed	-
Mohd Shariff bin Salleh	-
Khaw Teik Thye	-

Notes: ¹Granted on 13.07.2004



SHAREHOLDING STATISTICS (CONT'D)

DISTRIBUTION OF SHAREHOLDING AS AT 31 MARCH 2009 – WARRANTS

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 – 99	-	-	-	-
100 – 1,000	8	4.94	6,300	0.06
1,001 – 10,000	108	66.67	498,800	4.99
10,001 – 100,000	36	22.22	857,000	8.57
100,001 – 499,999	4	2.47	639,900	6.40
500,000 and above	6	3.70	7,998,000	79.98
	162	100.00	10,000,000	100.00

THIRTY LARGEST WARRANTS SHAREHOLDERS AS AT 31 MARCH 2009

Shareholders	No. of Warrants Held	%
1 Esa bin Mohamed	3,594,000	35.94
2 Choo Keng Weng	1,896,000	18.96
3 Goh Hock Guan	942,100	9.42
4 Ong Sok Hean	565,900	5.66
5 Asraman Sdn Bhd	500,000	5.00
6 Chu Siew Fei	500,000	5.00
7 Choo Keng Weng	250,000	2.50
8 Muhammad Ali bin Jamaluddin	150,100	1.50
9 Yii Leh Kiew	139,700	1.40
10 Norliza binti Hashim	100,100	1.00
11 Usanee Reinu	69,000	0.69
12 Chang Yoke Mui	50,100	0.50
13 Rajasingam A/L S Singarajah	50,100	0.50
14 Ngu Shang Shang	40,100	0.40
15 Mohd Hadi bin Mohamed Anuar	35,600	0.36
16 Tan Sai Hoon	33,000	0.33
17 Chung Li Yen	30,900	0.31
18 Chan Poh Lin	30,100	0.30
19 Tan Gek Peng	30,000	0.30
20 BHLB Trustee Berhad Exempt An for Employees Provident Fund (PCM)	29,900	0.30
21 Tan Say Cheng	28,000	0.28
22 Chow Yin Meng	25,600	0.26



SHAREHOLDING STATISTICS (CONT'D)

Shareholders	No. of Warrants Held	%
23 Siva-Muniandy A/L Muniandy	25,000	0.25
24 Goh Yoke Choo	24,100	0.24
25 Ibrahim bin Sarmani	20,100	0.20
26 A.A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Hwa Jau	20,000	0.20
27 Aziz bin Mat Salleh	20,000	0.20
28 Cheok Pei Koon	20,000	0.20
29 JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Sieh Ming (STA 2)	20,000	0.20
30 Lim Chew Mei	20,000	0.20
Total	9,259,500	92.60

DIRECTORS' WARRANT HOLDINGS

	Direct No. of Warrants	%	Indirect No. of Warrants	%
Tuan Syed Omar bin Syed Abdullah	-	-	-	-
Dato' Choo Keng Weng	2,146,000	21.46	-	-
YM Tunku Mahmood bin Tunku Mohammed	-	-	-	-
Mohd Shariff bin Salleh	-	-	-	-
Khaw Teik Thye	-	-	-	-



LIST OF PROPERTIES HELD

Landed properties in the Group consist of:

	Location	Description	Area	Tenure (Year Expiring)	Age of Building	Net Book Value (RM)
A. Freehold						
1	Holding 2058, 2060 & 2062 Mukim Tanjong Kling 76400 Melaka	Vacant Land	127,576 sq. ft.	-	-	544,000
B. Leasehold						
1	Lot 100 Gebeng Industrial Estate 26080 Kuantan	Factory with office	206,910 sq. ft.	2048	26 years	420,643
2	82 Jalan Tun Ali 75300 Melaka	Factory with office	113,133 sq. ft.	2050 to 2056	37 years	5,136,040
3	647 Jalan Tun Tasek	Double Storey	1,540 sq. ft.	2079	37 years	220,000
4	129A Jalan Mutahir 75300 Melaka	Vacant Land	10,693 sq. ft.	2061	47 years	498,085
5	Lot 1983 Mukim Lepar Pekan Pahang	Farm Building	12,927,436 sq. ft.	2081	9 years	7,615,218
6	Provisional Lease Lot 4, Punan Land District, Sarawak	Oil Palm Plantation with Office/ Store/ Worker Quarters	10,730 hectares	2057	7 years	6,300,761
	Provisional Lease Lot 7, Dulit Land District, Sarawak	Oil Palm Plantation	267 hectares	2057	N/A	
GRAND TOTAL						20,734,747



Proxy Form

SIN HENG CHAN (MALAYA) BERHAD

(Company No. 4690-V) (Incorporate in Malaysia)

CDS Account No.

No. of Shares Held

I/We, _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS IN FULL)

being a member/ members of **SIN HENG CHAN (MALAYA) BERHAD**, hereby appoint _____

(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS IN FULL)

or failing him/ her, _____ of _____

the CHAIRMAN OF MEETING, as my/ our proxy to vote for me/ us and on my/ our behalf at the Forty-Seventh Annual General Meeting of the Company to be held at Semantan Hall, Ground Floor (Block B), Peninsula Residence All Suite Hotel, 10 Jalan Semantan, Bukit Damansara, 50490 Kuala Lumpur on Friday, 22nd May 2009 at 10:00a.m. and at any adjournment thereof, on the following resolutions as indicated below:

RESOLUTION	FOR	AGAINST
1. To receive and adopt the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2008 together with the Reports of the Directors and the Auditors thereon.		
2. To re-elect Dato' Choo Keng Weng, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company.		
3. To re-elect YM Tunku Mahmood bin Tunku Mohammed, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company.		
4. To approve the payment of Directors' fees amounting to RM18,000 for the financial year ended 31 December 2008.		
5. To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		
Special Businesses		
6. To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Special Resolution		
7. To approve the amendments to the Articles of Association of the Company.		
8. To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.		

(Please indicate with an "x" on how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain at his/ her discretion.)

*Delete the words "the Chairman of the Meeting" if you wish to appoint some other person(s) to be your proxy.

Dated this _____ day of _____ 2009

Signature or Common Seal of Shareholder (s)

Notes:

- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b), (c) and (d) of the Act shall not apply to the Company. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised in writing.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
- To be valid, the original Form of Proxy, duly completed, must be deposited at the Registered Office of the Company at Suite 2.02, Level 2, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights,

50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

- The lodging of a completed Form of Proxy will not preclude a member from attending and voting in person at the meeting should the member subsequently wish to do so. A member will not be allowed to attend the meeting together with a proxy appointed by him.
- For the purposes of determining a member entitled to attend the meeting, the Company will request Bursa Malaysia Depository Sdn Bhd (in accordance with Article 66(b) of the Company's Articles of Association, to issue the Record of Depositors ("ROD") as at 18 May 2009 for determining the depositors who shall be deemed to be the registered holders of the shares of the Company eligible to be present and vote at the meeting. Only a depositor whose name appears on the ROD as at 18 May 2009 shall be entitled to attend the meeting.

Explanatory Notes to Special Business

- Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965**

The proposed Resolution 6, if passed, will empower the Directors from the date of the Forty-Seventh Annual General Meeting to allot and issue up to a maximum of 10% of the issued share capital of

the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

- Proposed Amendments to the Articles of Association of the Company**

The Proposed Special Resolution is to amend the Company's Articles of Association to be in line with the Amendments of the Listing Requirements of the Bursa Malaysia Securities Berhad. The details of the Proposed Amendments to the Articles of Association are set out in the Appendix I of the Circular to Shareholders dated 28 April 2009.

- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs")**

The Proposed Resolution 8, if passed, will enable the Company and/ or its subsidiaries to enter into recurrent transactions involving the interest of Related Parties, which are of a revenue or trading nature and necessary for Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

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THE COMPANY SECRETARY
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