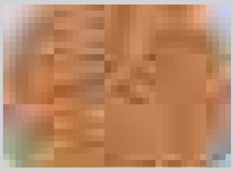
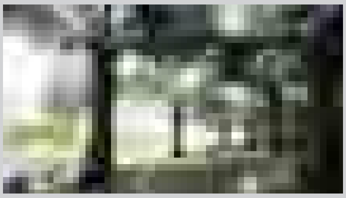
SIN HENG CHAN (MALAYA) BERHAD (4690-V)
(Incorporated in Malaysia)

Capitalizing On Our Growth Potential

ANNUAL REPORT 2009




ANNUAL
REPORT 2009

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth (48th) Annual General Meeting of the Company will be held at Ballroom 2, LG Level, Eastin Hotel Petaling Jaya, 13 Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor on Friday, 7 May 2010 at 10:00 a.m. for the following purposes:

AGENDA

Ordinary Businesses

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon. **(Ordinary Resolution 1)**

2. To re-elect the Directors who retire in accordance with Article 94 of the Articles of Association of the Company:

   (a) Tuan Syed Omar bin Syed Abdullah **(Ordinary Resolution 2)**
   (b) Mohd Shariff bin Salleh **(Ordinary Resolution 3)**

3. To approve the payment of Directors' fees amounting to RM 18,000 for the financial year ended 31 December 2009. **(Ordinary Resolution 4)**

4. To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

Special Businesses

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** **(Ordinary 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. "

   - **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions** **(Ordinary Resolution 7)**

     "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 Section 2.4.1 of the Circular to Shareholders dated 13 April 2010 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 extention 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 expedient or necessary to give effect to the Mandate."

- **Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions**
  (Ordinary Resolution 8)

  "THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the company and its subsidiaries shall be mandated to enter into recurrent transactions of a revenue or trading nature with the Related Party as specified in Section 2.4.2 of the Circular to Shareholders dated 13 April 2010 subject further to the following:

  (i) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders;

  (ii) disclosure will be made of a breakdown of the aggregate value of transactions conducted pursuant to the Mandate during the financial year based on the following information in the Company's Annual Report and in the Annual Reports for subsequent financial years that the Mandate continues in force:

  (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the General Meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

  (b) the expiration of the period within which the next AGM after this date is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965): or

  (c) revoked or varied by resolution passed by the shareholders in a General Meeting;

  whichever is earlier provided that such transactions are made on an arms' length basis and on normal commercial terms."

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
13 April 2010

Explanatory Notes to Special Businesses

(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-Eighth Annual General Meeting ("AGM") 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 AGM of the Company.

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 22 May 2009 and which will lapse at the conclusion of the Forty-Eighth AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

(ii) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs") and Proposed Additional Shareholders' Mandate for RPPTs

The Proposed Resolutions 7 and 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, must be completed and 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, however such attendance would be an automatic revocation of the proxy's authority unless an intimation in writing has been made to the Company at the registered office.*

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 3 May 2010 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 3 May 2010 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) Tuan Syed Omar Bin Syed Abdullah
(ii) Mohd Shariff Bin Salleh

The profile of the above Directors are set out in the Section entitled "Profile of Directors" on page 7 of this Annual Report. The details of their securities holding in the Company and Subsidiaries are stated on page 71 of this Annual Report.

2. DETAILS OF ATTENDANCE OF DIRECTORS

A total of four (4) Board Meetings were held during the financial year ended 31 December 2009.

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

DIRECTORS	NO. OF MEETINGS ATTENDED
Tuan Syed Omar Bin Syed Abdullah	4/4
Dato' Choo Keng Weng	4/4
Y.M. Tunku Mahmood Bin Tunku Mohammed	4/4
Mohd Shariff Bin Salleh	3/4
Khaw Teik Thye	4/4

All four (4) 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
19.02.2009	02.00 p.m.
22.05.2009	03.00 p.m.
20.08.2009	11.00 a.m.
19.11.2009	11.00 a.m.

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

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

Date : Friday, 7 May 2010
Time : 10:00 a.m.
Place : Ballroom 2, LG Level, Eastin Hotel Petaling Jaya,
13 Jalan 16/11, Pusat Dagang Seksyen 16,
46350 Petaling Jaya, Selangor.

BOARD OF DIRECTORS

Tuan Syed Omar Bin Syed Abdullah
Chairman / Non-Independent Executive Director

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

YM Tunku Mahmood Bin Tunku Mohammed
Independent Non-Executive Director

Mr. Khaw Teik Thye
Independent Non-Executive Director

Encik Mohd Shariff Bin Salleh
Independent Non-Executive Director

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

BUSINESS OFFICE

Level 3, Wisma E & C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 03-2094 7992
Fax : 03-2094 7996

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
(Formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Garden North Tower Mid Valley City
Lingakaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 03-2264 3883
Fax : 03-2282 1886

PRINCIPAL BANKERS

CIMB Bank Berhad
Agrobank

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

Corporate Structure

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

- 100% Sin Heng Chan Industries Sdn Bhd
  - 100% Sin Heng Chan Feed Sdn Bhd
  - 60% LKPP-Goldkist Sdn Bhd
  - 100% Goldkist (NS) Sdn Bhd
  - 100% Kuala Lumpur Feedmill Sdn Bhd
  - 100% Central Feedmill Sdn Bhd
- 80% Urun Plantations Sdn Bhd
- 100% SHC Technopalm Plantation Services Sdn Bhd
- 100% Goldkist (Malaysia) Sdn Bhd
- 100% Ayam Segar Sdn Bhd

Profile of Directors

TUAN SYED OMAR BIN SYED ABDULLAH

Chairman / Non-Independent Executive Director

Tuan Syed Omar bin Syed Abdullah, age 54, Malaysian, 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 board of several private limited companies.

DATO' CHOO KENG WENG

Managing Director / Non-Independent Executive Director

Dato' Choo Keng Weng, age 60, 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 Berhad (formerly known as 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.

Y.M. TUNKU MAHMOOD BIN TUNKU MOHAMMED

Independent / Non-Executive Director

Y.M. Tunku Mahmood Bin Tunku Mohammed, aged 65, a Malaysian citizen, was appointed as Director of the Company in January 1999. He is a member of the Audit Committee of the Company.

Y.M. Tunku Mahmood Bin Tunku Mohammed served the military for many years. He is a businessman and currently runs a holiday resort in Johor, He also serves on the board of several other private companies. He is currently a Director of Java Berhad (formerly known as Java Incorporated Bhd), a public company listed on the Bursa Malaysia Securities Berhad.

MR. KHAW TEIK THYE

Independent / Non-Executive Director

Mr. Khaw Teik Thye, aged 40, Malaysian, was appointed to the Board on 3 April 2006. He is a Chartered Accountant, a member of MIA and a partner in a large accounting firm in Malaysia. 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 Chairman of the Audit Committee of the Company.

ENCIK MOHD SHARIFF BIN SALLEH

Non-Independent / Non-Executive Director

Encik Mohd Shariff Bin Salleh, aged 59, Malaysian, 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 is also a member of the 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 has 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. **ATTENDANCE AT BOARD METINGS**

   The details of the Directors' attendance at Board Meetings are set out on pages 4 and 11 of this Annual Report.

5. **SHAREHOLDINGS**

   The details of the Directors' interest in the securities of the Company are set out on page 71 of this Annual Report.

Chairman's Statement

Dear Shareholders and Associates,

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 2009.

FINANCIAL RESULTS

For the financial year ended 31 December 2009, the Group recorded total gross revenue of RM62.72 million, an increase of 7.29 % as compared to the preceding year revenue of RM58.46 million. The increase in turnover was mainly due to the higher turnover of poultry and feed milling division. As a result, the Group recorded a profit after taxation of the Group amounting to RM1.43 million as compared to a loss after tax of RM3.95 million in the preceding year. The profit after taxation was mainly attributable to higher sales volume and selling price from feed milling division.

The net assets value per ordinary share stood at RM0.654 for the financial year ended 31 December 2009.

REVIEW OF OPERATIONS

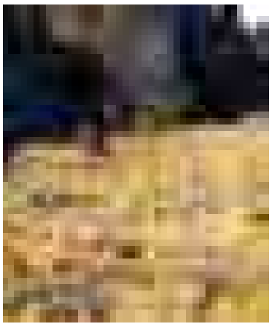
FEED MILLING

The Group recorded a growth in revenue in the feed milling division where it continues to remain as the largest revenue contributor to the Group, with contributions of 53%. The feed milling division of the Group achieved higher revenue of RM33.26 million as compared to RM32.26 million in the previous year. It has also recorded a profit after taxation of RM3.327 million as compared to a profit after taxation of RM52,000 in the previous year. The significant improvement in revenue and performance of the feed milling division was mainly contributed by higher volume of sales and selling prices for feed. The Division has performed well despite the high cost of raw materials as this was mitigated by improvement in operational and distribution efficiencies.

PLANTATION

The year 2009 was a challenging year for the Plantation Division, though there was improvement in production performance, as it was severely affected by softer commodity prices and bad weather conditions as a result of the heavy rainfall in early 2009 and the El-Nino hot spells in mid 2009. The Group recorded revenue of RM12.51 million which was lower as compared to RM13.20 million in the previous year. Nevertheless, good agricultural practices and constant dialogues with the oil palm mill management saw improvements in the average oil extraction rate (OER) achieved. During the financial year, the FFB production from matured areas was 30,265 MT as compared to 26,206MT in the previous year.

The Group continue to be 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 continued to be 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. The Group hope to achieve higher production as a result of improvement in FFB yields for the matured areas and with additional areas being brought into maturity.



POULTRY

The Group recorded a higher revenue of RM16.95 million during the financial year under review as compared to RM12.99 million in the previous year mainly due to the improvement in production quantity of day-old chicks. Nevertheless, the Group would continue improving its management of breeder flock and incubation procedures in order to improve the quality of day-old chick as well as its hatchability rate.

PROSPECTS

The animal feed industry would be expected to continue to strive along with the Ninth Malaysia Plan which focuses on the development of the livestock industry particularly its supply chain, including animal feed production. However, Malaysia's domestic feed resources are insufficient to meet the needs of its livestock industry and hence there is still need for high volume imports of feed ingredient and inputs such as corn and soybean to meet demand from the industry.

The outlook for palm oil prices continues to remain strong in view of the global oils and fats tightness, coupled with the increase in vegetable oils demand amid improving global economic situation. However, the El-Nino driven hot weather and a growing labour shortage might curb Malaysia' palm oil output for 2010.

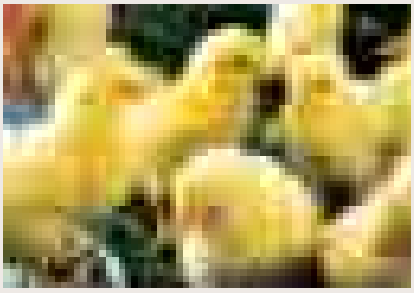
The Board and the Management would continue to explore various initiatives to revamp and streamline the Group's business structure in order to further enhance the Group's overall competitiveness, particularly to further improve the operational efficiency. The Board and Management are working towards strengthening its market position and achieving further economies of scale. The Board expects the performance of the Group for the current year to be satisfactory.

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



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 personnel;

(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 2009, the Board consists of five (5) directors of whom three (3) are independent. The composition of independent non-executive directors has met the minimum prescribed in the Code and Listing Requirements. 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

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

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 7 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 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.

Independence of 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 four (4) 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	4/4
Dato' Choo Keng Weng	4/4
Mr. Khaw Teik Thye	4/4
YM Tunku Mahmood Bin Tunku Mohammed	4/4
Encik Mohd Shariff Bin Salleh	3/4

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

As at the date of this report, all the Directors have attended the Mandatory Accreditation Programme ("MAP") conducted by Bursa Malaysia Training Sdn Bhd, the training and education arm of Bursa Malaysia Securities Berhad.

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 directions, as well as their duties and responsibilities as directors.

The Directors are regularly updated on new statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities. In addition, the Directors also receives briefings and updates on the Group's businesses and operations, risk management activities and technology initiatives on a regular basis. The Company provides internal programmes for its Directors during the financial year, amongst which include:

- Amendments to the Listing Requirements of the Bursa Securities arising from the merging of the Main Board and Second Board
- Corporate Governance Guide – Towards Boardroom Excellence
- Better Poultry Breeding Strategies using Group Genetic Selection

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 18 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 bye-laws and regulations, including selection of eligible employees and options allocations. It also reviews the guidelines and bye-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 authorized 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 2009 is categorised as follows:

	Salaries RM'000	Other Emoluments RM'000	Fees RM'000	Total RM'000
Executive Directors	570	20	-	590
Non-Executive Directors	-	14	18	32

The analysis of remuneration of Directors for the financial year ended 31 December 2009 is as follows:

	No. of Directors	
Range of Remuneration	**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 21 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 19 to 20 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 18 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. For this purpose, the Board has identified Mr. Khaw Teik Thye as the Senior Independent Director to whom questions or concerns regarding the Group may be conveyed. Mr. Khaw Teik Thye can be contacted via the following channels:

Post : Mr. Khaw Teik Thye
c/o Corporate Secretarial Department
Suite 2.02, Level 2, Wisma E & C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Fax : (603) 2093 5571
Email : auditcom.shcm@gmail.com

Investors may also direct their queries to Investor Relations Manager at the above address and fax number or via email : ir@shcm.com.my.

The Company also maintains a web-site at www.sinhengchanmalaya.com 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 2009.

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 (Chairman) *Independent Non-Executive Director*	6/6
YM Tunku Mahmood bin Tunku Mohammed *Independent Non-Executive Director*	6/6
Encik Mohd Shariff bin Salleh *Independent Non-Executive Director*	5/6

The Audit Committee met six (6) times during the financial year ended 31 December 2009.

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 2009, the Audit Committee carried out its duties as set out in the terms of reference which included the following :

(a) 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;

(b) Review of the Audit Planning Memorandum with the External Auditors;

(c) Review of the Audit Review Memorandum with the External Auditors;

(d) Review the Audit Fees of the External Auditors;

(e) Review of the internal audit findings and recommendations with the Internal Auditors;

(f) Review the Audit Committee Report and Statement on Internal Control; and

(g) Review the procedure established to monitor Recurrent Related Party Transactions and also 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 2009. 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 carry out its reviews and reports to the Audit Committee.

During the financial year, the Internal Auditors reviewed the system of internal control and the processes implemented by the management in the key subsidiary companies and reported its results and findings to the Audit Committee.

The total cost incurred for the Group Internal Audit Function in respect of the financial year ended 31 December 2009 amounted to RM31,554.00.

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) a member of the Malaysian Institute of Accountants ("MIA"); or

(b) 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

(c) 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

(d) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

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 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 misstatement 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 recognises the importance of ensuring that a sound system of internal controls and effective risk management practices are in place in the organisation. 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.

(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 2009 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 2 April 2010.

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 2009 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

There were no exercise of the Company's Warrants 2004/2009 since January 2009 and during the financial year the Warrants expired on 24 July 2009.

The Company established an Employees' Share Option Scheme (ESOS) to grant options to eligible Directors and employees of the Group to subscribe in accordance with the ESOS Bye-laws a total aggregate number of new ESOS Shares not exceeding ten per centum (10%) of the total issued and paid up ordinary share capital of the Company. A total of 6,502,000 ESOS Options were granted to the eligible employees. There were no ESOS exercised during the financial year.

On 22 May 2009, the Directors extended the ESOS which expired on 12 July 2009 for another five (5) year until 12 July 2014.

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 2009.

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 RM33,550.

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 73 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 except for the rental of premises with a company in which a Director has financial interest. The transaction is specified in the Circular to Shareholders dated 13 April 2010 to seek the Shareholder's mandate.

Corporate Social Responsibility Statement

The Bursa Malaysia Securites Berhad's Corporate Social Reponsibility ("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 to apply chicken manure to the surrounding coconut palm trees in the estates and to dispose chicken manure with local farmers as fertilizers to enable returning of nutrients to the land.

The Group's breeding farms are operated in closedhouse and have a bio-security facility which meets veterinary requirements to address bio-security risks associated with various poultry viruses as well as to avoid pollution to residents and other commercial facilities around the poultry farming areas.

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 organisations and interest groups.

FINANCIAL STATEMENTS

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, 2009.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are as disclosed in Note 15 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.

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
Profit before tax	1,172,089	4,828,186
Tax credit/(expense)	260,354	(1,053,833)
Profit for the year	1,432,443	3,774,353

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.

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.

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

	No. of Options Over Ordinary Shares of RM1 each				
Exercisable from	**Balance at 1.1.2009**	**Granted**	**Exercised**	**Forfeited**	**Balance at 31.12.2009**
13.7.2004	1,069,000	-	-	(34,000)	1,035,000

The directors have on May 22, 2009 extended the ESOS which expired on July 12, 2009 for another five (5) years until July 12, 2014.

WARRANTS 2004/2009

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

There were no warrants exercised from January 1, 2009 until its expiry date on July 24, 2009.

The salient terms of the warrants are as follows:

(a) 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.

(b) 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.

(c) 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.

(d) 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 STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off for bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

(b) 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.

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

(a) which would render the amount written off for bad debts or 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 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
Y.M. Tunku Mahmood bin Tunku Mohammed
Mohd Shariff bin Salleh
Khaw Teik Thye

In accordance with Article 94 of the Company's Articles of Association, Tuan Syed Omar bin Syed Abdullah and Mohd Shariff bin Salleh retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

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:

	No. of Ordinary Shares of RM1 each			
	Balance at 1.1.2009	**Bought**	**Sold**	**Balance at 31.12.2009**
Shares in the Company				
Registered in the name of directors				
Dato' Choo Keng Weng	11,815,793*	-	-	11,815,793*
Mohd Shariff bin Salleh	35,000	-	-	35,000
Deemed Interest				
(by virtue of his interest in Macronet Sdn. Bhd.)				
Dato' Choo Keng Weng	2,925,000	-	-	2,925,000

Note : * Includes shares held by nominees

	No. of Options Over Ordinary Shares of RM1 each			
	Balance at 1.1.2009	**Granted**	**Exercised**	**Balance at 31.12.2009**
Share Options in the Company				
Registered in the name of director				
Tuan Syed Omar bin Syed Abdullah	600,000	-	-	600,000

The 2,146,000 Warrants 2004/2009 in Sin Heng Chan (Malaya) Berhad held by Dato' Choo Keng Weng since January 1, 2009 were not exercised/sold during the financial year and had expired on July 24, 2009.

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.

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 20, 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 except for options granted to certain directors pursuant to the Company's ESOS as disclosed above.

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
24 March, 2010

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

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, 2009, 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 67.

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 Financial Reporting 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 the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 Financial Reporting 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, 2009 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 Accountant

24 March, 2010

Income Statements

FOR THE YEAR ENDED DECEMBER 31, 2009

		The Group		The Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Revenue	5 & 6	62,720,344	58,457,562	5,333,333	-
Cost of sales		(52,858,819)	(51,759,163)	-	-
Gross profit		9,861,525	6,698,399	5,333,333	-
Other operating income		1,109,544	1,218,936	2,363,056	1,389,439
Selling and distribution expenses		(2,704,794)	(2,186,429)	-	-
Administrative expenses		(4,582,791)	(3,995,061)	(1,681,748)	(1,796,696)
Finance costs	7	(1,235,543)	(1,495,209)	(12,761)	(13,571)
Other operating expenses		(1,275,852)	(4,275,961)	(1,173,694)	(794,313)
Profit/(Loss) before tax	8	1,172,089	(4,035,325)	4,828,186	(1,215,141)
Tax credit/(expense)	9	260,354	83,285	(1,053,833)	(913,654)
Profit/(Loss) for the year		1,432,443	(3,952,040)	3,774,353	(2,128,795)
Attributable to:					
Equity holders of the Company		1,704,916	(3,325,393)		
Minority interest		(272,473)	(626,647)		
		1,432,443	(3,952,040)		
Earnings/(Loss) per ordinary share					
Basic	10	1.53 sen	(2.98) sen		
Diluted	10	-	-		

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

Balance Sheet

AS OF DECEMBER 31, 2009

		The Group		The Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,349,394	11,543,682	262,961	238,059
Plantation development expenditure	12	78,769,460	76,849,643	-	-
Prepaid lease payments	13	22,001,158	22,720,525	-	-
Investment properties	14	6,178,124	6,178,124	6,178,124	6,178,124
Investment in subsidiary companies	15	-	-	60,789,009	60,789,009
Other investments	16	5,301	5,290	5,301	5,290
Goodwill on consolidation	17	16,354,080	16,354,080	-	-
		134,657,517	133,651,344	67,235,395	67,210,482
Current Assets					
Inventories	18	7,233,730	7,883,245	-	-
Trade receivables	19	5,224,265	5,941,090	-	-
Other receivables, deposits and prepaid expenses	19	2,350,531	1,354,476	1,438,766	552,341
Tax recoverable		1,095,397	1,264,384	850,547	1,120,547
Amount owing by subsidiary companies	20	-	-	5,267,093	3,403,591
Fixed deposits, cash and bank balances	21	10,109,996	11,124,958	6,599,578	5,800,042
		26,013,919	27,568,153	14,155,984	10,876,521
Total assets		160,671,436	161,219,497	81,391,379	78,087,003
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	22	111,666,787	111,666,787	111,666,787	111,666,787
Revaluation surplus	23	5,377,640	5,377,640	5,377,640	5,377,640
Accumulated loss		(53,517,597)	(55,222,513)	(49,532,587)	(53,306,940)
Shareholders equity		63,526,830	61,821,914	67,511,840	63,737,487
Minority interest		9,419,458	9,691,931	-	-
Total equity		72,946,288	71,513,845	67,511,840	63,737,487
Non-current liabilities					
Hire-purchase payables	24	530,094	397,127	215,013	172,887
Long-term loans	25	40,000,000	40,000,000	-	-
Deferred tax liabilities	26	10,943,295	11,514,649	-	279,500
		51,473,389	51,911,776	215,013	452,387

Balance Sheet (cont'd)

AS OF DECEMBER 31, 2009

		The Group		The Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Current liabilities					
Trade payables	27	8,613,191	7,818,674	-	-
Other payables and accrued expenses	27	25,815,050	25,645,864	13,534,512	13,506,616
Amount owing to subsidiary companies	20	-	-	48,230	326,107
Bank borrowings	28	1,229,000	4,090,097	-	-
Hire-purchase payables	24	243,450	199,173	81,784	64,406
Tax liabilities		351,068	40,068	-	-
		36,251,759	37,793,876	13,664,526	13,897,129
Total liabilities		87,725,148	89,705,652	13,879,539	14,349,516
Total equity and liabilities		160,671,436	161,219,497	81,391,379	78,087,003

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

Statements Of Changes In Equity

FOR THE YEAR ENDED DECEMBER 31, 2009

The Group	← Attributable to Equity Holders of The Company → Issued Capital RM	Non-Distributable Reserves-Revaluation Reserve RM	Accumulated Loss RM	Total RM	Minority Interest RM	Total Equity RM
Balance as of January 1, 2008	111,666,787	5,377,640	(51,897,120)	65,147,307	19,816,187	84,963,494
Total recognised income and expense:						
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	5,377,640	(55,222,513)	61,821,914	9,691,931	71,513,845
Balance as of January 1, 2009	111,666,787	5,377,640	(55,222,513)	61,821,914	9,691,931	71,513,845
Total recognised income and expense:						
Profit for the year	-	-	1,704,916	1,704,916	(272,473)	1,432,443
Balance as of December 31, 2009	111,666,787	5,377,640	(53,517,597)	63,526,830	9,419,458	72,946,288

The Company	Issued Capital RM	Non-Distributable-Reserves-Revaluation Reserve RM	Accumulated Loss RM	Total Equity RM
Balance as of January 1, 2008	111,666,787	5,377,640	(51,178,145)	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	5,377,640	(53,306,940)	63,737,487
Balance as of January 1, 2009	111,666,787	5,377,640	(53,306,940)	63,737,487
Total recognised income and expenses:				
Profit for the year	-	-	3,774,353	3,774,353
Balance as of December 31, 2009	111,666,787	5,377,640	(49,532,587)	67,511,840

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

Cash Flow Statements

FOR THE YEAR ENDED DECEMBER 31, 2009

	Note	The Group 2009 RM	The Group 2008 RM	The Company 2009 RM	The Company 2008 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,172,089	(4,035,325)	4,828,186	(1,215,141)
Adjustments for:					
Amortisation of plantation development expenditure		2,064,985	1,470,966	-	-
Depreciation of property, plant and equipment		1,612,843	1,713,173	151,639	144,598
Finance costs		1,235,543	1,495,209	12,761	13,571
Amortisation of prepaid lease payments		719,367	719,367	-	-
Loss/(Gain) on disposal of property, plant and equipment		64,949	(17,390)	(5,999)	(1,269)
Bad debts written off		153,079	-	-	-
(Allowance for doubtful debts no longer required) /Allowance for doubtful debts		(484,164)	1,744,708	(150,000)	(4,000)
Interest income		(135,253)	(304,867)	(154,509)	(243,734)
(Allowance no longer required for)/Allowance for diminution in value of other investments		(11)	83	(11)	83
Dividend income		-	-	(5,333,333)	-
Allowance for doubtful debts no longer required on amount owing by subsidiary companies		-	-	(1,000,000)	(45,000)
Allowance for doubtful debts on amount owing by subsidiary companies		-	-	577,548	-
Insurance claim receivable written off		-	289,564	-	-
Changes in fair values of investment properties		-	264,376	-	264,376
Operating Profit/(Loss) Before Working Capital Changes		6,403,427	3,339,864	(1,073,718)	(1,086,516)
(Increase)/Decrease in:					
Inventories		649,515	(1,377,453)	-	-
Trade receivables		897,910	1,935,785	-	-
Other receivables, deposits and prepaid expenses		(679,555)	(392,019)	(736,425)	(203,879)
Fixed deposits pledged to banks		(20,000)	(120,000)	140,000	(120,000)
Amount owing by subsidiary companies		-	-	(1,372,103)	2,587,623
Increase/(Decrease) in:					
Trade payables		794,517	(512,430)	-	-
Other payables and accrued expenses		169,186	93,484	27,896	(27,527)
Amount owing to subsidiary companies		-	-	(277,877)	(165,301)
Cash From/(Used In) Operations		8,215,000	2,967,231	(3,292,227)	984,400
Interest paid		(2,652,624)	(3,297,834)	(12,761)	(13,571)
Income tax refunded - net		168,987	113,147	270,000	-
Net Cash From/(Used In) Operating Activities		5,731,363	(217,456)	(3,034,988)	970,829

Cash Flow Statements (cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2009

		The Group		The Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Addition of plantation development expenditure (Note (a))		(2,567,721)	(2,430,658)	-	-
Purchase of property, plant and equipment (Note (b))		(1,295,491)	(526,577)	(43,142)	(94,449)
Proceeds from disposal of property, plant and equipment		130,569	18,823	6,000	2,700
Interest received		135,253	304,867	85,562	243,734
Dividend received		-	-	4,000,000	-
Additional acquisition of a subsidiary company		-	(3,059,030)	-	(3,047,100)
Net Cash (Used In)/From Investing Activities		(3,597,390)	(5,692,575)	4,048,420	(2,895,115)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of bank borrowings		(2,861,097)	(3,337,412)	-	-
Repayment of hire-purchase		(307,838)	(241,364)	(73,896)	(62,132)
Proceeds from long-term loans		-	6,500,000	-	-
Proceeds from issue of shares to minority shareholders		-	1,424,580	-	-
Net Cash (Used In)/From Financing Activities		(3,168,935)	4,345,804	(73,896)	(62,132)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,034,962)	(1,564,227)	939,536	(1,986,418)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		10,984,958	12,549,185	5,660,042	7,646,460
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	9,949,996	10,984,958	6,599,578	5,660,042

Note (a): During the financial year, the Group's additions to plantation development expenditure amounted to RM3,984,802 (2008: RM4,233,283) of which RM1,417,081 (2008: RM1,802,625) represents borrowing costs capitalised. The remaining additions of RM2,567,721 (2008: RM2,430,658) were paid in cash.

Note (b): During the financial year, the Group's and the Company's additions to property, plant and equipment amounted to RM1,780,573 (2008: RM635,170) and RM176,542 (2008: RM94,449) of which RM485,082 (2008: RM108,593) and RM133,400 (2008: RMNil) respectively was financed through hire-purchase arrangements. The remaining additions of RM1,295,491 (2008: RM526,577) and RM43,142 (2008: RM94,449) were paid in cash by the Group and the Company respectively.

The accompanying Notes form an integral part of 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 15.

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 24 March, 2010.

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 Financial Reporting Standards in Malaysia.

Standards and Interpretations In Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the Financial Reporting Standards ("FRSs"), IC Interpretations ("IC Int.") and amendments to FRSs which were in issue but not yet effective are as listed below. Except for FRS 8 which is effective for annual financial statements for periods beginning on or after July 1, 2009, the new/revised FRSs, amendments to FRSs and IC Int. are effective for annual periods beginning on or after January 1, 2010.

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised in 2009)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation)
FRS 139	Financial Instruments: Recognition and Measurement
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition and embedded derivatives)

Improvements to FRSs (2009)

IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

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

FRS 4 and IC Int. 13 are not expected to be relevant to the Company. The directors anticipate that the other FRSs, amendments to FRSs and IC Int. will be adopted in the annual financial statements of the Group and the Company for the year commencing January 1, 2010 and that the adoption of these new/revised FRS, amendments to FRSs and IC Int. will have no material impact on the financial statements of the Group and the Company in the period of initial application except for the following:

FRS 7: Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

Paragraph 44AB of FRS 7 provides that an entity need not disclose information as required under paragraph 30(b) of FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors prior to the effective date of the standard.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114_{2004} Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's and the Company's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

FRS 101: Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Company's financial statements.

FRS 123: Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This principal change in the Standard has no impact on the financial statements of the Group and the Company in the period of initial application as it has always been the Group's and the Company's accounting policy to capitalise borrowing costs incurred on provision of qualifying assets.

FRS 127: Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised in 2010) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

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

FRS 132: Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation)

Subject to some specified criteria being met, the amendment allows certain puttable financial instruments or instruments (or components of instruments) that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation to be classified as equity. Due to the nature of the Group's and the Company's financial instruments, the impact of initial application of the amended Standard is not expected to have an impact on the Group's and the Company's financial statements.

FRS 139: Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items)

The amendments clarify hedge accounting with respect to identifying inflation as a hedged risk or portion and hedging with options. Initial application of the amended Standard is not expected to have any material impact on the Group's and the Company's financial report.

By virtue of the exemption provided in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements of the Group and the Company upon initial application of this standard as required by paragraph 30(b) of FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following two of the improvements are expected to have an impact on the Group's and the Company's financial statements.

FRS 117: Leases generally required leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either 'finance' or 'operating' using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after January 1, 2010, and they are to be applied retrospectively to unexpired leases as of January 1, 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on January 1, 2010 (i.e. the date of adoption of the amendments) and the Group and the Company will recognise assets and liabilities related to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings.

FRS140: Investment Property has been amended to include within its scope investment property in the course of construction and in accordance with the Group's and the Company's accounting policy for investment property, such property are to be measured at fair value (where that fair value is reliably determinable), with changes in fair value recognised in income statements.

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 is measured at the fair value consideration received and receivable in the normal course of business. The revenue recognition policies of the Group and of the Company are as follows:

(i) Sale of goods

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.

(ii) Dividend income

Dividend income is recognised when the shareholders' right to receive the dividend have been established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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%

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (cont'd)

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.

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.

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 Group 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 (or 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.

Plantation Development Expenditure

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 or remaining lease period.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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, 2009. 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill

Goodwill arising from the acquisition of subsidiary company represents the excess of cost of acquisition over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of formulated animal feeds	33,262,207	32,264,559	-	-
Poultry breeding	16,946,720	12,990,881	-	-
Sales of fresh fruit bunches	12,511,417	13,202,122	-	-
Dividend income	-	-	5,333,333	-
	62,720,344	58,457,562	5,333,333	-

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.

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

2009	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Revenue							
External sales	33,262,207	16,946,720	12,511,417	-	-	-	62,720,344
Inter-segment sales	9,841,499	-	674,561	5,333,333	-	(15,849,393)	-
Total revenue	43,103,706	16,946,720	13,185,978	5,333,333	-	(15,849,393)	62,720,344
Results							
Segment results	3,739,193	(291,727)	634,567	(2,010,649)	336,248	-	2,407,632
Profit from operations							2,407,632
Finance costs							(1,235,543)
Profit before tax							1,172,089
Tax credit							260,354
Profit for the year							1,432,443

6. SEGMENT REPORTING (CONT'D)

The Group

2009	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	458,973	910,974	4,218,886	176,542	-	-	5,765,375
Depreciation of property, plant and equipment and amortisation of plantation development expenditure	(239,542)	(951,098)	(2,315,484)	(151,639)	(20,065)	-	(3,677,828)
Consolidated Balance Sheets							
Assets							
Segment Assets	10,724,991	14,558,843	119,954,576	15,335,460	97,566	-	160,671,436
Consolidated total assets							160,671,436
Liabilities							
Segment liabilities	5,893,459	1,290,036	65,650,835	13,831,309	1,059,509	-	87,725,148
Consolidated total liabilities							87,725,148

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)

6. SEGMENT REPORTING (CONT'D)

The Group

2008	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	216,970	235,152	4,321,881	94,450	-	-	4,868,453
Depreciation of property, plant and equipment and amortisation of plantation development expenditure	(311,383)	(945,318)	(1,761,465)	(144,598)	(21,375)	-	(3,184,139)
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
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

7. FINANCE COSTS

	The Group 2009 RM	The Group 2008 RM	The Company 2009 RM	The Company 2008 RM
Interest expense on:				
Term loans	2,520,358	2,975,060	-	-
Less: Interest expense capitalised in plantation development expenditure	(1,417,081)	(1,802,625)	-	-
	1,103,277	1,172,435	-	-
Bankers' acceptances	90,763	252,089	-	-
Hire-purchase	39,068	37,014	12,650	12,401
Bank overdrafts	2,324	32,499	-	-
Others	111	1,172	111	1,170
	1,235,543	1,495,209	12,761	13,571

8. PROFIT/(LOSS) BEFORE TAX

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amortisation of plantation development expenditure	(2,064,985)	(1,470,966)	-	-
Depreciation of property, plant and equipment	(1,612,843)	(1,713,173)	(151,639)	(144,598)
Amortisation of prepaid lease payment	(719,367)	(719,367)	-	-
Bad debts written off	(153,079)	-	-	-
Rental of premises:				
- Related parties (Note 20)	(82,374)	(95,022)	(82,374)	(95,022)
- Subsidiary company (Note 20)	-	-	69,762	69,762
Audit fee:				
- Current year	(83,300)	(83,300)	(30,000)	(25,000)
- Underprovision in prior year	(5,000)	-	(5,000)	-
(Loss)/Gain on disposal of property, plant and equipment	(64,949)	17,390	5,999	1,269
Allowance for doubtful debts no longer required/ (Allowance for doubtful debts)	484,164	(1,744,708)	150,000	4,000
Interest income	135,253	304,867	154,509	243,734
Realised gain on foreign exchange	15,936	12,920	-	-
Insurance claim received	12,143	380,000	-	-
Allowance no longer required for/(Allowance for) diminution in value of other investments	11	(83)	11	(83)
Management fees receivable from subsidiary companies (Note 20)	-	-	957,100	965,000
Allowance for doubtful debts no longer required on amount owing by subsidiary company	-	-	1,000,000	45,000
Allowance for doubtful debts on amount owing by subsidiary companies	-	-	(577,548)	-
Rental income from motor vehicle	-	20,400	-	-
Insurance claim receivable written off	-	(289,564)	-	-
Changes in fair value of investment properties	-	(264,376)	-	(264,376)

The costs of inventories recognised in expenses of the Group and the Company amounting to RM45,803,711 and RMNil (2008: RM46,316,086 and RMNil) respectively.

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

b) Directors' remuneration

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive directors:				
Other emoluments	590,000	550,000	590,000	550,000
Fees	13,000	22,000	-	9,000
Non-executive directors:				
Other emoluments	16,500	11,000	14,000	9,000
Fees	75,000	66,000	18,000	9,000
	694,500	649,000	622,000	577,000

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 RMNil (2008: RM24,000) 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 RM96,300 (2008: RM87,810).

c) Staff costs

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries and allowances	4,743,587	3,278,477	908,109	810,722

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 RM430,814 and RM155,565 (2008: RM403,960 and RM136,518) respectively.

9. TAX CREDIT/(EXPENSE)

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Estimated tax payable:				
Current	(311,000)	(6,371)	(1,333,333)	-
Underprovision in prior years	-	(489,070)	-	(913,654)
	(311,000)	(495,441)	(1,333,333)	(913,654)
Deferred tax (Note 26)				
Current	571,354	505,633	279,500	-
Overprovision in prior years	-	73,093	-	-
	571,354	578,726	279,500	-
Total	260,354	83,285	(1,053,833)	(913,654)

A numerical reconciliation of tax credit/(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	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit/(Loss) before tax	1,172,089	(4,035,325)	4,828,186	(1,215,141)
(Tax)/Tax loss at income tax rate of 25% (2008: 26%)	293,022	(1,049,185)	1,207,047	(315,937)
Tax effect of expenses not deductible in determining tax	1,188,773	603,684	963,786	142,937
Defferred tax asset not recognised	-	829,000	-	173,000
Utilisation of deferred tax asset previously not recognised	(999,250)	-	(1,117,000)	-
Tax effect of income not assessable in determining taxable profit	(719,635)	(930,491)	-	-
Effect on deferred tax balances due to change in tax rate	(23,264)	47,730	-	-
Underprovision in prior years	-	415,977	-	913,654
	(260,354)	(83,285)	1,053,833	913,654
Tax saving during the financial year arising from utilisation of tax losses brought forward from previous years.	1,556,000	-	1,092,000	-

As of December 31, 2009, two subsidiary companies have 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 (2008: 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 companies.

As of December 31, 2009, one of the subsidiary companies has unabsorbed reinvestment allowances carried forward amounting to approximately RM1,436,000 (2008: 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.

10. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic

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

	The Group	
	2009 RM	2008 RM
Profit/(Loss) attributable to equity holders of the Company	1,704,916	(3,325,393)

	The Group	
	2009 Units	2008 Units
Number of shares in issue as of January 1/December 31	111,666,787	111,666,787

	The Group	
	2009	2008
Basic earnings/(loss) per share (sen)	1.53	(2.98)

Diluted

The diluted earnings/(loss) per share of the Company in 2009 and 2008 have 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 earnings/(loss) per ordinary share.

11. PROPERTY, PLANT AND EQUIPMENT

The Group

December 31, 2009	Cost Beginning of Year RM	Additions RM	Disposals RM	Reclassification RM	End of year RM
Buildings					
At cost	15,386,087	684,790	(250,000)	-	15,820,877
Plant and machinery	16,965,888	71,280	-	-	17,037,168
Renovations, furniture, fixtures and equipment	6,215,363	431,715	-	-	6,647,078
Motor vehicles	5,161,475	-	(226,211)	(407,883)	4,527,381
Motor vehicles under hire-purchase	1,008,493	592,788	(189,973)	407,883	1,819,191
	44,737,306	1,780,573	(666,184)	-	45,851,695

December 31, 2009	Accumulated Depreciation Beginning of Year RM	Additions RM	Disposals RM	Reclassification RM	End of Year RM	Net Book Value RM
Buildings						
At cost	6,890,792	481,722	-	-	7,372,514	8,448,363
Plant and machinery	15,827,801	426,121	-	-	16,253,922	783,246
Renovations, furniture, fixtures and equipment	5,329,158	269,883	-	-	5,599,041	1,048,037
Motor vehicles	4,582,630	147,082	(226,211)	(283,700)	4,219,801	307,580
Motor vehicles under hire-purchase	563,243	288,035	(77,955)	283,700	1,057,023	762,168
	33,193,624	1,612,843	(304,166)	-	34,502,301	11,349,394

The Group

December 31, 2008	Cost Beginning of Year RM	Additions RM	Disposals RM	Reclassification 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
	44,197,623	635,170	(95,487)	-	44,737,306

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

December 31, 2008	Accumulated Depreciation Beginning of Year RM	Additions RM	Disposals RM	Reclassification RM	End of Year RM	Net Book Value RM
Buildings						
At cost	6,297,864	592,928	-	-	6,890,792	8,495,295
Plant and machinery	15,429,642	398,159	-	-	15,827,801	1,138,087
Renovations, furniture, fixtures and equipment	5,079,228	249,930	-	-	5,329,158	886,205
Motor vehicles	4,300,623	300,596	(94,054)	75,465	4,582,630	578,845
Motor vehicles under hire-purchase and finance lease	467,148	171,560	-	(75,465)	563,243	445,250
	31,574,505	1,713,173	(94,054)	-	33,193,624	11,543,682

The Company

December 31, 2009	Cost Beginning of Year RM	Additions RM	Disposals RM	End of Year RM
Renovations, furniture, fixtures and equipment	747,136	32,911	-	780,047
Motor vehicles	844,731	-	(184,588)	660,143
Motor vehicles under hire-purchase	529,144	143,631	-	672,775
	2,121,011	176,542	(184,588)	2,112,965

December 31, 2009	Accumulated Depreciation Beginning of Year RM	Charge For The Year RM	Disposals RM	End of Year RM	Net Book Value RM
Renovations, furniture, fixtures and equipment	607,288	43,014	-	650,302	129,745
Motor vehicles	838,531	1,029	(184,587)	654,973	5,170
Motor vehicles under hire-purchase	437,133	107,596	-	544,729	128,046
	1,882,952	151,639	(184,587)	1,850,004	262,961

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

The Company

December 31, 2008	Cost Beginning of Year RM	 Additions RM	 Disposals 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

December 31, 2008	Accumulated Depreciation Beginning of Year RM	 Charge For The Year RM	 Disposals RM	 End of Year RM	Net Book Value RM
Renovations, furniture, fixtures and equipment	569,711	37,577	-	607,288	139,848
Motor vehicles	842,039	1,194	(4,702)	838,531	6,200
Motor vehicles under hire-purchase	331,306	105,827	-	437,133	92,011
	1,743,056	144,598	(4,702)	1,882,952	238,059

Property, plant and equipment of the Group with carrying amounts of RM59,311,000 (2008: RM57,440,000) are charged to certain licensed banks in respect of credit facilities granted to the Group as disclosed in Note 25.

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 RM23,054,892 (2008: RM24,006,874) and RM1,717,717 (2008: RM1,415,720) respectively.

12. PLANTATION DEVELOPMENT EXPENDITURE

	2009 RM	2008 RM
At beginning of year	80,567,184	76,333,901
Additions	3,984,802	4,233,283
At end of year	84,551,986	80,567,184
Cumulative amortisation		
At beginning of year	(3,717,541)	(2,246,575)
Amortisation for the year	(2,064,985)	(1,470,966)
At end of year	(5,782,526)	(3,717,541)
	78,769,460	76,849,643

Plantation development expenditure of the Group with carrying amounts of RM27,313,000 (2008: RM27,313,000) are charged to certain licensed banks in respect of credit facilities granted to the Group as disclosed in Note 25.

13. PREPAID LEASE PAYMENTS

Prepaid lease payments are as follows:

	The Group 2009 RM	The Group 2008 RM
At beginning and end of year	25,556,065	25,556,065
Cumulative amortisation		
At beginning of year	(2,835,540)	(2,116,173)
Amortisation for the year	(719,367)	(719,367)
At end of year	(3,554,907)	(2,835,540)
	22,001,158	22,720,525

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

	Net book value The Group 2009 RM	Net book value The Group 2008 RM
14 years (15 years in 2008)	284,968	306,207
40 years (41 years in 2008)	209,638	216,051
49 years (50 years in 2008)	21,506,552	22,198,267
	22,001,158	22,720,525

Certain leasehold land and buildings with carrying amounts of RM21,791,519 (2008: RM22,504,473) are pledged to local banks for term loans granted to the Group as disclosed in Note 28.

14. INVESTMENT PROPERTIES

	The Group and The Company	
	2009 RM	2008 RM
At beginning of year	6,178,124	6,442,500
Changes in fair values	-	(264,376)
At end of year	6,178,124	6,178,124

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. As of December 31, 2009, the directors assessed the recoverable amounts of its investment properties based on the current prices in the market of properties of similar conditions and locations and the directors are of their opinion that the carrying amount of the investment properties of the Group and of the Company approximate to the current fair value

The investment properties comprise the following:

	The Group and The Company	
	2009 RM	2008 RM
Freehold land	544,000	544,000
Land under long lease	5,634,124	5,634,124
	6,178,124	6,178,124

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 RM51,103 (2008: RM128,990).

15. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	The Company	
	2009 RM	2008 RM
Unquoted shares in subsidiary companies - at cost	60,875,205	60,875,205
Impairment loss	(86,196)	(86,196)
Net	60,789,009	60,789,009

15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

Direct subsidiary companies	Effective Equity 2009	Interest 2008	Principal Activities
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%	80%	Cultivation of palm oil.
SHC Technopalm Plantation Services Sdn. Bhd.	100%	100%	Provision of management services.
Ayam Segar Sdn. Bhd.	100%	100%	Pre-operating.
Sub-subsidiary companies of Sin Heng Chan Industries Sdn. Bhd.			
LKPP - Goldkist Sdn. Bhd.	60%	60%	Broiler breeding and the planting of fragrant coconut trees.
Sin Heng Chan Feed Sdn. Bhd.	100%	100%	Dormant.
Central Feedmill Sdn. Bhd.	100%	100%	Dormant.
Goldkist (NS) Sdn. Bhd.	100%	100%	Dormant.
Kuala Lumpur Feedmill Sdn. Bhd.	100%	100%	Pre-operating.

In 2008, 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.

16. OTHER INVESTMENTS

	The Group and The Company 2009 RM	2008 RM
Quoted shares in Malaysia - at cost	3,387	3,387
Allowance for diminution in value	(3,336)	(3,347)
	51	40
Gold Bullion	5,250	5,250
	5,301	5,290

17. GOODWILL ON CONSOLIDATION

	The Group	
	2009	2008
	RM	RM
At beginning of year	16,354,080	11,517,239
Arising from acquisition of additional shares in a subsidiary company (Note 15)	-	4,836,841
At end of year	16,354,080	16,354,080

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

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 forecast cash flows is 10%.

18. INVENTORIES

	The Group	
	2009	2008
	RM	RM
At cost:		
Parent stocks	2,326,973	3,306,689
Raw materials	2,577,987	1,462,317
Hatching eggs	704,532	156,568
Consumables	1,294,372	1,787,406
Finished goods	329,866	1,170,265
	7,233,730	7,883,245

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

	The Group	
	2009 RM	2008 RM
Trade receivables	16,790,088	17,911,077
Less: Allowance for doubtful debts	(11,565,823)	(11,969,987)
Net	5,224,265	5,941,090

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 (2008: 7 to 60 days). An allowance of RM11,565,823 (2008: RM11,969,987) has been made for estimated irrecoverable amounts from the sales of goods, based on past default experience of the Group. During the financial year, the allowance for doubtful debts written off against trade receivables amounted to RM70,000 (2008: RM63,091).

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other receivables	10,394,510	9,623,583	8,077,555	7,344,650
Less: Allowance for doubtful debts	(8,693,315)	(8,843,315)	(6,920,380)	(7,070,380)
	1,701,195	780,268	1,157,175	274,270
Deposits	482,557	452,505	254,315	269,315
Prepaid expenses	166,779	121,703	27,276	8,756
	2,350,531	1,354,476	1,438,766	552,341

Included in other receivables, deposits and prepaid expenses of the Group and the Company are rental deposits and advanced rental of RM196,368 (2008: 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 20.

Also, included in the other receivables of the Group is insurance claim receivable of RMNil (2008: RM400,000) in respect of compensation for assets damages.

20. RELATED PARTY TRANSACTIONS

	The Company	
	2009	2008
	RM	RM
Amount owing by subsidiary companies - net of allowance for doubtful debts of RM13,209,098 (2008: RM13,631,550)	5,267,093	3,403,591
Amount owing to subsidiary companies	48,230	326,107

Amount owing by/to subsidiary companies arose mainly from trade transactions and unsecured interest-free advances and are 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	
	2009	2008	2009	2008
	RM	RM	RM	RM
Other related parties				
Rental of premises paid and expenses payable				
Desa Samudra Sdn. Bhd.	82,374	71,022	82,374	71,022
Seng Hoe & Choong Corporation Sdn. Bhd.	-	24,000	-	24,000
	82,374	95,022	82,374	95,022
Corporate shareholders				
Annual tribute paid/payable	30,000	30,000	-	-
Subsidiary company				
Management fees receivable	-	-	957,100	965,000
Rental of premises receivable	-	-	69,762	69,762

Compensation of Key Management Personnel

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

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Short-term employee benefits	187,000	187,000	187,000	187,000
EPF contribution	10,500	10,560	10,500	10,560
	197,500	197,560	197,500	197,560

21. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Fixed deposits with licensed banks	2,573,362	7,172,856	2,500,000	5,740,000
Fixed deposits pledged with licensed bank	160,000	-	-	-
Short-term deposits with licensed banks	200,000	1,400,000	-	-
Cash and bank balances	7,176,634	2,552,102	4,099,578	60,042
	10,109,996	11,124,958	6,599,578	5,800,042

Fixed deposit is pledged with licensed bank of the Group and of the Company of RM160,000 (2008: RM140,000) and RMNil (2008: RM140,000) respectively as security for bank guarantee granted.

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

	The Group		The Company	
	2009	2008	2009	2008
Fixed deposits with licensed banks	30 to 720 days	30 to 720 days	30 to 90 days	30 to 90 days
Short-term deposits with licensed banks	1 to 28 days	2 to 31 days	-	2 to 14 days

The interest rates per annum are as follows:

	The Group		The Company	
	2009	2008	2009	2008
Fixed deposits with licensed banks	2.05% to 3.7%	3.0% to 3.7%	2.05% to 3.35%	3.2% to 3.5%
Short-term deposits with licensed banks	1.0% to 2.75%	1.8% to 3.7%	-	2.0% to 2.5%

22. SHARE CAPITAL

	2009 RM	2008 RM
Authorised:		
Ordinary shares of RM1 each		
At the beginning and end of year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At the beginning and end of year	111,666,787	111,666,787

23. REVALUATION SURPLUS

	The Group and The Company 2009 RM	2008 RM
At beginning of year and end of year	5,377,640	5,377,640

Freehold land and factory building and short-term leasehold land located in 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.

24. HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Total instalments outstanding	875,735	667,342	326,208	257,675
Less: Interest-in-suspense	(102,191)	(71,042)	(29,411)	(20,382)
Principal outstanding	773,544	596,300	296,797	237,293
Less: Portion due within one year	(243,450)	(199,173)	(81,784)	(64,406)
Non-current portion	530,094	397,127	215,013	172,887

The non-current portion is repayable as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Due in:				
more than one year but less than two years	232,712	173,335	86,126	57,800
more than two years but less than three years	171,665	148,176	82,045	60,437
more than three years	125,717	75,616	46,842	54,650
	530,094	397,127	215,013	172,887

The interest rates implicit in the hire-purchase payables of the Group and of the Company range from 2.36% to 7.21% (2008: 2.5% to 4.0%) 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.

25. LONG-TERM LOANS

	The Group	
	2009 RM	2008 RM
Outstanding loan principal	40,000,000	40,534,259
Less: Portion due within one year (included under bank borrowing in Note 28)	-	(534,259)
Non-current portion	40,000,000	40,000,000

The non-current portion is repayable as follows:

	2009 RM	2008 RM
Due in:		
more than one year but less than two years	8,000,000	8,000,000
more than two years but less than three years	8,000,000	8,000,000
more than three years	24,000,000	24,000,000
	40,000,000	40,000,000

Certain subsidiary companies have obtained term loans from certain local banks amounting to RM46.2 million (2008: RM46.2 million). These term loans bear interest at rates ranging from 3.75% to 8.75% (2008: 3.75% to 8.63%) 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;

(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.

During the financial year, term loans mentioned in (a) and (b) above have been fully repaid by a subsidiary company.

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 RM108,415,819 (2008: RM107,256,984) as of December 31, 2009;

(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 (2008: RM40,000,000) in the event the subsidiary companies did not maintain its gearing of 1:4. As of December 31, 2009, the subsidiary company has met this condition of maintaining its gearing of 1:4.

26. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Beginning of year	11,514,649	12,093,375	279,500	279,500
Transfer to income statements (Note 9)				
Plantation development expenditure	(571,354)	(505,633)	-	-
Property, plant and equipment	(831,371)	(764,278)	(279,500)	-
Unused tax losses	831,371	691,185	-	-
	(571,354)	(578,726)	(279,500)	-
End of year	10,943,295	11,514,649	-	279,500

The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2009	2008	2009	2008
	RM	RM	RM	RM
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	10,943,295	12,352,020	-	279,500
Deferred tax asset	-	(837,371)	-	-
	10,943,295	11,514,649	-	279,500

Deferred tax asset/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Deferred tax liabilities (before offsetting)				
Temporary differences arising from:				
Plantation development expenditure	10,943,295	11,514,649	-	-
Property, plant and equipment	-	837,371	-	279,500
	10,943,295	12,352,020	-	-
Offsetting	-	(837,371)	-	-
Deferred tax liabilities (after offsetting)	10,943,295	11,514,649	-	279,500

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Deferred tax asset (before offsetting)				
Unused tax losses	-	(837,371)	-	-
	-	(837,371)	-	-
Offsetting	-	837,371	-	-
Deferred tax asset (after offsetting)	-	-	-	-

26. DEFERRED TAX LIABILITIES (CONT'D)

As mentioned in Note 3, deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. As of December 31, 2009, the amount of unabsorbed capital allowances and unutilised tax losses for which no deferred tax asset have been recognised in the financial statements due to uncertainty of realisation, are as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unabsorbed capital allowances	36,714,000	34,487,000	1,603,000	1,702,000
Unused tax losses	79,309,000	85,533,000	35,488,000	39,857,000
	116,023,000	120,020,000	37,091,000	41,559,000

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

27. 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 7 to 90 days (2008: 15 to 90 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	24,168,074	23,975,097	13,148,200	13,148,200
Accrued expenses	1,646,976	1,670,767	386,312	358,416
	25,815,050	25,645,864	13,534,512	13,506,616

Included in other payables are:

(i) an amount of RM12,700,000 (2008: RM12,700,000) owing by the Company to a vendor for additional acquisition of shares in a subsidiary;

(ii) an amount of RM8,555,008 (2008: RM8,555,008) 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 RM286,372 (2008: RM327,291) owing by the Group to a related party. The amount arose mainly trade transactions and unsecured interest-free advances and is repayable on demand; and

(iv) an amount of RM163,620 (2008: RM133,620) owing by the Group to Lembaga Kemajuan Perindustrian Pertanian Negeri Pahang, a statutory body which is substantial shareholder of a subsidiary company. The amount arose mainly from annual tribute paid and payable by the subsidiary company of RM30,000 (2008: RM30,000) during the financial year.

28. BANK BORROWINGS

	The Group	
	2009 RM	2008 RM
Bankers' acceptances	1,229,000	3,437,000
Long-term loans - current portion	-	534,259
Revolving credit	-	118,838
	1,229,000	4,090,097

As of December 31, 2009, the Group has bank overdrafts and other credit facilities amounting to RM49 million (2008: RM56 million). The credit facilities of the Group bear interest at rates ranging from 3.39% to 5.17% (2008: 1% to 7.5%) 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 (2008: 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, 2009, the said subsidiary company's net tangible assets stand at RM14.3 million. The directors will negotiate with the bankers to regularise the non-compliance with the said condition and they do not anticipate the credit facilities of the said subsidiary company will be terminated.

29. 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 21, 25 and 28.

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 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 exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of December 31, 2009, 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.

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

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					
Hire-purchase payables	24	773,544	713,371	296,797	278,721
Long-term loans	25	40,000,000	32,697,364	-	-

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.

30. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Fixed and short-term deposits with licensed banks	2,933,362	8,572,856	2,500,000	5,740,000
Cash and bank balances	7,176,634	2,552,102	4,099,578	60,042
Total	10,109,996	11,124,958	6,599,578	5,800,042
Less: Fixed deposits pledged to banks	(160,000)	(140,000)	-	(140,000)
	9,949,996	10,984,958	6,599,578	5,660,042

31. CONTINGENT LIABILITIES

(i) As of December 31, 2009, the Company has issued corporate guarantees totalling RM9,200,000 (2008: RM15,900,000) 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, 2009.

(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.

32. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's presentation:

		As previously stated RM	Reclassification RM	As restated RM
(i)	Administrative expenses	4,427,320	(432,259)	3,995,061
	Other operating expenses	3,843,702	432,259	4,275,961
(ii)	Property, plant and equipment	88,393,325	(76,849,643)	11,543,682
	Plantation development expenditure	-	76,849,643	76,849,643

Statement By Directors

FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009, and the related income statements, statement 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 67, are drawn up in accordance with the Financial Reporting 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, 2009 and of the results of their businesses and the cash flows of the Group and the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

DATO' CHOO KENG WENG
Director

MOHD SHARIFF BIN SALLEH
Director

Kuala Lumpur,
24 March 2010

Declaration By The Officer

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHIN KAH KIT**, 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, 2009, and the related income statements, statement 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 67, 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.

CHIN KAH KIT

Subscribed and solemnly declared by the abovenamed **CHIN KAH KIT** at **KUALA LUMPUR** this 24th day of March, 2010.

Before me,

COMMISSIONER FOR OATHS
SHAFIE B. DAUD (No. W350)

Related Party Transactions

FOR THE YEAR ENDED DECEMBER 31, 2009

At the Annual General Meeting held on 22 May 2009, 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 2009 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 22 May 2009 to 31 December 2009 (RM)	2009 Mandate (RM)
1.	SHCMB	Desa Samudra Sdn Bhd ("DSSB")	Rental of Office Premises and carpark facilities	Dato' Choo Keng Weng ("DCKW")	Director of DSSB and he holds 50% equity in DSSB.	48,295	100,000
2.	Sin Heng Chan Industries Sdn Bhd ("SHCI")	LKPP-Goldkist Sdn Bhd ("LKPPG")	Supply of poultry feed by SHCI	LKPPG	60% subsidiary of SHCI 40% is owned by Lembaga Kemajuan Perindustrian Pertanian Negeri Pahang ("LKPP")	5,226,113	11,000,000
3.	SHCI	LKPPG	Supply of parent stock for breeding purposes by SHCI	LKPPG	60% subsidiary of SHCI 40% is owned by LKPP	524,400	900,000
4.	LKPPG	LKPP	Rental paid for the use of the land belonging to LKPP	LKPPG	60% subsidiary of SHCI 40% is owned by LKPP	17,500	30,000

Shareholding Statistics

AS AT 16 MARCH 2010

ANALYSIS OF SHAREHOLDERS

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

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 – 99	116	2.95	3,497	0.00
100 – 1,000	1,321	33.64	1,201,325	1.08
1,001 – 10,000	1,913	48.71	8,027,357	7.19
10,001 – 100,000	512	13.04	15,657,324	14.02
100,001 – 5,583,338	61	1.55	41,014,470	36.73
5,583,339 and above	4	0.10	45,762,814	40.98
	3,927	100	111,666,787	100

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct No. of Shares	%	Indirect No. of Shares	%
Wan Jin Resources Sdn Bhd	19,182,125	17.18	-	-
Esa bin Mohamed	12,580,689	11.27	-	-
Choo Keng Weng	11,815,793 *	10.58	-	-
Samudera Sentosa Sdn Bhd	8,000,000	7.16	-	-

Note : *Includes shares held by nominees.

THIRTY LARGEST ORDINARY SHAREHOLDERS

	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
10	ECML Nominees (Tempatan) Sdn Bhd Khatijah binti Ab Samad (PCS)	2,282,000	2.04
11	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Lee (M09)	2,236,000	2.00
12	Asraman Sdn Bhd	1,283,900	1.15
13	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Teck Loong	1,012,400	0.91

Shareholding Statistics (cont'd)

AS AT 16 MARCH 2010

	Shareholders	No. of Shares Held	%
14	Citigroup Nominees (Asing) Sdn Bhd Exempt an for OCBC Securities Private Limited (Client A/C-NR)	927,726	0.83
15	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Eng Holdings Sdn Bhd	838,553	0.75
16	Lee Lai Leng	695,600	0.62
17	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choo Keng Weng	600,000	0.54
18	Lim Chin Lee	440,000	0.39
19	Thoon Soon Ling	420,000	0.38
20	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Chong Lee Fong	402,000	0.36
21	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Soon Leong (E-TCS)	373,500	0.33
22	Choo Keng Kit	365,200	0.33
23	Tan Wan Chee	351,400	0.31
24	Sy Ban Lee	325,000	0.29
25	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kah Huat (M03)	298,100	0.27
26	David John Mars	296,700	0.27
27	Lim Chee Khang	266,000	0.24
28	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Esa bin Mohamed	250,000	0.22
29	Ho Ching Yeu	250,000	0.22
30	Tay Kuan Tea @ Tay Swee Seng	244,000	0.22
	Total	81,669.848	73.14

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 : *[1]Includes shares held by nominees.*
[2]Deemed interest in shares held by Macronet Sdn Bhd by virtue of Section 6A of Companies Act 1965.

DIRECTORS' INTEREST IN OPTIONS

	No. of Shares
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	-

Note : *[1]Granted on 13.07.2004*
The Board has on 22 May 2009 extended the options which expired on 12 July 2009 for another five (5) years until 12 July 2014.

List of Properties Held

AS AT 31 DECEMBER 2009

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	27 years	438,577
2	82 Jalan Tun Ali 75300 Melaka	Factory with office	113,133 sq. ft.	2050 to 2056	38 years	5,136,040
3	647 Jalan Tun Tasek	Double Storey	1,540 sq. ft.	2079	38 years	220,000
4	129A Jalan Mutahir 75300 Melaka	Vacant Land	10,693 sq. ft.	2061	48 years	498,085
5	Lot 1983 Mukim Lepar Pekan Pahang	Farm Building	12,927,436 sq. ft.	2081	10 years	7,502,468
6	Provisional Lease Lot 4, Punan Land District, Sarawak	Oil Palm Plantation with Office/Store/ Worker Quarters	10,730 hectares	2057	8 years	6,209,130
	Provisional Lease Lot 7, Dulit Land District, Sarawak	Oil Palm Plantation	267 hectares	2057	N/A	
	GRAND TOTAL					20,548,300

PROXY FORM

CDS Account No.	
No. of Shares Held	

SIN HENG CHAN (MALAYA) BERHAD

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

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, the CHAIRMAN OF MEETING, as my/our proxy to vote for me/us and on my/our behalf at the Forty-Eighth Annual General Meeting of the Company to be held at Ballroom 2, LG Level, Eastin Hotel Petaling Jaya, 13 Jalan 16/11,Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor on Friday, 7 May 2010 at 10:00 a.m. and at any adjournment thereof, on the following resolutions as indicated below:

RESOLUTIONS	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 2009 together with the Reports of the Directors and the Auditors thereon. (Ordinary Resolution 1)		
2. To re-elect Tuan Syed Omar bin Syed Abdullah, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company. (Ordinary Resolution 2)		
3. To re-elect Mohd Shariff bin Salleh, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company. (Ordinary Resolution 3)		
4. To approve the payment of Directors' fees amounting to RM18,000 for the financial year ended 31 December 2009. (Ordinary Resolution 4)		
5. To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)		
Special Businesses: 6. To authorise the Directors to issue shares pursuant to Section 132D of the Act, 1965. (Ordinary Resolution 6)		
7. To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions. (Ordinary Resolution 7)		
8. To approve the Proposed Additional Shareholders' Mandate for Recurrent Related Party Transactions. (Ordinary Resolution 8)		

(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 __________ 2010

____
Signature or Common Seal of Shareholder (s)

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, must be completed and 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, however such attendance would be an automatic revocation of the proxy's authority unless an intimation in writing has been made to the Company at the registered office.*

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 3 May 2010 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 3 May 2010 shall be entitled to attend the meeting.*

Explanatory Notes to Special Business

7. ***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-Eighth Annual General Meeting("AGM") 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 AGM of the Company.

   As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 22 May 2009 and which will lapse at the conclusion of the Forty-Eighth AGM of the Company.

   The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

8. ***Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs") and Proposed Additional Shareholders' Mandate for RRPTs.***

   The Proposed Resolutions 7 and 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
SIN HENG CHAN (MALAYA) BERHAD
SUITE 2.02, LEVEL 2
WISMA E & C
NO.2, LORONG DUNGUN KIRI
DAMANSARA HEIGHTS
50490 KUALA LUMPUR
MALAYSIA

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