SIN HENG CHAN (MALAYA) BERHAD
(Company No. 4690-V)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(In Ringgit Malaysia)

These Audited Financial Statements of the Company with *Qualified/Unqualified Auditors' Report for the year ended December 31, 2007 were tabled at the Annual General Meeting/Adjourned Annual General Meeting held on ....

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MOHD SHARIFF BIN SALLEH

Company No. 4690 - V

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

CONTENTS **PAGE(S)**

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)

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, 2007.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

During the financial year, the Group disposed of its entire equity interest of 94.2% in subsidiary company, Goldkist Breeding Farms Sdn. Bhd., a company incorporated in Malaysia. Also, during the financial year, the Group acquired two subsidiary companies, Urun Plantation Sdn Bhd and SHC Technopalm Plantation Services Sdn. Bhd., both companies incorporated in Malaysia. The principal activities of the subsidiary companies are as disclosed in Note 16 to the Financial Statements.

Other than as stated, 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/(Loss) before tax	1,074,208	(743,395)
Tax credit	16,715	21,500
	1,090,923	(721,895)

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

During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM60,876,500 to RM111,666,787 by way of:

(a) a private placement of 9,769,162 new ordinary shares of RM1 each at an issue price of RM1 each for cash;

(b) an issue of 19,192,125 ordinary shares of RM1 each for cash at par for the conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") into 19,192,125 new ordinary shares of RM1 each;

(c) an issue of 20,000,000 ordinary shares of RM1 each for cash at par for the conversion of Warrants into 20,000,000 new ordinary shares of RM1 each; and

(d) an issue of 1,829,000 new ordinary shares of RM1 each for cash pursuant to the Employees Share Option Scheme of the Company at an exercise price of RM1 each.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The movements in the number of units of Warrants during the financial year are as follows:

	Balance at 1.1.2007	**Exercised**	**Expired**	**Balance at 31.12.2007**
Number of unexercised Warrants	30,000,000	(20,000,000)	-	10,000,000

The Company has not issued any 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 exercised during the financial year are as follows:

	No. of Options Over Ordinary Shares of RM1 each			
Exercisable from	**Balance at 1.1.2007**	**Granted**	**Exercised**	**Balance at 31.12.2007**
13.7.2004	5,115,000	-	(1,829,000)	3,286,000

Exercise Date	**Exercise Price RM**	**Consideration Received RM**	**Number of Share Options**	**Fair value of Shares Issued RM**
7.3.2007	1.00	1,243,000	1,243,000	1.17
9.3.2007	1.00	90,000	90,000	1.25
19.3.2007	1.00	75,000	75,000	1.23
27.3.2007	1.00	123,000	123,000	1.42
2.4.2007	1.00	205,000	205,000	1.13
6.4.2007	1.00	93,000	93,000	1.16
		1,829,000	1,829,000	

There have been no further share options granted during the financial year.

OTHER FINANCIAL INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(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 necessitate the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

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

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

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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

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

DIRECTORS

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

Dato' Choo Keng Weng
Tuan Syed Omar bin Syed Abdullah
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 Mr. Khaw Teik Thye 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 Shares of RM1 Each			
	Balance at 1.1.2007	**Bought**	**Sold**	**Balance at 31.12.2007**
Shares in the Company Registered in the name of directors				
Dato' Choo Keng Weng	9,615,793	1,985,000	-	11,600,793
Mohd Shariff bin Salleh	-	65,000	-	65,000
Deemed Interest *(by virtue of his interest in Alor Setar Industry Holdings Sdn. Bhd. and Macronet Sdn. Bhd.)*				
Dato' Choo Keng Weng	9,425,000	-	(6,500,000)	2,925,000

	No. of Options Ordinary Shares of RM1 Each			
	Balance at 1.1.2007	**Granted**	**Exercised**	**Balance at 31.12.2007**
Share Options in the Company Registered in the name of directors				
Dato' Choo Keng Weng	600,000	-	(600,000)	-
Tuan Syed Omar bin Syed Abdullah	600,000	-	-	600,000

	Warrants Issued Pursuant To A Deed Poll Exercisable At Any Time From July 25, 2004 to July 24, 2009			
	Balance at 1.1.2007	**Bought**	**Exercised**	**Balance at 31.12.2007**
Warrants in the Company				
Deemed Interest				
(by virtue of his interest in Alor Setar Industry Holdings Sdn. Bhd.)				
Dato' Choo Keng Weng	29,990,000	-	(20,000,000)	9,990,000

By virtue of their interests in the shares, share options and warrants of the Company, the abovementioned directors are 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 21, to the Financial Statements.

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

AUDITORS

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

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

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DATO' CHOO KENG WENG

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MOHD SHARIFF BIN SALLEH

Kuala Lumpur
April 22, 2008

REPORT OF THE AUDITORS TO THE MEMBERS OF

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)

We have audited the accompanying balance sheets as of December 31, 2007 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of:

   (i) the state of affairs of the Group and the Company as of December 31, 2007 and of the results and the cash flows of the Group and the Company for the year ended on that date; and

   (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and

(Forward)

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports 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
1887/03/10 (J)
Partner

April 22, 2008

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

		The Group		The Company	
		2007	**2006**	**2007**	**2006**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	5	51,607,009	35,586,612	-	-
Other operating income	7	3,883,746	2,574,020	3,403,948	1,457,367
Changes in inventories of finished goods and hatching eggs		(1,247,934)	167,759	-	-
Raw materials and consumables used		(31,931,650)	(28,888,358)	-	-
Directors' remuneration	8	(538,500)	(836,800)	(538,500)	(787,800)
Staff costs	9	(3,491,342)	(4,548,023)	(724,283)	(477,688)
Depreciation of property, plant and equipment	13	(3,197,559)	(2,209,027)	(187,583)	(198,218)
Finance costs	10	(1,116,924)	(520,847)	(23,393)	(29,136)
Amortisation of prepaid lease payments	14	(555,760)	(25,159)	-	-
Other operating expenses	7	(12,336,878)	(11,083,473)	(2,673,584)	(1,478,980)
Profit/(Loss) before tax		1,074,208	(9,783,296)	(743,395)	(1,514,455)
Tax credit	11	16,715	361,044	21,500	44,551
Profit/(Loss) for the year		1,090,923	(9,422,252)	(721,895)	(1,469,904)
Attributable to:					
Equity holders of the Company		1,696,721	(8,184,726)		
Minority interest		(605,798)	(1,237,526)		
		1,090,923	(9,422,252)		
Earnings/(Loss) per ordinary share					
Basic	12	1.83 sen	(13.4 sen)		
Diluted	12	1.60 sen	N/A		

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

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS
AS OF DECEMBER 31, 2007

		The Group		The Company	
		2007	2006	2007	2006
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	86,710,444	14,601,989	289,639	1,576,673
Prepaid lease payments	14	23,439,892	577,566	-	-
Investment properties	15	6,442,500	-	6,442,500	-
Investment in subsidiary companies	16	-	-	44,600,001	10,075,756
Other investments	17	5,373	5,307	5,373	5,307
Goodwill on consolidation	18	11,517,239	-	-	-
		128,115,448	15,184,862	51,337,513	11,657,736
Current Assets					
Inventories	19	6,505,792	8,686,885	-	-
Trade receivables	20	9,655,125	6,001,517	-	-
Other receivables, deposits and prepaid expenses	20	1,218,479	6,027,879	344,462	5,703,693
Tax recoverable		1,832,904	1,450,598	2,034,201	1,764,201
Amount owing by subsidiary companies	21	-	-	5,946,214	6,219,478
Fixed deposits, cash and bank balances	22	13,370,202	9,843,791	7,666,460	7,696,805
		32,582,502	32,010,670	15,991,337	21,384,177
Total assets		160,697,950	47,195,532	67,328,850	33,041,913

(Forward)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	23	111,666,787	60,876,500	111,666,787	60,876,500
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")		-	19,192,125	-	19,192,125
Revaluation surplus	24	5,377,640	-	5,377,640	-
Accumulated loss		(51,897,120)	(53,381,961)	(51,178,145)	(50,456,250)
Shareholders equity		65,147,307	26,686,664	65,866,282	29,612,375
Minority interest		19,816,187	1,996,965	-	-
Total equity		84,963,494	28,683,629	65,866,282	29,612,375
Non-current liabilities					
Finance lease payables	25	-	1,792	-	-
Hire-purchase payables	26	517,798	617,322	237,292	432,794
Long-term loans	27	33,976,075	305,531	-	-
Deferred tax liabilities	28	12,093,375	1,004,298	279,500	301,000
		46,587,248	1,928,943	516,792	733,794
Current liabilities					
Trade payables	29	8,331,104	3,979,123	-	-
Other payables and accrued expenses	29	12,852,380	3,764,386	834,143	669,930
Amount owing to subsidiary companies	21	-	-	49,500	1,930,988
Bank borrowings	30	7,752,451	8,511,394	-	-
Finance lease payables	25	-	178,081	-	-
Hire-purchase payables	26	211,273	149,976	62,133	94,826
		29,147,208	16,582,960	945,776	2,695,744
Total liabilities		75,734,456	18,511,903	1,462,568	3,429,538
Total equity and liabilities		160,697,950	47,195,532	67,328,850	33,041,913

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

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

The Group	**Note**	**Issued Capital RM**	**ICULS RM**	**Accumulated Loss RM**	**Non-Distributable Reserves Revaluation Reserve RM**	**Total RM**	**Minority Interest RM**	**Total Equity RM**
		← Attributable to Equity Holders of The Company				→		
Balance as of January 1, 2006		60,876,500	19,192,125	(45,208,195)	-	34,860,430	3,319,131	38,179,561
Loss for the year		-	-	(8,184,726)	-	(8,184,726)	(1,237,526)	(9,422,252)
Dividends paid		-	-	-	-	-	(73,680)	(73,680)
Accretion in share of net assets of a subsidiary company		-	-	10,960	-	10,960	(10,960)	-
Balance as of December 31, 2006		60,876,500	19,192,125	(53,381,961)	-	26,686,664	1,996,965	28,683,629

(Forward)

	Note	Issued Capital RM	ICULS RM	Accumulated Loss RM	Non-Distributable Reserves Revaluation Reserve RM	Total RM	Minority Interest RM	Total Equity RM
		← Attributable to Equity Holders of The Company →						
Balance as of January 1, 2007		60,876,500	19,192,125	(53,381,961)	-	26,686,664	1,996,965	28,683,629
Issue of shares	23	31,598,162	-	-	-	31,598,162	-	31,598,162
Conversion of ICULS to ordinary shares	23	19,192,125	(19,192,125)	-	-	-	-	-
Revaluation of property, plant and equipment		-	-	-	5,377,640	5,377,640	-	5,377,640
Profit for the year		-	-	1,696,721	-	1,696,721	(605,798)	1,090,923
Acquisition of new subsidiary companies		-	-	-	-	-	18,358,140	18,358,140
Disposal of subsidiary		-	-	(211,880)	-	(211,880)	66,880	(145,000)
Balance as of December 31, 2007		111,666,787	-	(51,897,120)	5,377,640	65,147,307	19,816,187	84,963,494

(Forward)

The Company	**Note**	**Issued Capital RM**	**ICULS RM**	**Accumulated Loss RM**	**Revaluation Reserve RM**	**Total RM**
Balance as of January 1, 2006		60,876,500	19,192,125	(48,986,346)	-	31,082,279
Profit for the year		-	-	(1,469,904)	-	(1,469,904)
Balance as of December 31, 2006		60,876,500	19,192,125	(50,456,250)	-	29,612,375
Balance as of January 1, 2007		60,876,500	19,192,125	(50,456,250)	-	29,612,375
Issue of shares	23	31,598,162	-	-	-	31,598,162
Conversion of ICULS to ordinary shares	23	19,192,125	(19,192,125)	-	-	-
Revaluation of property, plant and equipment		-	-	-	5,377,640	5,377,640
Profit for the year		-	-	(721,895)	-	(721,895)
Balance as of December 31, 2007		111,666,787	-	(51,178,145)	5,377,640	65,866,282

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

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

		The Group		The Company	
		2007	**2006**	**2007**	**2006**
	Note	**RM**	**RM**	**RM**	**RM**
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,074,208	(9,783,296)	(743,395)	(1,514,455)
Adjustments for:					
Depreciation of property, plant and equipment		3,197,559	2,209,027	187,583	198,218
Finance costs		1,116,924	520,847	23,393	29,136
Amortisation of prepaid lease payments		555,760	25,159	-	-
Write-down of inventories		7,487	1,476,311	-	-
Property, plant and equipment written off		3,299	4,706	-	-
Impairment loss on property, plant and equipment		-	1,213,858	-	-
Reversal of impairment loss on revaluation of property, plant and equipment		(99,601)	-	(99,601)	-
Allowance for doubtful debts/ (Allowance for doubtful debts no longer required		(172,156)	(1,539,837)	58,735	(118,500)
Allowance for doubtful debts on amount owing by subsidiary company		-	-	1,000,000	-
Interest income		(276,830)	(322,083)	(234,267)	(295,718)
Gain on disposal of subsidiary company	33	(445,694)	-	-	-
Gain on disposal of property, plant and equipment		(815,606)	(33,750)	(795,689)	(8,000)
Allowance no longer required for diminution in value of other investments		(66)	(30)	(66)	(30)
Operating Profit/(Loss) Before Working Capital Changes		4,145,284	(6,229,088)	(603,307)	(1,709,349)

(Forward)

	Note	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
(Increase)/Decrease in:					
Inventories		1,003,148	(1,948,280)	-	-
Trade receivables		(5,076,260)	2,317,705	-	-
Other receivables, deposits and prepaid expenses		5,706,676	(3,819,375)	5,300,496	(3,561,600)
Fixed deposit pledged to banks		125,345	(4,905)	-	-
Amount owing by/to subsidiary companies		-	-	(2,608,224)	(2,719,324)
Increase/(Decrease) in:					
Trade payables		(876,023)	(272,689)	-	-
Other payables and accrued expenses		(100,970)	(40,987)	164,213	49,590
Cash From/(Used In) Operations		4,927,200	(9,997,619)	2,253,178	(7,940,683)
Interest paid		(3,516,832)	(518,562)	(23,393)	(29,136)
Income tax refunded/(paid) - net		(473,296)	147,104	(270,000)	331,196
Net Cash From/(Used In) Operating Activities		937,072	(10,369,077)	1,959,785	(7,638,623)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Proceeds from disposal of subsidiary company	33	2,826,007	-	-	-
Proceeds from disposal of property, plant and equipment		1,003,595	36,900	942,468	8,000
Additional investment in subsidiary company		-	-	(3,924,244)	-
Interest received		276,830	322,083	234,267	295,718
Acquisition of subsidiary companies	32	(30,297,255)	-	(30,600,001)	-
Purchase of property, plant and equipment		(1,940,736)	(746,878)	(12,587)	(76,854)
Net Cash From/(Used In) Investing Activities		(28,131,559)	(387,895)	(33,360,097)	226,864

(Forward)

		The Group		The Company	
		2007	2006	2007	2006
	Note	RM	RM	RM	RM
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Proceeds from issue of shares		31,598,162	-	31,598,162	-
Proceeds from short-term bank borrowings		20,493,001	19,288,111	-	-
Short-term bank borrowings paid		(20,188,001)	(15,272,913)	-	-
Repayment of long-term loans		(743,891)	(859,377)	-	-
Repayment of hire-purchase and finance lease creditors		(529,286)	(452,758)	(228,195)	(89,541)
Dividend paid		-	(73,680)	-	-
Net Cash From/(Used In) Financing Activities		30,629,985	2,629,383	31,369,967	(89,541)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		3,435,498	(8,127,589)	(30,345)	(7,501,300)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		8,735,796	16,863,385	7,676,805	15,178,105
CASH AND CASH EQUIVALENTS AT END OF YEAR	34	12,171,294	8,735,796	7,646,460	7,676,805

During the financial year, the Group's and the Company's additions to property, plant and equipment amounted to RM4,516,544 (2006: RM1,028,878) and RM12,587 (2006: RM76,854) respectively of which RM2,399,908 (2006: Nil) represents borrowing costs capitalised and RM175,900 (2006: RM282,000) was financed through hire-purchase arrangements. The remaining additions of RM1,940,736 (2006: RM746,878) and RM12,587 (2006: RM76,854) were paid in cash by the Group and by the Company respectively.

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

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally an investment holding company.

During the financial year, the Group disposed of its entire 94.2% equity interest in a subsidiary company, Goldkist Breeding Farms Sdn. Bhd., a company incorporated in Malaysia. Also, during the financial year, the Group acquired two subsidiary companies, Urun Plantation Sdn Bhd and SHC Technopalm Plantation Services Sdn. Bhd., both incorporated in Malaysia. The principal activities of the subsidiary companies are as disclosed in Note 16.

Other than as stated, 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 and 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 April 22, 2008.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The Group and the Company adopted Financial Reporting Standard ("FRS"), No. 117 "Leases" and No. 124 "Related Party Disclosures" issued by MASB which became effective during the financial period.

With the adoption of FRS 117 on January 1, 2007, the leasehold interests in leasehold land are accounted for as being held under operating leases and are reclassified as prepaid lease payments. Where the leasehold land had been previously revalued, the Group and the Company retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments as allowed under the transitional provision of FRS 117. Prepaid lease payments are amortised on a straight-line basis over the remaining lease term of the land.

The adoption of FRS 124 did not result on any financial impact on the financial statements for the current and prior financial periods. The impact of FRS124 has been to expand the identification of related parties and related party disclosures, including the disclosure of the compensation of key management personnel.

Accounting Standards and IC Interpretations Issued but Not Effective

As of the date of issuance of financial statements, the following new and revised FRSs, amendments to FRS and IC Interpretations have been issued but not yet effective until future periods:

FRS 107	Cash Flow Statements	Effective for accounting periods beginning on or after July 1, 2007
FRS 111	Construction Contracts	Effective for accounting periods beginning on or after July 1, 2007
FRS 112	Income Taxes	Effective for accounting periods beginning on or after July 1, 2007
FRS 118	Revenue	Effective for accounting periods beginning on or after July 1, 2007
FRS120	Accounting for Government Grants and Disclosure of Government Assistance	Effective for accounting periods beginning on or after July 1, 2007
FRS121	Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	Effective for accounting periods beginning on or after July 1, 2007
FRS 134	Interim Financial Reporting	Effective for accounting periods beginning on or after July 1, 2007

FRS 137	Provisions, Contingent Liabilities and Contingent Assets	Effective for accounting periods beginning on or after July 1, 2007
FRS 139	Financial Instruments: Recognition and Measurement	Effective date deferred and to be announced by MASB
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Effective for accounting periods beginning on or after July 1, 2007
IC Interpretation 2	Members' Shares in Co-Operative Entities and Similar Instruments	Effective for accounting periods beginning on or after July 1, 2007
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Effective for accounting periods beginning on or after July 1, 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Effective for accounting periods beginning on or after July 1, 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 29 $_{2004}$ Financial Reporting in Hyperinflationary Economies	Effective for accounting periods beginning on or after July 1, 2007
IC Interpretation 8	Scope of FRS 2 Share-based Payment	Effective for accounting periods beginning on or after July 1, 2007

The directors anticipate that the adoption of these FRS, amendments to FRS and IC Interpretations in future periods will not have significant financial effect on the financial statements of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Revenue Recognition

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

Foreign Currency Conversion

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

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

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

Income Tax

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

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

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

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

(a) any resulting decrease in the carrying amount of the property is recognised in income statements; and

(b) any resulting increase in the carrying amount is credited directly to equity in revaluation surplus.

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

Impairment of Assets

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

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

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

Borrowings

(a) **Classification**

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

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

(b) **Capitalisation of Borrowing Costs**

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

Property, Plant and Equipment Under Hire-Purchase Arrangements

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

Leased Assets

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

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

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, 2007. 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 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 (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Goodwill

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

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

Investments

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

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

Inventories

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

Receivables

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

Employee Benefits

(a) **Short-Term Employee Benefits**

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

(b) **Defined Contribution Plan**

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

(c) **Equity Compensation Benefits**

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

Financial Instruments

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

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

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

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

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

Cash Flow Statements

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

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Company's accounting policies

In the process of applying the Company'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.

5. REVENUE

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Sales of formulated animal feeds	31,228,511	21,392,813	-	-
Poultry breeding	13,511,082	14,193,799	-	-
Sales of fresh fruit bunches	6,867,416	-	-	-
	51,607,009	35,586,612	-	-

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

2007	**Feedmilling RM**	**Poultry Breeding RM**	**Plantation RM**	**Investment Holding RM**	**Others RM**	**Eliminations RM**	**Consolidated RM**
Revenue							
External sales	31,228,511	13,511,082	6,867,416	-	-	-	51,607,009
Inter-segment sales	10,571,692	-	-	449,779	-	(11,021,471)	-
Total revenue	41,800,203	13,511,082	6,867,416	449,779	-	(11,021,471)	51,607,009
Results							
Segment results	4,242,217	(408,143)	115,596	(1,799,434)	40,896	-	2,191,132
Profit from operations							2,191,132
Finance costs							(1,116,924)
Profit before tax							1,074,208
Tax credit							16,715
Profit for the year							1,090,923

(Forward)

	Feedmilling RM	Poultry Breeding RM	Plantation RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	294,699	232,639	3,976,619	12,587	-	-	4,516,544
Depreciation of property, plant and equipment	(466,035)	(981,827)	(1,555,862)	(193,835)	-	-	(3,197,559)
Consolidated Balance Sheets							
Assets							
Segment Assets	16,446,600	15,302,596	112,035,401	16,843,744	69,609	-	160,697,950
Consolidated total assets							160,697,950
Liabilities							
Segment liabilities	10,342,225	2,169,697	60,744,960	2,853,947	988,877	-	77,099,706
Consolidated total liabilities							77,099,706

2006	Feedmilling RM	Poultry Breeding RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Revenue						
External sales	21,392,813	14,193,799	-	-	-	35,586,612
Inter-segment sales	17,777,748	1,401,542	-	-	(19,179,290)	-
Total revenue	39,170,561	15,595,341	-	-	(19,179,290)	35,586,612
Results						
Segment results	1,680,949	(9,830,527)	(1,102,730)	(10,141)	-	(9,262,449)
Loss from operations						(9,262,449)
Finance costs						(520,847)
Loss before tax						(9,783,296)
Tax credit						361,044
Loss for the year						(9,422,252)

(Forward)

	Feedmilling RM	Poultry Breeding RM	Investment Holding RM	Others RM	Eliminations RM	Consolidated RM
Other information						
Capital additions	552,923	399,101	76,854	-	-	1,028,878
Depreciation of property, plant and equipment	(603,968)	(1,432,001)	(173,058)	-	-	(2,209,027)
Consolidated Balance Sheets						
Assets						
Segment Assets	12,780,656	20,643,880	13,692,751	78,245	-	47,195,532
Consolidated total assets						47,195,532
Liabilities						
Segment liabilities	11,855,611	4,322,407	1,344,253	989,632	-	18,511,903
Consolidated total liabilities						18,511,903

7. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
(Allowance for doubtful debts)/Allowance for doubtful debts no longer required	172,156	1,539,837	(58,735)	118,500
Gain on disposal of property, plant and equipment	815,606	33,750	795,689	8,000
Gain on disposal of subsidiary company	445,694	-	-	-
Interest income from fixed deposits with licensed banks	276,830	322,083	234,267	295,718
Rental income from letting of premises	39,100	34,000	34,000	34,000
Realised gain on foreign exchange	7,770	1,079	-	-
Write-down of inventories	(7,487)	(1,476,311)	-	-
Allowance no longer required for diminution in value of other investments	66	30	66	30
Impairment loss of property, plant and equipment	-	(1,213,858)	-	-
Rental of premises:				
- Subsidiary company (Note 21)	-	-	84,000	120,000
- Related parties (Note 21)	(211,522)	(325,328)	(211,522)	(325,328)
- Others	-	(37,010)	-	-
Reversal of impairment loss on revaluation of property, plant and equipment	(99,601)	-	(99,601)	-
Audit fee:				
- Current	(72,000)	(69,300)	(25,000)	(25,000)
- Underprovision in prior year	-	(1,500)	-	-
Property, plant and equipment written-off	(3,299)	(4,706)	-	-
Management fees from subsidiary companies (Note 21)	-	-	720,000	720,000
Allowance for doubtful debts on amount owing by subsidiary company	-	-	1,000,000	-

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Executive directors:				
Other emoluments	517,500	681,000	517,500	680,000
Non-executive directors:				
Fees	-	48,000	-	-
Other emoluments	21,000	107,800	21,000	107,800
	538,500	836,800	538,500	787,800

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 RM110,800 (2006: RM152,800) during the financial year.

Included in directors' remuneration are contributions to EPF made by the Group and the Company for the current year amounting to RM71,925 (2006: RM81,800).

The number of directors of the Company whose total remuneration falls within the following bands is as follows:

	2007	2006
Number of Executive Directors:		
RM500,001 to RM800,000	1	1
Number of Non-Executive Directors:		
RM50,001 to RM100,000	1	1

9. STAFF COSTS

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 RM245,436 and RM118,751 (2006: RM439,078 and RM52,800) respectively.

10. FINANCE COSTS

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Interest expense on:				
Term loans	3,115,976	146,371	-	-
Less: Interest expense capitalised in plantation development expenditure	(2,399,908)	-	-	-
	716,068	146,371		
Bankers' acceptances	278,410	190,416	-	-
Hire-purchase	51,136	38,008	23,235	29,065
Bank overdrafts	37,498	42,769	-	-
Finance lease	33,362	68,496	-	-
Revolving credit	-	34,716		
Others	450	71	158	71
	1,116,924	520,847	23,393	29,136

11. TAX (CREDIT)/EXPENSE

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Estimated tax payable:				
Current	35,100	45,045	-	-
Overprovision in prior years	55,890	(76,887)	-	(44,551)
	90,990	(31,842)	-	(44,551)
Deferred tax (Note 28)				
Current	(71,532)	(311,741)	(21,500)	-
Overprovision in prior years	(36,173)	(17,461)	-	-
	(107,705)	(329,202)	(21,500)	-
Total	(16,715)	(361,044)	(21,500)	(44,551)

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

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax	1,074,208	(9,783,296)	(743,395)	(1,514,455)
Tax/(Tax loss) at income tax rate of 27% (2006: 28%)	290,036	(2,739,323)	(200,716)	(424,047)
Tax effect of expenses not deductible in determining tax	1,499,294	600,516	498,716	53,047
Utilisation of deferred tax asset not previously recognised	(444,000)	(47,000)	(298,000)	-
Tax effect of income not assessable in determining taxable profit	(2,032,567)	(900,889)	-	-
Deferred tax asset not recognised	517,700	2,820,000	-	371,000
Effect on deferred tax balances due to change in tax rate	133,105	-	(21,500)	
Under/(Over)provision in prior years	19,717	(94,348)	-	(44,551)
Tax expense/(credit)	(16,715)	(361,044)	(21,500)	(44,551)

As of December 31, 2007, 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 RM1,556,000 (2006: RM2,872,000) 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, 2007, one of the subsidiary companies has unabsorbed reinvestment allowances carried forward amounting to approximately RM1,549,000 (2006: 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.

12. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic

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

	The Group	
	2007	**2006**
	RM	**RM**
Profit/(Loss) attributable to equity holders of the Company	1,696,721	(8,184,726)

	The Group	
	2007	**2006**
	Units	**Units**
Number of shares in issue as of January 1	60,876,500	60,876,500
Private Placement of New Issue of Shares	4,978,258	-
Conversion of ICULS	9,202,263	-
Exercise of Warrants	16,273,973	-
Exercise of ESOS	1,467,690	-
Weighted average number of shares outstanding	92,798,684	60,876,500

	The Group	
	2007	**2006**
Basic earnings/(loss) per share (sen)	1.83	(13.4)

Diluted

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

	The Group	
	2007	**2006**
	Units	**Units**
Weighted average number of shares in issue	92,798,684	60,876,500
Conversion of ICULS	-	19,192,125
Exercise of warrants	10,000,000	30,000,000
Exercise of ESOS	3,286,000	5,115,500
Adjusted weighted average number of shares for calculating diluted earnings per share	106,084,684	115,184,125
Diluted earnings per share (sen)	1.60	N/A

The diluted loss per share of the Company in 2006 has not been presented as the average fair value of the shares of the Company is lower than the exercise price for the conversion of the ICULS, Warrants and ESOS to ordinary shares. The effect of this would be anti-dilutive to the loss per ordinary share.

13. PROPERTY, PLANT AND EQUIPMENT

The Group ← **Cost/Valuation** →

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

(Forward)

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

(Forward)

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

(Forward)

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

	Cost/Valuation							
December 31, 2006	As Previously Reported RM	Adoption of FRS 117 RM	As Restated RM	Additions RM	Disposals RM	Write-offs RM	Reclassification RM	End of Year RM
Freehold land								
At cost	94,170	-	94,170	-	-	-	-	94,170
At 1978 valuation	293,000	-	293,000	-	-	-	-	293,000
Land under long leases								
At cost	502,357	(357,856)	144,501	-	-	-	-	144,501
At 1978 valuation	782,000	-	782,000	-	-	-	-	782,000
Land under short leases								
At cost	530,997	(530,997)	-	-	-	-	-	-
Buildings								
At cost	21,887,132	-	21,887,132	-	-	-	211,786	22,098,918
At 1978 valuation	3,320,000	-	3,320,000	-	-	-	-	3,320,000
Building under finance lease	284,586	-	284,586	-	-	-	(211,786)	72,800
Plant and machinery	20,082,937	-	20,082,937	406,419	-	-	(44,509)	20,444,847
Plant and machinery under finance lease	1,050,460	-	1,050,460	-	-	-	-	1,050,460
Renovations, furniture, fixtures and equipment	5,679,787	-	5,679,787	183,600	(9,545)	(5,138)	-	5,848,704
Renovations, furniture, fixtures and equipment under finance lease	532,692	-	532,692	-	-	-	-	532,692

(Forward)

December 31, 2006	Cost/Valuation As Previously Reported RM	Adoption of FRS 117 RM	As Restated RM	Additions RM	Disposals RM	Write-offs RM	Reclassification RM	End of Year RM
Motor vehicles	4,142,395	-	4,142,395	-	(391,358)	(21,200)	134,901	3,864,738
Motor vehicles under hire-purchase and finance lease	1,669,463	-	1,669,463	425,326	-	-	(90,392)	2,004,397
Plantation development expenditure	322,005	-	322,005	13,533	-	-	-	335,538
	61,173,981	(888,853)	60,285,128	1,028,878	(400,903)	(26,338)	-	60,886,765

(Forward)

December 31, 2006	← Accumulated Depreciation							→
	As Previously Reported RM	Adoption of FRS 117 RM	As Restated RM	Additions RM	Disposals RM	Write-offs RM	Reclassification RM	End of Year RM
Land under long leases								
At cost	179,332	(125,058)	54,274	1,880	-	-	-	56,154
At 1978 valuation	291,435	-	291,435	10,794	-	-	-	302,229
Land under short leases								
At cost	161,070	(161,070)	-	-	-	-	-	-
Buildings								
At cost	10,301,879	-	10,301,879	785,927	-	-	120,012	11,207,818
At 1978 valuation	3,152,734	-	3,152,734	-	-	-	-	3,152,734
Building under finance lease	108,056	-	108,056	24,091	-	-	(120,012)	12,135
Plant and machinery	18,128,604	-	18,128,604	583,657	-	-	(44,508)	18,667,753
Plant and machinery under finance lease	725,435	-	725,435	105,046	-	-	-	830,481
Renovations, furniture, fixtures and equipment	5,030,456	-	5,030,456	191,505	(6,398)	(433)	-	5,215,130
Renovations, furniture, fixtures and equipment under finance lease	243,284	-	243,284	76,838	-	-	-	320,122
Motor vehicles	4,061,724	-	4,061,724	45,752	(391,355)	(21,199)	108,889	3,803,811
Motor vehicles under hire-purchase and finance lease	774,478	-	774,478	383,537	-	-	(64,381)	1,093,634
	43,158,487	(286,128)	42,872,359	2,209,027	(397,753)	(21,632)	-	44,662,001

(Forward)

December 31, 2006	← Accumulated Impairment Loss Beginning of Year RM	Charge For The Year RM	End of Year → RM	Net Book Value RM
Freehold land				
At cost	-	-	-	94,170
At 1978 valuation	-	-	-	293,000
Land under long leases				
At cost	-	-	-	88,347
At 1978 valuation	-	-	-	479,771
Buildings				
At cost	241,630	969,309	1,210,939	9,680,161
At 1978 valuation	167,266	-	167,266	-
Building under finance lease	-	-	-	60,665
Plant and machinery	21	158,624	158,645	1,618,449
Plant and machinery under finance lease	-	-	-	219,979
Renovations, furniture, fixtures and equipment	-	34,932	34,932	598,642
Renovations, furniture, fixtures and equipment under finance lease	-	-	-	212,570
Motor vehicles	-	3,149	3,149	57,778
Motor vehicles under hire-purchase and finance lease	-	47,844	47,844	862,919
Plantation development expenditure	-	-	-	335,538
Total	408,917	1,213,858	1,622,775	14,601,989

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

(Forward)

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

(Forward)

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

December 31, 2006	← Cost/Valuation Beginning of Year RM	Additions RM	Disposals RM	→ End of Year RM
Freehold land				
At cost	94,170	-	-	94,170
At 1978 valuation	293,000	-	-	293,000
Land under long leases				
At cost	144,501	-	-	144,501
At 1978 valuation	782,000	-	-	782,000
Buildings				
At cost	2,274,846	-	-	2,274,846
At 1978 valuation	3,320,000	-	-	3,320,000
Plant and machinery	80	-	-	80
Renovations, furniture, fixtures and equipment	568,389	76,854	-	645,243
Motor vehicles	1,286,541	-	(176,543)	1,109,998
Motor vehicles under hire-purchase	800,296	-	-	800,296
	9,563,823	76,854	(176,543)	9,464,134

(Forward)

December 31, 2006	← Accumulated Depreciation Beginning of Year RM	Charge For The Year RM	Disposals RM	End of Year → RM
Freehold land				
At cost	-	-	-	-
At 1978 valuation	-	-	-	-
Land under long leases				
At cost	54,274	1,880	-	56,154
At 1978 valuation	291,435	10,794	-	302,229
Buildings				
At cost	1,982,816	-	-	1,982,816
At 1978 valuation	3,152,734	-	-	3,152,734
Plant and machinery	59	-	-	59
Renovations, furniture, fixtures and equipment	521,264	24,260	-	545,524
Motor vehicles	1,280,408	1,226	(176,543)	1,105,091
Motor vehicles under hire-purchase	173,879	160,058	-	333,937
	7,456,869	198,218	(176,543)	7,478,544

(Forward)

December 31, 2006	← Accumulated Impairment Loss → Beginning of Year RM	Charge for The Year RM	End of Year RM	Net Book Value RM
Freehold land				
At cost	-	-	-	94,170
At 1978 valuation	-	-	-	293,000
Land under long leases				
At cost	-	-	-	88,347
At 1978 valuation	-	-	-	479,771
Buildings				
At cost	241,630	-	241,630	50,400
At 1978 valuation	167,266	-	167,266	-
Plant and machinery	21	-	21	-
Renovations, furniture, fixtures and equipment	-	-	-	99,719
Motor vehicles	-	-	-	4,907
Motor vehicles under hire-purchase	-	-	-	466,359
Total	408,917	-	408,917	1,576,673

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

	The Group and The Company 2007 RM
Cost	2,482,489
Accumulated depreciation	(2,379,740)
Accumulated impairment loss	(102,749)
Net Book Value	-

Property, plant and equipment of the Group with carrying amounts of RM84,830,000 (2006: RM9,442,000) are charged to certain licensed banks in respect of credit facilities granted to the Group as disclosed in Note 27.

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 RM26,001,000 (2006: RM15,758,000) and RM7,428,000 (2006: RM6,960,000) respectively.

14. PREPAID LEASE PAYMENTS

Prepaid lease payments are as follows:

	The Group	
	2007	**2006**
	RM	**RM**
		(Restated)
At beginning of the year	888,853	888,853
Acquisition of new subsidiary companies	24,667,212	-
At end of year	25,556,065	888,853
Cumulative amortisation		
At beginning of year	(311,287)	(286,128)
Acquisition of new subsidiary companies	(1,249,126)	-
Amortisation for the year	(555,760)	(25,159)
At end of year	(2,116,173)	(311,287)
	23,439,892	577,566

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

	Net book value The Group	
	2007	**2006**
	RM	**RM**
16 years	327,447	348,687
41 years	222,465	228,879
50 years	22,889,980	-
	23,439,892	577,566

Certain leasehold land and buildings with carrying amounts of RM23,217,427 (RM348,687) are pledged to local bank for term loans granted to the Group as disclosed in Note 27.

15. INVESTMENT PROPERTIES

	The Group and The Company	
	2007	**2006**
	RM	**RM**
At beginning of year	-	-
Transfer from property, plant and equipment	6,442,500	-
At end of year	6,442,500	-

Freehold land and leasehold land and buildings of the Group and the Company have been transferred from property, plant and equipment to investment properties as it is the Group's intention to hold these properties for the long-term for capital appreciation and/or rental income. These freehold land and leasehold land and buildings are carried at fair value and accordingly, the difference between the carrying amount of these properties and their fair values at the date of transfer has been credited to revaluation surplus account.

The fair values have been arrived at based on valuation carried out by Messrs. Raine Horne International Zaki & Partner Sdn. Bhd., an independent firm of professional valuers on January 22, 2008. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The investment properties comprise the following:

	The Group and The Company	
	2007	**2006**
	RM	**RM**
Freehold land	544,000	-
Land under long lease	5,748,500	-
Buildings	150,000	-
	6,442,500	-

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

16. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	The Company 2007 RM	The Company 2006 RM
Unquoted shares in subsidiary companies - at cost	44,686,197	10,161,952
Impairment loss	(86,196)	(86,196)
Net	44,600,001	10,075,756

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

Direct subsidiary companies	Effective Equity Interest 2007	Effective Equity Interest 2006	Principal Activities
Sin Heng Chan (East Coast) Sdn. Bhd.	100%	100%	Manufacturing and trading of formulated animal feeds.
Goldkist (Malaysia) Sdn. Bhd.	100%	100%	Trading of formulated mineral poultry products.
Urun Plantations Sdn. Bhd.	51%	-	Cultivation of palm oil.
SHC Technopalm Plantation Services Sdn. Bhd.	100%	-	Provision of management services.
Ayam Segar Sdn. Bhd.	100%	100%	Pre-operating.
Sub-subsidiary companies			
Sin Heng Chan Feed Sdn. Bhd.	100%	100%	Trading of formulated animal feeds.
Goldkist Breeding Farms Sdn. Bhd.	-	94.2%	Broiler breeding
LKPP - Goldkist Sdn. Bhd.	60%	60%	Broiler breeding and the planting of fragrant coconut trees.
Central Feedmill Sdn. Bhd.	100%	100%	Dormant.

Direct subsidiary companies	Effective Equity Interest 2007	2006	Principal Activities
Goldkist (NS) Sdn. Bhd.	100%	100%	Dormant.
Kuala Lumpur Feedmill Sdn. Bhd.	100%	100%	Pre-operating.

During the financial year, the Group acquired two subsidiary companies, Urun Plantations Sdn. Bhd. and SHC Technopalm Plantation Services Sdn. Bhd. as disclosed in Note 32. Also, during the financial year, the Group disposed of its entire equity interest of 94.2% in Goldkist Breeding Farms Sdn. Bhd. as disclosed in Note 33.

17. OTHER INVESTMENTS

	The Group and The Company 2007 RM	2006 RM
Quoted shares in Malaysia - at cost	3,387	3,387
Allowance for diminution in value	(3,264)	(3,330)
	123	57
Gold bullion	5,250	5,250
	5,373	5,307

18. GOODWILL ON CONSOLIDATION

	The Group 2007 RM	2006 RM
At beginning of year	-	-
Acquisition of subsidiary companies during the year (Note 33)	11,517,239	-
At end of year	11,517,239	-

19. INVENTORIES

	The Group	
	2007	2006
	RM	RM
At cost:		
Parent stocks	2,195,529	3,926,126
Raw materials	2,049,698	3,728,472
Hatching eggs	739,475	1,353,655
Consumables	1,153,277	714,782
Finished goods	375,300	440,161
	6,513,279	10,163,196
Less: Write-down of inventories	(7,487)	(1,476,311)
	6,505,792	8,686,885

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

	The Group	
	2007	2006
	RM	RM
Trade receivables	19,909,953	16,629,574
Less: Allowance for doubtful debts	(10,254,828)	(10,628,057)
Net	9,655,125	6,001,517

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 (2006: 7 to 60 days). An allowance of RM10,254,828 (2006: RM10,628,057) has been made for estimated irrecoverable amounts from the sales of goods, based on past default experience of the Group.

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Other receivables	9,561,636	10,209,359	7,150,817	7,444,027
Less: Allowance for doubtful debts	(8,876,857)	(9,687,694)	(7,074,380)	(7,015,645)
	684,779	521,665	76,437	428,382
Deposits	409,664	5,391,390	254,638	5,258,399
Prepaid expenses	124,036	114,824	13,387	16,912
	1,218,479	6,027,879	344,462	5,703,693

Included in other receivables, deposits and prepaid expenses of the Group and the Company are rental deposits and advanced rental of RM196,368 (2006: 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 21.

Also, included in the other receivables of the Group is insurance claim receivable of RM553,580 (2006: RM Nil) in respect of compensation for assets damages.

21. RELATED PARTY TRANSACTIONS

	The Company	
	2007	2006
	RM	RM
Amount owing by subsidiary companies - net of allowance for doubtful debts of RM13,676,550 (2006: RM12,676,550)	5,946,214	6,219,478
Amount owing to subsidiary companies	49,500	1,930,988

Amount owing by/to subsidiary companies arose mainly from trade transactions and unsecured interest-free advances with no fixed terms of repayment.

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	
	2007	2006	2007	2006
	RM	RM	RM	RM
Subsidiary company				
Management fees receivable from	-	-	720,000	720,000
Rental of premises receivable from	-	-	84,000	120,000
Other related parties				
Rental of premises paid and payable to				
Desa Samudra Sdn. Bhd.	109,522	181,328	109,522	181,328
Seng Hoe & Choong Corporation Sdn. Bhd.	102,000	144,000	102,000	144,000
	211,522	325,328	211,522	325,328

Compensation of Key Management Personnel

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

	The Group		The Company	
	2007	2006	2007	2006
Short-term employee benefits	188,000	280,275	188,000	280,275
EPF contribution	5,040	23,136	5,040	23,136
	193,040	303,411	193,040	303,411

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group 2007 RM	The Group 2006 RM	The Company 2007 RM	The Company 2006 RM
Fixed deposits with licensed banks	7,697,891	7,157,470	7,320,000	7,020,000
Short-term deposits with licensed banks	3,300,000	100,000	300,000	100,000
Cash and bank balances	2,372,311	2,586,321	46,460	576,805
	13,370,202	9,843,791	7,666,460	7,696,805

Fixed deposits with licensed banks of the Group and of the Company of RM397,891 (2006: RM157,470) and RM20,000 (2006: RM20,000) respectively are charged to licensed banks for overdraft facilities granted and guarantees issued by the said banks.

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

	The Group 2007	The Group 2006	The Company 2007	The Company 2006
Fixed deposits with licensed banks	30 to 730 days	30 to 365 days	30 to 90 days	30 to 90 days
Short-term deposits with licensed banks	2 to 21 days	2 to 14 days	2 to 14 days	2 to 14 days

The interest rates per annum are as follows:

	The Group 2007	The Group 2006	The Company 2007	The Company 2006
Fixed deposits with licensed banks	3.0% to 3.7%	3.0% to 3.7%	3.0% to 5.0%	3.0% to 3.5%
Short-term deposits with licensed banks	2.0% to 3.7%	2.0% to 2.4%	2.0% to 2.4%	2.0% to 2.4%

23. SHARE CAPITAL

	2007 RM	2006 RM
Authorised:		
Ordinary shares of RM1 each		
Beginning and end of year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
Beginning of year	60,876,500	60,876,500
Private Placement of New Issue of Shares	9,769,162	-
Conversion of ICULS	19,192,125	-
Exercise of Warrants	20,000,000	
Exercise of ESOS	1,829,000	-
End of year	111,666,787	60,876,500

During the financial year, the issued and paid up ordinary share capital of the Company was increased from RM60,876,500 to RM111,666,787 by way of:

(a) a private placement of 9,769,162 new ordinary shares of RM1 each at an issue price of RM1 each for cash;

(b) an issue of 19,192,125 ordinary shares of RM1 each for cash at par for the conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") into 19,192,125 new ordinary shares of RM1 each;

(c) an issue of 20,000,000 ordinary shares of RM1.00 each for cash at par for the conversion of Warrants into 20,000,000 new ordinary shares of RM1 each; and

(d) an issue of 1,829,000 new ordinary shares of RM1 each for cash pursuant to the Employees Share Option Scheme of the Company at an exercise price of RM1 each.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

24. REVALUATION SURPLUS

	The Group and The Company 2007 RM	2006 RM
At beginning of year	-	-
Revaluation surplus	5,377,640	-
At end of year	5,377,640	-

Freehold land and factory building and short-term leasehold land located in Ipoh, Perak and Melaka were revalued on the basis of valuation carried out by Messrs. Raine Horne International Zaki & Partners Sdn. Bhd., an independent firm of professional valuers on January 22, 2008. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

25. FINANCE LEASE PAYABLES

	The Group			
	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2007 RM	2006 RM	2007 RM	2006 RM
Amount payable under finance lease:				
Within one year	-	213,235	-	178,081
In the second to fifth year inclusive	-	-	-	1,792
	-	213,235	-	179,873
Less: Future finance charges	-	(33,362)	-	-
Present value of lease payables	-	179,873	-	179,873
Less: Portion due within one year			-	(178,081)
Non-current portion			-	1,792

26. HIRE-PURCHASE PAYABLES

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Total instalments outstanding	827,719	876,398	332,208	597,578
Less: Interest-in-suspense	(98,648)	(109,100)	(32,783)	(69,958)
Principal outstanding	729,071	767,298	299,425	527,620
Less: Portion due within one year	(211,273)	(149,976)	(62,133)	(94,826)
Non-current portion	517,798	617,322	237,292	432,794

The non-current portion is repayable as follows:

	The Group		The Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Due within:				
2 years	183,567	156,222	64,405	100,109
3 years	187,338	161,622	57,800	104,480
4 years	143,249	286,445	115,087	228,205
Greater than 4 years	3,644	13,033	-	-
	517,798	617,322	237,292	432,794

The interest rates implicit in the hire-purchase payables of the Group and of the Company range from 4.44% to 12.10% (2006: 4.44% to 12.10%) per annum. The Group's and the Company's hire-purchase payables are secured by the financial institutions charge over the assets under hire-purchase.

27. LONG-TERM LOANS

	The Group	
	2007	2006
	RM	RM
Outstanding loan principal	34,667,311	1,911,202
Less: Portion due within one year (included under bank borrowings) (Note 30)	(691,236)	(1,605,671)
Non-current portion	33,976,075	305,531

The non-current portion is repayable as follows:

	2007	2006
	RM	RM
Due within:		
2 years	476,075	305,531
3 years	-	-
4 years	-	-
Greater than 4 years	33,500,000	-
	33,976,075	305,531

Certain subsidiary companies have obtained term loans from certain local banks amounting to RM39.7 million (2006: RM9.5 million). These term loans bear interest at rates ranging from 3.8% to 8.0% (2006: 3.8% to 8.0%) per annum and consist of:

(a) a seven-year term loan of RM1,200,000, repayable in eighty four (84) monthly instalments commencing in on October 1, 2003;

(b) a eight-year term loan of RM5,000,000, repayable in ninety six (96) monthly instalments commencing in January, 2000;

(c) a term loan of RM25,000,000, repayable in hundred and eight (108) monthly installments commencing in January, 2011;

(d) a term loan of RM5,000,000, repayable in hundred and six (106) monthly installments commencing in January, 2011; and

(e) a term loan of RM3,500,000, repayable in hundred and six (106) monthly installments commencing in January, 2011.

The term loans are secured by:

(a) a fixed charge on the leasehold land and buildings of the said subsidiary companies with carrying amounts of about RM108,047,427 (2006: RM9,790,458) as of December 31, 2007;

(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 RM33,500,000 (2006: RM33,500,000) in the event the subsidiary companies did not maintain its gearing of 1:4. As of December 31, 2007, the subsidiary company has met this condition of maintaining its gearing of 1:4.

28. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Beginning of year	1,004,298	1,333,500	301,000	301,000
Acquisition of subsidiary companies	11,740,782	-	-	-
Disposal of subsidiary company	(544,000)	-	-	-
Transfer to income statements (Note 11)	(107,705)	(329,202)	(21,500)	-
End of year	12,093,375	1,004,298	279,500	301,000

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

	The Group		The Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Property, plant and equipment	764,278	1,441,518	-	-
Unused tax losses	(691,185)	(738,220)	-	-
Tax effects on revaluation of property, plant and equipment	12,020,282	301,000	279,500	301,000
	12,093,375	1,004,298	279,500	301,000

As mentioned in Note 3, deferred tax asset is generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. As of December 31, 2007, the estimated amount of deferred tax asset calculated at the current tax rate which has not been recognised in the financial statements due to uncertainty of realisation, is as follows:

	The Group		**The Company**	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Tax effects of temporary differences arising from:				
Property, plant and Equipment	1,302,400	1,254,800	504,000	502,000
Unused tax losses	18,105,100	15,339,000	10,312,000	10,612,000
	19,407,500	16,593,800	10,816,000	11,114,000

The unused tax losses are subject to agreement by the tax authorities.

29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. The credit period granted to the Group for trade purchases ranges from 15 to 30 days (2006: 30 to 90 days).

Other payables and accrued expenses consist of:

	The Group		**The Company**	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Other payables	11,068,307	2,397,911	448,200	248,200
Accrued expenses	1,784,073	1,366,475	385,943	421,730
	12,852,380	3,764,386	834,143	669,930

Included in other payables of the Group in 2007 is an amount of RM8,979,587 owing to a minority shareholder of a subsidiary company. The outstanding balance is interest free and is for working capital purposes of the subsidiary company.

Included in other payables of the Group and of the Company is an amount of RM103,620 (2006: RM73,620) owing to Lembaga Kemajuan Perindustrian Pertanian Negeri Pahang, a statutory body which is a substantial shareholder of a subsidiary company. The amount arose mainly from annual tribute paid and payable by the subsidiary company of RM30,000 (2006: RM30,000) during the financial year.

30. BANK BORROWINGS

	The Group 2007 RM	2006 RM
Bankers' acceptances	5,816,000	5,461,000
Long-term loans - current portion	691,236	1,605,671
Bank overdrafts	801,017	950,525
Revolving credit	444,198	494,198
	7,752,451	8,511,394

As of December 31, 2007, the Group has bank overdrafts and other credit facilities amounting to RM53.7 million (2006: RM19.9 million) respectively. The credit facilities of the Group bear interest at rates ranging from 4.10% to 8.50% (2006: 4.10% to 8.5%) per annum and are obtained by a negative charge over all the assets of the Group. The credit facilities of the subsidiary companies from certain banks are guaranteed by the Company.

A subsidiary company having credit facilities amounting to RM2.2 million (2006: RM3.2 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 RM17 million based on its latest audited financial statements. As of December 31, 2007, the said subsidiary company's net tangible assets stand at RM15.5 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.

31. 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 22, 27 and 30.

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.

Cash Flow Risk

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

Fair Values

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

		The Group		**The Company**	
	Note	**Carrying Amount RM**	**Fair Value RM**	**Carrying Amount RM**	**Fair Value RM**
Financial Liabilities					
Long-term loans	27	34,667,311	23,250,879	-	-
Hire-purchase payables	26	729,071	545,597	299,425	271,250

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 and borrowing arrangements.

32. ACQUISITION OF SUBSIDIARY COMPANIES

	Principal Activity	Date of Acquisition	Proportion of Shares Acquired %	Cost of Acquisition RM
Urun Plantation Sdn Bhd (“UP”)	Cultivation of oil palms	01.03.2007	51	30,600,000
SHC Technopalm Plantation Services Sdn Bhd (“SHCTP”)	Provision of management services	01.3.2007 & 04.09.2007	100	1
				30,600,001

The net assets arising from acquisitions are as follows:

	Fair value Recognised On Acquisitions RM	Acquirees' Carrying Amount RM
Current assets		
Cash and cash equivalents	302,746	302,746
Trade and other receivables	405,339	405,339
Inventories	218,201	218,201
Non-current assets		
Property, plant and equipment	73,090,158	45,776,933
Prepaid lease payments	23,852,974	5,574,458
Current liabilities		
Trade and other payables	(14,876,548)	(14,876,548)
Borrowings	(311,186)	(311,186)
Non-current liabilities		
Deferred tax liabilities	(11,740,782)	-
Long term loans	(33,500,000)	(33,500,000)
Fair values of net assets	37,440,902	3,589,943
Goodwill on acquisitions	11,517,239	
Minority interest	(18,358,140)	
Total purchase consideration	30,600,001	

The cost of acquisition of Urun Plantation Sdn. Bhd. and SHC Tehnopalm Plantation Services Sdn. Bhd. was paid in cash.

	RM
Total purchase consideration	30,600,001
Less: Cash and cash equivalents of subsidiary companies acquired	(302,746)
Net cash outflow on acquisitions	30,297,255

The effects of the acquisitions on the financial results of the Group are as follows:

Post acquisition results of the subsidiaries acquired:

	RM
Revenue	7,317,195
Other operating expenses	(6,928,481)
Finance cost	(635,498)
Loss before taxation	(246,784)
Income tax expense	-
Net loss for the year	(246,784)
Attributable to:	
Equity holders of the Company	(146,582)
Minority interest	(100,202)
	(246,784)

If the acquisition had occurred on January 1, 2007, the Group's revenue and profit for the year would have been RM52,228,122 and RM914,039 respectively.

33. DISPOSAL OF SUBSIDIARY COMPANY

On February 9, 2007, a subsidiary company, Sin Heng Chan Industries Sdn. Bhd. (formerly known as Sin Heng Chan (East Coast) Sdn. Bhd.) disposed of its entire equity interest of 94.2% in Goldkist Breeding Farms Sdn. Bhd., a company incorporated in Malaysia, to a third party for a cash consideration of RM2,826,007.

Carrying value of net assets sold are as follows:

	As of February 9, 2007 RM
Current asset	
Inventories	1,381,172
Non-current asset	
Property, plant and equipment	1,144,141
Net assets disposed of	2,525,313
Minority interest	(145,000)
	2,380,313
Gain on disposal	445,694
Net cash inflow on disposal	2,826,007

34. CASH AND CASH EQUIVALENTS

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

	The Group		**The Company**	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Fixed and short-term deposits with licensed banks	10,997,891	7,257,470	7,620,000	7,120,000
Cash and bank balances	2,372,311	2,586,321	46,460	576,805
Bank overdrafts (Note 30)	(801,017)	(950,525)	-	-
Total	12,569,185	8,893,266	7,666,460	7,696,805
Less: Fixed deposits pledged to banks	(397,891)	(157,470)	(20,000)	(20,000)
	12,171,294	8,735,796	7,646,460	7,676,805

35. EFFECTS ON THE ADOPTION OF NEW AND REVISED FRS

As mentioned in Note 2, the effects on the financial statements arising from the adoption of revised FRS 117 are as follows:

(a) **Effects on Consolidated Income Statement for the year ended December 31, 2006**

	As Previously Reported RM	Increase/ (Decrease) FRS 117 RM	As Reclassified RM
Depreciation of property, plant and equipment	2,234,186	(25,159)	2,209,027
Amortisation of prepaid lease payments	-	25,159	25,159

(b) **Effects on Consolidated Balance Sheet as of December 31, 2006**

	As Previously Reported RM	Increase/ (Decrease) FRS 117 RM	As Reclassified RM
Property, plant and equipment	15,179,555	(577,566)	14,601,989
Prepaid lease payments	-	577,566	577,566

36. CONTINGENT LIABILITIES

(i) As of December 31, 2007, the Company has issued corporate guarantees totalling RM8,600,000 (2006: RM8,600,000) in respect of credit facilities granted by a local licensed bank to its subsidiary company. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities utilised by the subsidiary company as of December 31, 2007.

(ii) During the financial year, the tax authorities have sought clarifications from a subsidiary company with regards to its tax matters for the years of assessment 2001 to 2005. The directors have provided the information requested and the outcome of the inquiries is still pending as of the date of this report. The directors are of the opinion that there would be no change to the current or past tax positions of the Group, accounted for in past or current financial statements, arising from the enquiries.

(iii) Also, during the financial year, a subsidiary company was served with winding-up petition by a creditor which seeks to recover a sum of approximately RM2.7 million owing by the said subsidiary, of which an amount of RM1.2million 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.

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.

Company No. 4690 – V

SIN HENG CHAN (MALAYA) BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **SIN HENG CHAN (MALAYA) BERHAD** state that in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of December 31, 2007 and of their businesses and cash flows for the year ended on that date.

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

____
DATO' CHOO KENG WENG

____
MOHD SHARIFF BIN SALLEH

Kuala Lumpur
April 22, 2008

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

I, **FREDDIE YONG,** the Officer primarily responsible for the financial management of **SIN HENG CHAN (MALAYA) BERHAD,** do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity are, 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.

____
FREDDIE YONG

Subscribed and solemnly declared by the abovenamed **FREDDIE YONG** at **KUALA LUMPUR** this 22nd day of April, 2008.

Before me,

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COMMISSIONER FOR OATHS