

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

INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Note	The Group		The Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Revenue	4	49,804,338	53,430,313	1,008,234	505,832
Other operating income	6	563,128	1,211,672	916,694	193,266
Changes in inventories of finished goods and hatching eggs		(27,195)	(439,321)	-	-
Raw materials and consumables used		(34,625,400)	(38,585,993)	-	-
Directors' remuneration	7	(825,570)	(1,004,857)	(788,570)	(788,570)
Staff costs	8	(4,818,311)	(4,900,305)	(643,985)	(642,591)
Depreciation of property, plant and equipment	13	(2,607,964)	(2,490,997)	(229,723)	(244,690)
Impairment loss of property, plant and equipment		-	(807,807)	-	-
Other operating expenses	6	<u>(9,131,795)</u>	<u>(9,497,784)</u>	<u>(11,581,455)</u>	<u>(2,172,021)</u>
Loss from operations		(1,668,769)	(3,085,079)	(11,318,805)	(3,148,774)
Finance costs	9	(5,028,904)	(4,640,862)	(2,841,687)	(2,154,376)
Income from other investments	10	<u>247,048</u>	<u>101,843</u>	<u>240,448</u>	<u>96,708</u>
Loss before tax		(6,450,625)	(7,624,098)	(13,920,044)	(5,206,442)
Tax (expense)/income	11	<u>219,881</u>	<u>(144,305)</u>	<u>-</u>	<u>-</u>
Loss after tax		(6,230,744)	(7,768,403)	(13,920,044)	(5,206,442)
Minority interest		<u>(243,625)</u>	<u>(209,686)</u>	<u>-</u>	<u>-</u>
Net loss for the year		<u><u>(6,474,369)</u></u>	<u><u>(7,978,089)</u></u>	<u><u>(13,920,044)</u></u>	<u><u>(5,206,442)</u></u>
Loss per ordinary share					
Basic	12	<u>(34.1 sen)</u>	<u>(42.0 sen)</u>		

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

Company No. 4690 - V

SIN HENG CHAN (MALAYA) BERHAD
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AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS
AS OF DECEMBER 31, 2003

	Note	The Group		The Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Property, plant and equipment	13	20,996,542	23,365,473	1,467,933	1,697,656
Investment in subsidiary companies	14	-	-	10,075,756	10,075,756
Other investments	15	596,320	597,322	5,250	596,320
Current Assets					
Inventories	16	9,002,311	8,107,368	-	-
Trade receivables	17	8,771,648	8,144,919	-	-
Other receivables, deposits and prepaid expenses	17	3,705,742	3,575,737	3,483,826	3,208,302
Amount owing by subsidiary companies	18	-	-	2,724,911	5,576
Marketable securities	19	63	477,182	63	477,182
Fixed deposits, cash and bank balances	20	2,714,781	1,906,845	13,321	896,500
Total Current Assets		<u>24,194,545</u>	<u>22,212,051</u>	<u>6,222,121</u>	<u>4,587,560</u>
Current Liabilities					
Trade payables	21	7,823,341	6,861,550	-	-
Other payables and accrued expenses	21	15,594,865	14,634,086	10,824,194	9,047,819
Amount owing to subsidiary companies	18	-	-	4,731,928	9,565,797
Bank borrowings	22	52,948,792	47,950,269	42,534,440	24,950,221
Finance lease payables	23	573,631	502,076	-	-
Hire-purchase payables	24	786,468	809,385	164,211	-
Tax liabilities		42,876	42,876	42,876	-
Total Current Liabilities		<u>77,769,973</u>	<u>70,800,242</u>	<u>58,297,649</u>	<u>43,563,837</u>

(Forward)

Company No. 4690 - V

	Note	The Group		The Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Net Current Liabilities		(53,575,428)	(48,588,191)	(52,075,528)	(38,976,277)
Long-Term and Deferred Liabilities					
Finance lease payables					
- non-current portion	23	(975,693)	(1,515,288)	-	-
Hire-purchase payables					
- non-current portion	24	(46,074)	(108,905)	-	-
Long-term loans					
- non-current portion	25	(3,636,000)	(3,940,000)	-	-
Deferred tax liabilities	26	(1,339,000)	(1,559,000)	(301,000)	(301,000)
		<u>(5,996,767)</u>	<u>(7,123,193)</u>	<u>(301,000)</u>	<u>(301,000)</u>
Net Liabilities		<u>(37,979,333)</u>	<u>(31,748,589)</u>	<u>(40,827,589)</u>	<u>(26,907,545)</u>
Represented by:					
Issued capital	27	18,994,375	18,994,375	18,994,375	18,994,375
Reserves	29	910,186	910,186	896,380	896,380
Accumulated loss		<u>(61,133,743)</u>	<u>(54,659,374)</u>	<u>(60,718,344)</u>	<u>(46,798,300)</u>
Capital Deficiency		<u>(41,229,182)</u>	<u>(34,754,813)</u>	<u>(40,827,589)</u>	<u>(26,907,545)</u>
Minority interests		<u>3,249,849</u>	<u>3,006,224</u>	<u>-</u>	<u>-</u>
		<u>(37,979,333)</u>	<u>(31,748,589)</u>	<u>(40,827,589)</u>	<u>(26,907,545)</u>

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

Company No. 4690 - V

SIN HENG CHIAN (MALAYA) BERHAD
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**STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2003**

The Group	Non-Distributable				Total RM
	Issued Capital RM	Share Premium RM	Reserve On Consolidation RM	Accumulated Losses RM	
Balance as of January 1, 2002	18,994,375	896,380	13,806	(46,147,285)	(26,242,724)
As previously reported	-	-	-	(534,000)	(534,000)
Prior year adjustment					
As restated	18,994,375	896,380	13,806	(46,681,285)	(26,776,724)
Net loss for the year	-	-	-	(8,025,089)	(8,025,089)
As previously reported	-	-	-	47,000	47,000
Prior year adjustment					
As restated	-	-	-	(7,978,089)	(7,978,089)

(Forward)

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Note	Issued Capital RM	Non-Distributable			Total RM
		Share Premium RM	Reserve On Consolidation RM	Accumulated Losses RM	
Balance as of December 31, 2002	18,994,375	896,380	13,806	(54,659,374)	(34,754,813)
Net loss for the year	-	-	-	(6,474,369)	(6,474,369)
Balance as of December 31, 2003	<u>18,994,375</u>	<u>896,380</u>	<u>13,806</u>	<u>(61,133,743)</u>	<u>(41,229,182)</u>

(Forward)

The Company	Note	Issued Capital RM	← Non-Distributable →			Total RM
			Share Premium RM	Reserve On Consolidation RM	Accumulated Losses RM	
Balance as of January 1, 2002		18,994,375	896,380	-	(41,290,858)	(21,400,103)
As previously reported		-	-	-	(301,000)	(301,000)
Prior year adjustment	28					
As restated		18,994,375	896,380	-	(41,591,858)	(21,701,103)
Net loss for the year					(5,206,442)	(5,206,442)
Balance as of December 31, 2002		18,994,375	896,380	-	(46,798,300)	(26,907,545)
Net loss for the year					(13,920,044)	(13,920,044)
Balance as of December 31, 2003		18,994,375	896,380	-	(60,718,344)	(40,827,589)

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

SIN HENG CHAN (MALAYA) BERHAD
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CASH FLOW STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Note	The Group		The Company	
		2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS/(USED IN)					
FROM OPERATING					
ACTIVITIES					
Loss before tax		(6,450,625)	(7,624,098)	(13,920,044)	(5,206,442)
Adjustments for:					
Finance costs		5,028,904	4,640,862	2,841,687	2,154,376
Depreciation of property, plant and equipment		2,607,964	2,490,997	229,723	244,690
Allowance for doubtful debts - net		213,734	-	-	-
(Gain)/Loss on disposal of marketable securities		(127,307)	168,159	(127,307)	168,159
Unrealised loss on foreign exchange		3,693	23,391	-	-
Bad debts written off		3,166	-	-	-
Loss arising from assignment of assets and liabilities of subsidiary companies disposed		-	-	9,644,795	-
Allowance for doubtful recovery of amount owing by subsidiary company		-	-	-	114,299
Impairment loss of property, plant and equipment		-	807,807	-	-
Dividend income		(1,008,234)	(505,832)	(1,008,234)	(505,832)
Allowance for doubtful debts no longer required		-	(101,647)	(37,846)	(50,589)
Gain on disposal of subsidiary companies		(374,152)	-	-	-

(Forward)

	Note	The Group		The Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Interest income		(13,048)	(47,843)	(6,448)	(42,708)
Gain on disposal of property, plant and equipment - net of tax		-	(185,750)	-	-
Operating Profit/(Loss) Before Working Capital Changes		(115,905)	(333,954)	(2,383,674)	(3,124,047)
(Increase)/Decrease in:					
Inventories		(894,943)	(539,184)	-	-
Trade receivables		(878,475)	587,588	-	-
Other receivables, deposits and prepaid expenses		(142,606)	(31,847)	(175,793)	73,830
Fixed deposit pledged		(2,884)	-	-	-
Increase/(Decrease) in:					
Trade payables		961,791	1,651,314	-	-
Other payables and accrued expenses		493,168	(268,171)	590,697	(156,470)
Amount owing by/(to) subsidiary companies		-	-	(483,568)	2,073,395
Cash From/(Used In) Operations		(579,854)	1,065,746	(2,452,338)	(1,133,292)
Finance costs paid		(4,060,366)	(3,711,958)	(2,047,553)	(1,413,142)
Retirements benefit paid		(6,791)	(20,776)	-	-
Income tax (paid)/refunded		11,238	(6,835)	-	-
Net Cash Used In Operating Activities		(4,635,773)	(2,673,823)	(4,499,891)	(2,546,434)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Dividends received		1,008,234	364,506	1,008,234	364,506
Proceeds from disposal of marketable securities		604,426	18,661	604,426	18,661
Disposal of subsidiary companies, net of proceeds	14	(13,585)	-	(14,827,615)	-
(Forward)					

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	The Group		The Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Proceeds from disposal of property, plant and equipment	-	425,500	-	-
Interest received	13,048	52,695	6,448	46,808
Purchase of property, plant and equipment	(312,033)	(1,797,915)	-	(10,510)
Net Cash From/(Used In) Investing Activities	1,300,090	(936,553)	(13,208,507)	419,465
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Repayment of long-term loans	(340,000)	(1,560,000)	-	-
Short-term borrowings receipts	23,174,000	24,659,000	-	-
Short-term borrowings paid	(20,796,000)	(24,344,000)	-	-
Repayment of finance lease payables	(468,040)	(354,273)	-	-
Repayment of hire-purchase payables	(85,748)	(108,217)	-	(13,472)
Net Cash From/(Used In) Financing Activities	1,484,212	(1,707,490)	-	(13,472)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,851,471)	(5,317,866)	(17,708,398)	(2,140,441)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(33,610,477)	(28,292,611)	(16,628,721)	(14,488,280)
CASH AND CASH EQUIVALENTS AT END OF YEAR	32 (35,461,948)	(33,610,477)	(34,337,119)	(16,628,721)

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