HIGH QUALITY FOOD IS A NECESSARY AND SOUGHT AFTER COMMODITY THE WORLD OVER. **FARM'S BEST'S ARE THE PINNACLE OF NUTRITIOUS EDIBLE PRODUCTS.** EVEN THE MOST ORDINARY OBJECT BECOMES AN IRRESISTIBLE ESSENTIAL GOODNESS WITH WHOLESOME NURTURING AND STRINGENT QUALITY CONTROL

09 FARM'S BEST BERHAD ANNUAL REPORT

SATISFACTION
GUARANTEED

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company will be held at Bilik Bunga Teratai, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Thursday, 24 June 2010 at 11.00 a.m. for the following purposes:-

AGENDA

Ordinary Business:-

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

2. To approve the payment of Directors' fees of RM96,000.00 for the financial year ended 31 December 2009. **Ordinary Resolution 2**

3. To re-elect the following Directors who retire by rotation in accordance with Article 105 of the Company's Articles of Association:-

   (a) Y. Bhg. Datuk Hj. Zainal bin Hj. Shamsudin **Ordinary Resolution 3**

   (b) Y. Bhg. Dato' Fong Kok Yong **Ordinary Resolution 4**

   (c) Mr Fong Ngan Teng **Ordinary Resolution 5**

4. To consider and, if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965:-

   "**THAT** Tuan Haji Baharom Bin Abd Wahab, a Director who retires pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 6**

5. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Board of Directors to fix their remuneration for the ensuing year. **Ordinary Resolution 7**

Any other Business:-

6. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order Of The Board

CHIN NGEOK MUI (MAICSA 7003178)
LIEW SENG AUN (MIA 13109)
Company Secretaries

Melaka
Date: 2 June 2010

Notes:-

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.

(ii) Where a member appoints two (2) or more proxies, the appointment shall not be valid unless he (she) specifies the proportion of his (her) shareholdings to be represented by each proxy.

(iii) The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its authorised attorney or officers.

(iv) The instrument appointing a proxy shall be deposited at the office of the Company's Share Registrar at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the Meeting or any adjournment thereof.

CORPORATE STRUCTURE

FARM'S BEST BERHAD
(301653-V)

- 100% Sinmah Livestocks Sdn Bhd
  - 58.91% Joint Farming Sdn Bhd
    - 60% Joint Food Proccessing Sdn Bhd
    - 30.77% Ban Yen Sdn Bhd
  - 100% Bersatu Segar Sdn Bhd
  - 100% Dee Huat Farming Trading Sdn Bhd
  - 75% Chem Ventures Sdn Bhd
  - 51% Syarikat Perniagaan Suann Sdn Bhd
    - 100% Suann Food Processors Sdn Bhd
- 99.99% Sinmah Multifeed Sdn Bhd
- 100% Sinmah Egg Products Sdn Bhd
  - 100% Sinmah Poultry Farm Sdn Bhd
    - 100% Premier Layer Breeders Sdn Bhd
- 100% Farm's Best Food Industries Sdn Bhd
  - 100% SM Broilers Sdn Bhd
    - 50% Farm's Best Eggmart Sdn Bhd
- 100% Sinmah Development Sdn Bhd
  - 100% Realtemas Realty Sdn Bhd
  - 100% Sinmah Builders Sdn Bhd
  - 100% Cosmal Enterprise Sdn Bhd
- 100% Sinmah Breeders Sdn Bhd
- 100% Sinmah Ventures Sdn Bhd
  - 100% FB Food (Nanjing) Pte Ltd
  - 51% Chix Unlimited Inc.
  - 50% SM Enterprise (Nanjing) Pte Ltd
- 100% Lynbridge Sdn Bhd
  - 49.90% SMNS Rubber Holdings Sdn Bhd
    - 100% Smallholdings Management Sdn Bhd
  - 50% Suria Wangsamas Sdn Bhd

50%

EXCELLENCE

BOARD OF DIRECTORS

Datuk Hj. Zainal Bin Hj. Shamsudin	Chairman, Independent Non-Executive Director
Dato' Fong Kok Yong	Managing Director
Datuk Fong Kiah Yeow	Executive Director
Fong Ngan Teng	Executive Director
Fong Choon Kai	Executive Director
Ng Cheu Kuan	Executive Director
Datuk Ng Peng Hay @ Ng Peng Hong	Executive Director
Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director
Mohd Khasan Bin Ahmad	Senior Independent Non-Executive Director

AUDIT COMMITTEE & NOMINATION COMMITTEE

Datuk Hj. Zainal Bin Hj. Shamsudin
Chairman, Independent Non-Executive Director
Haji Baharom Bin Abd. Wahab
Independent Non-Executive Director
Mohd Khasan Bin Ahmad
Senior Independent Non-Executive Director

REMUNERATION COMMITTEE

Mohd Khasan Bin Ahmad
Chairman, Independent Non-Executive Director
Datuk Hj. Zainal Bin Hj. Shamsudin
Independent Non-Executive Director
Haji Baharom Bin Abd. Wahab
Independent Non-Executive Director
Dato' Fong Kok Yong
Managing Director
Datuk Fong Kiah Yeow
Executive Director

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

AG 5730
Alor Gajah Industrial Estate
78000 Alor Gajah, Melaka
Tel: 06-556 1293
Fax: 06-556 2445

REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Tel: 03-7841 8000
Fax: 03-7841 8151/52

COMPANY SECRETARIES

Chin Ngeok Mui (MAICSA 7003178)
Liew Seng Aun (MIA 13109)

AUDITORS

Ernst & Young
Chartered Accountants
Lot 1, 6th Floor, Menara Pertam
Jalan BBP 2
Taman Batu Berendam Putra
Batu Berendam, 75350 Melaka
Tel: 06-336 2399
Fax: 06-336 2899

PRINCIPAL BANKERS

AGROBANK (Bank Pertanian Malaysia Berhad)
Bank Kerjasama Rakyat Malaysia Berhad
Affin Bank Berhad
EON Bank Berhad
Hong Leong Bank Berhad
Asian Finance Bank

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name: FARMBES
Stock Code: 9776
Sector: Consumer Products

Y. Bhg. Datuk Hj. Zainal Bin Hj. Shamsudin was appointed to the Board of Farm's Best Berhad ("Farm's Best") as Chairman of Farm's Best on 8 August 2006. He is also the Chairman of the Audit and Nomination Committees and member of the Remuneration Committee of Farm's Best.

Y. Bhg. Datuk Hj. Zainal holds a Diploma in Police Science and he has served in the Royal Malaysian Police Force since June 1965 until his retirement in June 2003. Y. Bhg. Datuk Hj. Zainal began his career in the Royal Malaysian Police Force as an Investigation Officer and has climbed the rank of SAC (I) holding the post of Deputy Director (II) of the Malaysian Special Branch when he retired. He also sits on the boards of several private limited companies.

In recognition of his continuous efforts and dedication to the Malaysian Police Force, Y. Bhg. Datuk Hj. Zainal was conferred the Panglima Gemilang Darjah Kinabalu (P.G.D.K.) by His Excellency, the Governor of Sabah in September 2000.

Subsequently, in July 2008, in recognition of his many past contributions to the Malaysian Police Force, Y. Bhg. Datuk Hj. Zainal was conferred the Jaksa Pendamai (J.P) by HRH Yang Di-Pertuan Besar Negeri Sembilan.

As at the date of this annual report, Y. Bhg. Datuk Hj. Zainal does not have any interest in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

DATUK HJ. ZAINAL BIN HJ. SHAMSUDIN,

Chairman, Independent Non-executive Director & Chairman Of Audit Committee, 63 years of age, Malaysian

Y. BHG. DATO' FONG KOK YONG

Managing Director
59 Years Of Age – Malaysian

Y. Bhg. Dato' Fong Kok Yong was appointed to the Board of Farm's Best on 10 February 1995 and is currently the Managing Director of Farm's Best. He is also a member of the Remuneration Committee of Farm's Best.

Y. Bhg. Dato' Fong Kok Yong graduated from the University of Singapore in 1975 with a Bachelor of Business Administration degree. He joined Sinmah Multifeed Sdn Bhd, a wholly owned subsidiary of Farm's Best on 18 October 1976 as a Director. He presently oversees the Group's operations.

Y. Bhg. Dato' Fong Kok Yong is currently,
(i) Advisor to the Federation of Livestock Farmers' Associations of Malaysia (since 1995)
(ii) Member, Malaysian Institute of Management (since 1990)
(ii) Member, Agricultural Institute of Malaysia (since 1985)

He had also served in the various positions/bodies during the past years:-
(i) Secretary General, Federation of Livestock Farmers' Associations of Malaysia (1986 – 1991)
(ii) President, Federation of Livestock Farmers' Associations of Malaysia (1991 – 1995)
(iii) President, Federation of Asean Poultry Producers (March 2003 – March 2005)
(iv) Director, Selangor Chinese Chamber of Commerce and Industry (1991 – 1995)
(v) Director, Malacca Chinese Chamber of Commerce and Industry (1995 to 2000)

In October 2008, in recognition of his continuous efforts, dedication and contribution to the livestock industry in Malaysia, Y. Bhg. Dato' Fong Kok Yong was conferred the Darjah Indera Mahkota Pahang (D.I.M.P.) by HRH, the Sultan of Pahang.

As at the date of this annual report, Y. Bhg. Dato' Fong Kok Yong has an indirect interest of 20,348,705 shares in Farm's Best. He has attended four (4) of the five (5) board meetings held during the financial year ended 31 December 2009.

FONG NGAN TENG

Executive Director
52 Years Of Age –
Malaysian

Fong Ngan Teng was appointed to the Board of Farm's Best on 10 February 1995. He graduated in 1982 with a Bachelor of Arts (Honours) degree from The City of London Polytechnic in United Kingdom. He joined Sinmah Multifeed Sdn Bhd upon his graduation and was appointed as a Director of Sinmah Multifeed Sdn Bhd on 1 March 1983. He is currently the Group's Marketing Director and is also responsible for the breeding, hatchery and contract farming of the Group. He also sits on the boards of several private limited companies.

As at the date of this annual report, Fong Ngan Teng has an indirect interest of 20,348,705 shares in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

Y. Bhg. Datuk Fong Kiah Yeow was appointed to the Board of Farm's Best on 10 February 1995. He is also a member of the Remuneration Committee of Farm's Best.

Y. Bhg. Datuk Fong Kiah Yeow completed an accountancy course in 1975 from the Tottenham College of Technology, United Kingdom. He was also an associate member of the Chartered Association of Certified Accountants, United Kingdom. Immediately, upon completion of his studies, Y. Bhg. Datuk Fong Kiah Yeow joined his family business and was responsible for his family's rice wholesale business. He was later appointed to the Board of Sinmah Multifeed Sdn Bhd on 31 January 1980. He is presently responsible for the Group's corporate affairs and financial matters. He also sits on the board of several private limited companies.

In October 2008, in recognition of his efforts and dedication, Y. Bhg. Datuk Fong Kiah Yeow was conferred the Darjah Mulia Seri Melaka (D.M.S.M.) by His Excellency, the Governor of Melaka.

As at the date of this annual report, Y. Bhg. Datuk Fong Kiah Yeow has a direct interest of 108,000 shares and an indirect interest of 20,348,705 shares in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

Y. BHG. DATUK FONG KIAH YEOW

Executive Director
55 Years Of Age –
Malaysian

Fong Choon Kai was appointed to the Board of Farm's Best on 10 February 1995. He graduated in 1985 with a Bachelor of Actuarial Science (Honours) degree from London School of Economics, United Kingdom and later in 1987, with a Masters degree in Systems Analysis and Design from The City University, United Kingdom. Thereafter, he was attached to a public chartered accounting firm, Lewis, Berman & Partners in United Kingdom for 2 years. Prior to his appointment to the Board of Sinmah Multifeed Sdn Bhd on 15 January 1992, he was engaged in a construction and property development company, Hanover Construction Ltd, as well as in export and import business of Hanover Trading Ltd, United Kingdom for 2 years. Fong Choon Kai is currently responsible for all administrative matters in the Group. He also sits on the boards of several private limited companies.

As at the date of this annual report, Fong Choon Kai has an indirect interest of 20,348,705 shares in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

FONG CHOON KAI
Executive Director
48 Years Of Age – Malaysian

NG CHEU KUAN
Executive Director
55 Years Of Age – Malaysian

Ng Cheu Kuan was appointed to the Board of Farm's Best on 10 February 1995 and is in charge of the Group's property development operations. He graduated with a degree in Civil Engineering (Honours) from the University of Southampton, United Kingdom in July 1977. He is a Professional Engineer registered with the Board of Engineers, Malaysia and was conferred a Fellow of the Institution of Engineers, Malaysia in 1990, making him one of the youngest Fellow of the Institution then. He was also the Chairman of the Institution of Engineers, Malacca Branch from 1988 to 1990. Upon his graduation in 1977, he joined Dewan Bandaraya, Kuala Lumpur as a project engineer and in 1980 he became design engineer in Angkasa Gutteridge Haskins & Davey Consulting Engineers, Kuala Lumpur, which provides professional engineering services to clients from the private and public sectors. In 1982, he joined Bolton Properties Berhad as a project manager before becoming the project manager and later senior manager of Supreme Corporation Berhad (now known as Lion Land Berhad) for 10 years. Between 1992 and May 1994, he worked in Lion Land Berhad. He then started his own property development and construction businesses. He is also a director of several private limited companies.

As at the date of this annual report, Ng Cheu Kuan does not have any interest in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

Y. Bhg. Datuk Ng Peng Hay @ Ng Peng Hong was appointed to the Board of Farm's Best on 10 February 1995.

Y. Bhg. Datuk Ng Peng Hay was the State Assemblyman for Tengkera Constituency of Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He has been appointed as the Investment Co-ordinator by the Melaka State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his teams of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka.

In recognition of his efforts and dedication, Y. Bhg. Datuk Ng Peng Hay was conferred the Darjah Mulia Seri Melaka (D.M.S.M.) by His Excellency, the Governor of Melaka in 1992. On 17 July 1999, the Taiwanese Government awarded him the Economics Medal.

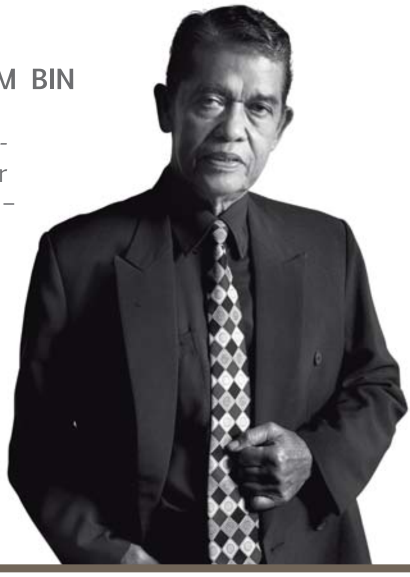
Y. Bhg. Datuk Ng Peng Hay is also the Chairman of MCA, 7th Branch Melaka since 1982. He was also appointed as Vice Chairman of Malacca State Malaysia Crime Prevention Foundation (MCPF) since the year 1997 and is a Board member of Malaysian Industrial Development Authority (MIDA).

Y. Bhg. Datuk Ng Peng Hay is also the Independent Non-Executive Director of Bonia Corporation (M) Berhad since 1994, Komarkcorp Berhad since 1997 and Ta Win Holdings Berhad since 2000. In addition, he is also the Chairman of Wellcall Holdings Berhad.

As at the date of this annual report, Y. Bhg. Datuk Ng Peng Hay does not have any interest in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

Y. BHG. DATUK NG PENG HAY @ NG PENG HONG

Executive Director
58 Years Of Age – Malaysian



HAJI BAHAROM BIN ABD. WAHAB

Independent Non-Executive Director
75 years of age – Malaysian

Haji Baharom Bin Abd. Wahab was appointed to the Board of Farm's Best on 14 June 1999. He is also a member of the Audit, Nomination and Remuneration Committees of Farm's Best.

Haji Baharom started his teaching career since 1955 and was in the teaching profession for more than 35 years. He was later promoted to the position of headmaster in 1976 and held this position until his optional retirement in 1990. He attended courses for "Modern Administration and Management for Headmasters" in University Sains Malaysia, Penang, in 1976 and "Management and Leadership in Education" in University Malaya, Kuala Lumpur in 1982. Haji Baharom has been very active in both political and community work since his early days. Haji Baharom was actively involved in the co-operative and was appointed director for Koperasi Guru-Guru Melayu Melaka from 1986 to 1991. In recognition of his contribution to the society, Haji Baharom was conferred the P.J.K. (Pingat Jasa Kebaktian) in 1985 by His Excellency, the Govenor of Melaka. Since his retirement in 1990, Haji Baharom was appointed and sits on the Board of several private limited companies.

As at the date of this annual report, Haji Baharom holds 4,500 shares in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

Mohd Khasan Bin Ahmad was appointed to the Board of Farm's Best on 10 January 2002. He is the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of Farm's Best.

Mohd Khasan obtained a diploma in Accountancy and later graduated with a degree in Accountancy from University Teknologi Mara. He is a member of the Malaysian Institute of Accountants ("MIA"). He served Bank Negara Malaysia for a period of about 7 years, the last 2 years of which he was seconded to the Capital Issues Committee ("CIC") as its Principal Assistant Secretary. Subsequently, he joined the Securities Commission for a period of about 6 years and his last capacity was an Assistant Manager in its Issues and Investment Division. During the tenure of his above appointments, he was involved in various corporate exercises ranging from initial public offerings, mergers and acquisitions, reverse take-overs, issuance of bonds and other capital raising exercises. He joined the private sector in 1997 and held various senior management positions. Mohd Khasan also sits on the Board of Ta Win Holdings Berhad, Crest Builder Holdings Berhad , Wellcall Holdings Berhad, Ralco Corporation Berhad and Homeritz Corporation Berhad as an Independent Non-Executive Director.

As at the date of this annual report, Mohd Khasan does not have any interest in Farm's Best. He has attended all five (5) board meetings held during the financial year ended 31 December 2009.

MOHD KHASAN BIN AHMAD

Independent Non-Executive Director
49 Years Of Age – Malaysian

ADDITIONAL INFORMATION

(i) CONFLICT OF INTEREST

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

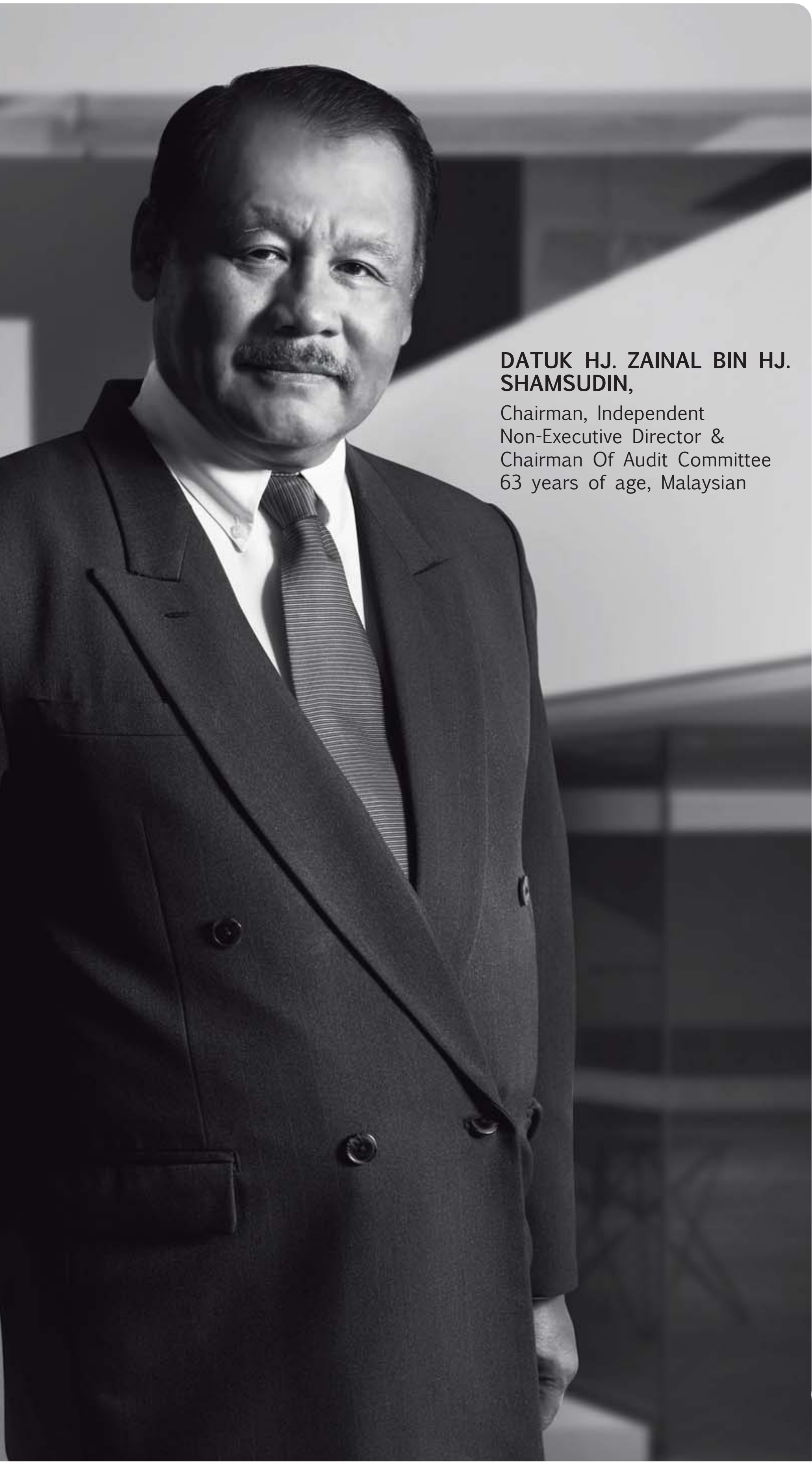
(ii) FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER

None of the Directors have family relationship with any Director and/or major shareholder of the Company except for Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai who are brothers.

(iii) CONVICTION FOR OFFENCES (WITHIN THE PAST 10 YEARS, OTHER THAN TRAFFIC OFFENCES)

Except for Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai, none of the directors have any convictions for any offences other than traffic offences. On 11 December 2001, Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai were publicly reprimanded by the Securities Commission ("SC") under Section 32 of the Securities Commission Act 1993 for the non-completion of Farm's Best's proposed rights issue. In addition, the SC had also taken the decision not to accept any form of proposals under Section 32 of the Securities Commission Act 1993 submitted by any companies in which Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai have substantial interest for a period of 3 years from the date of the abovementioned letter. However, upon appeal by Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai, the Securities Commission had on 15 April 2002, agreed to consider proposals made by Farm's Best under Section 32 of the Securities Commission Act 1993, only if the proposal is a comprehensive scheme that would meet all of Farm's Best's financial needs.

FORESIGHT



DATUK HJ. ZAINAL BIN HJ. SHAMSUDIN,
Chairman, Independent
Non-Executive Director &
Chairman Of Audit Committee
63 years of age, Malaysian

On behalf of the Board of Directors of the Group, I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2009.

PERFORMANCE REVIEW

Introduction

During the current year under review, the Group recorded a lower loss after taxation of RM4.79 million as compared to a loss after taxation of RM6.29 million in the previous financial year ended 31 December 2008. This loss was incurred on the back of revenue of RM347.9 million, a decrease of about 13.1% if compared with the revenue of RM400.3 million reported in the previous financial year. Meanwhile, the current year's loss after taxation and minority interest of RM6.48 million translates to a loss per share of 11.7 sen.

Overall, it was a very challenging year for the Group as average prices of live broilers and processed poultry products were much lower compared to the previous financial year ended 31 December 2008. Fortunately, prices of imported raw feedstuffs also softened during the financial year under review, thereby offsetting the impact of decrease in average selling prices of live broilers and processed poultry products.

The property development division showed some signs of recovery whereby sales of the development project in Krubong, Melaka improved as a result of the completion of the bridge linking our project site to Taman Melaka Baru, Batu Berendam. The property development division also made a profit from the compulsory acquisition of part of its development land in Tanjung Minyak, Melaka by the Melaka State Government.

In the following sections, I shall highlight the performances of the respective key operative divisions within the Group.

Integrated Poultry Operations

During the financial year ended 31 December 2009, the integrated poultry operations of the Group made a loss of about RM0.2 million as opposed to a profit of RM3.7 million during the previous financial year. The drop in performance was mainly due to the adverse impact of decrease in average selling prices of live broilers and processed poultry products as the reduction of prices of imported raw materials such as corn and soy bean meal were not sufficient to offset its effect.

Eggs

The Group's egg layer division showed some improvement by posting a lower loss of about RM3.6 million during the current year under review as compared to a loss of about RM6.0 million during the previous financial year. This was mainly due to a better average selling price of table eggs coupled by lower production costs during the financial year under review as compared to the previous financial year.

Overall, both divisions of the Group's poultry operations turned in a combined loss of RM3.8 million during the financial year under review as compared to a loss of RM2.3 million during the previous financial year.


The bridge at Peninsula Park, Krubong Melaka

Housing Development

During the financial year under review, the housing development division showed a profit of RM0.95 million as opposed to a loss of RM0.64 million during the previous financial year. Turnover from the housing development division increased to RM13.7 million during the financial year under review as compared to RM7.6 million during the previous financial year.

The improved performance of the housing development division was mainly due to increase in sales of houses of its Peninsula Park project at Krubong Melaka during the current financial year under review, as a result of the completion of a bridge linking our project site to Taman Melaka Baru, Batu Berendam. During the financial year under review, 15 units of semi-detached houses and 30 units of double storey houses were sold, compared to 5 units of semi-detached houses and 6 units of double storey houses during the previous financial year. Furthermore, there was also profit resulting from the compulsory acquisition of part of its development land in Tanjung Minyak, Melaka by the local state government.

GOING FORWARD

The Group expects the financial year ending 31 December 2010 to be just as challenging as the current financial year under review. Among the strategic measures initiated by management are the following:

Appointment of external consultants to provide advice on process re-engineering, energy savings and cost cutting measures.
Efforts to increase sales of the Group's "further processed products" which carry higher profit margins.

Disposal of non-core assets of the Group.

As the Group continues to implement its cost cutting strategies and the stabilization of imported raw material prices, it is hoped that the Group would be able to overcome the challenges of the financial year ending 31 December 2010.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to take this opportunity to thank our employees, management and staff, customers, suppliers, bankers and shareholders for their continued support. Our deepest appreciation also goes to the State Government of Melaka, Department of Veterinary Services, the Agriculture Ministry, MITI, MIDA, Immigration Department and other ministries and agencies for their guidance and assistance.

Thank you,

DATUK HJ. ZAINAL BIN HJ. SHAMSUDIN
CHAIRMAN

Introduction

Farm's Best Berhad ("Farm's Best") and its subsidiaries ("the Group") is aware of the importance of today's corporations to conduct their business in a socially responsible manner and to deliver sustainable value to society. Hence, consistent with Bursa Malaysia Securities Berhad's Corporate Social Responsibility framework, Farm's Best's Corporate Social Responsibility activities focus on caring to the Environment, Workplace, Community and Marketplace.

A glimpse of our policies/activities in these is as follows:-

Environment

The Group is very committed in its efforts to protect the environment. As such, the Group continually maintains its waste management system effectively to ensure that the discharged water from the Group's processing plant complies with the requirements of the Environmental Quality Act, 1974.

The discharged water from the Group's processing plant complies with Standard A of the said Act, thus exceeding the Standard B requirement of the said Act. In achieving a better standard of environmental protection than what was required of us, we have once again demonstrated our true commitment to the environmental cause.

For preservation of air quality, the Group's feedmill plant is required to periodically monitor its dust collector emission and chimney gas emission to ensure that the emissions are within the limits required by the Environmental Quality Act ("EQA") and the Department of Environment ("DOE"). During the year, the Group's feedmill plant engaged a qualified environmental engineering firm to conduct two (2) air emission/quality monitoring jobs. The Group is pleased to report that the 2 reports showed that all parameters sampled and tested complied with EQA/DOE limits.

Workplace

The Group is concerned about the occupational safety of its employees. Hence, the Group strives to comply with all Department of Safety and Health Malaysia ("DOSH") standards on health and safety. We carry out annual fire prevention exercise for our employees to equip them with the necessary knowledge on evacuation in case of a fire. This exercise will help our employees to extinguish a fire and to save themselves and others.

The Group's processing plant in Masjid Tanah, Melaka is currently undergoing fire safety training to prepare a team for participation at the state level Fire Fighting Competition to be held in May 2010.

Our fifteen (15) employees selected in 2007 to undertake the Diploma in Manufacturing Management course are still enrolled in the course. They are expected to graduate in the middle of 2010. This is part of our continued staff development initiative.

Besides that, the Group also continuously conducts staff trainings such as "5S" (Housekeeping Programme), "Halal" and "Food Safety" in its effort to produce a competent workforce.

Macfood Services carried out an audit on Food Safety and HACCP in April 2009 and were satisfied with the results.

JAKIM carried out surveillance audit on "Halal" compliance in March 2009 and certified that our processing plant is "Halal" compliant.

The Group also sends selected staff to attend seminars and workshops to update their knowledge in their respective fields.

As part of our responsibility of safeguarding the health of our employees, we also provide free anti-typhoid vaccination to certain sectors of employees of the Group.

In order to foster teamwork and improve interaction, communication and understanding among our employees, the Group organized a "gotong-royong" at its Masjid Tanah processing plant in March 2009.

Community

As part of the Group's corporate social responsibility towards the community, the Group has made cash donations to temples and schools in Melaka. Apart from cash donations, we have also made donations in the form of poultry products to schools in Melaka for school activities such as sports day, student seminars and schools' fund raising activities.

We have carried out blood donation campaigns amongst our employees in April 2009 and November 2009 as part of the Group's contribution towards the Malaysian Blood Bank.

Market Place

As we consider Corporate Social Responsibility part of corporate governance, we are fully supportive of local suppliers. We treasure our relationships with our key customers and conduct annual satisfaction surveys as part of our efforts to improve products and services.

ENJOYMENT

The Board of Directors is committed to ensure the highest standard of corporate governance is practised throughout Farm's Best Berhad ("Farm's Best" or "the Company") and the subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board of Directors is pleased to report to the shareholders the manner in which the Group has applied the principles, and the extent of compliance with the best practices and good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code").

1. BOARD OF DIRECTORS

1.1 The Board

Farm's Best is led and managed by an experienced Board comprising of members with a range of experience in relevant fields such as poultry farming, business administration, planning, corporate finance, development and marketing. The Board comprises nine (9) members.

Three (3) out of nine (9) members of the Board are independent non-executive Directors. As such, one third (1/3) of the Board comprises of independent non-executive Directors. The presence of independent non-executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have an equal responsibility to the Group, the role of these independent non-executive Directors is particularly important as they provide unbiased and independent views, advice and judgement to take account of the interests not only of the Group, but also of the shareholders, employees, customers and the community in which the Group conducts its business. The Company recognises the contribution of non-executive Directors as equal Board members to the development of the Company's strategy, the importance of representing the interests of public shareholders and providing a balanced and independent view to the Board. All non-executive Directors are independent of management and free from any relationship which could interfere with their independent judgement.

The non-executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Board has identified Encik Mohd Khasan bin Ahmad as the Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

1.2 Board Meetings

The Board meets at least four (4) times a year and additional meetings are held as and when necessary. Board Meetings are scheduled in advance at the end of the previous financial year prior to the commencement of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

During the financial year ended 31 December 2009, five (5) Board meetings were held. Details of the attendance are as follows:-

Directors	Description	No. of Board Meetings Attended	Percentage (%)
Datuk Hj. Zainal Bin Hj. Shamsudin	Chairman, Independent Non-Executive Director	5/5	100%
Dato' Fong Kok Yong	Managing Director	4/5	80%
Datuk Fong Kiah Yeow	Executive Director	5/5	100%
Fong Ngan Teng	Executive Director	5/5	100%
Fong Choon Kai	Executive Director	5/5	100%
Ng Cheu Kuan	Executive Director	5/5	100%
Datuk Ng Peng Hay@ Ng Peng Hong	Executive Director	5/5	100%
Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director	5/5	100%
Mohd Khasan Bin Ahmad	Senior Independent Non-Executive Director	5/5	100%

The Chairman of the Board chairs the Board Meetings while the Managing Director of the Company leads the presentation and provides explanation on the Board papers and reports. Senior management staff may be invited to attend the Board and Board Committee Meetings to advise and provide the Board and Board Committee members with the presentations, detailed explanation and clarification on relevant agenda items that have been tabled to the Board to enable them to arrive at a considered decision.

1.3 Supply of Information

All Directors are provided with an agenda and Board papers prior to every Board meeting to ensure that the Directors are fully apprised on matters or key issues affecting the Group as well as to enable the Directors to make well-informed decisions on matters arising at the Board meetings. The Company Secretary records all the deliberations including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decision made in the Minutes of the Board meetings. The Minutes of every Board meeting are also circulated to the Directors for their perusal prior to confirmation of the Minutes at the following Board meeting.

There is a schedule of matters reserved specifically for the Board's decision, including the Group's financial results, the business plan, the direction of the Group, new investment and business proposals, the management or performance of the business of subsidiaries, corporate plans, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decision, changes to the management and control structure within the Group, including key policies and procedures and discretionary authority limits.

In furtherance of their duties, every member of the Board has full, unrestricted and timely access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, as the decision making process is highly contingent on the strength of information furnished. The Directors may also have direct access to the advice and services of the Company Secretary. The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures as well as statutory and regulatory requirements relating to the duties and responsibilities of the Directors are complied with. In addition, the Directors are also empowered to seek independent external professional advice at the expense of the Company, should they consider it necessary in the course of their duties.

1.4 Re-election of the Directors

In accordance with the Company's Articles of Association, one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being shall retire from their office and be eligible for re-election provided always that all the Directors shall retire from their office once at least in each three (3) years but shall be eligible for re-election. Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

2. BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the discharge of its duties and execution of specific responsibilities. All the Committees listed below do not have executive powers but report to the Board on all matters considered and submit recommendations for the Board's approval (except the power of the Audit Committee to report to the Bursa Malaysia Securities Berhad ("Bursa Securities") in circumstances described in the Audit Committee Report).

2.1 Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors, who in turn, have access at all times to the Chairman of the Audit Committee.

The Audit Committee terms of reference together with the Audit Committee Report are disclosed on pages 29 to 32 of the Annual Report. The activities of the Audit Committee during the year ended 31 December 2009 are also set out under the Audit Committee Report.

2.2 Remuneration Committee

The Remuneration Committee for the financial year ended 31 December 2009 comprises the following members:-

Directors	Description
Mohd Khasan Bin Ahmad	Chairman, Senior Independent Non-Executive Director
Datuk Hj. Zainal Bin Hj. Shamsudin	Independent Non-Executive Director
Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director
Dato' Fong Kok Yong	Managing Director
Datuk Fong Kiah Yeow	Executive Director

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration framework for Executive Directors including making recommendations to the Board all elements of remuneration, terms of employment, reward structures and fringe benefits for Executive Directors.

The remuneration package of Non-Executive Directors is also reviewed by the Remuneration Committee and recommended to the Board thereafter. The determination of the remuneration of each Director is a matter for the Board as a whole. Directors do not participate in decision regarding their own remuneration package.

The Remuneration Committee met once during the course of the financial year ended 31 December 2009, to review the remuneration package of the Executive Directors of the Company.

2.3 Nomination Committee

For the financial year ended 31 December 2009, the Nomination Committee comprises the following members:-

Directors	Description
Datuk Hj. Zainal Bin Hj. Shamsudin	Chairman, Independent Non-Executive Director
Tuan Haji Baharom Bin Abd. Wahab	Independent Non-Executive Director
Mohd Khasan Bin Ahmad	Senior Independent Non-Executive Director

The Nomination Committee is responsible for identifying and recommending new nominees to the Board as well as Committees of the Board. In addition, the Nomination Committee is also entrusted with the task of assessing annually the performance of the Board members, considers the balance of the board membership and determines the core competencies and skills required of the Board in order to discharge its duties effectively. All assessments and evaluations carried out by the Nomination Committee are properly documented.

The Nomination Committee met once during the course of the financial year ended 31 December 2009, to assess the effectiveness of the Board as a whole and the performance of individual Directors.

3. DIRECTORS' TRAINING

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board members. This is supplemented by visits to key locations and meetings with other key senior executives. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

During the financial year ended 31 December 2009, except for En. Mohd Khasan Bin Ahmad and Datuk Ng Peng Hay @ Ng Peng Hong, all the other Directors of the Company had not attended any external training but have been briefed by external auditors and company secretary pertaining to changes made to Malaysian Accounting Standards and Main Market Listing Requirements respectively.

En. Mohd Khasan attended the following trainings:

(i) High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance

(ii) Managing Risks of Forex in International Trade

Datuk Ng Peng Hay @ Ng Peng Hong attended a talk on "Risk Action Planning: The Missing Elements in an ERM Framework".

The Board acknowledges that continuous training is important to enable the Directors to effectively discharge their duties. The Board will on a continuous basis, evaluate and determine the training needs of its Directors.

4. DIRECTORS' REMUNERATION

Details of the aggregate remuneration of the Directors during the financial year ended 31 December 2009 are as follows:-

	Executive Director RM'000	Non-Executive Directors RM'000	Total RM'000
Total remuneration			
Fees	-	96	96
Salaries & other emoluments	2,322	-	2,322
Pension costs–defined contribution plan	279	-	279
	2,601	**96**	**2,697**

Number of Directors whose remuneration falls within the following bands:-

	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	3	3
RM200,001 to RM250,000	2	-	2
RM400,001 to RM450,000	4	-	4

5. SHAREHOLDERS' COMMUNICATION AND INVESTORS RELATIONS

The Board acknowledges the need for the shareholders to be informed of all material business matters affecting the Company. As such, the Company communicates with its shareholders, institutional and potential investors through the various announcements made during the year. In addition, the Board also ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance.

The Annual General Meeting ("AGM") of the Company is also a means of communication with its shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board, as well as the external auditors and legal advisers of the Company are present to answer questions raised at the meeting. The Board has also been encouraging the participation from shareholders through questions and answers session during the AGM, where the Directors are available to answer questions on the financial performances and the business operations of the Group.

Apart from the above, the Group maintains a website at www.farmsbest.com.my which the shareholders and the general public can access information about the Group.

6. ACCOUNTABILITY AND AUDIT

6.1 Financial Reporting

For financial reporting through quarterly reports to Bursa Securities and the annual report to the shareholders, the Directors have a responsibility to present a balanced and meaningful assessment of the Group's financial position and prospects. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy and completeness of information.

6.2 Internal Controls

The Board is responsible in ensuring that the Group's systems of internal control are in place and that its effectiveness be constantly reviewed to ensure the adequacy of these systems.

As part of internal control and in the daily management of risks, the following systems of reporting and standard processes and procedures were adopted by the Group:-

(a) Monthly actual reporting – providing relevant, reliable and up-to-date financial performance against budget, previous month and prior year including detailed explanation of any major variances.

(b) Clear lines of authority exist between Management of the subsidiaries and the Group's Board of Directors. As far as possible, the subsidiaries are given autonomy whilst operating within the established internal control environment.

The review on the systems of internal control is set out under the Statement on Internal Control on pages 27 to 28 of the Annual Report.

6.3 Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report on pages 31 to 32 of the Annual Report. The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the applicable approved accounting standards in Malaysia.

6.4 Relationship with the Management

The Board maintains a close and transparent relationship with all the management staff. The Board is furnished with information relating to the running of the Group's operations through various reports prepared by the management staff. This will allow them to understand the operations better and make decisions in steering the Company towards a profitable business. In addition, the Executive Directors also hold frequent monthly management meetings with the management staff in order to discuss and plan for the Group's operations.

7. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied with the Best Principles as set out in the Code throughout the financial year.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.27(a) of the Listing Requirements to issue a statement explaining their responsibilities in the preparation of the annual financial statements. The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing these financial statements, the Directors have:-

- used appropriate accounting policies and consistently applied them;
- made judgements and estimates that are reasonable and prudent; and
- ensured that all applicable approved accounting standards have been followed.

The Directors took steps to ensure that the Company and the Group keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such steps that are necessary to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

9. ADDITIONAL COMPLIANCE INFORMATION

9.1 Corporate Proposals And Utilisation Of Proceeds

There were no corporate proposals carried out by the Company during the financial year ended 31 December 2009.

9.2 Share Buy-back

During the financial year, there was no share buy-back by the Company.

9.3 Options, Warrants or Convertible Securities

There were no new options, warrants or convertible securities issued during the financial year.

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

The Company did not sponsor any ADR or GDR programme during the financial year.

9.5 Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, directors or management by any regulatory bodies for the financial year ended 31 December 2009, except for traffic offences.

9.6 Non-Audit Fees

The total amount of non-audit fees paid or payable to the external auditors and their affiliated companies by the Company for the financial year ended 31 December 2009 amounted to RM26,000.

9.7 Variation in Results

There was no deviation of 10% or more between the profit after taxation and minority interest stated in the 25 February 2010 announcement of unaudited results for the financial year ended 31 December 2009 and the audited financial statements of the Group for the financial year ended 31 December 2009.

9.8 Profit Guarantee

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

9.9 Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year.

9.10 Revaluation Policy on Landed Properties

The Company did not adopt any revaluation policy on landed properties during the financial year.

9.11 Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

The Company did not issue any new shares pursuant to the mandate granted to the Directors at the Fifteenth Annual General Meeting held on 29 June 2009 during the financial year. Such mandate will lapse at the conclusion of the Sixteenth Annual General Meeting of the Company.

The Directors of the Company had sought for a mandate from the shareholders at the last Annual General Meeting, empowering the Directors, pursuant to Section 132D of the Companies Act, 1965, to allot and issue up to 10% of the paid-up capital of the Company as it will provide flexibility to the Company for allotment of shares for any possible fund raising activities and to avoid any delay and cost involved in calling a general meeting to approve such an issue of shares.

1. INTRODUCTION

This Statement on Internal Control is made in accordance with paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad, which requires the Board of a listed issuer to make a statement about the state of internal control of the listed issuer as a group in its annual report.

2. RESPONSIBILITY

The Board acknowledges its responsibility for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. This system of internal control is meant to safeguard shareholders' investments and the Group's assets and it covers financial, operational and compliance as well as risk management. This Statement does not include the state of internal control of all associated companies.

Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

3. THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is of the opinion that the Group has an adequate and conducive control environment for it to accomplish business objectives. The Group's internal control system involves the Company's Board and its various Board Committees with their specific terms of reference in writing; an Executive Management that is accountable for all its actions; and also various monitoring and review procedures that are embedded in the Group's key processes. The Board also believes that these control processes have been regularly reviewed to ensure that an effective system of internal control is maintained within the Group.

Some of the key elements of the Group's internal control system are described below:

- There is a formal organizational structure with clearly defined lines of authority, responsibility and accountability within the Group;

- Authority limits are established to provide a functional framework of authority in approving revenue and capital expenditures;

- Major investments, acquisitions and disposals are appraised prior to approval by the Board;

- A rigorous budgetary process is in place where operating units prepare budgets for the ensuing year to be approved both at operating unit level and by the Executive Directors. The Board monitors the Group's performance by comparing its monthly results against the budget and performance of the preceding month, which requires all material variances to be identified, explained and reviewed by Executive Management on a timely basis;

- The Executive Directors review the monthly management accounts of all major operative companies in the Group;

- The Executive Directors conduct monthly meetings with Management of all significant business units within the Group;

- The Executive Directors and members of the Management team make regular visits to operating units to ensure that the operating units are properly managed by personnel entrusted with the responsibility;

- The Group outsourced its internal audit function to KPMG Business Advisory Sdn. Bhd., an independent advisory firm, since 2005. The scope of work performed by the internal audit function comprises the conduct of internal audit projects to assess the adequacy and integrity of the internal control system, and highlighting to the Audit Committee significant areas for improvements as well as risks that may impact the business units concerned. During the year under review, KPMG Business Advisory Sdn. Bhd. carried out two (2) cycles of internal audit on the operations of the Group, covering the poultry breeding and hatchery operations division and egg layer division, focusing on the key processes therein.

The internal audit reports, including follow-up conducted by the internal audit function on the status of Management-agreed action plans to address the internal audit findings raised in preceding cycles of internal audit, were reviewed and noted by the Audit Committee during its meetings held throughout the period under review. Improvement opportunities noted by the internal audit function during the financial year under review were addressed, or were being addressed by Executive Management.

Based on the above, the Board is of the opinion that there exists within the Group an adequate system of internal control that would enable the management of risks towards the achievement of the Group's corporate objectives. There were no material losses suffered during the financial year as a result of weaknesses in internal control of the Group.

4. RISK MANAGEMENT

The Group established a formal risk management framework in 2003, last updated in 2009, which enabled the Executive Management and the Board to share a common model in the effective communication and evaluation of all principal risks and controls. The process involved Executive Management's identification of risks, assessment of risks and controls and formulation of appropriate action plans before these were escalated to the Board for review. The business risks identified were scored for likelihood of their occurrence and the magnitude of impact upon the Group. The internal audit function carried out its internal audit projects based on the Risk Profile of the Group. The risk profile of the Group was last revised in February 2009.

The risk management processes were reviewed at Board meetings. The review included matters relating to significant risks which could impede the achievement of business objectives.

5. REVIEW BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to Paragraph 15.23 of the Listing Requirements and in accordance with the Recommended Practice Guide ("RPG") 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control.

6. CONCLUSION

The Board, in fulfilling its responsibilities, has ensured that the Group has a proper risk management and control framework that is necessary to achieve a sound system of internal control. The Board is of the view that this system of internal control, which is reviewed on an ongoing basis, is adequate for the Group to manage its risks and to achieve its business objectives.

The Board of Directors is pleased to present the following Audit Committee Report and its activities for the financial year ended 31 December 2009.

1. MEMBERS OF THE COMMITTEE

The Audit Committee comprises the following members:

Y. Bhg. Datuk Hj. Zainal Bin Hj. Shamsudin
Chairman of the Committee and Independent Non-Executive Director

Tuan Haji Baharom Bin Abd Wahab
Independent Non-Executive Director

Encik Mohd Khasan Bin Ahmad
Senior Independent Non-Executive Director

2. TERMS OF REFERENCE

The terms of reference of the Committee as approved by the Board are as follows:

2.1. Composition

(a) The Company shall appoint an Audit Committee from amongst its directors which shall consist of not less than three (3) in number. All members of the Audit Committee must be non-executive directors, with a majority of them independent.

(b) All the Committee members shall be financially literate.

(c) No alternate director shall be appointed as a member of the Audit Committee.

(d) In the event of any vacancy in the Audit Committee resulting in the number of members reduced to below three (3), the Board shall within three (3) months appoint a new member to fill the vacancy.

2.2. Membership

At least one (1) member of the Audit Committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:

(i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

(ii) he must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

(c) must have a degree/master/doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or

(d) must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or

(e) possesses such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

2.3. Chairman

The members of the Audit Committee shall elect a Chairman from among its number who shall be an independent director.

2.4. Quorum

The quorum for a meeting of an Audit Committee shall consist of a majority of members present, who must be independent directors.

2.5. Meeting

(a) the Audit Committee shall have at least four (4) meetings in a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties;

(b) the Audit Committee meeting shall be chaired by the Chairman, or in his absence, another member who is an independent director appointed by the Audit Committee;

(c) the Company Secretary or any person appointed by the Audit Committee shall act as Secretary of the Audit Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members not less than seven (7) days prior to each meeting;

(d) the Secretary of the Audit Committee shall be entrusted to record all proceedings of meetings;

(e) the Audit Committee may invite any Board member or any member of the senior management or any employees within the Company or the Group to attend any particular meeting;

(f) the Audit Committee shall report to the full Board, from time to time, its recommendation for consideration and implementation and the final decision shall be the responsibility of the Board; and

(g) the Audit Committee shall hold at least two (2) meetings in a financial year with external auditors without the presence of the other executive directors and employees of the Company.

2.6. Voting and Proceeding of Meeting

(a) The decision of the Audit Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

(b) Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Audit Committee duly called and constituted.

2.7. Minutes

(a) The Audit Committee shall cause minutes to be duly recorded and entered into the books provided for the purpose of all resolutions and proceedings of all meetings of the Audit Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

(b) Minutes of the Audit Committee meetings shall be made available to all Board members. A summary of significant matters of each meeting of the Audit Committee and resolutions (if any) will be reported to the Board by the Chairman of the Audit Committee.

(c) The books containing the minutes of proceedings of any meeting of the Audit Committee shall be kept by the Company at the registered office of the Company, and shall be opened for the inspection of any member of the Audit Committee and the Board.

2.8. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:

(a) have the authority to investigate any matter within its terms of reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information, records, properties and personnel of the Company and of the Group;

(d) have direct communication channels with the external auditors and internal auditors;

(e) have the right to obtain independent professional or other advice and to invite any person with relevant experience and expertise to attend the Audit Committee meeting, whenever deemed necessary; and

(f) have the right to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

2.9. Functions and Responsibilities

The functions and responsibilities of the Audit Committee shall include the following:

(a) to consider the appointment, resignation and dismissal of external auditors and make appropriate recommendations to the Board (including the audit fees);

(b) to review with the external auditors of the Company:

(i) the audit plan;

(ii) the audit report;

(iii) their Management letter and Management's response; and

(iv) the assistance given by the employees of the Company and the Group to the external auditors.

(c) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of Management, where necessary);

(d) to review and consider the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(e) to review the internal audit programme, processes, the reports prepared by the internal audit department and to ensure that appropriate action is taken on the recommendations of the internal audit function;

(f) to review any appraisal or assessment of the performance of members of the internal audit function;

(g) to approve any appointment or termination of senior members of the internal audit function;

(h) to be informed of any resignation of internal audit staff and provide an avenue for resigning staff to explain or submit the reasons for resignation;

(i) to review the quarterly financial results of the Group and annual audited financial statements of the Company and the Group before recommending the same for the Board's approval, focusing particularly on:

(i) compliance with accounting standards and any other legal requirements;

(ii) any changes in or implementation of accounting policies and practices;

(iii) significant and unusual events and adjustments arising from the audit; and

(iv) the going concern assumption.

(j) to review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that may raise questions on Management integrity;

(k) to consider the reports, major findings and Management's responses thereto on any internal investigations carried out by internal audit function;

(l) to verify, on an annual basis, the allocation of options under a share scheme for employees to ensure compliance with the allocation criteria determined by the Company's share option committee and in accordance with the By-Laws of the relevant option scheme;

(m) to promptly report to Bursa Malaysia Securities Berhad ("Bursa Securities") of a matter reported by the Audit Committee to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements ("Listing Requirements"); and

(n) such other functions or responsibilities as may be agreed to by the Audit Committee and the Board.

The reports of the Audit Committee, the external and internal auditors shall be tabled to the Board for discussion.

2.10. Review of the Audit Committee

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

3. MEETINGS

There were five (5) meetings of the Audit Committee held during the financial year ended 31 December 2009, which were attended by all the Audit Committee members. The Group's external auditors attended all the Committee meetings during the year.

The Chairman of the Audit Committee undertakes a continuing process of engagement with the senior executives of the Company as well as the external auditors so that the Audit Committee is kept up-to-date with all important issues affecting the Company.

4. ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the activities undertaken by the Committee were as follows:

a. Reviewed the quarterly financial and operational reports of the Group before recommending to the Board for approval;

b. Reviewed the external auditors' reports in relation to audit and accounting issues arising from the audit; and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board;

c. Reviewed the audit plan of the external auditors;

d. Reviewed the inter-company transactions and any related/interested party transactions that arose within the Company and the Group to ensure compliance with Malaysian Accounting Standards Board and Bursa Securities Listing Requirements.

e. Reviewed the annual audited financial statements of the Group and the Company and made appropriate recommendations relating thereto;

f. Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.

g. Reviewed the internal audit report prepared by the internal audit function and the follow-up on Management's implementation of the recommended actions;

h. Reviewed the Statement on Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report.

The trainings attended by Committee during the financial year are set out in the Corporate Governance Statement on page 20 of this Annual Report.

5. INTERNAL AUDIT FUNCTION

The Committee is aware that the internal audit function is essential to assist in providing the assurance the Committee requires regarding the adequacy and integrity of the system of internal controls. The Company outsourced its internal audit function to KPMG Business Advisory Sdn. Bhd., an independent professional advisory firm, to carry out internal audit projects with a view to assess the adequacy and integrity of the Group's system of internal controls, focusing on the principal companies within the Group. The costs incurred for the internal audit function in respect of the financial year ended 31 December 2009 was RM90,000.

A summary of internal audit activities performed by KPMG Business Advisory Sdn. Bhd during the financial year under review is stated in the Statement on Internal Control on page 27 of the Annual Report.

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal activities

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss for the year	(4,789)	(553)
Attributable to:		
Equity holders of the Company	(6,483)	(553)
Minority interests	1,694	-
	(4,789)	(553)

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

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

Dividend

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

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Hj. Zainal Bin Hj. Shamsudin
Dato' Fong Kok Yong
Datuk Fong Kiah Yeow
Fong Ngan Teng
Fong Choon Kai
Ng Cheu Kuan
Datuk Ng Peng Hay @ Ng Peng Hong
Baharom Bin Abd. Wahab
Mohd. Khasan Bin Ahmad

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 37 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1.1.2009	Acquired	Sold	31.12.2009
Holding company				
Direct interest				
Dato' Fong Kok Yong	85,000	-	-	85,000
Datuk Fong Kiah Yeow	85,000	-	-	85,000
Fong Ngan Teng	85,000	-	-	85,000
Fong Choon Kai	85,000	-	-	85,000
The Company				
Direct interest				
Datuk Fong Kiah Yeow	66,000	42,000	-	108,000
Baharom Bin Abd. Wahab	4,500	-	-	4,500
Indirect interest				
Dato' Fong Kok Yong	20,348,705	-	-	20,348,705
Datuk Fong Kiah Yeow	20,348,705	-	-	20,348,705
Fong Ngan Teng	20,348,705	-	-	20,348,705
Fong Choon Kai	20,348,705	-	-	20,348,705

By virtue of their interests in the holding company, namely F.C.H. Holdings Sdn. Bhd. ("FCH"), Dato' Fong Kok Yong, Datuk Fong Kiah Yeow, Fong Ngan Teng and Fong Choon Kai are deemed interested in the shares of all the subsidiaries of the Company to the extent that FCH has an interest.

The other directors in office at the end of the financial year, Datuk Hj. Zainal Bin Hj. Shamsudin, Ng Cheu Kuan, Datuk Ng Peng Hay@Ng Peng Hong and Mohd. Khassan Bin Ahmad, did not have any interest in shares in the Company or in its related corporations during the financial year.

Other statutory information

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

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

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

(f) In the opinion of the directors:

(i) 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 will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) 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 the operations of the Group or of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2010.

Dato' Fong Kok Yong **Datuk Fong Kiah Yeow**

Melaka, Malaysia

Pursuant to Section 169(15) of the Companies Act, 1965

Statement by directors

We, Dato' Fong Kok Yong and Datuk Fong Kiah Yeow, being two of the directors of Farm's Best Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 40 to 86 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2010.

Dato' Fong Kok Yong **Datuk Fong Kiah Yeow**

Melaka, Malaysia

Pursuant to Section 169(16) of the Companies Act, 1965

Statutory declaration

I, Dato' Fong Kok Yong, being the director primarily responsible for the financial management of Farm's Best Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 86 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.

Subscribed and solemnly declared by the)
above - named, Dato' Fong Kok Yong,)
at Melaka in the State of Melaka)
on 28 April 2010) **Dato' Fong Kok Yong**

Before me,
CHOO YONG CHUAN
Commissioner for Oaths

Report on the financial statements

We have audited the financial statements of Farm's Best Berhad, which comprise the balance sheets of the Group and of the Company as at 31 December 2009, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 86.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which discloses that the Group incurred a loss of approximately RM4.8 million during the year ended 31 December 2009 and as at that date, the Group's current liabilities exceeded its current assets by approximately RM19.2 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

The ability of the Group to continue as a going concern is dependent upon the continuing financial support from the bankers and the successful outcome of certain strategic measures initiated by the directors, which in their opinion, will result in the Group being able to achieve future profitable operations and generate sufficient cashflows to meet the liabilities of the Group as and when they fall due. The financial statements of the Group have been prepared on a going concern basis and do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries 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 required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Lee Ah Too
2187/09/11(J)
Chartered Accountant

Melaka, Malaysia
Date: 28 April 2010

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Continuing operations					
Revenue	6	347,903	400,260	1,000	600
Cost of sales	7	(313,047)	(365,155)	-	-
Gross profit		34,856	35,105	1,000	600
Other income	8	1,833	1,517	-	-
Selling and marketing expenses		(11,138)	(9,468)	-	-
Administrative and general expenses		(18,525)	(18,569)	(735)	19,491
Operating profit		7,026	8,585	265	20,091
Finance income		73	50	-	-
Finance costs	9	(12,584)	(10,274)	(818)	(1,070)
Share of profits/(losses) of associates		955	(880)	-	-
(Loss)/profit before tax	10	(4,530)	(2,519)	(553)	19,021
Tax expense	13	(259)	(3,772)	-	-
(Loss)/profit for the year		(4,789)	(6,291)	(553)	19,021
Attributable to:					
Equity holders of the Company		(6,483)	(6,914)	(553)	19,021
Minority interests		1,694	623	-	-
		(4,789)	(6,291)	(553)	19,021
Loss per share attributable to equity holders of the Company:					
Basic (sen)	14	(11.7)	(12.5)		
Diluted (sen)	14	(11.7)	(12.5)		

The accompanying notes form an integral part of the financial statements.

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Assets					
Non-current assets					
Property, plant and equipment	15	132,956	133,042	512	594
Investment property	16	224	226	-	-
Prepaid land lease payments	17	2,264	3,288	-	-
Investments in subsidiaries	18	-	-	74,951	67,961
Investments in associates	19	5,214	4,184	-	-
Other investments	20	33	33	-	-
Goodwill	21	11,538	11,538	-	-
Deferred tax assets	22	2,661	2,705	-	-
Land held for property development	23	5,102	6,770	-	-
		159,992	161,786	75,463	68,555
Current assets					
Property development costs	24	19,047	17,739	-	-
Biological assets	25	14,994	17,170	-	-
Inventories	26	17,529	20,412	-	-
Trade receivables	27	130,205	119,393	-	-
Other receivables	28	20,431	17,768	16,979	24,102
Tax recoverable		2,531	2,096	1,340	1,207
Cash and bank balances	29	12,994	10,761	-	-
		217,731	205,339	18,319	25,309
Total assets		377,723	367,125	93,782	93,864
Equity attributable to equity holders of the Company					
Share capital	30	55,530	55,530	55,530	55,530
Share premium	31	62,641	62,641	62,641	62,641
Foreign exchange reserve	32	(465)	(472)	-	-
Accumulated losses		(35,065)	(28,582)	(43,206)	(42,653)
		82,641	89,117	74,965	75,518
Minority interests		7,160	6,696	-	-
Total equity		89,801	95,813	74,965	75,518
Non-current liabilities					
Borrowings	33	47,312	46,979	2,731	4,919
Deferred tax liabilities	22	3,668	3,801	-	-
		50,980	50,780	2,731	4,919
Current liabilities					
Borrowings	33	168,982	144,593	12,772	12,760
Trade payables	35	37,633	50,226	-	-
Other payables	36	29,819	25,331	3,314	667
Current tax payable		508	382	-	-
		236,942	220,532	16,086	13,427
Total liabilities		287,922	271,312	18,817	18,346
Total equity and liabilities		377,723	367,125	93,782	93,864

The accompanying notes form an integral part of the financial statements.

	Share capital (Note 30) RM'000	Share premium (Note 31) RM'000	Foreign exchange reserve (Note 32) RM'000	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
	Attributable to equity holders of the Company						
		Non-distributable					
Group							
At 1 January 2008	55,530	62,641	(290)	(21,668)	96,213	12,376	108,589
Foreign currency translation, representing net expense recognised directly in equity	-	-	(182)	-	(182)	-	(182)
(Loss)/profit for the year	-	-	-	(6,914)	(6,914)	623	(6,291)
Total recognised income and expense for the year	-	-	(182)	(6,914)	(7,096)	623	(6,473)
Dividend paid to minority interests	-	-	-	-	-	(6,303)	(6,303)
At 31 December 2008	55,530	62,641	(472)	(28,582)	89,117	6,696	95,813
Foreign currency translation, representing net income recognised directly in equity	-	-	7	-	7	-	7
(Loss)/profit for the year	-	-	-	(6,483)	(6,483)	1,694	(4,789)
Total recognised income and expense for the year	-	-	7	(6,483)	(6,476)	1,694	(4,782)
Dividend paid to minority interests	-	-	-	-	-	(1,230)	(1,230)
At 31 December 2009	55,530	62,641	(465)	(35,065)	82,641	7,160	89,801

	Share capital (Note 30) RM'000	Non-distributable Share premium (Note 31) RM'000	Accumulated losses RM'000	Total RM'000
Company				
At 1 January 2008	55,530	62,641	(61,674)	56,497
Profit for the year, representing total recognised income and expense for the year	-	-	19,021	19,021
At 31 December 2008	55,530	62,641	(42,653)	75,518
Loss for the year, representing total recognised income and expense for the year	-	-	(553)	(553)
At 31 December 2009	55,530	62,641	(43,206)	74,965

The accompanying notes form an integral part of the financial statements.

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash flows from operating activities				
(Loss)/profit before tax	(4,530)	(2,519)	(553)	19,021
Adjustments for:				
Bad debts written off	-	8	-	-
Dividend income	(1)	(1)	-	-
Depreciation and amortisation				
- Property, plant and equipment (Note 15)	9,740	9,866	82	103
- Investment property (Note 16)	2	3	-	-
- Prepaid land lease payments (Note 17)	37	94	-	-
Gain on disposals				
- Property, plant and equipment	(1,250)	(7,977)	-	-
- Other investments	-	(38)	-	-
Impairment of investments in subsidiaries	-	-	-	7,700
Unrealised foreign exchange loss	128	1,568	-	-
Provision for doubtful debts (written back)/made	(154)	654	-	(28,298)
Interest income	(73)	(50)	-	-
Interest expense	12,584	10,274	818	1,070
Share of (profits)/losses of associates	(955)	880	-	-
Operating profit/(loss) before working capital changes	15,528	12,762	347	(404)
Decrease/(increase) in property development costs	360	(3,492)	-	-
Decrease in biological assets	2,176	86	-	-
Decrease/(increase) in inventories	2,883	(767)	-	-
(Increase)/decrease in receivables	(13,321)	(6,390)	7,123	10,231
(Decrease)/increase in payables	(8,105)	(21,893)	2,647	(6,104)
Cash (used in)/generated from operations	(479)	(19,694)	10,117	3,723
Interest paid	(12,584)	(10,274)	(818)	(1,070)
Tax paid	(657)	(1,592)	(133)	(156)
Net cash (used in)/generated from operating activities	(13,720)	(31,560)	9,166	2,497

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash flows from investing activities				
Acquisitions				
- Property, plant and equipment (Note 15)	(5,834)	(5,524)	-	-
- Additional investment in subsidiaries	-	-	(6,990)	-
- Investment in associate	(75)	-	-	-
Payment of land lease payments (Note 17)	-	(111)	-	-
Proceeds from disposals				
- Property, plant and equipment	3,603	12,642	-	-
- Other investments	-	67	-	-
Dividends received	1	-	-	-
Interest received	73	50	-	-
Net cash (used in)/generated from investing activities	(2,232)	7,124	(6,990)	-
Cash flows from financing activities				
Dividends paid to minority shareholders	(1,230)	(6,303)	-	-
Repayment of finance lease payables	(4,256)	(2,156)	-	(49)
Proceeds from term loans	6,632	33,029	-	136
Repayment of term loans	(8,758)	(10,727)	(2,223)	(2,503)
Increase in short term borrowings	24,213	30,543	-	-
Net cash generated from/(used in) financing activities	16,601	44,386	(2,223)	(2,416)
Cash and cash equivalents				
Net increase/(decrease) for the year	649	19,950	(47)	81
Effect of foreign exchange rate changes	7	(182)	-	-
At beginning of the year	(8,611)	(28,379)	(9,888)	(9,969)
At end of the year (Note 29)	(7,955)	(8,611)	(9,935)	(9,888)

The accompanying notes form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at AG 5730, Alor Gajah Industrial Estate, Alor Gajah, 78000 Melaka.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 18 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The directors regard F.C.H. Holdings Sdn. Bhd., a company incorporated in Malaysia, as the Company's immediate and ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2010.

2. Fundamental accounting concept

The Group incurred a loss of approximately RM4.8 million during the year ended 31 December 2009 and as at that date, the Group's current liabilities exceeded its current assets by approximately RM19.2 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is dependent upon the continuing financial support of the bankers and the successful outcome of the following strategic measures initiated by the directors:

(i) Appointment of external consultants to advice on process re-engineering, energy savings and cost cutting measures.

(ii) Efforts to increase sales of the Group's "further processed products" which carry higher profit margin.

(iii) Disposal of non-core assets of the Group.

The directors are of the opinion that the above measures will result in the Group being able to achieve future profitable operations and generate sufficient cashflows to meet the liabilities of the Group as and when they fall due. The financial statements of the Group have been prepared on a going concern basis and do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3. Significant accounting policies

3.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia ("FRS").

The financial statements have been prepared on a historical basis and are presented in Ringgit Malaysia ("RM"). All values are rounded to the nearest thousand (RM'000) except as otherwise indicated.

3. Significant accounting policies (cont'd)

3.2 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Buildings	2% to 10%
Plant and machinery	10% to 20%
Motor vehicles	10% to 20%
Other assets	5% to 20%

The residual values, 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 the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

3.3 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are depreciated on a straight line basis over the lease term of 99 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 Leases

(a) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of properties are classified as operating or finance leases in the same way as leases of other assets and the land and building elements are considered separately for the purpose of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases except that land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

3. Significant accounting policies (cont'd)

3.4 Leases (cont'd)

(b) Finance leases - the Group as lessee

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in profit or loss over the terms of the relevant leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 3.2.

(c) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the terms of the relevant leases which range from 80 to 99 years. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease property the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the building elements in proportion to the relative fair values for leasehold interests in the land and building elements of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(d) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheet according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.5 Subsidiaries and basis of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

3. Significant accounting policies (cont'd)

3.5 Subsidiaries and basis of consolidation (cont'd)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared using the same reporting date as that of the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the 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 profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

Losses applicable to minority interests in a consolidated subsidiary may exceed the minority interests in the subsidiary's equity. The excess, and any further losses applicable to minority interests are allocated against the majority interest except to the extent that the minority interests have a binding obligation and are able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the majority interests until the minority's share of losses previously absorbed by the majority has been recovered.

3.6 Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

3. Significant accounting policies (cont'd)

3.6 Associates (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting polices are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

3.7 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.8 Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.9 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred. Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

3. Significant accounting policies (cont'd)

3.10 Construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts, plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

3.11 Impairment of assets

The carrying amounts of non-current assets, other than prepaid lease payments and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset. Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

3. Significant accounting policies (cont'd)

3.12 Biological assets

Biological assets comprise hatching eggs, day old chicks, pullets, layers and breeders. All biological assets are stated at cost except for layers and breeders which are stated at cost less amortisation. Amortisation is provided to write off the cost of layers and breeders to their net realisable values over their economic egg laying lives. Cost includes cost of feed, medication, labour and attributable overheads to the point of maturity. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable values. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of raw materials, medical and consumable supplies and finished goods (determined on the weighted average basis) consists of the original purchase price plus the costs of bringing the stocks to their present location. Cost of trading eggs, processed chickens and feed (determined on the weighted average basis) include materials, labour and a proportion of overhead costs.

Cost of completed shops and houses include land costs, construction costs and direct expenses incurred during the period of development (determined on the specific identification basis).

3.14 Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associates and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

3. Significant accounting policies (cont'd)

3.14 Financial instruments (cont'd)

(iv) Trade and other payables

Trade and other payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(v) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3.15 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3. Significant accounting policies (cont'd)

3.16 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of sales taxes upon the transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 3.9.

(iii) Finance income

Finance income is recognised on an accrual basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees, if any, is recognised as a reduction of rental income over the lease term on a straight-line basis.

(vi) Revenue from management services

Management fee is recognised net of any service taxes and discounts as and when the services are performed.

3. Significant accounting policies (cont'd)

3.18 Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured and presented using the currency of the primary economic environment in which the entities operate ("the functional currency").

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement and translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

(iii) Foreign operations

The results and financial position of foreign operations with a functional currency that is different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

3.19 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

4. Changes in accounting policies and future accounting standards

4.1 Standards and interpretations issued but not yet effective

(a) At the date of authorisation of these financial statements, the following new FRS and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 July 2009

- FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 7: Financial Instruments: Disclosures
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132 Financial Instruments: Presentation - Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS138: Intangible Assets
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation I5: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

The Group plans to adopt the above pronouncements when they become effective in the respective financial periods.

4. Changes in accounting policies and future accounting standards (cont'd)

4.1 Standards and interpretations issued but not yet effective (cont'd)

(b) Unless otherwise described below, the above pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

i) FRS 3: Business Combinations (revised)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

The changes by FRS 3 (revised) will be applied prospectively and only affect future acquisition.

ii) FRS 8: Operating Segment

FRS 8 replaces FRS 114 2004: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

iii) FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

iv) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income.

The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

4. Changes in accounting policies and future accounting standards (cont'd)

4.1 Standards and interpretations issued but not yet effective (cont'd)

(b) Unless otherwise described below, the above pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application: (cont'd)

v) FRS 7: Financial Instruments: Disclosures, FRS 139: Financial Instruments: Recognition and Measurement, Amendments to FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure regarding components of the Group and the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

vi) Amendments to FRSs 'Improvements to FRSs (2009)'

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Company has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

vii) IC Interpretation I5: Agreements for the Construction of Real Estate

This Interpretation requires real estate developers which provide construction services to the buyer's specifications to record revenue only as construction progresses. Otherwise, revenue should be recognised only upon completion of the relevant real estate unit.

4. Changes in accounting policies and future accounting standards (cont'd)

4.1 Standards and interpretations issued but not yet effective (cont'd)

(b) Unless otherwise described below, the above pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application: (cont'd)

vii) IC Interpretation 15: Agreements for the Construction of Real Estate (cont'd)

The Group's current policy is to recognise property development revenue and expenses in the income statement by using the stage of completion method for all long term real estate development projects when the financial outcome of a development activity can be reliably estimated. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

The application of this Interpretation will necessitate a change in accounting policy as the Group provides construction services based on the Group's specifcations and not the buyer's specification. Hence, property development revenue and expenses shall only be recognised only upon completion. The change will be applied retrospecitively.

5. Significant accounting estimates and judgments

5.1 Critical judgments made in applying accounting policies

The following are the judgments made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgment whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The key assumptions 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 are discussed below.

5.2 Key sources of estimation uncertainty

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at year end amounts to RM11,538,768 (2008: RM11,538,768). Further details are disclosed in Note 21.

(b) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, capital and reinvestment allowances and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the losses, capital and reinvestment allowances and deductible temporary differences can be utilised.

5. Significant accounting estimates and judgments (cont'd)

5.2 Key sources of estimation uncertainty (cont'd)

(b) Deferred tax assets (cont'd)

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of deferred tax assets recognised in respect of unabsorbed tax losses, capital and reinvestment allowances and deductible temporary differences and the amounts for which deferred tax assets were not recognised are disclosed in Note 22 to the financial statements.

(c) Residual value and depreciation of plant and machinery

The cost of plant and machinery for poultry farming is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 10 years and residual values of its property, plant and equipment to be insignificant. These are common residual values and life expectancies applied in the poultry industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(d) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists.

(e) Biological assets

The cost of layers and breeders is amortised on a straight-line basis to write off the cost to their net realisable values over their economic egg-laying lives. Management estimates the useful lives of these biological assets to range from 66 to 82 weeks. These are common life expectancies applied in the poultry industry. Changes in the expected mortality rates of chickens could impact the economic useful lives and future amortisation charges could be revised.

(f) Provision for doubtful debts

The Group makes provision for doubtful debts based on management's assessment of the recoverability of receivables. Provisions are made where events and changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables.

6. Revenue

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sales of goods net of discounts	334,182	392,673	-	-
Property development	13,721	7,587	-	-
Gross dividends received from subsidiaries	-	-	1,000	600
	347,903	400,260	1,000	600

7. Cost of sales

	Group	
	2009 RM'000	2008 RM'000
Inventories sold	301,133	359,876
Property development costs recognised (Note 24)	11,914	5,279
	313,047	365,155

8. Other income

	Group	
	2009 RM'000	2008 RM'000
Sundry income	1,052	938
Rental income	105	179
Incentive received	670	362
Dividend income from shares quoted in Malaysia	1	1
Insurance claim	5	37
	1,833	1,517

9. Finance costs

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expense on:				
- Bank overdraft	2,374	2,628	816	922
- Bankers' acceptances	2,536	3,209	-	-
- Term loan	4,345	2,303	194	527
- Finance leases	450	533	-	7
- Revolving credits	2,650	1,352	-	-
- Trust receipts	6	249	-	-
- Others	223	-	-	-
Interest recouped from subsidiaries	-	-	(192)	(386)
	12,584	10,274	818	1,070

10. (Loss)/profit before tax

The following amounts have been charged/(credited) at arriving at (loss)/profit before tax:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Auditors' remuneration				
- Statutory audits (current year)	173	169	15	15
- Statutory audits (prior year)	3	3	15	15
- Other services rendered by auditors of the Company	26	32	26	32
Bad debts recovered	(37)	(874)	-	-
Bad debts written off	-	8	-	-
Depreciation and amortisation				
- Property, plant and equipment (Note 15)	9,740	9,866	82	103
- Investment property (Note 16)	2	3	-	-
- Prepaid land lease payments (Note17)	37	94	-	-
Employee benefits expense (Note 11)	30,325	29,647	-	-
(Gain)/loss on foreign exchange				
- Realised	(337)	(659)	(164)	(342)
- Unrealised	128	1,568	-	-
Gain from disposals				
- Property, plant and equipment	(1,250)	(7,977)	-	-
- Other investments	-	(38)	-	-
Impairment of investment in subsidiaries	-	-	-	7,700
Minimum operating lease payments				
- Land and buildings	4,258	5,010	-	-
- Plant and machinery	283	228	-	-
- Motor vehicles	286	550	-	-
Non-executive directors' emoluments (Note 12)	96	96	96	96
Provision for doubtful debts (written back)/made	(154)	654	-	(28,298)

11. Employee benefits expense

	Group	
	2009 RM'000	2008 RM'000
Executive directors (Note 12)		
Directors of the Company	2,601	2,342
Other directors of subsidiaries	841	1,212
	3,442	3,554
Other key management personnel		
Wages and salaries	1,043	947
Defined contribution plan	126	114
Other related costs	3	3
	1,172	1,064
Other staff		
Wages and salaries	22,861	22,282
Defined contribution plan	1,772	1,763
Other related costs	1,078	984
	25,711	25,029
	30,325	29,647

12. Directors' emoluments

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Directors of the Company				
Executive directors				
- Salaries and other emoluments	2,322	2,091	-	-
- Defined contribution plans	279	251	-	-
	2,601	2,342	-	-
Non-executive directors				
- Fees	96	96	96	96
	2,697	2,438	96	96
Other directors of subsidiaries				
Executive directors				
- Salaries and other emoluments	751	1,082	-	-
- Defined contribution plans	90	130	-	-
	841	1,212	-	-
	3,538	3,650	96	96
Total				
Executive directors (Note 11)	3,442	3,554	-	-
Non-executive directors (Note 10)	96	96	96	96
	3,538	3,650	96	96

The Group directors' emoluments do not include the monetary value of benefits-in-kind in respect of the directors of the Company and of the subsidiaries amounting to RM4,500 (2008: RM4,500) and RM8,800 (2008: RM8,800) respectively.

The number of directors of the Company with total annual emoluments within the following bands is as follows:

	Number of directors 2009	Number of directors 2008
Non-executive directors:		
Below RM50,000	3	3
Executive directors:		
RM200,001 to RM250,000	2	2
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	4	4
	9	9

13. Tax expense

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Current tax				
- Malaysian income tax	525	1,095	-	-
- Overprovided in prior years	(177)	(109)	-	-
Real property gains tax	-	9	-	-
	348	995	-	-
Deferred tax (Note 22)				
- Origination and reversal during the year	74	2,616	-	-
- Over)/underprovided in prior years	(163)	161	-	-
	(89)	2,777	-	-
	259	3,772	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable loss for the year.

In the previous financial year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income	:	20%
In excess of RM500,000 of chargeable income	:	26%

Effective from year of assessment 2009, these subsidiaries no longer enjoy the preferential tax rates under new Paragraph 2B and 2C of Schedule 1 to the Income Tax Act 1967 and the Malaysian corporate statutory tax rate of 25% shall apply to the chargeable income.

A reconciliation of tax expense, applicable to the results before tax, at the statutory income tax rate to tax income at the effective income tax rate of the Group and of the Company is as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
(Loss)/profit before tax	(4,530)	(2,519)	(553)	19,021
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(1,132)	(655)	(138)	4,945
Effect of:				
Income at Malaysian tax rate of -% (2008: 20%)	-	(60)	-	-
Gain from intragroup disposal of property, plant and equipment not subject to tax	(234)	-	-	-
Expenses not deductible for tax purposes	1,827	2,388	138	2,237
Income subject to real property gains tax	-	9	-	-
Other gains not subject to tax	(722)	(21)	-	(7,513)
Share of (profit)/losses of associates	(239)	229	-	-
Deferred tax recognised on previously unrecognised tax losses and capital allowances	-	(446)	-	-
Refund of tax credits	(250)	-	-	-

13. Tax expense (cont'd)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deferred tax not recognised				
- Tax losses and capital allowances	997	2,425	-	331
- Other temporary differences	1,395	498	-	-
Tax savings from utilisation of previously unrecognised tax losses and capital allowances	(278)	-	-	-
Tax saving from utilisation of group loss relief	(632)	(546)	-	-
Utilisation of reinvestment allowances	(133)	(101)	-	-
(Over)/underprovision in prior years				
- Current tax	(177)	(109)	-	-
- Deferred tax	(163)	161	-	-
Tax expense for the year	259	3,772	-	-

Amounts available for carry forward to offset against future taxable income are as follows:

	Group 2009 RM'000	Group 2008 RM'000
Unutilised tax losses	79,413	61,959
Unabsorbed capital allowances	11,454	21,038
Unabsorbed re-investment allowances	14,366	13,912
	105,233	96,909

14. Loss per share

Basic and diluted loss per share is calculated by dividing the Group's loss for the year attributable to equity holders of the Company with the weighted average ordinary shares in issue during the financial year.

	Group 2009	Group 2008
Group's loss for the year attributable to equity holders of the Company (RM'000)	(6,483)	(6,914)
Weighted average ordinary shares in issue during the financial year ('000)	55,530	55,530
Loss per share (sen)	(11.7)	(12.5)

15. Property, plant and equipment

	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group-2009					
Cost					
At 1 January 2009	83,173	145,660	20,220	15,023	264,076
Additions	3,981	5,197	1,542	300	11,020
Disposals	(2,326)	(1,166)	(921)	(59)	(4,472)
Reclassification (Note 17)	1,790	-	-	(745)	1,045
At 31 December 2009	86,618	149,691	20,841	14,519	271,669
Accumulated depreciation					
At 1 January 2009	30,993	74,431	14,954	10,656	131,034
Charge for the year (Note 10)	2,498	5,145	1,533	564	9,740
Disposals	(833)	(512)	(715)	(59)	(2,119)
Reclassification (Note 17)	58	-	-	-	58
At 31 December 2009	32,716	79,064	15,772	11,161	138,713
Carrying amount	53,902	70,627	5,069	3,358	132,956
Group-2008					
Cost					
At 1 January 2008	97,256	145,478	21,248	15,999	279,981
Additions	1,041	4,324	948	716	7,029
Disposals	(15,974)	(4,142)	(1,976)	(842)	(22,934)
Reclassification	850	-	-	(850)	-
At 31 December 2008	83,173	145,660	20,220	15,023	264,076
Accumulated depreciation					
At 1 January 2008	38,198	72,519	15,021	10,794	136,532
Charge for the year (Note 10)	2,628	5,419	1,434	385	9,866
Disposals	(9,833)	(3,507)	(1,501)	(523)	(15,364)
At 31 December 2008	30,993	74,431	14,954	10,656	131,034
Carrying amount	52,180	71,229	5,266	4,367	133,042

15. Property, plant and equipment (cont'd)

Analysis of freehold land and buildings

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group-2009			
Cost			
At 1 January 2009	14,670	68,503	83,173
Additions	1	3,980	3,981
Disposals	(289)	(2,037)	(2,326)
Reclassification	-	1,790	1,790
At 31 December 2009	14,382	72,236	86,618
Accumulated depreciation			
At 1 January 2009	-	30,993	30,993
Charge for the year	-	2,498	2,498
Disposals	-	(833)	(833)
Reclassification	-	58	58
At 31 December 2009	-	32,716	32,716
Carrying amount	14,382	39,520	53,902
Group-2008			
Cost			
At 1 January 2008	19,064	78,192	97,256
Additions	-	1,041	1,041
Disposals	(4,394)	(11,580)	(15,974)
Reclassification	-	850	850
At 31 December 2008	14,670	68,503	83,173
Accumulated depreciation			
At 1 January 2008	-	38,198	38,198
Charge for the year	-	2,628	2,628
Disposals	-	(9,833)	(9,833)
At 31 December 2008	-	30,993	30,993
Carrying amount	14,670	37,510	52,180

15. Property, plant and equipment (cont'd)

	Buildings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Company-2009				
Cost				
At 1 January 2009	600	434	572	1,606
Disposal	-	-	(33)	(33)
At 31 December 2009	600	434	539	1,573
Accumulated depreciation				
At 1 January 2009	125	403	484	1,012
Charge for the year (Note 10)	12	31	39	82
Disposal	-	-	(33)	(33)
At 31 December 2009	137	434	490	1,061
Carrying amount	463	-	49	512
Company-2008				
Cost				
At 1 January/31 December 2008	600	434	572	1,606
Accumulated depreciation				
At 1 January 2008	113	355	441	909
Charge for the year (Note 10)	12	48	43	103
At 31 December 2008	125	403	484	1,012
Carrying amount	475	31	88	594

(a) Other assets consist of furniture, fixtures and fittings, office equipment, piping, fencing and tubewell, renovations and improvements and capital work-in-progress. The cost of assets under capital work-in-progress included herein amounts to RM381,000 (2008: RM1,146,000).

(b) The carrying amount of property, plant and equipment pledged to secure bank borrowings as referred to in Note 33 are as follows:

	Group	
	2009 RM'000	2008 RM'000
Land and buildings	37,640	38,643
Plant and machinery	55,097	58,151
Other assets	5,033	5,057
	97,770	101,851

15. Property, plant and equipment (cont'd)

Certain assets of the Group at carrying amount of RM99,232,000 (2008: RM101,126,000) were subject to negative pledges in relation to banking facilities granted to the Group as disclosed in Note 33.

(c) Property, plant and equipment acquired during the year were by way of the following :

	Group	
	2009	**2008**
	RM'000	**RM'000**
Outright purchase	5,834	5,524
Lease financing	5,186	1,505
	11,020	7,029

(d) The carrying amount of property, plant and equipment being acquired under finance lease arrangements are as follows:

	Group	
	2009	**2008**
	RM'000	**RM'000**
Motor vehicles	3,146	5,255
Plant and machinery	7,363	5,035
Other assets	1,070	362
	11,579	10,652

16. Investment property

	Group	
	2009	**2008**
	RM'000	**RM'000**
Cost		
At 1 January/31 December	240	240
Accumulated depreciation		
At 1 January	14	11
Charge for the year (Note 10)	2	3
At 31 December	16	14
Carrying amount	224	226
Fair value	280	280

17. Prepaid land lease payments

	Group 2009 RM'000	Group 2008 RM'000
At 1 January	3,288	3,271
Additions	-	111
Amortisation (Note 10)	(37)	(94)
Reclassification (Note 15)	(987)	-
At 31 December	2,264	3,288

The prepaid land lease payments are in respect of long term leasehold lands which are pledged to secure bank borrowings as referred to in Note 33.

18. Investments in subsidiaries

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares at cost	85,351	78,361
Accumulated impairment losses	(10,400)	(10,400)
	74,951	67,961

During the year, the Company subscribed for an additional 6,989,996 ordinary shares of RM1 each at par for cash, in Sinmah Multifeed Sdn. Bhd..

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Equity interest held 2009	Equity interest held 2008	Principal activities
Held by the Company				
Sinmah Livestocks Sdn. Bhd.	Malaysia	100%	100%	Contract farming and trading of chicken feeds, day old chicks and vaccines
Sinmah Multifeed Sdn. Bhd.	Malaysia	99.99%	99.99%	Manufacturing and wholesale of chicken feeds
Sinmah Egg Products Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Farm's Best Food Industries Sdn. Bhd.	Malaysia	100%	100%	Poultry processing, contract farming, marketing and distribution of poultry
Sinmah Breeders Sdn. Bhd.	Malaysia	100%	100%	Poultry breeding and hatchery operations
Sinmah Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Lynbridge Sdn. Bhd.	Malaysia	100%	100%	Dormant
Sinmah Development Sdn. Bhd.	Malaysia	100%	100%	Property development

18. Investments in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation	Equity interest held 2009	2008	Principal activities
Held through subsidiaries				
Farm's Best Eggmart Sdn. Bhd.	Malaysia	100%	100%	Trading of eggs
Chem Ventures Sdn. Bhd.	Malaysia	75%	75%	Trading of chemicals, medication and related equipment
Syarikat Perniagaan Suann Sdn. Bhd.	Malaysia	51%	51%	Trading of feeds, medication and poultry
Joint Farming Sdn. Bhd.	Malaysia	59%	59%	Poultry farming and trading of feedmeal, medication, day-old-chicks and broilers
Suann Food Processors Sdn. Bhd.	Malaysia	100%	100%	Poultry meat processing
SM Broilers Sdn. Bhd.	Malaysia	100%	100%	Marketing and distribution of poultry products
Realtemas Realty Sdn. Bhd.	Malaysia	100%	100%	Property development
Sinmah Builders Sdn. Bhd.	Malaysia	100%	100%	Building and general contracting and provision of management services
Cosmal Enterprise Sdn. Bhd.	Malaysia	100%	100%	Property development
Sinmah Poultry Farm Sdn. Bhd.	Malaysia	100%	100%	Poultry farming and and investment holding
Premier Layer Breeders Sdn. Bhd.	Malaysia	100%	100%	Dormant
Joint Food Proccessing Sdn. Bhd.	Malaysia	60%	60%	Manufacturing of food products and research and development on food technology
Bersatu Segar Sdn. Bhd.	Malaysia	100%	100%	Trading of feeds, medication and poultry farming
Dee Huat Farming Trading Sdn. Bhd.	Malaysia	100%	100%	Dormant
Chix Unlimited Inc.*	Philippines	51%	51%	Hatchery operations
FB Food (Nanjing) Pte. Ltd. *	People's Republic of China	100%	100%	International trade, import and export of poultry products, value-added production and sales and marketing

* Not audited by Ernst & Young

19. Investments in associates

	Group 2009 RM'000	Group 2008 RM'000
Unquoted shares, at cost	5,721	5,646
Share of post acquisition reserves	(507)	(1,462)
	5,214	4,184

Details of the associates are as follows:

Name of subsidiary	Country of incorporation	Equity interest 2009	Equity interest 2008	Principal activities
S.M. Enterprise (Nanjing) Pte. Ltd.	People's Republic of China	50%	50%	Trading of poultry and operating restaurant chains
SMNS Rubber Holdings Sdn. Bhd.	Malaysia	50%	50%	Management of rubber small holdings
Ban Yen Sdn. Bhd.	Malaysia	31%	31%	Poultry breeding and hatchery operations
Suria Wangsamas Sdn. Bhd.	Malaysia	50%	-	Cultivation of crops

(a) During the year, Lynbridge Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired a 50% equity interest in Suria Wangsamas Sdn. Bhd. ("SWSB) and as a result of the acquisition, SWSB became an associated company of the Group. Subsequent to the year end, the 50% equity interest in SWSB was disposed of for a cash consideration of RM75,000.

(b) The reporting dates of the financial statements of the above associates are coterminous with those of the Group and the summarised financial statements of the associates which have been equity accounted for in the financial statements of the Group are summarised as follows:

	2009 RM'000	2008 RM'000
Assets and liabilities		
Current assets	17,604	15,578
Non-current assets	14,923	17,579
Total assets	32,527	33,157
Current liabilities	(15,887)	(15,948)
Non-current liabilities	(10,838)	(10,838)
Total liabilities	(26,725)	(26,786)
Results		
Revenue	21,100	22,301
Profit/(loss) for the year	6,524	(2,735)

20. Other investments

	Group	
	2009	**2008**
	RM'000	**RM'000**
Quoted shares in Malaysia, at cost	123	123
Accumulated impairment losses	(90)	(90)
	33	33
Market value of quoted shares in Malaysia	21	10

The directors consider the impairment of the above investments, to be insignificant.

21. Goodwill

	Group	
	2009	**2008**
	RM'000	**RM'000**
Cost	19,660	19,660
Accumulated impairment loss	(8,122)	(8,122)
Carrying amount	11,538	11,538

Impairment tests for goodwill

Goodwill has been allocated to the Group's CGUs identified according to the individual subsidiaries as follows:

	2009	**2008**
	RM'000	**RM'000**
Poultry Division		
Syarikat Perniagaan Suann Sdn. Bhd.	452	452
Joint Farming Sdn. Bhd.	782	782
Suann Food Processors Sdn. Bhd.	1,708	1,708
Sinmah Breeders Sdn. Bhd.	38	38
Sinmah Poultry Farm Sdn. Bhd.	6,146	6,146
Chix Unlimited Inc.	148	148
Housing Development		
Sinmah Development Sdn. Bhd.	2,264	2,264
	11,538	11,538

21. Goodwill (cont'd)

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations are:

	Poultry division		Housing development	
	2009	2008	2009	2008
Growth rates	3%	2%	-	-
Gross margins	10%	11%	11%	18%
Discount rate	10%	8%	10%	10%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill :

(i) Growth rates -The average growth rates are based on management's best estimate having regards to their experience and knowledge on the long term growth rate for the industry.

(ii) Budgeted gross margin -The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, after considering current economic conditions.

(iii) Discount rate -The discount rates used are pre-tax and reflect cost of borrowing of the subsidiaries.

The Group believes that any reasonably possible change in the above key assumptions applied are not likely to materially cause recoverable amounts to be lower than their carrying amount.

22. Deferred tax assets/(liabilities)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	1,096	(1,681)	-	-
Recognised in income statement (Note 13)	(89)	2,777	-	-
At 31 December	1,007	1,096	-	-

Presented after appropriate offsetting as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deferred tax assets	(2,661)	(2,705)	-	-
Deferred tax liabilities	3,668	3,801	-	-
	1,007	1,096	-	-
Relating to the following items:				
Temporary differences on property, plant and equipment	19,641	20,890	6	17
Unabsorbed tax losses and capital allowances	(13,700)	(13,381)	(6)	(17)
Unabsorbed re-investment allowances	(1,313)	(2,554)	-	-
Others	(3,621)	(3,859)	-	-
	1,007	1,096	-	-

22. Deferred tax assets/(liabilities) (cont'd)

Deferred tax assets have not been recognised in respect of:

	Group	
	2009 RM'000	**2008 RM'000**
Unutilised tax losses	27,922	58,981
Unabsorbed capital allowances	11,215	9,623
Unabsorbed re-investment allowances	10,233	8,578
	49,370	77,182

23. Land held for property development

Group	**Leasehold land RM'000**
At 1 January 2008/31 December 2008	6,770
Transfer to property development costs (Note 24)	(1,668)
At 31 December 2009	5,102

The leasehold land is pledged to secure bank borrowings as disclosed in Note 33.

24. Property development costs

Group - 2009	**Freehold land RM'000**	**Leasehold land RM'000**	**Development costs RM'000**	**Total RM'000**
Cumulative property development costs				
At 1 January 2009	957	3,216	16,647	20,820
Transfer from land held for property development (Note 23)	-	1,668	-	1,668
Costs incurred during the year	-	-	11,554	11,554
Reversal of completed projects	-	(789)	(9,666)	(10,455)
At 31 December 2009	957	4,095	18,535	23,587
Cumulative costs recognised in income statement				
At 1 January 2009	116	263	2,702	3,081
Recognised during the year (Note 7)	123	1,061	10,730	11,914
Reversal of completed projects	-	(789)	(9,666)	(10,455)
At 31 December 2009	239	535	3,766	4,540
Carrying amount	718	3,560	14,769	19,047

24. Property development costs (cont'd)

Group-2008	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs				
At 1 January 2008	1,569	3,216	10,965	15,750
Costs incurred during the year	-	-	8,771	8,771
Reversal of completed projects	(612)	-	(3,089)	(3,701)
At 31 December 2008	957	3,216	16,647	20,820
Cumulative costs recognised in income statement				
At 1 January 2008	396	175	932	1,503
Recognised during the year (Note 7)	332	88	4,859	5,279
Reversal of completed projects	(612)	-	(3,089)	(3,701)
At 31 December 2008	116	263	2,702	3,081
Carrying amount	841	2,953	13,945	17,739

Development costs incurred during the year include interest of RM519,000 (2008: RM516,000). Capitalisation of interest is based on the actual interest rate of bridging loans obtained for the specific purpose of development amounting to 7.75% (2008: 8.25%) per annum.

25. Biological assets

	Group	
	2009 RM'000	2008 RM'000
At cost:		
Hatching eggs	1,744	1,781
Day old chicks	465	2,061
Pullets	1,521	299
At cost less amortisation:		
Layers	3,832	5,231
Breeders	7,432	7,798
	14,994	17,170

26. Inventories

	Group	
	2009 RM'000	2008 RM'000
At cost:		
Raw materials, medical supplies and chemicals	4,647	7,946
Processed chickens	5,497	5,160
Trading eggs	166	97
Consumable supplies	3,237	3,205
Completed houses and shops	3,056	2,881
Ingredient stocks and others	926	1,123
	17,529	20,412

27. Trade receivables

	Group 2009 RM'000	Group 2008 RM'000
Amounts due from		
- Associates	2,758	8,199
- Third parties	144,655	131,572
- Customers on contracts	969	-
- Retention sums	624	229
Accrued billings in respect of property development costs	2,027	106
	151,033	140,106
Provision for doubtful debts (Third parties)	(20,828)	(20,713)
	130,205	119,393

Bad debts of RM Nil (2008: RM1,851,000) have been directly written off against the provision account during the year.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

28. Other receivables

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Due from related parties				
- Holding company	508	508	508	508
- Associated company	8	-	-	-
- Subsidiaries	-	-	43,858	50,976
Due from third parties				
- Proceeds from disposal of property, plant and equipment	-	3,220	-	-
- Advances to transport provider	4,866	4,518	-	-
- Others	5,333	3,238	24	24
Deposits	8,845	6,411	8	10
Prepayments	2,056	1,058	-	3
	21,616	18,953	44,398	51,521
Provision for doubtful debts				
- Subsidiaries	-	-	(27,419)	(27,419)
- Third parties	(1,185)	(1,185)	-	-
	20,431	17,768	16,979	24,102

The amounts due from holding company and from subsidiaries are unsecured, repayable on demand and are interest-free except that interest of RM192,000 (2008: RM386,000) was recouped from certain subsidiaries as disclosed in Note 9.

The amount due in respect of disposal of property, plant and equipment was interest-free with payment periods not expected to exceed 9 months from the balance sheet date.

There were no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the Company's exposure to the holding company and subsidiaries, the amounts of which account for 98% (2008: 98%) of the gross receivables of the Company.

29. Cash and cash equivalents

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash on hand and at banks	5,486	7,207	-	-
Money market placements	-	3,506	-	-
Deposits with licensed banks	7,508	48	-	-
	12,994	10,761	-	-
Less : Bank overdrafts (Note 33)	(20,949)	(19,372)	(9,935)	(9,888)
	(7,955)	(8,611)	(9,935)	(9,888)

Included in cash at banks of the Group is an amount of RM320,000 (2008: RM455,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Deposits with licensed banks of the Group are pledged to banks to secure banking facilities granted to the Group as disclosed in Note 33.

The weighted average effective interest rates per annum and the average maturities of deposits and money market placements at the balance sheet date were as follows:

	Weighted Average Interest Rates		Average Maturities	
	2009	2008	2009	2008
Deposits with licensed banks	3.0%	3.7%	158 days	365 days
Money market placements	-	2.0%	-	60 days

Other information on financial risks of cash and cash equivalents are disclosed in Note 41.

30. Share capital

	Group and Company		Group and Company	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
Authorised shares of RM1 each				
At beginning and end of the year	500,000	500,000	500,000	500,000
Issued and fully paid up ordinary shares of RM1 each				
At beginning and end of the year	55,530	55,530	55,530	55,530

31. Share premium

This is a non-distributable reserve which arose from the issue of the Company's shares at a premium in prior years.

32. Foreign exchange reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record exchange differences arising from monetary items which forms part of Group's net investment in foreign operations until the disposal of the foreign operations, at which time they are recognised in profit or loss.

33. Borrowings

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Short term borrowings				
Bank overdrafts (Note 29)	20,949	19,372	9,935	9,888
Bankers' acceptances	52,546	60,360	-	-
Revolving credits	77,347	53,044	-	-
Trust receipts	8,069	345	-	-
Finance lease payables (Note 34)	2,687	2,804	-	-
Term loans	7,384	8,668	2,837	2,872
	168,982	144,593	12,772	12,760
Long term borrowings				
Finance lease payables (Note 34)	3,699	2,652	-	-
Term loans	43,613	44,327	2,731	4,919
	47,312	46,979	2,731	4,919
Total borrowings				
Bank overdrafts	20,949	19,372	9,935	9,888
Bankers' acceptances	52,546	60,360	-	-
Revolving credits	77,347	53,044	-	-
Trust receipts	8,069	345	-	-
Finance lease payables	6,386	5,456	-	-
Term loans	50,997	52,995	5,568	7,791
	216,294	191,572	15,503	17,679

The borrowings of the Group are secured by way of fixed and floating charges over certain assets and also negative pledges over certain assets as disclosed in Notes 15, 17 and 29. The borrowings of the subsidiaries are additionally guaranteed given by the Company.

The term loans of the Company are additionally secured against the following:

(i) Corporate guarantees from the Company's certain existing operating subsidiaries;

(ii) Undertaking by the holding company to fully repay the facilities should the Company be unable to meet its obligations;

(iii) Cross defaults, rights of set-off, negative pledges and pari passu ranking with all other debts of the Company, except where the obligations are preferred by applicable laws.

Other information on financial risks of borrowings are disclosed in Note 41.

34. Finance lease payables

	Group 2009 RM'000	Group 2008 RM'000
Future minimum lease payments		
Within the 1st year	3,081	3,113
Within the 2nd year	2,013	1,931
Within the 3rd to 5th year	2,118	927
	7,212	5,971
Future finance charges	(826)	(515)
Present value	6,386	5,456
Analysed as		
Due within 12 months (Note 33)	2,687	2,804
Due after 12 months (Note 33)	3,699	2,652
	6,386	5,456

Other information on financial risks of finance lease payables are disclosed in Note 41.

35. Trade payables

	Group 2009 RM'000	Group 2008 RM'000
Due to associates	26	126
Third parties	36,526	48,971
Retention sums	1,081	1,129
	37,633	50,226

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (2008: 30 to 90) days.

36. Other payables

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Due to related parties				
- Holding company	2,188	4	-	-
- Subsidiaries	-	-	2,991	332
- Directors of subsidiaries	358	780	-	-
- Associates	41	-	-	-
Third parties	21,566	20,030	75	75
Accruals	5,666	4,517	248	260
	29,819	25,331	3,314	667

The amounts due to related parties are unsecured, interest-free and repayable on demand.

37. Significant related party transactions

Transactions entered in the normal course of business and established upon negotiated terms and conditions with related parties during the year were as follows:

	Company	
	2009	2008
	RM'000	RM'000
With subsidiaries		
Advances from subsidiaries	10,087	3,151
Advances to subsidiaries	76	1,983
Cash repayments to subsidiaries	-	1,308
Cash repayments by subsidiaries	204	750
Repayment through contra within subsidiaries	7,668	14,310
Payment on behalf of subsidiaries	653	-
Payments on behalf by subsidiaries	133	4,036
Gross dividend from subsidiaries	1,000	600
Interest recouped from subsidiaries	192	386
Allocation of centralised service costs by subsidiaries	272	269
With other related parties		
Sales to an associate	-	1,878
Purchases from associate	-	1,024
Rental paid to a director of a subsidiary	32	32
Companies connected to certain directors:		
- Vehicle maintenance services	-	240
- Purchases	66	769

Compensation for key management personnel is disclosed in Note 11.

38. Contingent liabilities

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Corporate guarantee issued to financial institutions for credit facilities granted to subsidiaries (unsecured)	-	-	201,700	171,610
Legal claim by a supplier	2,398	2,398	-	-

The legal claim by a supplier was in respect of a civil suit filed on 2 February 1999 against a subsidiary for a claim for goods delivered amounting to approximately RM2,398,000. The directors are of the opinion that such claim is without basis as the goods delivered by the supplier were not of merchantable quality and unfit for its purpose and hence, no provision for any liabilities has been made in the financial statements. The case is still pending court decision.

39. Commitments

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Minimum lease payments under non-cancellable operating leases:				
Within the 1st year	1,875	1,875	-	-
Within the 2nd year	1,875	1,875	-	-
Within the 3rd to 5th year	5,009	5,625	-	-
After the 5th year	-	1,259	-	-
	8,759	10,634	-	-

Other commitments are in respect of non-cancellable operating lease arrangements for the use of land, buildings and farm equipments. These leases have an average life of 10 years with a renewal option to extend for a further 3 years at a rental to be re-negotiated.

40. Segment information

(a) Business segments

The Group is organised into two major business segments:

(i) Poultry - This consists of manufacturing and wholesale of animal feeds, poultry breeding, hatchery operations, contract farming, poultry processing and trading of feeds, day-old chicks, medications and vaccines.

(ii) Housing development - This consists of development and construction of residential and commercial properties.

Other business segments include investment holding and provision of management services, none of which are of a sufficient size to be reported separately.

2009	Poultry RM'000	Housing development RM'000	Others RM'000	Total RM'000
Revenue				
External sales	334,182	13,721	-	347,903
Results				
Segment results	6,375	1,386	(735)	7,026
Finance income	65	8	-	73
Finance costs	(11,347)	(419)	(818)	(12,584)
Share of results of associates	1,313	-	(358)	955
(Loss)/profit before tax	(3,594)	975	(1,911)	(4,530)
Tax income/(expense)	(235)	(24)	-	(259)
Loss for the year	(3,829)	951	(1,911)	(4,789)

40. Segment information (cont'd)

(a) Business segments (cont'd)

2009	Poultry RM'000	Housing development RM'000	Others RM'000	Total RM'000
Assets				
Investment in associates	3,932	-	1,282	5,214
Segment assets	329,424	40,696	2,389	372,509
Total assets	333,356	40,696	3,671	377,723
Liabilities				
Segment liabilities	258,985	13,112	15,825	287,922
Total liabilities	258,985	13,112	15,825	287,922
Other information				
Capital expenditure	10,997	23	-	11,020
Depreciation and amortisation	9,567	131	81	9,779
2008				
Revenue				
External sales Results	392,673	7,587	-	400,260
Segment results	10,238	(428)	(1,225)	8,585
Finance income	38	12	-	50
Finance costs	(8,674)	(144)	(1,456)	(10,274)
Share of results of associates	(781)	-	(99)	(880)
(Loss)/profit before tax	821	(560)	(2,780)	(2,519)
Tax income/(expense) Loss for the year	(3,138)	(79)	-	(3,772)
	(2,317)	(639)	(2,780)	(6,291)
Assets				
Investment in associates	2,619	-	1,565	4,184
Segment assets	324,363	30,813	7,765	362,941
Total assets	326,982	30,813	9,330	367,125
Liabilities				
Segment liabilities	235,596	11,678	24,038	271,312
Total liabilities	235,596	11,678	24,038	271,312
Other information				
Capital expenditure	7,011	18	-	7,029
Depreciation and amortisation	9,695	157	111	9,963

(b) Geographical segments

As the Group's activities are principally conducted in Malaysia, segment reporting by geographical segment is not prepared.

41. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit risk, liquidity risk, interest rate risks (both fair value and cash flow) and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and policies and procedures are in place to ensure that the Group's exposure to bad debts is kept to the minimum. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments except for the Company's exposure to amounts due from its holding company and subsidiaries as disclosed in Note 28.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group strives to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group maintains available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from the capital market and financial institutions. The Group prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness and where necessary, re-schedules the repayment terms of certain borrowings to ease cashflow commitments.

(d) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings as it has no interest-bearing financial assets except for those placed in fixed deposits which are mainly short term in nature. Borrowings at floating rates expose the Group to interest rate risk.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings and actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against interest rate hikes. Except for finance lease payables whose interest rates are fixed until maturity, the other interest-bearing financial instruments are subject to floating interest rates which are contractually repriced at intervals of less than 6 months except for term loans which are repriced annually.

41. Financial instruments (cont'd)

(d) Interest rate risk (cont'd)

The following table sets out the weighted average effective interest rates ("WAEIR") as at the balance sheet date, the carrying amounts and remaining maturity periods of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

	Note	WAEIR %	1st year RM'000	2nd year RM'000	3rd year RM'000	4th year RM'000	5th year RM'000	Thereafter RM'000	Total RM'000
Group -2009									
Deposits with licensed bank	29	2.9%	7,508	-	-	-	-	-	7,508
Money market placements	29	-	-	-	-	-	-	-	-
Bank overdrafts	33	7.6%	20,949	-	-	-	-	-	20,949
Bankers' acceptance	33	2.9%	52,546	-	-	-	-	-	52,546
Revolving credits	33	7.5%	77,347	-	-	-	-	-	77,347
Trust receipts	33	8.5%	8,069	-	-	-	-	-	8,069
Finance lease payables	34	4.2%	2,687	1,805	1,152	577	165	-	6,386
Term loans	33	7.3%	7,384	10,539	6,965	6,051	5,758	14,300	50,997
Group -2008									
Deposits with licensed bank	29	3.7%	48	-	-	-	-	-	48
Money market placements	29	2.0%	3,506	-	-	-	-	-	3,506
Bank overdrafts	33	8.8%	19,372	-	-	-	-	-	19,372
Bankers' acceptance	33	3.7%	60,360	-	-	-	-	-	60,360
Revolving credits	33	8.4%	53,044	-	-	-	-	-	53,044
Trust receipts	33	10.1%	345	-	-	-	-	-	345
Finance lease payables	34	4.4%	2,804	1,785	779	88	-	-	5,456
Term loans	33	7.7%	8,669	6,710	7,885	5,589	4,761	19,381	52,995
Company -2009									
Bank overdrafts	33	8.5%	9,935	-	-	-	-	-	9,935
Term loans	33	6.9%	2,872	2,696	-	-	-	-	5,568
Company -2008									
Bank overdrafts	33	8.5%	9,888	-	-	-	-	-	9,888
Term loans	33	6.9%	2,872	2,872	2,047	-	-	-	7,791

41. Financial instruments (cont'd)

(e) Fair values

The carrying amounts of the fixed and floating rate borrowings of the Group and of the Company approximate fair values as the interest rates charged are either close, or pegged, to market interest rates of loans of similar risk profile as at balance sheet date.

The carrying amounts of the other financial assets and other financial liabilities of the Group and of the Company approximate fair values in view of their relatively short maturity periods.

(f) Foreign exchange risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD) and Singapore Dollars (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The Group does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

The net unhedged financial assets/(liabilities) that are not denominated in their functional currencies are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Singapore Dollar	16,420	8,454	-	-
United States Dollar	(5,977)	(7,629)	(5,568)	(7,791)

Authorised share capital	:	**RM 500,000,000**
Issued and fully paid up capital	:	**RM 55,530,263**
Class of shares	:	**Ordinary shares of RM 1.00 Each**
Voting rights	:	**One vote per ordinary share**

Analysis by size of shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	119	4.62	1,597	0.00
100 to 1,000	584	22.66	416,185	0.75
1,001 to 10,000	1,408	54.64	6,357,726	11.45
10,001 to 100,000	418	16.22	12,170,150	21.92
100,001 to less than 5% of issued shares	46	1.78	8,350,000	15.04
5% of issued shares and above	2	0.08	28,234,605	50.84
Total	**2,577**	**100.00**	**55,530,263**	**100.00**

Thirty (30) largest shareholders

	Name of Shareholders	No. of Ordinary Shares held	Percentage of issued capital (%)
1	MERCSEC Nominees (Tempatan) Sdn Bhd - F.C.H. Holdings Sdn Bhd	20,348,705	36.64
2	DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An For Deutsche Bank AG London (PB Priam)	7,885,900	14.20
3	Ng Chee Loong	485,000	0.87
4	Onn Kok Puay (Weng GuoPei)	483,700	0.87
5	Yeo Kiam Yam @ Yeo Kian Yam	365,000	0.66
6	Gan Thian Teck	302,900	0.55
7	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Tan Chia Hong @ Gan Chia Hong	300,000	0.54
8	Lim Pang Hoo	291,300	0.53
9	Chia Chin Fooi	254,000	0.46
10	Low Ah Lin	250,000	0.45

	Name of Shareholders	No. of Ordinary Shares held	Percentage of issued capital (%)
11	Teo Kim Fai	250,000	0.45
12	Khoo Ting Hock	237,100	0.43
13	Chia Siew Fung	213,900	0.39
14	Lee Tiow Ghee	200,000	0.36
15	Malacca Equity Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Goh Teck Lee	200,000	0.36
16	Chan Kee Chew	191,200	0.34
17	HSBC Nominees (Tempatan) Sdn Bhd - Ng Song Hey	188,000	0.34
18	Neo Heap (Hiap) Eng	186,000	0.34
19	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securlties Account For Chin Chin Seong	183,800	0.33
20	Toh Cheng Hai	180,000	0.32
21	Lee Cheng Oon @ Lee Tiong Oon	178,000	0.32
22	Ng Hua Boon	171,000	0.31
23	Soh Kok Heng	160,000	0.29
24	Ong Chin Hua	155,000	0.28
25	Yeo Tiow Tiong Holdings Sendirian Berhad	150,000	0.27
26	M.I.T Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Rajinder Kaur A/P Piara Singh	149,000	0.27
27	Goh Sock Sin	146,800	0.26
28	Phoon Lai Yee	145,100	0.26
29	Onn Ping Lan	139,300	0.25
30	Chua Kok Yong	130,000	0.23
TOTAL		**34,520,705**	**62.17**

Directors' shareholdings as per the register of directors' shareholdings

	Shareholdings			
Name	**Direct**	**%**	**Indirect**	**%**
Datuk Hj. Zainal Bin Hj. Shamsudin	-	-	-	-
Dato' Fong Kok Yong	-	-	20,348,705*	36.64
Datuk Fong Kiah Yeow	108,000	0.19	20,348,705*	36.64
Fong Ngan Teng	-	-	20,348,705*	36.64
Fong Choon Kai	-	-	20,348,705*	36.64
Ng Cheu Kuan	-	-	-	-
Datuk Ng Peng Hay @ Ng Peng Hong	-	-	-	-
Tuan Haji Baharom Bin Abd. Wahab	4,500	0.01	-	-
Mohd Khasan Bin Ahmad	-	-	-	-

* Deemed interest by virtue of his interest in F.C.H. Holdings Sdn Bhd.

Substantial shareholders as per the register of substantial shareholders

	Shareholdings			
Name	**Direct**	**%**	**Indirect**	**%**
F.C.H. Holdings Sdn Bhd	20,348,705	36.64	-	-
Dato' Fong Kok Yong	-	-	20,348,705*	36.64
Datuk Fong Kiah Yeow	-	-	20,348,705*	36.64
Fong Ngan Teng	-	-	20,348,705*	36.64
Fong Choon Kai	-	-	20,348,705*	36.64
Priam Holdings Limited	7,885,900	14.20	-	-

* Deemed interest by virtue of his interest in F.C.H. Holdings Sdn Bhd.

Location & details	Description	Tenure	Net book Value RM	Date of Revaluation/ Date of Acquisition
The company and 100% owned subsidiaries				
Lot 5253, 5254, 5255, 5256 & 236 GM 551, 552, 527, 528 & EMR 1369 Mukim Jeram Batu Johor	Broiler Farm	Freehold	2,305,885	1994
Lot 5541 Mukim of Rantau District of Seremban Negeri Sembilan	Broiler Farm	Freehold	398,772	1994
Lot No. 799 & 800 Mukim of Sungai Siput District of Alor Gajah Melaka	Breeder Farm	Freehold	2,989,422	1987
Lot No. 2893 - 2899 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka	Breeder Farm	Freehold	4,108,762	1993
Lot 142 Mukim of Sungei Baru Ilir District of Alor Gajah Melaka	Breeder Farm	Freehold	2,198,724	1983
Lot No. 401 & 731 Mukim of Ramuan Cina Besar District of Alor Gajah Melaka	Breeder Farm	Freehold	1,221,925	1981
Lot 1618, 1854, 1855, 0963, 959, 639 & 640 EMR 1660 Grant No. 4926, 4905, 3113, 2374 EMR 1122 & 1059 Mukim Lenga, Muar Johor	Breeder Farm	Freehold	1,546,469	1996
Lot 458 & 459 C.T. No. 8770 & 8771 Tebong, Tampin Negeri Sembilan	Breeder Farm	Freehold	1,281,532	1994
Lot 9467 Q.T.(M) No. 182 Tanjong Sembrong Batu Pahat Johor	Broiler Farm	Freehold	2,902,972	1995

Location & details	Description	Tenure	Net book Value RM	Date of Revaluation/ Date of Acquisition
MLO 8663 H.S.(D) 2631 Mukim Sembrong Johor	Broiler Farm	Freehold	621,249	1995
Lot 647 & 658 Mukim Tanjong Minyak Melaka	Vacant Land	Freehold	849,271	1996
P.T. No. 197 H.S.(D) 33179 Kawasan Bandar XXXIX Daerah Melaka Raya Melaka	3 1/2 Storey Intermediate shoplot	Leasehold (expiring 2075)	398,708	2003
Lot 1599, C.T. 6270 Port Dickson Negeri Sembilan	Broiler Farm	Freehold	1,821,038	1995
Taman Mewah Alor Gajah Melaka	6 Units of 2 - bedroom Apartment	Leasehold (Expiring in 2091)	131,667	1995
PTD 64217 H.S.(D) 208128 Mukim Tebrau Johor	1 1/2 Storey Terrace Factory	Freehold	316,090	1995
P.T.No.20, Plot 6 Mukim Kelemak District of Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2073)	1,317,673	1994
P.T.No.18 H.S.(M) 1940 Mukim Kelemak District of Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2073)	4,094,439	1994
Lot 3, 4 & 5 Masjid Tanah Ind. Estate Masjid Tanah, Alor Gajah Melaka	Industrial Land	Leasehold (Expiring in 2095)	10,547,975	1995
Lot No. 7688, HS(M) 1733 Tanjong Sembrong (VII) District of Batu Pahat Johor	Broiler Farm	Freehold	488,105	1996

Location & details	Description	Tenure	Net book Value RM	Date of Revaluation/ Date of Acquisition
MLO No. 8497 H.S.(M) 2270 Mukim Tanjong Sembrong VII, Batu Pahat Johor	Broiler Farm	Freehold	682,540	1997
Holding No. 2628, SG574/62 Mukim Sungei Baru Tengah Alor Gajah Melaka	Industrial Land	Freehold	910,944	1997
Lot 2404, EMR 7566 Mukim Jementah Johor	Vacant Land	Freehold	327,503	1997
H.S. (D) 24419, No PT11641 Mukim Rawang, Daerah Gombak Negeri Selangor	Industrial land	Freehold	491,165	2006
H.S. (D) 24408, No PT11630 Mukim Rawang, Daerah Gombak Negeri Selangor	Industrial land	Freehold	703,850	2005
Block D2-01-01, Type B1 Genting View Resort Phase 4, Bentong Pahang	1 unit of 2 bedrooms apartment	Freehold	163,398	1998
Block D1-19, Type P2 Genting View Resort Phase 4, Bentong Pahang	1 unit of bedrooms apartment	Freehold	299,262	1998
PT No.6901, HS(D) No. 34536 Mukim Bukit Katil Daerah Melaka Tengah Negeri Melaka	Double Storey Shop/Office	Freehold	310,530	2000
H.S.(D) 43175, Lot No.PT2113, Mukim of Krubong, District of Melaka Tengah, State of Melaka.	Held for development	Freehold	5,109,699	2006
PTD 2163, H.S.(D) 5124 Mukim Grisek District of Muar Johor	Layer farm	Freehold	1,061,644	1997

Location & details	Description	Tenure	Net book Value RM	Date of Revaluation/ Date of Acquisition
PTD 2164, H.S.(D) 5125 Mukim Grisek District of Muar Johor	Layer farm	Freehold	1,330,790	1997
PTD 2165, H.S.(D) 5126 Mukim Grisek District of Muar Johor	Agricultural land	Freehold	200,125	1997
PTD 2166, H.S.(D) 5127 Mukim Grisek District of Muar Johor	Agricultural land	Freehold	259,423	1997
PTD 2167, H.S.(D) 5128 Mukim Grisek District of Muar Johor	Layer farm	Freehold	811,888	1997
PTD 2168, H.S. (D) 5129 Mukim Grisek District of Muar Johor	Layer farm	Freehold	1,033,763	1997
PTD 2169, H.S. (D) 5130 Mukim Grisek District of Muar Johor	Layer farm	Freehold	698,994	1997
PTD 2170, H.S. (D) 5131 Mukim Grisek District of Muar Johor	Layer farm	Freehold	790,531	1997
PTD 2171, H.S. (D) 5132 Mukim Grisek District of Muar Johor	Layer farm	Freehold	525,078	1997
PTD 6321 Grant 4778 Mukim Grisek District of Muar Johor	Layer farm	Freehold	276,202	1997
H.S. (D) 302891, Lot No. PTD15511, Mukim of Sedenak, District of Johor Bahru State of Johor Darul Ta'zim	Broiler Farm	Leasehold (30 years)	101,809	2000

Location & details	Description	Tenure	Net book Value RM	Date of Revaluation/ Date of Acquisition
H.S. (D) 436859, Lot No. PTD16818 Mukim of Sedenak, District of Johor Bahru State of Johor Darul Ta'zim	Broiler Farm	Leasehold (30 years)	493,195	2008
H.S. (M) 2229, 2289 & 2290, Lot Nos. MLO 1367, 7119 & 7120 Kuala Kabong Mukim Sedenak Johor	Broiler farm	Leasehold (99 years)	520,903	2009
Joint venture subsidiaries				
Lot 420, GM59, Mukim Pengkalan Raja Pontian Johor	Broiler farm	Freehold	492,954	1996
H.S.(D) 68575, Mukim Pulai Johor Bahru	Double storey house	Leasehold (99 years)	223,635	1996
Grant 60828, Lot 8602, Mukim Jeram Batu 7, 7A & 7B, Jalan Mewah 1 Taman Mewah 81500 Pekan Nenas Johor	Three storey shophouse	Freehold	405,830	2004
Lot 1310, GN47071 Minyak Beku 6, Batu Pahat Johor	Poultry processing plant & coldrooms /office block	Freehold	2,410,459	1991
H.S.(M) 1745, MLO 8674 Tanjung Sembrong 14 Batu Pahat Johor	Broiler farm	Freehold	184,099	1995
Lot 3233, EMR 5066 Minyak Beku 6 Batu Pahat Johor	Broiler farm	Freehold	661,309	1997
Lot 1730, CT 2851 Bandar Penggaram District of Batu Pahat Johor	Double storey terrace shophouse	Freehold	327,607	1998
No. H.S.(D) 2549, No. PT 1512 Mukim Kelemak District of Alor Gajah Melaka	Double storey shophouse	Freehold	142,196	2006

FARM'S BEST BERHAD
(301653-V)

No. of shares held :	

SIXTEENTH ANNUAL GENERAL MEETING
FORM OF PROXY

I/We ____
(Full Name in Capital Letters)

of ____
(Full Address)

being a member of **FARM'S BEST BERHAD** hereby appoint ____________________________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her, ____________________________ of ____________________________
(Full Name in Capital Letters)

____
(Full Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Bilik Bunga Teratai, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Thursday, 24 June 2010 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolution No.	Ordinary Business	For	Against
Ordinary Resolution 1	To receive the Audited Financial Statements and Directors' and Auditors' Reports.		
Ordinary Resolution 2	To approve the payment of Directors' fees.		
Ordinary Resolution 3	To re-elect Y. Bhg. Datuk Hj. Zainal bin Hj. Shamsudin as Director.		
Ordinary Resolution 4	To re-elect Y. Bhg. Dato' Fong Kok Yong as Director.		
Ordinary Resolution 5	To re-elect Mr Fong Ngan Teng as Director.		
Ordinary Resolution 6	To re-appoint Tuan Haji Baharom Bin Abd Wahab as Director.		
Ordinary Resolution 7	To re-appoint Messrs Ernst & Young as the Company's Auditors.		

Dated this___________day of _____________ , 2010.

____
(Signature/Common Seal of Shareholder)

Notes :-

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.

(ii) Where a member appoints two (2) or more proxies, the appointment shall not be valid unless he (she) specifies the proportion of his (her) shareholdings to be represented by each proxy.

(iii) The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its authorised attorney or officers.

(iv) The instrument appointing a proxy shall be deposited at the office of the Company's Share Registrar at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the Meeting or any adjournment thereof.

FARM'S BEST depots/offices in Peninsular Malaysia and overseas offices

FARM'S BEST BERHAD
(301653-V)

DEPOTS

Rawang 1
25, Jalan BJ 7
Taman Perindustrian Belmas Johan
48000 Rawang, Selangor

Tel : 03-6092 2024
Fax : 03-6091 9936

Rawang 2
1, Jalan BJ 7
Taman Perindustrian Belmas Johan
48000 Rawang, Selangor

Tel : 03-6093 2997
Fax : 03-6091 6819

Seremban
No. 1, Taman Harapan Baru
Jalan Rasah
70300 Seremban

Tel : 06-632 5708
Fax : 06-632 5706

Melaka
No. 154, Jalan Suria 2
Taman Malim Jaya
75200 Melaka

Tel : 06-337 5992
Fax : 06-335 8266

Ipoh
80, Jalan Leong Boon Siew
30000 Ipoh, Perak

Tel : 06-337 5992
Fax : 06-335 8266

Butterworth
No. 8, (Plot 48)
Taman Industri Beringin @
Juru Industrial Park
Juru Mukim 13
Seberang Prai Tengah
14100 Pulau Pinang

Tel : 04-507 6449
Fax : 04-507 7068

Temerloh
53, Jalan Ahmad Shah
28000 Temerloh Pahang

Tel : 09-296 8223
Fax : 09-296 6223

Kuantan
B-32, Jalan Air Putih
25300 Kuantan
Pahang

Tel : 09-567 0223
Fax : 09-567 0221

Johor Bahru
9, Jalan Bayu 2/5
Taman Perindustrian Tampoi Jaya
81200 Johor Bahru, Johor

Tel : 07-235 0310
Fax : 07-235 0306

MARKETING OFFICE

Rawang
28, Jalan BJ 6
Taman Perindustrian
Belmas Johan
48000 Rawang, Selangor

Tel : 03-6092 6077
Fax : 03-6092 3908

Representative Office
KOTA BHARU
No. 11, Jalan Hospital
Kedai MPKB, Barek 12
15200 Kota Bharu
Kelantan

OVERSEAS ADDRESSES

Chix Unlimited Inc.
Brgy. Casilagan, Mangatarem
Pangasinan 2413, Philippines

Tel : 00 639 737 54004
Fax : 00 639 737 54004

Fb Food (Nanjing) Pte Ltd
Sm Enterprise (Nanjing) Pte Ltd
Room 5212, 25th Floor
Jiangsu International Mansion
50 Zhong Hua Lu
Nanjing, Jiangsu 210001 China

Tel : 0086 25-8468 0456
Fax : 0086 25-8468 0326

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