


Condensed Consolidated Income Statements

For the Three-Month and Nine-Month Periods Ended 31 December 2006

	Note	3 months ended		9 months ended	
		31.12.2006	31.12.2005 Restated	31.12.2006	31.12.2005 Restated
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	I (j)	1,264	9,944	14,179	50,573
Cost of sales		(2,151)	(18,291)	(20,712)	(56,824)
Gross (loss) / profit		(887)	(8,347)	(6,533)	(6,251)
Other operating income		-	260	876	1,658
Administrative expenses		(1,879)	(3,479)	(5,798)	(7,262)
Provision for bad & doubtful debt		-	(95,238)	-	(95,238)
Other operating expenses		-	(472)	(129)	(1,865)
Loss from operations		(2,766)	(107,276)	(11,584)	(108,958)
Profit / (Loss) from investing activities		(2,537)	-	(4,486)	-
Finance costs, net		(512)	(2,934)	(6,164)	(7,672)
Loss before taxation	I (j)	(5,815)	(110,210)	(22,234)	(116,630)
Taxation	5	-	-	-	(15)
Loss for the period		(5,815)	(110,210)	(22,234)	(116,645)
Loss per share attributable to equity holders of the parent (sen)					
Basic, for loss for the period	13	7.75	146.87	29.63	155.44

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.


Condensed Consolidated Balance Sheets

As at 31 December 2006

	Note	As at 31.12.06 (Unaudited) RM'000	As at 31.03.2006 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	I (I)	137,066	157,547
Investment property		-	1,976
Biological assets		5,777	6,054
Deferred tax assets		10	11
		<u>142,853</u>	<u>165,588</u>
Current Assets			
Biological assets		-	2,000
Inventories		314	3,010
Trade receivables		4,233	7,588
Other receivables		31,959	14,921
Tax recoverables		2,100	1,239
Deposits with licensed banks		21	2,740
Cash and bank balances		682	751
		<u>39,309</u>	<u>32,249</u>
TOTAL ASSETS		<u>182,162</u>	<u>197,837</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		75,040	75,040
Share premium		591	591
Reserve on consolidation		3,742	3,742
Merger deficit		(9,168)	(9,168)
Revaluation reserves		57,137	57,137
Accumulated losses		(236,496)	(214,262)
Total equity		<u>(109,154)</u>	<u>(86,920)</u>
Non-current liabilities			
Term loans	9	-	23,951
Lease and hire purchase creditors	9	-	420
Deferred tax liabilities		1,031	1,032
		<u>1,031</u>	<u>25,403</u>
Current liabilities			
Short term borrowings	9	231,394	206,382
Trade payables		14,207	14,539
Other payables		44,190	37,952
Tax payables		494	481
		<u>290,285</u>	<u>259,354</u>
Total liabilities		<u>291,316</u>	<u>284,757</u>
TOTAL EQUITY AND LIABILITIES		<u>182,162</u>	<u>197,837</u>
Net Liabilities per Share (RM)		<u>1.45</u>	<u>1.16</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Changes in Equity
For the Nine-Month Period Ended 31 December 2006

		<-----Non-Distributable----->				Distributable	
	Share capital	Share premium	Asset revaluation reserve	Reserve on consolidation	Merger deficit	Accumulated losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Apr 2005	75,040	591	61,440	3,742	(9,168)	(150,656)	(19,011)
Net loss for the period	-	-	-	-	-	(116,645)	(116,645)
At 31 December 2005	75,040	591	61,440	3,742	(9,168)	(267,301)	(135,656)
At 1 Apr 2006	75,040	591	57,137	3,742	(9,168)	(214,262)	(86,920)
Net loss for the period	-	-	-	-	-	(22,234)	(22,234)
At 31 December 2006	75,040	591	57,137	3,742	(9,168)	(236,496)	(109,154)

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statements**
For the Nine-Month Period Ended 31 December 2006

	9 months ended	
	31.12.2006	31.12.2005
	RM'000	RM'000
Net loss before tax	(22,234)	(116,630)
Adjustments for non-cash flow:-		
Non-cash items	27,103	12,012
Non-operating items	6,164	7,693
Operating loss before changes in working capital	<u>11,033</u>	<u>(96,925)</u>
Changes in working capital		
Net increase in current assets	(31,391)	(42,308)
Net (decrease) / increase in current liabilities	27,930	42,487
Net cash flows from operating activities	<u>7,572</u>	<u>(96,746)</u>
Interest paid	(6,185)	-
Taxation paid	(187)	(51)
Net cash flows generated from operating activities	<u>1,200</u>	<u>(96,797)</u>
Investing Activities		
Withdrawal of fixed deposits	2,719	-
Proceeds from disposal of property, plant and equipment	11,117	8,702
Property, Plant and equipment written off	(18)	(220)
Deferred expenditure	-	-
Interest received	21	1,049
Net cash flows from investing activities	<u>13,839</u>	<u>9,531</u>
Financing Activities		
Net proceeds of drawdown / (repayment) of bank borrowings	-	(9,588)
Net cash flows from financing activities	<u>-</u>	<u>(9,588)</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Cash Flow Statements (Cont'd.)

For the Nine-Month Period Ended 31 December 2006

Please amend this to 9-months period 31 December 2006

	9 months ended	
	31.12.2006	31.12.2005
	RM'000	Restated RM'000
Net Change in Cash & Cash Equivalents	15,039	(96,854)
Cash & Cash Equivalents at beginning of period	(23,870)	(18,907)
Cash & Cash Equivalents at end of period	(8,831)	(115,761)

* Cash and cash equivalents at end of financial period comprise the following:

	9 months ended	
	31.12.2006	31.12.2005
	RM'000	Restated RM'000
Cash and bank balances	682	5,621
Less: Bank overdrafts (included within short-term borrowings in Note 9)	(9,513)	(121,382)
	(8,831)	(115,761)

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

(I) NOTES TO ACCOUNTS

(a) Basis of Preparation

The interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 part K Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the audited financial statements for the year ended 31 March 2006 except for the adoption of the new and revised Financial Reporting Standards ("FRS") mentioned in Note (b).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

(b) Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2006 except for the adoption of the following new/revised Financial Reporting Standards ('FRS') applicable to the Group, effective for the financial period beginning 1 April 2006:

FRS 3	Business Combinations
FRS 5	Non- Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible of Assets
FRS 140	Investment Property

The adoption of FRS 3, 5, 101, 102, 108, 110, 116, 121, 127, 132, 133, 136 and 138 does not have significant financial impact on the Group. The principal effect of the changes in accounting policies resulting from the adoption of FRS other new/revised FRS140 is as discussed below:

i) FRS 140 : Investment Property

The adoption of this new FRS has resulted in a change in accounting policy for the investment properties. Properties that qualify to be classified as Investment Property would have to be reclassified out from Property, Plant and Equipment and taken into Investment Property. The Group has adopted the cost model for Investment Property. As such, FRS 108 is applicable and hence comparative information has been restated.

**(c) Comparatives**

The following comparative figures have been restated due to the adoption of the new and revised FRSS:

	Previously stated RM'000	Adjustment FRS 140 Note (l) (b) (i) RM'000	Restated RM'000
At 31 March 2006			
Property, Plant and Equipment	159,523	(1,976)	157,547
Investment Property	-	1,976	1,976

(d) Qualification of audit report of the preceding annual financial statements

The auditors have expressed a qualified opinion in the audit report of the annual financial statements for the financial year ended 31 March 2006.

(e) Seasonal or Cyclical Factors

The seasonal or cyclical factors are not applicable to the Group as the Group has ceased entire poultry operations on **15 September 2006**.

For the current quarter, the business operations of the Group will only comprise plantation business and rental income derived from letting out of layer farms and feedmill plant.

(f) Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size and incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2006.

(g) Changes in estimates

There were no changes in estimate of amount reported in prior interim period of the current financial year or changes in estimates of amount reported in prior financial year that have a material effect in the current interim period.

(h) Changes in Debt and Equity Securities

There were no issuances, cancellations or repayment of debt and equity securities, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

(i) Dividends Paid

No dividend has been declared for the current quarter ended 31 December 2006.



(j) Segmental Reporting

Following the cessation of poultry business on 15 September 2006, the Group is without a core business.

The business operations of the Group only comprise plantation business and rental income derived from letting out of layer farms and feedmill plant.

The Group's segmental report for the 9-months' period ended 31 December 2006 is as follows:-

	Revenue RM'000	Loss after taxation RM'000
Investment holding	534	(6,335)
Feedmilling	9,021	(3,837)
Poultry farming	10,418	(11,649)
Plantation	2,307	(93)
Wholesale and retailed of foodstuff	933	(698)
Others	101	378
Lease rental income	750	-
	24,064	(22,234)
Eliminations	(9,885)	-
	14,179	(22,234)

(k) Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the previous annual financial statements.

Comsa owns a highland property of basaltic-volcanic black top soil of 1,288 acres located at Quoin Hill valued at RM364 million based on valuation report dated 28 December 2004. This could be developed to be a major contributor to the Group in the future. The financial effect of this revised valuation has not been incorporated in the interim financial statements.

(l) Material Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period except for:-

On 3 November 2006, the Company and all its subsidiaries obtained a restraining order under Section 176 (10) of the Companies' Act, which restrained and stayed for a period of 120 days further proceedings in any action or the institution or commencement of any proceedings against the Company or any of its subsidiaries.

The restraining order is for the Group to finalise its scheme of arrangement.

All legal letters of demand received from the financial institutions were in respect of the default of loan facilities by Comsa and its subsidiaries. These loan facilities had been reflected in the financial statements for the interim period.



(m) Changes in the composition of the Group

There were no changes in the composition of the Group during the interim period under reporting.

(n) Contingent Liabilities

There were no contingent liabilities disclosed in the audited annual financial statements for the financial year ended 31 March 2006.



EXPLANATORY NOTES- Bursa Malaysia Securities Berhad ("Bursa Securities")

1. Performance Review

The Group reported a turnover and pre-tax loss of RM1.26 million and RM5.81 million for the quarter respectively compared to RM9.94 million and RM110.2 million respectively in the previous year's corresponding quarter. The current quarter's turnover was mainly derived from plantation business and rental income from letting out poultry farm and feed mill plant.

2. Material Changes in the Quarterly Results compared to the results of the preceding Quarter

A material change in the quarterly results compared to the results of the preceding quarter arose from the cessation of poultry business of Comsa and its subsidiaries with effect from 15 September 2006.

The current business operations of the Group only comprise plantation business and rental income derived from letting out of layer farms and feedmill plant. Net loss attributable to members of the Company was RM5.81 million in the third quarter compared to a loss of RM 110.21 million for the immediate preceding quarter.

3. Prospects

Comsa was classified as a PN 17 Company since 7 April 2006 and it is required to submit its proposed regularisation plan to the Securities Commission and other relevant authorities ("the Approving Authorities") for approval by 6 December 2006.

On 25 January 2007, Bursa Malaysia Securities Berhad ("Bursa Securities") had decided to grant the Company an extension of time until:-

- (i) 16 February 2007 to announce the Company's regularization plan (the "Announcement"); and
- (ii) One month from the date of the Announcement to submit its proposed regularisation plan to the Securities Commission and other relevant authorities ("the Approving Authorities") for approval.

Comsa was unable to comply with the extension of time granted by Bursa Securities.

Notwithstanding that, Comsa is working towards announcing its regularization plan at the soonest possible. The prospect of the Company is very dependent on its regularization plan to be submitted to the Approving Authorities.

Comsa and its subsidiary companies ("Group") have been granted a restraining order ("RO") for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the Kuala Lumpur High Court ("Court") pursuant to section 176 (10) of the Companies Act, 1965. The RO is for the Group to finalise its scheme of arrangement.



4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and forecast profit after tax and for the shortfall in profit guarantee are not applicable.

5. Taxation

	3 months ended 31-12-06 RM'000	9 month ended 31-12-06 RM'000
Current Taxation	-	-
	<u>-</u>	<u>-</u>

There was no provision for taxation charge for the quarter under review as the Group is in a tax loss position.

6. Profit on Sales of Unquoted Investments and/or Properties

The results for the current quarter do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business of the Group.

7. Quoted Securities other than Securities in Existing Subsidiaries

There were no dealings of quoted securities for the quarter under review.

8. Corporate Proposals

There were no corporate proposals announced for the current quarter.

9. Group Borrowings and Debt Securities

Short term borrowings	As at 31.12.06 RM'000
Secured	165,570
Unsecured	<u>65,824</u>
	<u>231,394</u>

All of the above borrowings are denominated in Ringgit Malaysia.

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the reporting date.



11. Changes in Material Litigation

a) SGS Societe Generale De Surveillance SA ("SGS") vs Comsa Feedmills Sdn Bhd ("Comsa Feedmills")

A Writ of Summons dated 4 October 2005 was served by SGS Societe Generale De Surveillance SA ("the Plaintiff") on a subsidiary, namely, Comsa Feedmills Sdn Bhd, ("Comsa Feedmills").

In the said suit the Plaintiff is alleging that Comsa Feedmills had in breach of the terms of the Collateral Management Agreement dated 17 July 2003 ("CMA") unlawfully taken or caused to be taken various quantities of Chinese Yellow Maize and Soya Bean Meal ("the Goods") from certain silos and warehouses amounting USD 3,348,320.86 between March 2004 and December 2004 and had failed to pay for the Goods. The Plaintiff is claiming for damages for breach of the CMA, an account of all goods allegedly taken by Comsa Feedmills and damages in the value of the Goods so taken.

Comsa Feedmills has denied the allegations and claims of the Plaintiff and has counterclaimed against the Plaintiff. Comsa Feedmills alleges that the Plaintiff, in breach of its obligations pursuant to the CMA and/or alternatively by reason of the Plaintiff's negligence, caused 20,206.05 Metric Tonnes of Goods to be missing from the silos and warehouses thereby resulting in loss and damages to Comsa Feedmills. Comsa Feedmills' counterclaim amounts to RM14,248,268.92 together with damages, interest and costs.

The directors are of the view that Comsa Feedmills has a reasonable chance of successfully defending the suit.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies' Act 1965.

b) Orix Credit Malaysia Sdn Bhd ("Orix") Vs Comsa Farms Berhad ("Comsa")

Re: Civil suit no: K22-57-2006

On 12 December 2005, Orix had served Comsa the notice of intention to repossess layer house equipment due to Comsa's failure to pay the instalments punctually on the due dates as per the hire purchase terms of the Hire Purchase Agreement dated 2 January 2003.

Orix had on 15 February 2006, through their solicitors, Messrs. Dr Yee Tan & Associates, demanded payment of the outstanding debt of RM756,039.17. Notwithstanding such demand, Comsa had failed, neglected and/or otherwise refused to settle the same within the stipulated period upon which Orix terminated the Hire Purchase Agreement



b) Orix Credit Malaysia Sdn Bhd ("Orix") Vs Comsa Farms Berhad ("Comsa")

(ii) On 24 March 2006, Orix claimed for the following sums:-

- a) The sum of RM357,111.00 as at 24 February 2006;
- b) Agreed interest thereon at the rate of 0.065% per day on the sum of RM302,600.00 from 25 February 2006 to the date of full payment;
- c) Statutory interest thereon at the rate of 8% per annum on the sum of RM302,600.00 from the date of judgement to the date of full payment;
- d) Costs; and
- e) Any other relief as the Court deems fit.

The hearing of the suit has been adjourned to 10 April 2007 from the original hearing date of 31 January 2007.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur , pursuant to Section 176 (10) of the Companies' Act 1965.

c) Claim by Bayeriche Hypo-Und Vereincbank AG ("Bayeriche") vs Comsa Layer Farms Sdn Bhd ("CLF")

Bayeriche, a Dutch company had via Tawau High Court Civil Suite No. 22-12-2000 filed a claim amounting to RM436,821.00 together with interest and cost against CLF for goods delivered in 1995 but were subsequently rejected by CLF on the grounds that the shipment delivered by Bayeriche were not of the specified quantity nor quality requested by CLF.

Summary judgement for Bayeriche had been set aside with cost on appeal by CLF. The High Court had on the 24 August 2005 allowed Bayeriche's claim for RM436,821.00 together with interest and costs.

The Directors in consultation with CLF's solicitors are of the view that CLF has a reasonable chance in the appeal.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur , pursuant to Section 176 (10) of the Companies' Act 1965.



(d) Claim by Wilmar Trading Pte Ltd (“Wilmar”) against Comsa Feedmills Sdn Bhd (“CFM”) for the sum of USD1,336,621.08 as at 31 March 2006 due to Wilmar

CFM had been served a Statutory Notice under Section 218 (2) (a) of the Companies Act, 1965 (application for execution No. S36-01 of 2006) (Suit No. S (22) 57 of 2003) by Tan Pang Tsen & Co, the lawyer acting on behalf of Wilmar.

The directors in consultation with CFM’s solicitors have filed a case of defense against Wilmar’s application for winding up. A liability of RM4,945,498 has been taken up in the accounts.

The hearing of suit has been adjourned to 23 March 2007 in the High Court of Sandakan.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

(e) Claim by BD Dutchman International GmbH (“BD”) of c/o BD Asia Sdn Bhd (“BDA”) against CBFR

CBFR had on 9 January 2007 been served with a statutory notice pursuant to Section 218 of the Companies Act, 1965 (“Notice”) by Edward Soo, Lew & Co, acting on behalf of BD of c/o BDA.

CBR is indebted to BD of c/o BDA for a sum of EUR35,207.99 (comprising principal amount of EUR12,124.72 and interest charges of EUR23,083.27) as at 31 May 2006 (“Debt”), being the sum of goods sold and delivered to CBR.

CBR is now required to pay BD the Debt and if at the expiration of three (3) weeks from the Notice, CBR fails to pay BD the Debt or to secure or compound for it to the reasonable satisfaction of BD, CBR, will pursuant to Section 218 (2) (a) of the Companies Act, 1965 be deemed to be unable to pay the Debt and winding up proceedings will thereafter be commenced against CBR.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

**(f) Rating Agency Malaysia Berhad (“RAM”) vs Comsa
Civil summons no: TSC (52) 585 of 2006**

On 19 December 2006, Comsa received a summon on the following:-

RAM (as Plaintiff”) claim against Comsa a sum of RM31,501.40 being charges for rating fee, surveillance fee and disbursements (“Fees”) together with the interest thereof.

The Court had initially fixed 22 November 2006 as the hearing date and the hearing date is subsequently adjourned to 7 February 2007.



Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order ("RO") for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

(g) Ambank (M) Berhad ("AmBank") vs Comsa and its subsidiaries

Civil summons no TSC (52) 588 of S006 served on CBFR and Comsa

Civil summons no 72-777 of 2006 served on CCP and Comsa

Civil summons no 72-779 served on CBF and Comsa

AmBank had on 12 October 2006 served the following summons against CBFR, CCP and CBF for an aggregate sum of RM212,793.95 together with the interest thereon.

The above claims are in respect of outstanding instalments, interest and other charges pursuant to three (3) hire purchase agreements entered into, for which the defendants had failed to settle with the plaintiff.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order ("RO") for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

(h) Ambank (M) Berhad ("AmBank") vs Comsa and its subsidiaries

Writ of summons no T (22) 46 of 2006 dated 27 October 2006 served on Comsa;

Writ of summons no T (22) 47 of 2006 dated 27 October 2006 served on Comsa and CLF

Writ of summons no T (22) of 48 dated 27 October 2006 served on Comsa and CLF

AmBank had on 27 October 2006 served the following summons against CLF and Comsa for an aggregate sum of RM4,638,243.34 together with the interest thereon.

The above claims are in respect of outstanding instalments, interest and other charges pursuant to eleven (11) hire purchase agreements entered into, for which the defendants had failed to settle with the plaintiff.

The above claims are in respect of outstanding instalments, interest and other charges pursuant to three (3) hire purchase agreements entered into, for which the defendants had failed to settle with the plaintiff.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order ("RO") for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

(i) Notice by Collector that Chargee has applied for Order for Sale of Land ("Notice")

Comsa Properties Sdn Bhd ("CPSB") and Comsa Layer Farms Sdn Bhd ("CLF") ("Chargors") had on 11 January 2007 been served with a copy of the Schedule J (Rule 14 (2)) from Collector, Land & Survey, Tawau, ("Collector") ("Notice") dated 4 January 2007 on the following:-



- (a) RHB Bank Berhad ("RHB") and Hong Leong Bank Berhad ("HLB"), being the holders of Charge No: 30276539 and 30319839 dated 17 September 1999 and 15 July 2005 on the lands measuring 20.96 acres, Jalan Apas Tawau-Lahad Datu, Highway, held under CL 105240382 ("Land 1") had made an application to the Collector for an order for sale of Land 1. The application was made on the basis of Comsa Breeding Farms Sdn Bhd ("CBRF") failure to pay the sum and interest of RM3,415,997.48 as at 4 September 2006.
- (b) RHB, being the holder of Charge No: 30317543 and 30317546 dated 28 March 2005 on the lands measuring 99.88 acres, Jalan Apas Tawau- Lahad Datu, Highway, held under CL105240435, CL105240515, PL10620155 and CL105240140 ("Land 2"). The application was made on the basis of CBRF's failure to pay the sum and interest of RM14,877,515.71 as at 3 September 2006 ("Notice 2").

The Collector had fixed on the hearing date for the Land Enquiry on 12 April 2007 at 9.00 a.m., at the Land Office, Tawau.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order ("RO") for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

(j) Claim by BD Dutchman International GmbH ("BD") of c/o BD Asia Sdn Bhd ("BDA") against Comsa

Comsa had on 13 February 2007 been served with a statutory notice pursuant to Section 218 of the Companies Act, 1965 ("Notice") by Edward Soo, Lew & Co, acting on behalf of BD of c/o BDA.

Comsa is indebted to BD of c/o BDA for a sum of EUR209,357.25 (comprising principal amount of EUR72,937.54 and interest charges of EUR136,419.71) as at 31 May 2006 ("Debt"), being the sum of goods sold and delivered to CBR.

Comsa is now required to pay BD the Debt and if at the expiration of three (3) weeks from the Notice, Comsa fails to pay BD the Debt or to secure or compound for it to the reasonable satisfaction of BD, Comsa, will pursuant to Section 218 (2) (a) of the Companies Act, 1965 be deemed to be unable to pay the Debt and winding up proceedings will thereafter be commenced against Comsa.

Comsa and its subsidiaries had on 3 November 2006, been granted a restraining and stay order for a period of 120 days effective from 3 November 2006 to 2 March 2007 by the High Court of Malaya at Kuala Lumpur, pursuant to Section 176 (10) of the Companies Act, 1965.

12. Dividend Proposed or Declared

No dividend has been declared for the financial period ended 31 December 2006 (31 March 2006: RM Nil).



13. Loss Per Share

Basic

The losses per share were calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended 31.12.2006	9 months ended 31.12.2006
Net loss for the period (RM'000)	(5,815)	(22,234)
Weighted average number of ordinary shares in issue ('000)	75,040	75,040
Loss per share (sen)	<u>(7.75)</u>	<u>(29.63)</u>

On behalf of the Board
COMSA FARMS BERHAD (425758-U)

RAHANA BINTI ABDUL RASHID
Executive Chairman
Kuala Lumpur

28 February 2007