

CONSOLIDATED FARMS BERHAD (Company No: 88244-T)

Notes

A. Selected explanatory notes pursuant to paragraph 16, MASB 26 Interim Financial Reporting

A1. Basis of accounting and accounting policies

The interim report has been prepared in accordance with MASB 26 and the Bursa Malaysia Securities Berhad (BMSB) Listing Requirements. The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the annual financial statements of the year ended 31 January 2005.

A2. Audit report

The audit report of the preceding annual financial statements was qualified as the auditors expressed a disclaimer of opinion in the audited financial statements.

A3. Seasonal or cyclical factors

The Group's business operations were not affected by any seasonal and cyclical factors.

A4. Unusual items

Other than the gain on disposal of assets of RM0.01 million, there were no unusual items affecting assets, liabilities, equities, net income or cash flows during the quarter under review.

A5. Changes in estimate

There were no changes in the estimate of amounts 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.

A6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7. Dividends paid

There were no dividends paid during the quarter under review.

A8. Segmental reporting

No segmental reporting by industry and geographical segment is required as the Group's activities are primarily in one industry segment of poultry farming, and is principally conducted in Malaysia.

A9. Valuation of property, plant and equipment

The properties and plant, which were revalued have been brought forward from the previous financial statements and there was no valuation of property, plant and equipment for the quarter under review.

A10. Material events subsequent to the current quarter

There were no material events subsequent to the current quarter under review except as mentioned in note A4 above.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Contingent liabilities

The Company provided eight corporate guarantees amounting to RM64.5 million in favour of financial institutions for banking facilities granted to its subsidiary companies. There were no material changes since 31 January 2005.

On 9 February 2002, the Company entered into a shareholders' Agreement with its subsidiary, Consolidated Liquid Eggs Sdn Bhd. ("CLE") and Commerce Technology Ventures Sdn Bhd ("CTV"), whereby the Company warrants that CLE shall achieve certain projected profits after tax for the years ending 31 January 2004 to 2007. In the event of any shortfall, CTV shall be entitled to require the Company to transfer to CTV certain number of CLE's ordinary shares held by the Company ("Clawback Shares"), in

accordance with a pre-determined formula as prescribed in the Shareholders' Agreement, provided always that the number of Clawback Shares to be transferred to CTV shall not exceed 20% of CLE's then paid up ordinary share capital.

CTV had vide a letter dated 1 April 2004 agreed to withhold the exercise of its clawback option provided that CTV reserves its right to exercise such option until the end of financial year ending 31 January 2005 in the event of:

- (a) a breach or default of any of the terms or conditions of the following agreements dated 9 February 2002:
 - (1) the Shareholders' Agreement between the Company, CLE and CTV;
 - (2) the Share Swap Agreement between the Company and CTV; or
 - (3) the Put Option Agreement the Company and CTV.
- (b) any material adverse change in the prospects, business, operations or financial conditions of CLE.

B. Selected explanatory notes pursuant to Part A of Appendix 9B of the MSEC revised listing requirements

B1. Review of performance

The Group registered revenue of RM2.48 million for the financial period to date, a decrease of 76.4% compared with the preceding year corresponding period. The pre-tax loss for the period was RM20.68 million compared with a pre-tax loss of RM44.70 million recorded in the preceding year corresponding period. This was due primarily to lower level of operations.

B2. Comments on quarterly results compared to the results of the preceding quarter

The Group registered a pre-tax loss of RM4.44 million in the quarter under review compared with the pre-tax loss of RM5.81 million in the preceding quarter. This was mainly due primarily to lower level of operations.

B3. Current year prospect

With the Company being classified under PN4/2001 Condition, the prospects of the Company is much dependent on the outcome of the appeal against the SC decision on the Proposed Restructuring Scheme. Please refer to B8 for further information.

B4. Variance of actual profit from forecast profit

This is not applicable as no profit forecast was published.

B5. Income tax

The income tax of RM26,000 is in respect of reversal of deferred tax. There was no other provision for tax for the quarter under review as the Group incurred a period to-date pre-tax loss of RM20.68 million. Adjustments for under/over provisions in respect of prior years were not included.

B6. Profits / (losses) on sale of unquoted investments and/or properties

There were no profits or losses on sale of unquoted investments and/or properties for the current quarter under review.

B7. Quoted securities

There were no purchases or disposals of quoted securities for the current quarter under review.

B8. Status of corporate proposals

Avenue Securities Sdn Bhd ("Avenue"), on behalf of ConsFarm, had on 31 March 2005 submitted a proposed restructuring scheme to the Securities Commission comprising the following steps:

- 1) Proposed Acquisition of Bun Seng Group;
- 2) Proposed Scheme of Arrangement with Shareholders;
- 3) Proposed Debt Settlement;
- 4) Proposed Special Issue;
- 5) Proposed Distribution by the Major Shareholders;
- 6) Proposed Restriction Issue;
- 7) Proposed Offer for Sale;
- 8) Proposed Transfer of Listing Status; and
- 9) Proposed Disposal of ConsFarm

On 13 September 2005, the Company informed that the Proposed Restructuring Scheme was not approved by the SC ("SC Decision"), and the Board of Directors of ConsFarm will deliberate on the next course of action to be taken.

On 12 October 2005, on behalf of ConsFarm, Avenue Securities Sdn Bhd announced that as a consequence of the SC Decision, the Company and the Bun Seng Group Shareholders have on 12 October 2005 agreed to revise certain terms of the Proposed Restructuring Scheme namely, the Proposed Acquisition of Bun Seng Group, the Proposed Scheme of Arrangement with Shareholders and the Proposed Offer for Sale ("Revised Proposed Restructuring Scheme").

The Company had on the same date submitted an appeal against the SC Decision ("the Appeal") setting out, inter alia, the terms of the Revised Proposed Restructuring Scheme. The details of the Revised Proposed Restructuring Scheme are as follows :-

Proposed Acquisition of Bun Seng Group

AimReach will acquire the Bun Seng Group for a total purchase consideration of RM108,395,448 to be satisfied by the issuance of 108,395,448 new AimReach Shares.

Revised Proposed Acquisition of Bun Seng Group

AimReach will acquire the Bun Seng Group for a total purchase consideration of RM108,395,448 to be satisfied by the issuance of a) 81,295,448 new AimReach Shares; and b) 27,100,000 new Irredeemable convertible preference shares ("ICPS") of RM0.10 each in AimReach at an issue price of RM1.00 per ICPS ("AimReach ICPS").

Proposed Scheme of Arrangement with Shareholders

a) Proposed reduction of the existing issued and paid-up share capital of ConsFarm of RM20,898,000 comprising 20,898,000 ConsFarm Shares held by the existing shareholders of ConsFarm, at a cut-off date to be determined later to RM2,089,800 comprising 20,898,000 ordinary shares of RM0.10 each. The proposed reduction of ConsFarm's share capital will result in a credit of RM18,808,200 which will be utilised to reduce the accumulated losses of ConsFarm; b) Proposed consolidation of 20,898,000 ordinary shares of RM0.10 each in ConsFarm into 2,089,800 ConsFarm Shares of RM1.00 each; and c) Proposed share exchange between the shareholders of ConsFarm and AimReach, after the completion of the Proposed Acquisition of Bun Seng Group, on the basis of one (1) new AimReach Share with one (1) ConsFarm Share held by the shareholders of ConsFarm after the Proposed Capital Reduction and the Proposed Consolidation.

Revised Proposed Scheme of Arrangement with Shareholders

a) Proposed reduction of the existing issued and paid-up share capital of ConsFarm of RM20,898,000 comprising 20,898,000 ConsFarm Shares held by the existing shareholders of ConsFarm, at a cut-off date to be determined later to RM12,538,800 comprising 20,898,000 ordinary shares of RM0.60 each. The proposed reduction of ConsFarm's share capital will result in a credit of RM8,359,200 which will be utilised to reduce the accumulated losses of ConsFarm; b) Proposed consolidation of 20,898,000 ordinary shares of RM0.60 each in ConsFarm into 12,538,800 ConsFarm Shares of RM1.00 each; and c) Proposed share exchange between the shareholders of ConsFarm and AimReach, after the completion of the Proposed Acquisition of Bun Seng Group, on the basis of one (1) new AimReach Share with one (1) ConsFarm Share held by the shareholders of ConsFarm after the Proposed Capital Reduction and the Proposed Consolidation.

Proposed Offer For Sale

The Proposed Restricted Offer For Sale is removed.

On 23 February 2006, on behalf of the Consfarm, Avenue Securities Sdn Bhd, announced that ConsFarm and its subsidiaries were unable to obtain an extension of restraining order which expires on 23 February 2006 from the High Court of Malaya at Kuala Lumpur. As such, the restraining order on Consfarm and its subsidiaries has lapsed on 23 February 2006.

As at to-date, the decision of the SC on the Appeal is still pending.

B9. Group borrowings and debt securities

31/1/2006

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings			
Bank overdrafts	6,863	3,437	10,300
Bankers' acceptance	23,777	11,268	35,045
Revolving credit	3,429	9,145	12,574
Bank term loans	84,209	-	84,209
Hire purchase creditors	86	-	86
Total	118,364	23,850	142,214
Long term borrowings			
Bank term loans	-	-	-
Hire purchase creditors	-	-	-
Total	-	-	-

There were no borrowings in any foreign currency as at 31 January 2006.

B10. Off balance sheet financial instruments

There were no material financial instruments with off balance sheet risk during the current quarter under review.

B11. Material litigation

Save as disclosed, neither Conform nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, and the Board is not aware of any proceedings pending or threatened against Conform or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the financial position and business of Conform or any of its subsidiaries:

- (a) The Company was named as defendant in a Summon dated 28 April 2004 filed by Gladron Chemicals Sdn Bhd in the High Court of Kuala Lumpur and served on the Company on 10 May 2004. The suit is in respect of goods sold and delivered to the Company and the amount claimed is RM259,940 together with interest of 1.5% per month from date of filing the Writ until full resolution, costs and any other relief to be granted by the Court. The Company lawyers filed the Memorandum of Appearance on 13 May 2004 and the defence for the suits was filed on 9 June 2004. On 26 November 2004, the plaintiff's application for summary judgment was dismissed with costs and the defendant's application for Further and Better particulars has been fixed for hearing on 6 June 2005. The application has been adjourned for further mention on 13 March 2006;
- (b) Consolidated Feedmill Sdn Bhd ("CFSB") was named as defendant in a Writ of Summons dated 28 April 2004 filed by Gladron Chemicals Sdn Bhd in the High Court of Kuala Lumpur and served on CFSB on 10 May 2004. The suit is in respect of goods sold and delivered to CFSB and the amount claimed is RM440,870 together with interest of 1.5% per month from date of filing the Writ until full resolution, costs and any other relief to be granted by the Court. CFSB's lawyers filed the Memorandum of Appearance on 13 May 2004 and the defense for both suits was filed on 9 June 2004. On 15 December 2004, the plaintiff's application for summary judgment was allowed with costs. Accordingly, CFSB's lawyers withdrew the application for Further and Better Particulars with no order to cost;
- (c) A Notice pursuant to Section 218 of the Companies Act, 1965 ("Notice"), dated 24 May 2004 issued by Messrs Skrine on behalf of Obayashi Corporation ("Obayashi") demanding payment for a sum of RM1,040,937.53 for works performed pursuant to a contract dated 3 May 2002 was served on Conform's 70%-owned subsidiary, Consolidated Liquid Eggs Sdn Bhd ("CLESB"). Pursuant to the Notice, in the event CLESB fails and/or refuses to make payment for the aforesaid debt within three (3) weeks of the Notice or fails to secure or compound for it to the satisfaction of Obayashi, CLESB shall be deemed to be unable to pay its debts within the meaning of Section 218 of the Companies Act, 1965 and winding-up proceedings shall thereafter be instituted against CLESB. There is, at present, no judgment obtained by Obayashi against CLESB for the aforesaid sum.

Obayashi has not proceeded in taking further action on CLESB and CLESB has not appointed counsel in relation to the matter;

- (d) CLESB was named as defendant in a Summon dated 11 June 2004 filed by Arachem (M) Sdn Bhd in the Magistrate Court of Kuala Lumpur and served on the CLESB on 24 June 2004. The suit is in respect of goods sold and delivered to CLESB and the amount claimed is RM9,813.00 together with interest of 2% per month on RM4,173.00 from 22 November 2003 and on RM5,640.00 from 22 December 2003 until full resolution, costs and any other relief to be granted by the Court. The mention date is fixed on 13 April 2006;
- (e) CFSB was named as defendant in a Summon dated 7 May 2004 filed by Prima Inter-Chem Sdn Bhd ("Prima") in the Session Court of Kuala Lumpur and served on CFSB on 24 June 2004. The suit is in respect of goods sold and delivered to CFSB and the amount claimed is RM72,025.00 together with interest of 1% per month from 12 April 2004 until full resolution, costs and any other relief to be granted by the Court. The plaintiff's application for summary judgment is fixed on 23 March 2006;
- (f) The Company and CFSB were named as defendants in a Summon dated 7 May 2004 filed by Prima Inter-Chem Sdn Bhd ("Prima") in the Magistrate Court of Kuala Lumpur and served on the Company and CFSB on 24 June 2004. The suit is in respect of goods sold and delivered to CFSB and the amount claimed is RM18,360.00 together with interest of 1% per month from 12 April 2004 until full resolution, costs and any other relief to be granted by the Court. The hearing for the plaintiff's application for summary judgment and Consolidated Farms Berhad's application to strike out the Plaintiff's claim will be heard together on 6.4.2006;
- (g) The Company was named as defendant in a Summon dated 25 June 2004 filed by Kaypak Packaging (M) Sdn Bhd ("Kaypak") in the Magistrate Court of Johor Bahru and served on Confarm on 7 July 2004. The suit is in respect of goods sold and delivery services rendered to Confarm and the amount claimed is RM12,677.50 together with interest of 1.5% per month from 14 July 2003 until full resolution, costs and any other relief to be granted by the Court. A defence has been filed. The next mention date is fixed on 10 March 2006;
- (h) The Company was named as defendant in a Summon dated 9 July 2004 filed by Packerman Sdn Bhd ("Packerman") in the Session Court of Melaka and served on Confarm on 28 July 2004. The suit is in respect of goods sold and delivered to Confarm and the amount claimed is RM30,250.00 together with interest of 1.5% per month from 21 June 2004 until full resolution, costs and any other relief to be granted by the Court. The decision for the plaintiff's application for summary judgment is adjourned to 27 March 2006;
- (i) The Company was named as defendant in a Summon dated 28 June 2004 filed by Rhodia Malaysia Sdn Bhd ("Rhodia") in the Magistrates Court of Kuala Lumpur and served on Confarm on 6 August 2004. The suit is in respect of goods sold and delivered to Confarm and the amount claimed is RM19,090.00 together with interest of 8.0% per year from 24 June 2004 until full resolution, costs and any other relief to be granted by the Court. A defence has been filed. The next mention date is fixed on 16 January 2006. However, during the last mention date, the case was not listed in the court's list. The Plaintiff's solicitor will inform of the next hearing date once a search is conducted.
- (j) The Company was named as defendant in a Summon dated 21 July 2004 filed by Cargill Feed Sdn Bhd ("Cargill") in the Session Court of Kuala Lumpur and served on Confarm on 12 August 2004. The suit is in respect of goods sold and delivered to Confarm and the amount claimed is RM95,206.72 together with interest of 8.0% per year from 19 July 2004 until full resolution, costs and any other relief to be granted by the Court. The next mention date has been fixed on 5 May 2006;
- (k) CFSB was named as respondent in a Winding-up Petition dated 6 September 2004 filed by BASF (Malaysia) Sdn Bhd ("BASF") in the High Court of Kuala Lumpur and served on CFSB on 27 September 2004. The petition is in respect of goods sold and delivered to CFSB and the amount claimed is RM57,975.00 being the balance of an account for goods sold and/or delivered to CFSB due to BASF. The winding up petition is fixed for hearing on 23 March 2006;

- (l) CFSB was named as defendant in a Summon dated 14 September 2004 filed by Kemin Industries (Malaysia) Sdn Bhd ("Kemin") in the Session Court of Kuala Lumpur and served on CFSB on 3 November 2004. The suit is in respect of goods sold and delivered to CFSB and the amount claimed is RM98,887.50 together with interest of 8% per year from judgment date until full resolution, costs and any other relief to be granted by the Court. The Plaintiff obtained Judgment in Default against CF on 21st December 2004. The Defendant's solicitors have served a copy of the restraining order on them. Application to set aside the judgment in default was filed and served on 16 August 2005 and the next hearing date is fixed on 7 December 2005. On 7 December 2005, the Judge however dismissed with costs on the ground of delay in filing the application to set aside the Judgment in Default. The defendant is filing an appeal to the High Court.
- (m) The Company was named as defendant in a Summon dated 12 October 2004 filed by LBB Building System Sdn Bhd ("LBB") in the Magistrate Court of Kuala Lumpur and served on Confarm on 26 October 2004. The suit is in respect of the work rendered and delivered to Confarm for the construction of "Proposed GP Centre 2 at Kalumpang Selangor". The amount claimed is RM17,225.40 together with interest of 8% per year from 25 September 2003 until full resolution, indemnity costs and any other relief to be granted by the Court. The mention date is fixed on 4 April 2006;
- (n) The Company was named as defendant in a Summon dated 25 November 2004 filed by Superkad Services Sdn Bhd ("Superkad") in the Session Court of Kuala Lumpur and served on Confarm on 7 December 2004. The suit is in respect of the Shell Card facilities rendered and delivered to Confarm. The amount claimed is RM25,445.14 together with interest of 1.5% per month from 22 July 2004 until the date of judgement and 8% per year from the date of judgement until full resolution, indemnity costs and any other relief to be granted by the Court. The mention date is fixed on 24 April 2006;
- (o) The Company was named as the defendant in a Summon dated 22nd June, 2004, filed by Hoe Seng Chan Co. Sdn. Bhd. in the Sessions Court of Melaka and served on Confarm on 17th December, 2004. The suit is in respect of goods and services rendered and delivered to Confarm. Hoe Seng Chan had claimed for the amount of RM 135,937.96 from Confarm, together with interest of 8% per year from the date of filing of the writ of summons until full resolution, indemnity, costs and any other relief to be granted by the Court. The mention date for the suit has been fixed on 16 March 2006;
- (p) CFSB was named as the defendant in a Summon dated 22nd June, 2004, filed by Hoe Seng Chan Co. Sdn. Bhd. in the Sessions Court of Melaka and served on CFSB on 17th December, 2004. The suit is in respect of goods and services rendered and delivered to CFSB. Hoe Seng Chan had claimed for the amount of RM 186,014.55 from CFSB, together with interest of 8% per year from the date of filing of the writ of summons until full resolution, costs and any other relief to be granted by the Court. The mention date for the suit has been fixed on 3 March 2006;
- (q) CFSB was named as the defendant in a Summon dated 1st December, 2004, filed by Novus International Pte Ltd ("Novus") in the Sessions Court of Kuala Lumpur and served on CFSB on 11th January, 2005. The suit is in respect of goods sold and/or delivered to CFSB. Novus had claimed for the amount of USD 23,550 (equivalent to RM 89,490 based on the exchange rate of RM 3.80 to USD 1.00 as at 3rd June, 2004) from CFSB, together with interest of 8.0% per year, from the date of filing of the writ of summons until full resolution, costs and any other relief to be granted by the Court. The mention date for the suit has been fixed on 24 April 2006;
- (r) A notice pursuant to Section 218 of the Companies Act, 1965 ("Notice"), dated 13th January 2005 issued by Messrs Majid & Chen on behalf of Iglo (M) Sdn Bhd ("Iglo") demanding payment for a sum of RM1,198,740.52 for services rendered was served on CLESB. Pursuant to the Notice, in the event CLESB fails and/or refuses to make payment for the aforesaid debt within three (3) weeks of the Notice or fails to secure or compound for it to the satisfaction of Iglo, CLESB shall be deemed to be unable to pay its debts within the meaning of Section 218 of the Companies Act, 1965 and winding-up proceedings shall thereafter be instituted against CLESB. There is, at present, no judgement obtained by Iglo against CLESB for the aforesaid sum. To date, Iglo has

not proceeded in taking further action against CLESB. CLESB however, has appointed a counsel in relation to the matter;

- (s) The Company was named as the defendant in a Summon dated 20th December, 2004, filed by Sang Hup Hardware & Sons Sdn. Bhd. ("Sang Hup") in the Sessions Court of Kuala Lumpur and served on Confarm on 18 February, 2005. The suit is in respect of goods and services rendered and delivered to Confarm. Sang Hup had claimed for the amount of RM 107,655.00 from Confarm, together with interest of 8% per year from the date of filing of the writ of summons until full resolution, costs and any other relief to be granted by the Court. Judgment is obtained by Sang Hup on 7 June, 2005 when there is a RO by Confarm. The hearing to set aside the judgment is fixed on 14 April 2006.
- (t) The Company was named as defendant in a Summon, dated 10 January, 2005, filed by Packaging Sales & Service (M) Sdn. Bhd. ("Packaging Sales & Service") in the Magistrate Court of Kuala Lumpur and served on Confarm on 2 March, 2005. The suit is in respect of goods sold and delivered to Confarm. Packaging Sales & Service had claimed for the amount of RM5,180.00 from Confarm, together with an interest of 8% per year on the amount owing upon the expiration of seven (7) days from the letter of demand dated 2 June, 2004 until full resolution, costs of letter of demand amounting to RM120.00, costs and any other relief to be granted by the Court and the mention date for the suit has been fixed on 20 March, 2006;
- (u) The Company was named as defendant in a Summon, dated 22 February, 2005, filed by Diethelm Malaysia Sdn. Bhd. ("Diethelm") in the Session Court of Shah Alam and served on Confarm on 4 March, 2005. The suit is in respect of goods sold and delivered to Confarm. Diethelm had claimed for the amount of RM68,115.00 from Confarm, together with an interest of 1% per month from 14 February, 2004 until full resolution, costs and other relief to be granted by the Court. The mention date for the suit has been fixed on 7 March, 2006;
- (v) A Notice pursuant to Section 218 of the Companies Act, 1965 ("Notice"), dated 16 March, 2005 issued by Messrs Sidhu & Associates on behalf of Taurus Marketing Sdn. Bhd. ("Taurus") demanding payment for a sum of RM56,750.65 being the outstanding sum due and owing to Taurus in respect of goods sold and delivered, was served on Confarm. Pursuant to the Notice, in the event Confarm fails and/or refuses to make payment for the aforesaid debt within twenty-one (21) days from the date of service of the Notice, Confarm shall be deemed to be unable to pay its debts within the meaning of Section 218 of the Companies Act, 1965 and winding-up proceedings shall thereafter be instituted against Confarm. Confarm has appointed a counsel in relation to the matter;
- (w) A Notice pursuant to Section 218 of the Companies Act, 1965 ("Notice"), dated 16 March, 2005 issued by Messrs Sidhu & Associates on behalf of Taurus Marketing Sdn. Bhd. ("Taurus") demanding payment for a sum of RM203,850.00 being the outstanding sum due and owing to Taurus in respect of goods sold and delivered, was served on CFSB. Pursuant to the Notice, in the event CFSB fails and/or refuses to make payment for the aforesaid debt within twenty-one (21) days from the date of service of the Notice, CFSB shall be deemed to be unable to pay its debts within the meaning of Section 218 of the Companies Act, 1965 and winding-up proceedings shall thereafter be instituted against CFSB. CFSB has appointed a counsel in relation to the matter.
- (x) CLESB had been named as defendant in a Writ of Summon, dated 6 July, 2005, filed by Enviroserve Sdn. Bhd. ("Enviroserve") in the Session Court of Kuala Lumpur and served on CLESB on 28 July, 2005. The suit is in respect of goods supplied by Enviroserve to CLESB. Enviroserve had claimed for the amount of RM106,079.00 from CLESB, together with interest of 8% per year from 21 July, 2004 until full resolution, indemnity costs and any other relief to be granted by the Court and the mention date for the suit has been fixed on 14 March, 2006.
- (y) A Statement of Case and Notice of Mention of Case dated 5 August, 2005 were served on Confarm on 9 August, 2005 in relation to the Industrial Court Case filed by its former employee Puan Chai Chooi Yoong. Puan Chai Chooi Yoong is claiming for the benefits due to be paid to her pursuant to a retrenchment exercise undertaken by Confarm. The mention date for the suit has been fixed on 5 September, 2005. Confarm had appointed lawyers to defend the suit. The Court had given direction for the complainant to file the Statement of Case by 19 September 2005,

thereafter the Company (CFB) to file the Statement of Reply by 29 November 2005. The hearing date for the case is fixed on 17 January 2007.

- (z) A Statement of claim was served on Confarm by En. Ahmad Kamal bin Md. Ariff and 51 other employees of Kalumpang farm in relation to the retrenchment benefits due to them. They are claiming for the benefits due to be paid to them pursuant to a retrenchment exercise undertaken by Confarm. The mention date for the case has been fixed on 13 April 2006.
- (aa) A Statement of claim served on Confarm by Pn. Zairani binti Sulaiman and 54 other employees of Kundang farm in relation to the retrenchment benefits due to them. They are claiming for the benefits due to be paid to them pursuant to a retrenchment exercise undertaken by Confarm. The mention for the case has been fixed on 13 April 2006.
- (bb) A Statement of claim was served on Consolidated Organic Fertiliser Sdn Bhd, a subsidiary company of Confarm by Khairuddin bin Abdul Razak and 2 other employees in relation to the retrenchment benefits due to them. They are claiming for the benefits due to be paid to them pursuant to a retrenchment exercise undertaken by the Company. The mention date for the case has yet to be fixed by the Magistrate Court.
- (cc) A Statement of claim was served on Consolidated Feedmill Sdn Bhd, a subsidiary company of Confarm by Ahmad Noor Jan bin Ahmad Roslan and 4 other employees, in relation to the retrenchment benefits due to them. They are claiming for the benefits due to be paid to them pursuant to a retrenchment exercise undertaken by the Company. The mention date for the case has yet to be fixed by the Magistrate Court.
- (dd) The Company was named as defendant in a Summon dated 28 October 2005 filed by General Labels & labeling (M) Sdn Bhd in the Magistrate Court of Kuala Lumpur and served on the Company on 16 January 2006. The suit is in respect of goods and services sold and delivered to the Company and the amount claimed is RM8,769.20 together with interest of 1.5% per month or 18% per annum from 28 October 2005 until full resolution, costs and any other relief to be granted by the Court. The mention date is fixed on 16 March 2006.

B12. Dividend

The board of directors does not recommend any interim dividend for the quarter under review.

B13. Earnings per share

The basic earnings per share is calculated based on the (loss) / profit attributable to shareholders and the weighted average number of 20,898,000 ordinary shares of RM1 each in issue during the period.

There is no material dilutive effect on the earnings per share arising from the assumed exercise of the share options into new ordinary shares.