

XII. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)

Chartered Accountants
4th Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
Malaysia

Tel : +60(4) 2288255
Fax : +60(4) 2288355
penang@deloitte.com.my

**Deloitte
KassimChan**

28 NOV 2003

**The Board of Directors
CAB Cakaran Corporation Berhad
3rd Floor, Wisma Wang
251-A Jalan Burma
10350 PENANG
MALAYSIA**

Dear Sirs,

1. INTRODUCTION

This report has been prepared by Deloitte KassimChan, an approved company auditor, for inclusion in the Prospectus of CAB Cakaran Corporation Berhad (hereinafter referred to as "CAB") dated **3 DEC 2003** in connection with the following:

- i. offer for sale by the Offerors of 14,800,000 ordinary shares of RM0.50 each in CAB to the Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") at an offer price of RM0.88 per ordinary share;
- ii. public issue of 16,960,000 new ordinary shares of RM0.50 each in CAB to the Bumiputera investors approved by the MITI, eligible Directors and employees, customers, franchisees in Malaysia and farmers of CAB and its subsidiary companies, identified investors by way of private placement and Malaysian public at an issue price of RM0.88 per ordinary share; and
- iii. listing of and quotation for the entire enlarged issued and paid-up share capital of CAB comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

XII. ACCOUNTANTS' REPORT (CONT'D)

2. GENERAL INFORMATION**2.1 Background**

CAB was incorporated in Malaysia as a private limited company on 20 June 2002 under the name of CAB Cakaran Corporation Sdn Bhd and subsequently converted to a public limited company under its present name of CAB Cakaran Corporation Berhad on 14 January 2003.

CAB is principally involved in investment holding and provision of management services.

2.2 Restructuring Scheme

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of CAB on the Second Board of the KLSE, CAB's proposed restructuring scheme which was approved by the Foreign Investment Committee on 6 March 2003, MITI on 18 March 2003 and Securities Commission on 7 August 2003 and 16 October 2003 involves the following inter-conditional transactions:

- i. acquisition of the following subsidiary companies:
 - a. acquisition of the entire issued and fully paid-up share capital of CAB Cakaran Sdn Bhd ("CABC") comprising 5,500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM29,940,143 satisfied by the issuance of 48,143,546 new ordinary shares of RM0.50 each at approximately RM0.6219 per ordinary share ("Acquisition of CABC"); and
 - b. acquisition of the entire issued and fully paid-up share capital of Gettmore Group Sdn Bhd ("GGSB") comprising 1,800,000 ordinary shares of RM1.00 each for a total purchase consideration of RM9,264,000 satisfied by the issuance of 14,896,450 new ordinary shares of RM0.50 each at approximately RM0.6219 per ordinary share ("Acquisition of GGSB");

The Acquisition of CABC and Acquisition of GGSB are accounted for using the acquisition method of consolidation. The purchase considerations for the Acquisition of CABC and Acquisition of GGSB were determined based on their respective audited net tangible assets values as of 30 September 2002 (together with the necessary adjustments such as revaluations). The said acquisitions were completed on 8 August 2003;
- ii. offer for sale by the Offerors of 14,800,000 ordinary shares of RM0.50 each in CAB to the Bumiputera investors approved by the MITI at an offer price of RM0.88 per ordinary share;
- iii. public issue of 16,960,000 new ordinary shares of RM0.50 each in CAB at an issue price of RM0.88 per ordinary share ("Public Issue") in the following manner:
 - a. 4,732,000 new ordinary shares will be available for application by the Bumiputera investors approved by the MITI;

XII. ACCOUNTANTS' REPORT (CONT'D)

- b. 4,000,000 new ordinary shares will be reserved for application by the eligible Directors and employees, customers, franchisees in Malaysia and farmers of CAB and its subsidiary companies;
- c. 2,228,000 new ordinary shares will be available for application by identified investors by way of private placement; and
- d. 6,000,000 new ordinary shares will be available for application by the Malaysian public;

The estimated listing expenses of RM2,000,000 are written off against the share premium account; and

- iv. listing of and quotation for the entire enlarged issued and paid-up share capital of CAB comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the KLSE.

All new ordinary shares issued pursuant to the restructuring scheme rank pari passu in all respects with the existing ordinary shares of CAB.

2.3 Share Capital

The authorised and issued and paid-up share capital of CAB as of the date of this report are as follows:

	No. of shares	Par value RM	Amount RM
Authorised Shares	200,000,000	0.50	100,000,000
Issued and fully paid-up Ordinary shares	63,040,000	0.50	31,520,000

Details of the changes in the issued and paid-up share capital of CAB since the date of its incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration/ Type of issue	Total issued and paid-up share capital RM
20 June 2002	2	1.00	Subscribers' shares	2
7 August 2003	4	0.50	Sub-division of par value from RM1.00 per ordinary share to RM0.50 per ordinary share	2
8 August 2003	63,039,996	0.50	Considerations for the Acquisition of CABC and Acquisition of GGSB	31,520,000

XII. ACCOUNTANTS' REPORT (CONT'D)

Upon completion of the Public Issue, the issued and paid-up share capital of CAB would be increased to 80,000,000 ordinary shares of RM0.50 each. The new ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of CAB.

2.4 Subsidiary Companies and Associated Company

Details of the subsidiary companies and associated company of CAB as of the date of this report are as follows:

Name	Date/ Country of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Direct subsidiary companies				
CABC	07.03.1990/ Malaysia	5,500,000	100.00	Breeding of broiler chicken, processing and marketing of chicken, and trading of broiler chicken, poultry feeds and other farm consumables
GGSB	25.06.1996/ Malaysia	1,800,000	100.00	Investment holding and fast food franchising business
Indirect subsidiary companies				
Antik Kualiti Sdn Bhd ("AKSB")	28.08.1993/ Malaysia	337,000	100.00	Cultivation of timber crops
Burgher Tanjung Frozen Food (PG) Sdn Bhd ("BTFF")	26.09.1996/ Malaysia	200,000	100.00	Processing and wholesaling of chicken products and frozen foods
CAB Cakaran Breeding Farm Sdn Bhd ("CABB")	27.10.1990/ Malaysia	1,000,000	100.00	Breeding of parent stocks and hatching of eggs into day old chicks
Jimat Jaya Pemasaran Sdn Bhd ("JJP")	03.08.1995/ Malaysia	2	100.00	Processing and marketing of chicken
Jimat Jaya Sdn Bhd ("JJSB")	09.10.1984/ Malaysia	1,020,000	100.00	Breeding, processing and marketing of chicken and trading of poultry feeds and other farm consumables

XII. ACCOUNTANTS' REPORT (CONT'D)

Name	Date/ Country of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Indirect subsidiary companies				
Kyros Bakery & Confectionery Sdn Bhd ("KBC")	10.12.1998/ Malaysia	400,000	100.00	Manufacturing of bakery products
Kyros Food Industries Sdn Bhd ("KFI")	13.07.2000/ Malaysia	100,000	100.00	Processing of meat and trading
Kyros Kebab Overseas Ventures Sdn Bhd ("KKOV")	07.07.1999/ Malaysia	1,300,000	70.96	Investment holding
Kyros Kebab (S) Pte Ltd ("KKPL")	16.06.2000/ Republic of Singapore	220,000 (SGD100,000)	36.19	Master franchisee and restaurants operator
Kyros Kebab Sdn Bhd ("KKSBB")	28.07.1998/ Malaysia	500,000	100.00	Fast food restaurants operator
Kyros Properties Sdn Bhd ("KPSB")	11.05.1994/ Malaysia	100,000	100.00	Investment holding and letting of properties
Ladang Ternakan Asun Sdn Bhd ("LTA")	16.11.1987/ Malaysia	20,000	100.00	Renting of property, plant and equipment
Shanghai Kyros Kebab Co Ltd ("SKK")	09.12.1999/ People's Republic of China	767,529 (RMB1,669,633)	36.19	Master franchisee and restaurants operator
Souvlaki Star Sdn Bhd ("SSSB")	20.09.2001/ Malaysia	100,000	51.00	Retailing of fast food
Associated company				
Daging Salai Sdn Bhd ("DSSB")	08.08.2000/ Malaysia	100,000	40.00	Processing and selling of barbequed meat

XII. ACCOUNTANTS' REPORT (CONT'D)

3. AUDITORS AND AUDITED FINANCIAL STATEMENTS

We have been appointed as the statutory auditors of CAB Group since the following financial periods/ years:

- i. CAB, CABB, CABC and SSSB since the date of their incorporations;
- ii. AKSB since the financial year ended 30 September 2002;
- iii. BTFF, JJP and LTA since the financial year ended 30 September 2000;
- iv. DSSB, GGSB, KBC, KFI, KKOV, KKSB and KPSB since the financial period from 1 January 2002; and
- v. JJSB since the financial period from 1 November 1996.

The financial statements of CAB Group prior to the abovementioned periods/ years, save for CAB, CABB, CABC and SSSB which were audited by Deloitte KassimChan since the date of their incorporations, were audited by other firms of auditors.

The financial statements of CAB Group during the financial years/ periods under review were not subject to any qualification and did not include any emphasis of matter except for:

- i. the financial statements of BTFF for the financial years ended 30 September 1998 and 1999 were subject to qualification on the appropriateness of presenting the financial statements on the going concern basis as BTFF was in a capital deficiency position;
- ii. the financial statements of GGSB for the financial year ended 31 December 2000 were subject to qualification for non-consolidation of the financial statements of its subsidiary companies;
- iii. the financial statements of KKOV for the financial period from 7 July 1999 (date of incorporation) to 31 December 2000 were subject to qualification for non-consolidation of the financial statements of its subsidiary companies;
- iv. the financial statements of KPSB for the financial year ended 30 June 1999 were subject to qualification on the appropriateness of presenting the financial statements on a going concern basis; and
- v. the financial statements of LTA for the financial years ended 30 September 1998 and 1999 were subject to qualification as the auditors were unable to ascertain the fairness of the quantities and values of the inventories.

The financial statements of KKPL have been prepared in accordance with the applicable approved accounting standards in the Republic of Singapore, which are similar to the applicable approved accounting standards of the Malaysian Accounting Standards Board.

XII. ACCOUNTANTS' REPORT (CONT'D)

The financial statements of SKK for the financial periods/ year ended 2000 to 2002 have been prepared in accordance with the applicable approved accounting standards in the People's Republic of China. We had conducted a special review of the financial statements of SKK for the financial period from 1 January 2002 to 30 September 2002, and certain adjustments had been made to the audited financial statements of SKK for the financial periods/ year ended 2000 to 2002 to comply with the applicable approved accounting standards of the Malaysian Accounting Standards Board. We had conducted a special audit of the financial statements of SKK for the financial period from 1 October 2002 to 30 June 2003, and the financial statements of SKK for the financial period from 1 October 2002 to 30 June 2003 have been prepared in accordance with the applicable approved accounting standards of the Malaysian Accounting Standards Board.

The financial statements of CAB and other subsidiary companies have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

This report is prepared on a basis consistent with the accounting policies normally adopted by CAB Group and in accordance with the applicable approved accounting standards of the Malaysian Accounting Standards Board.

4. DIVIDENDS

No dividends have been paid or declared by CAB since the date of its incorporation.

Details of dividends declared by the subsidiary companies for the past five financial years are as follows:

Financial years ended	Issued and paid-up share capital	Interim/ final dividend	Gross dividend per ordinary share		Net dividend	Financial years in which dividend was paid
			Tax exempt sen	Less tax sen		
	RM				RM	
CABC						
30.09.2002	2,000,000	Interim	-	76.39	1,100,000	30.09.2002
30.09.2002	2,000,000	Interim	145.00	-	2,900,000	30.09.2002
30.09.2003	2,000,000	Interim	-	1.39	2,000,000	30.09.2003
30.09.2003	2,000,000	Interim	0.75	-	1,500,000	30.09.2003
JJSB						
30.09.2000	1,020,000	Interim	-	28.00	205,632	30.09.2000
30.09.2001	1,020,000	Interim	-	35.00	257,040	30.09.2001
30.09.2001	1,020,000	Interim	14.02	-	142,960	30.09.2001
30.09.2002	1,020,000	Interim	-	30.00	220,320	30.09.2002
30.09.2003	1,020,000	Interim	-	30.00	220,320	30.09.2003

No dividends have been paid or declared by the other subsidiary companies for the financial years/ periods under review.

XII. ACCOUNTANTS' REPORT (CONT'D)

5. SUMMARISED INCOME STATEMENTS

5.1 The Proforma Group

The summarised proforma consolidated income statement of CAB Group for the past five financial years ended from 30 September 1998 to 2002 and 9 months ended 30 June 2003 have been prepared for illustrative purposes only after making such adjustments that we consider necessary and assuming that the CAB Group has been in existence throughout the financial years/ period under review.

	----- Financial years ended 30 September -----					9 months ended 30 June
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	67,766	74,817	107,909	125,914	146,390	108,314
Profit before interest, depreciation and amortisation	3,981	6,276	8,345	8,989	10,799	9,855
Interest expense	(2,131)	(1,568)	(1,179)	(1,512)	(1,779)	(1,470)
Depreciation expense	(1,007)	(1,193)	(1,635)	(1,831)	(2,206)	(1,874)
Share of loss of associated company	-	-	(3)	(18)	(15)	(6)
Profit before tax	843	3,515	5,528	5,628	6,799	6,505
Income tax expense	(404)	(7)	(1,382)	(589)	(1,526)	(1,617)
Profit after tax	439	3,508	4,146	5,039	5,273	4,888
Minority interests	-	-	154	314	199	185
Profit after tax and minority interests	439	3,508	4,300	5,353	5,472	5,073
Number of ordinary shares assumed in issue ('000)	63,040	63,040	63,040	63,040	63,040	63,040
Gross earnings per ordinary share (RM)	0.01	0.06	0.09	0.09	0.11	* 0.14
Net earnings per ordinary share (RM)	0.01	0.06	0.07	0.08	0.09	* 0.11

* Annualised

XII. ACCOUNTANTS' REPORT (CONT'D)**Notes:**

- i. The proforma consolidated income statement of CAB Group have been prepared based on the audited financial statements of the subsidiary companies and assuming that the effective shareholdings in subsidiary companies held by CAB as mentioned under Note 2.4 has been in effect throughout the financial years/ period under review.
- ii. The financial year ends of certain subsidiary companies which were not coterminous with the financial year end of CAB of 30 September are set out below:

Subsidiary companies	Financial year ends which were not coterminous
GGSB	31 December 1997 to 2001
KBC	31 December 1999 to 2001
KFI	31 December 2001
KKOV	31 December 2000 to 2001
KKPL	31 December 2000 to 2001
KKSB	31 December 1999 to 2001
KPSB	30 June 1998 to 2001 and 31 December 2001
SKK	31 December 2000 to 2001

Accordingly, adjustments have been made on a time apportionment basis to arrive at the above results.

- iii. CAB Group's financial performance has grown from strength to strength over the past five financial years. CAB Group's revenue showed an increasing trend from approximately RM67.766 million in the financial year ended 1998 to approximately RM108.314 million in the financial period ended 2003. Correspondingly, CAB Group's profit before tax also showed an upward trend over the past five financial years.
- iv. CAB Group achieved a 10.40% improvement in revenue from approximately RM67.766 million in the financial year ended 1998 to approximately RM74.817 million in the financial year ended 1999 as production capacity for its poultry farming business increased due to the purchase of additional fowl houses in the previous financial year, and as the franchised fast food chain outlets continued to expand. Profit before tax also improved significantly by more than 100% due mainly to lower cost of sales from significant trade discounts provided by chicken feeds suppliers in response to competitive market conditions.
- v. CAB Group's revenue increased substantially for the financial year ended 2000 by 44.23% compared to the financial year ended 1999 mainly due to the expansion of business activities arising from the take over of businesses of similar nature, namely the broiler marketing business, the chicken feeds trading business and food processing business from its related parties, increase in the trading of food products and streamlining of its fast food business to cater for a wider network of fast food chain outlets and expansion of its franchise business. As a result of the substantial increase in CAB Group's revenue for the financial year ended 2000, profit before tax increased by 57.27% from approximately RM3.515 million in the financial year ended 1999 to approximately RM5.528 million in the financial year ended 2000.

XII. ACCOUNTANTS' REPORT (CONT'D)

- vi. Although CAB Group recorded an increase in its revenue for the financial year ended 2001 by 16.69% compared to the financial year ended 2000, the increase in CAB Group's profit before tax was minimal at only 1.81% due mainly to the higher salary costs, overhead expenses, administrative expenses and finance costs arising from the Group's business expansion and extension of its food processing business activities to Kuala Lumpur.
- vii. With its continued business expansion and aggressive marketing activities especially in the expansion of its broiler sales in Kuala Lumpur, CAB Group's revenue and profit before tax for the financial year ended 2002 increased by 16.26% and 20.81% respectively compared to the financial year ended 2001.
- viii. CAB Group's annualised revenue for the financial period ended 2003 decreased slightly by 1.08% compared to the financial year ended 2002 due mainly to the reduction in the selling price of broiler chicken. Nevertheless, CAB Group was able to achieve an encouraging increase in the annualised profit before tax for the financial period ended 2003 by 27.92% compared to the financial year ended 2002 due mainly to the lower rate of mortality for the broiler chicken as well as lower cost of day old chicks purchased from external suppliers.
- ix. There were no extraordinary items during the financial years/ period under review.
- x. The under/ overprovision of income tax expense if significant in amounts had been reclassified to the respective financial years to reflect the actual income tax expense.
- xi. The effective tax rate for the financial year ended 1998 was higher than the statutory income tax rate due mainly to interest expense on certain term loan facilities was not allowable as deductions for income tax purposes. The income tax expense for the financial year ended 1999 was in respect of deferred tax liabilities. No statutory income tax expense was incurred as the government had waived the tax on chargeable income earned by a company in financial year 1999. The effective tax rates for the financial years ended 2000 to 2002 were lower than the statutory income tax rate due mainly to the claim of reinvestment allowances. The effective tax rate for the financial period ended 2003 was lower than the average statutory income tax rate due mainly to the claim of reinvestment allowances and capital gain on disposal of property, plant and equipment was not subject to income tax.
- xii. The gross earnings per ordinary share have been calculated based on the proforma profit before tax but after minority interests divided by the enlarged issued and paid-up share capital of CAB of 63,040,000 ordinary shares of RM0.50 each following the restructuring scheme mentioned under Note 2.2 but before the Public Issue.
- xiii. The net earnings per ordinary share have been calculated based on the proforma profit after tax and minority interests divided by the enlarged issued and paid-up share capital of CAB of 63,040,000 ordinary shares of RM0.50 each following the restructuring scheme mentioned under Note 2.2 but before the Public Issue.
- xiv. There were no dividends paid or declared by CAB since the date of its incorporation.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2 CAB and its subsidiary companies and associated company**

The summarised income statements of each company within the CAB Group for the relevant financial years/ periods are as follows:

5.2.1 CAB

	4 months ended 30 September 2002 RM'000	9 months ended 30 June 2003 RM'000
Revenue	-	-
Loss before interest, depreciation and amortisation	(5)	(2)
Interest expense	-	-
Depreciation expense	-	-
Loss before tax	(5)	(2)
Income tax expense	-	-
Loss after tax	(5)	(2)
Number of ordinary shares in issue ('000)	0.002	0.002
Gross earnings per ordinary share (RM) *	(8,859.22)	(1,337.00)
Net earnings per ordinary share (RM) *	(8,859.22)	(1,337.00)

* Annualised

Notes:

- i. CAB was incorporated on 20 June 2002 and the first set of financial statements drawn up was for the financial period from 20 June 2002 to 30 September 2002.
- ii. There were no extraordinary items during the financial periods under review.
- iii. No provision for income tax was made for the financial periods ended 2002 and 2003 as CAB has not commenced operations and incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss before tax by the number of ordinary shares in issue as of the end of the financial periods.
- v. The net earnings per ordinary share is calculated by dividing the loss after tax by the number of ordinary shares in issue as of the end of the financial periods.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.2 AKSB

	Financial years ended 30 September					9 months ended 30 June
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	-	-	-	-	-	-
(Loss)/ profit before interest, depreciation and amortisation	(1)	(3)	(2)	(2)	97	(1)
Interest expense	-	-	-	-	-	-
Depreciation expense	(5)	(5)	(4)	(4)	(4)	(3)
(Loss)/ profit before tax	(6)	(8)	(6)	(6)	93	(4)
Income tax expense	-	-	-	-	-	-
(Loss)/ profit after tax	(6)	(8)	(6)	(6)	93	(4)
Number of ordinary shares in issue ('000)	337	337	337	337	337	337
Gross earnings per ordinary share (RM)	(0.02)	(0.02)	(0.02)	(0.02)	0.28	* (0.02)
Net earnings per ordinary share (RM)	(0.02)	(0.02)	(0.02)	(0.02)	0.28	* (0.02)

* Annualised

Notes:

- i. AKSB has not generated any revenue for the financial years/ period under review as AKSB is principally involved in the cultivation of sentang trees which requires about 15 years to mature. The trees have about 9 years more to maturity.
- ii. There were no extraordinary items during the financial years/ period under review.
- iii. No provision for income tax was made for the financial years ended 1998 to 2001 as AKSB incurred operating losses. Although AKSB had made a pre-tax profit in the financial year ended 2002, no provision for income tax was made due mainly to the waiver of debts was not subject to income tax. No provision for income tax was made for the financial period ended 2003 as AKSB incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss/ profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- v. The net earnings per ordinary share is calculated by dividing the loss/ profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.3 BTFF**

	Financial years ended 30 September					9 months ended
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	30 June 2003 RM'000
Revenue	1,838	2,292	3,865	3,864	4,209	2,867
(Loss)/ profit before interest, depreciation and amortisation	(19)	24	107	97	119	41
Interest expense	(3)	(3)	(2)	(3)	(1)	(4)
Depreciation expense	(13)	(14)	(16)	(16)	(8)	(16)
(Loss)/ profit before tax	(35)	7	89	78	110	21
Income tax expense	-	-	-	-	(29)	(1)
(Loss)/ profit after tax	(35)	7	89	78	81	20
Number of ordinary shares in issue ('000)	200	200	200	200	200	200
Gross earnings per ordinary share (RM)	(0.18)	0.04	0.45	0.39	0.55	* 0.14
Net earnings per ordinary share (RM)	(0.18)	0.04	0.45	0.39	0.41	* 0.13

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. No provision for income tax was made for the financial year ended 1998 as BTFF incurred operating losses. No provision for income tax was made for the financial year ended 1999 as the government had waived the tax on chargeable income earned by a company in the financial year 1999. Although BTFF had made a pre-tax profit in the financial years ended 2000 and 2001, no provision for income tax was made due mainly to the utilisation of unused tax losses and unused tax capital allowances. The effective tax rate for the financial year ended 2002 was lower than the statutory income tax rate due mainly to the utilisation of unused tax losses. The effective tax rate for the financial period ended 2003 was lower than the statutory income tax rate due mainly to the reduction in opening deferred tax liabilities resulted from the reduction in income tax rate.
- iii. The gross earnings per ordinary share is calculated by dividing the loss/ profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- iv. The net earnings per ordinary share is calculated by dividing the loss/ profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.4 CABB

	Financial years ended 30 September					9 months ended 30 June 2003
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	19,186	6,023	6,180	6,211	5,798	4,500
Profit before interest, depreciation and amortisation	1,105	1,466	1,538	1,663	1,798	1,238
Interest expense	(323)	(260)	(200)	(177)	(158)	(147)
Depreciation expense	(354)	(473)	(605)	(421)	(428)	(305)
Profit before tax	428	733	733	1,065	1,212	786
Income tax expense	-	-	(28)	(244)	(320)	(69)
Profit after tax	428	733	705	821	892	717
Number of ordinary shares in issue ('000)	1,000	1,000	1,000	1,000	1,000	1,000
Gross earnings per ordinary share (RM)	0.43	0.73	0.73	1.07	1.21	* 1.05
Net earnings per ordinary share (RM)	0.43	0.73	0.71	0.82	0.89	* 0.96

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. The under/ overprovision of income tax had been reclassified to the respective financial years to reflect the actual income tax expense.
- iii. Although CABB had made a pre-tax profit in the financial year ended 1998, no provision for income tax was made due mainly to the utilisation of unused tax losses. No provision for income tax was made for the financial year ended 1999 as the government had waived the tax on chargeable income earned by a company in the financial year 1999. The effective tax rate for the financial year ended 2000 was lower than the statutory income tax rate due mainly to the utilisation of unused tax losses. The effective tax rates for the financial years/ period ended 2000 to 2003 were lower than the statutory income tax rate due mainly to the claim of reinvestment allowances.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.5 CABC**

	Financial years ended 30 September					9 months ended
	1998	1999	2000	2001	2002	30 June 2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	24,488	20,396	41,920	67,607	74,259	54,720
Profit before interest, depreciation and amortisation	1,953	2,693	3,228	3,734	4,078	5,029
Interest expense	(1,488)	(1,026)	(735)	(968)	(1,028)	(787)
Depreciation expense	(102)	(104)	(436)	(481)	(669)	(541)
Profit before tax	363	1,563	2,057	2,285	2,381	3,701
Income tax expense	(336)	(5)	(490)	(157)	(505)	(1,034)
Profit after tax	27	1,558	1,567	2,128	1,876	2,667
Number of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Gross earnings per ordinary share (RM)	0.18	0.78	1.03	1.14	1.19	* 2.47
Net earnings per ordinary share (RM)	0.01	0.78	0.78	1.06	0.94	* 1.78

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. The under/ overprovision of income tax had been reclassified to the respective financial years to reflect the actual income tax expense.
- iii. The effective tax rate for the financial year ended 1998 was higher than the statutory income tax rate due mainly to interest expense on certain term loans facilities were not allowable as deductions for income tax purposes. The income tax expense for the financial year ended 1999 was in respect of deferred tax liabilities and no statutory income tax expense was incurred as the government had waived the tax on chargeable income earned by a company in the financial year 1999. The effective tax rates for the financial years ended 2000 to 2002 were lower than the statutory income tax rate due mainly to the claim of reinvestment allowances. The effective tax rate for the financial period ended 2003 was lower than the statutory income tax rate due mainly to the claim of reinvestment allowances and capital gain on disposal of property, plant and equipment was not subject to income tax.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.6 GGSB

	----- Financial years ended 31 December -----				----- 9 months ended -----	
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	30 September 2002 RM'000	30 June 2003 RM'000
Revenue	1,596	2,890	915	1,041	839	1,284
Profit before interest, depreciation and amortisation	106	126	158	316	513	439
Interest expense	(1)	-	(21)	(28)	(20)	(28)
Depreciation expense	(95)	(106)	(116)	(128)	(66)	(79)
Profit before tax	10	20	21	160	427	332
Income tax expense	(2)	-	(3)	-	(2)	-
Profit after tax	8	20	18	160	425	332
Number of ordinary shares in issue ('000)	450	550	800	800	1,800	1,800
Gross earnings per ordinary share (RM)	0.02	0.04	0.03	0.20	* 0.32	* 0.25
Net earnings per ordinary share (RM)	0.02	0.04	0.02	0.20	* 0.32	* 0.25

* Annualised

XII. ACCOUNTANTS' REPORT (CONT'D)

Notes:

- i. There were no extraordinary items during the financial years/ periods under review.
- ii. The under/ overprovision of income tax had been reclassified to the respective financial years to reflect the actual income tax expense.
- iii. The effective tax rates for the financial years ended 1998 and 2000 were lower than the statutory income tax rate due mainly to the utilisation of unused tax capital allowances. No provision for income tax was made for the financial year ended 1999 as the government had waived the tax on chargeable income earned by a company in the financial year 1999. No provision for income tax was made for the financial year ended 2001 due mainly to franchise income was not subject to income tax and utilisation of unused tax capital allowances. The effective tax rates for the financial period ended 2002 was lower than the statutory income tax rate due mainly to franchise income was not subject to income tax. No provision for income tax was made for the financial period ended 2003 due mainly to franchise income was not subject to income tax.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial years/ periods.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial years/ periods.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.7 JJP

	----- Financial years ended 30 September -----					9 months ended 30 June 2003
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	RM'000
Revenue	832	1,089	1,460	1,613	2,267	1,488
Profit before interest, depreciation and amortisation	7	47	45	64	105	45
Interest expense	-	-	-	-	-	-
Depreciation expense	(12)	(16)	(16)	(15)	(15)	(11)
(Loss)/ profit before tax	(5)	31	29	49	90	34
Income tax expense	-	-	(9)	(14)	(25)	(4)
(Loss)/ profit after tax	(5)	31	20	35	65	30
Number of ordinary shares in issue ('000)	0.002	0.002	0.002	0.002	0.002	0.002
Gross earnings per ordinary share (RM)	(2,500.00)	15,500.00	14,500.00	24,500.00	45,000.00	* 22,728.94
Net earnings per ordinary share (RM)	(2,500.00)	15,500.00	10,000.00	17,500.00	32,500.00	* 20,054.95

* Annualised

XII. ACCOUNTANTS' REPORT (CONT'D)

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. No provision for income tax was made for the financial year ended 1998 as JJP incurred operating losses. No provision for income tax was made for the financial year ended 1999 as the government had waived the tax on chargeable income earned by a company in the financial year 1999. The effective tax rate for the financial year ended 2000 was higher than the statutory income tax rate due mainly to certain expenses were not allowable as deductions for income tax purposes. The effective tax rate for the financial period ended 2003 was lower than the statutory income tax rate due mainly to the reduction in opening deferred tax liabilities resulted from the reduction in income tax rate.
- iii. The gross earnings per ordinary share is calculated by dividing the loss/ profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- iv. The net earnings per ordinary share is calculated by dividing the loss/ profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.8 JJSB

	Financial years ended 30 September					9 months ended 30 June
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000
Revenue	47,868	53,433	57,842	54,662	67,615	54,003
Profit before interest, depreciation and amortisation	828	1,928	3,367	3,228	3,747	2,555
Interest expense	(274)	(238)	(193)	(305)	(528)	(466)
Depreciation expense	(435)	(450)	(336)	(483)	(571)	(459)
Profit before tax	119	1,240	2,838	2,440	2,648	1,630
Income tax expense	(66)	-	(832)	(142)	(616)	(436)
Profit after tax	53	1,240	2,006	2,298	2,032	1,194
Number of ordinary shares in issue ('000)	60	1,020	1,020	1,020	1,020	1,020
Gross earnings per ordinary share (RM)	1.98	1.22	2.78	2.39	2.60	* 2.14
Net earnings per ordinary share (RM)	0.88	1.22	1.97	2.25	1.99	* 1.57

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. The under/ overprovision of income tax had been reclassified to the respective financial years to reflect the actual income tax expense.
- iii. The effective tax rates for the financial years ended 1998 and 2000 were higher than the statutory income tax rate due mainly to certain expenses were not allowable as deductions for income tax purposes. No provision for income tax was made for the financial year ended 1999 as the government had waived the tax on chargeable income earned by a company in the financial year 1999. The effective tax rates for the financial years/ period ended 2001 to 2003 were lower than the statutory income tax rate due mainly to the claim of reinvestment allowances.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.9 KBC

	13 months ended 31 December 1999 RM'000	Financial years ended ----- 31 December ----- 2000 RM'000	2001 RM'000	----- 9 months ended ----- 30 September 2002 RM'000	30 June 2003 RM'000
Revenue	337	473	740	474	494
(Loss)/ profit before interest, depreciation and amortisation	(74)	6	91	111	86
Interest expense	-	-	(1)	(1)	(3)
Depreciation expense	(28)	(34)	(41)	(33)	(38)
(Loss)/ profit before tax	(102)	(28)	49	77	45
Income tax expense	-	-	-	(7)	(7)
(Loss)/ profit after tax	(102)	(28)	49	70	38
Number of ordinary shares in issue ('000)	220	330	400	400	400
Gross earnings per ordinary share (RM)	* (0.44)	(0.08)	0.12	* 0.26	* 0.15
Net earnings per ordinary share (RM)	* (0.44)	(0.08)	0.12	* 0.23	* 0.13

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ periods under review.
- ii. KBC was incorporated on 10 December 1998 and the first set of financial statements drawn up was for the financial period from 10 December 1998 to 31 December 1999.
- iii. No provision for income tax was made for the financial period/ year ended 1999 and 2000 as KBC incurred operating losses. Although KBC had made a pre-tax profit in the financial year ended 2001, no provision for income tax was made due mainly to the utilisation of unused tax capital allowances. The effective tax rate for the financial period ended 2002 was lower than the statutory income tax rate due mainly to the utilisation of unused tax capital allowances. The effective tax rate for the financial period ended 2003 was lower than the statutory income tax rate due mainly to the reduction in opening deferred tax liabilities resulted from the reduction in income tax rate.
- iv. The gross earnings per ordinary share is calculated by dividing the loss/ profit before tax by the number of ordinary shares in issue as of the end of the financial years/ periods.
- v. The net earnings per ordinary share is calculated by dividing the loss/ profit after tax by the number of ordinary shares in issue as of the end of the financial years/ periods.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.10 KFI

	18 months ended 31 December 2001 RM'000	----- 9 months ended ----- 30 September 2002 RM'000	30 June 2003 RM'000
Revenue	3,946	2,725	3,012
Profit before interest, depreciation and amortisation	59	38	161
Interest expense	(1)	(12)	(19)
Depreciation expense	(15)	(12)	(16)
Profit before tax	43	14	126
Income tax expense	(13)	(4)	(36)
Profit after tax	30	10	90
Number of ordinary shares in issue ('000)	100	100	100
Gross earnings per ordinary share (RM) *	0.29	0.19	1.68
Net earnings per ordinary share (RM) *	0.20	0.13	1.20

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods under review.
- ii. KFI was incorporated on 13 July 2000 and the first set of financial statements drawn up was for the financial period from 13 July 2000 to 31 December 2001.
- iii. The effective tax rates for the financial periods ended 2001 to 2003 were higher than the statutory income tax rates due mainly to certain expenses were not allowable as deductions for income tax purposes.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial periods.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial periods.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.11 K KOV**

	18 months ended 31 December 2000 RM'000	Financial year ended 31 December 2001 RM'000	----- 9 months ended -----	
			30 September 2002 RM'000	30 June 2003 RM'000
Revenue	-	-	-	-
Loss before interest, depreciation and amortisation	(8)	(9)	(9)	(6)
Interest expense	-	-	-	-
Depreciation expense	-	-	-	-
Loss before tax	(8)	(9)	(9)	(6)
Income tax expense	-	-	-	-
Loss after tax	(8)	(9)	(9)	(6)
Number of ordinary shares in issue ('000)	500	700	1,300	1,300
Gross earnings per ordinary share (RM)	* (0.01)	(0.01)	* (0.01)	* (0.01)
Net earnings per ordinary share (RM)	* (0.01)	(0.01)	* (0.01)	* (0.01)

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods/ year under review.
- ii. K KOV was incorporated on 7 July 1999 and the first set of financial statements drawn up was for the financial period from 7 July 1999 to 31 December 2000.
- iii. No provision for income tax was made for the financial periods/ year ended 2000 to 2003 as K KOV incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss before tax by the number of ordinary shares in issue as of the end of the financial periods/ year.
- v. The net earnings per ordinary share is calculated by dividing the loss after tax by the number of ordinary shares in issue as of the end of the financial periods/ year.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.12 KKPL

	7 months ended 31 December 2000 RM'000	Financial year ended 31 December 2001 RM'000	----- 9 months ended ----- 30 September 2002 RM'000	30 June 2003 RM'000
Revenue	583	2,150	1,415	1,044
Loss before interest, depreciation and amortisation	(259)	(79)	-	(76)
Interest expense	-	(2)	(2)	(3)
Depreciation expense	(26)	(125)	(138)	(148)
Loss before tax	(285)	(206)	(140)	(227)
Income tax expense	-	-	-	-
Loss after tax	(285)	(206)	(140)	(227)
Number of ordinary shares in issue ('000)	100	100	100	100
Gross earnings per ordinary share (RM)	* (5.23)	(2.06)	* (1.87)	* (3.03)
Net earnings per ordinary share (RM)	* (5.23)	(2.06)	* (1.87)	* (3.03)

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods/ year under review.
- ii. KKPL was incorporated on 16 June 2000 and the first set of financial statements drawn up was for the financial period from 16 June 2000 to 31 December 2000.
- iii. No provision for income tax was made for the financial periods/ year ended 2000 to 2003 as KKPL incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss before tax by the number of ordinary shares in issue as of the end of the financial periods/ year.
- v. The net earnings per ordinary share is calculated by dividing the loss after tax by the number of ordinary shares in issue as of the end of the financial periods/ year.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.13 KKS B

	17 months ended	Financial years ended		----- 9 months ended -----	
	31 December 1999 RM'000	----- 31 December 2000 RM'000	----- 2001 RM'000	30 September 2002 RM'000	30 June 2003 RM'000
Revenue	-	4,168	2,013	1,669	1,983
Profit before interest, depreciation and amortisation	-	68	120	107	227
Interest expense	-	-	-	-	-
Depreciation expense	-	(51)	(104)	(96)	(112)
Profit before tax	-	17	16	11	115
Income tax expense	-	(10)	(12)	(7)	(25)
Profit after tax	-	7	4	4	90
Number of ordinary shares in issue ('000)	0.002	0.002	500	500	500
Gross earnings per ordinary share (RM)	-	8,500.00	0.03	* 0.03	* 0.31
Net earnings per ordinary share (RM)	-	3,500.00	0.01	* 0.01	* 0.24

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods/ years under review.
- ii. KKS B was incorporated on 28 July 1998 and the first set of financial statements drawn up was for the financial period from 28 July 1998 to 31 December 1999.
- iii. The effective tax rates for the financial years/ period ended 2000 to 2002 were higher than the statutory income tax rate due mainly to certain expenses were not allowable as deductions for income tax purposes. The effective tax rate for the financial period ended 2003 was lower than the statutory income tax rate due mainly to the reduction in opening deferred tax liabilities resulted from the reduction in income tax rate.
- iv. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial periods/ years.
- v. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial periods/ years.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.14 KPSB

	Financial			6 months	----- 9 months ended -----	
	years ended 30 June			ended	30 September	30 June
	1999	2000	2001	31 December	2002	2003
	RM'000	RM'000	RM'000	2001	RM'000	RM'000
Revenue	34	50	47	22	10	9
Profit/ (loss) before interest, depreciation and amortisation	24	43	39	20	48	(10)
Interest expense	(43)	(34)	(30)	(14)	(14)	(13)
Depreciation expense	(6)	(6)	(6)	(3)	(3)	(3)
(Loss)/ profit before tax	(25)	3	3	3	31	(26)
Income tax expense	-	(3)	(3)	(2)	-	(3)
(Loss)/ profit after tax	(25)	-	-	1	31	(29)
Number of ordinary shares in issue ('000)	50	50	50	100	100	100
Gross earnings per ordinary share (RM)	(0.50)	0.06	0.06	* 0.06	* 0.41	* (0.35)
Net earnings per ordinary share (RM)	(0.50)	-	-	* 0.02	* 0.41	* (0.39)

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ periods under review.
- ii. No provision for income tax was made for the financial year ended 1999 as KPSB incurred operating losses. The effective tax rates for the financial years/ period ended 2000 and 2001 were higher than the statutory income tax rate due mainly to certain expenses were not allowable as deductions for income tax purposes. Although KPSB had made a pre-tax profit in the financial period ended 2002, no provision for income tax was made due mainly to capital gain on disposal of property, plant and equipment was not subject to income tax. The income tax expense for the financial period ended 2003 was in respect of underprovision of income tax in prior years.
- iii. The gross earnings per ordinary share is calculated by dividing the loss/ profit before tax by the number of ordinary shares in issue as of the end of the financial years/ periods.
- iv. The net earnings per ordinary share is calculated by dividing the loss/ profit after tax by the number of ordinary shares in issue as of the end of the financial years/ periods.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.15 LTA**

	Financial years ended 30 September					9 months ended
	1998	1999	2000	2001	2002	30 June 2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,714	1,606	1,494	1,002	22	11
Profit before interest, depreciation and amortisation	3	28	37	28	16	6
Interest expense	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Profit before tax	3	28	37	28	16	6
Income tax expense	-	-	(8)	(8)	(5)	(1)
Profit after tax	3	28	29	20	11	5
Number of ordinary shares in issue ('000)	20	20	20	20	20	20
Gross earnings per ordinary share (RM)	0.15	1.40	1.85	1.40	0.80	* 0.40
Net earnings per ordinary share (RM)	0.15	1.40	1.45	1.00	0.55	* 0.33

* Annualised

Notes:

- i. There were no extraordinary items during the financial years/ period under review.
- ii. Although LTA had made a pre-tax profit in the financial years ended 1998 and 1999, no provision for income tax was made due mainly to the utilisation of unused tax losses and unused tax capital allowances. The effective tax rate for the financial year ended 2000 was lower than the statutory income tax rate due mainly to the utilisation of unused tax losses and unused tax capital allowances. The effective tax rate for the financial year ended 2002 was higher than the statutory income tax rate due mainly to certain expenses were not allowable as deductions for income tax purposes.
- iii. The gross earnings per ordinary share is calculated by dividing the profit before tax by the number of ordinary shares in issue as of the end of the financial years/ period.
- iv. The net earnings per ordinary share is calculated by dividing the profit after tax by the number of ordinary shares in issue as of the end of the financial years/ period.

XII. ACCOUNTANTS' REPORT (CONT'D)

5.2.16 SKK

	13 months ended 31 December 2000 RM'000	Financial year ended 31 December 2001 RM'000	----- 9 months ended -----	
			30 September 2002 RM'000	30 June 2003 RM'000
Revenue	654	681	729	977
(Loss)/ profit before interest, depreciation and amortisation	(71)	(201)	114	154
Interest expense	-	-	-	-
Depreciation expense	(18)	(41)	(45)	(135)
(Loss)/ profit before tax	(89)	(242)	69	19
Income tax expense	-	-	-	-
(Loss)/ profit after tax	(89)	(242)	69	19
Issued and paid-up share capital (RMB'000)	1,670	1,670	1,670	2,911
Gross earnings per RMB1 share capital (RM)	* (0.05)	(0.14)	* 0.06	* 0.01
Net earnings per RMB1 share capital (RM)	* (0.05)	(0.14)	* 0.06	* 0.01

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods/ year under review.
- ii. SKK was incorporated on 9 December 1999 and the first set of financial statements drawn up was for the financial period from 9 December 1999 to 31 December 2000.
- iii. No provision for income tax was made for the financial period/ year ended 2000 and 2001 as SKK incurred operating losses. Although SKK had made a pre-tax profit in the financial periods ended 2002 and 2003, no provision for income tax was made due mainly to the utilisation of unused tax losses.
- iv. The gross earnings per RMB1 share capital is calculated by dividing the loss/ profit before tax by the issued and paid-up share capital as of the end of the financial periods/ year.
- v. The net earnings per RMB1 share capital is calculated by dividing the loss/ profit after tax by the issued and paid-up share capital as of the end of the financial periods/ year.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.17 SSSB**

	13 months ended 30 September 2002 RM'000	9 months ended 30 June 2003 RM'000
Revenue	160	97
Loss before interest, depreciation and amortisation	(152)	(35)
Interest expense	-	-
Depreciation expense	(5)	(7)
Loss before tax	(157)	(42)
Income tax expense	-	-
Loss after tax	(157)	(42)
Number of ordinary shares in issue ('000)	100	100
Gross earnings per ordinary share (RM) *	(1.52)	(0.56)
Net earnings per ordinary share (RM) *	(1.52)	(0.56)

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods under review.
- ii. SSSB was incorporated on 20 September 2001 and the first set of financial statements drawn up was for the financial period from 20 September 2001 to 30 September 2002.
- iii. No provision for income tax was made for the financial periods ended 2002 and 2003 as SSSB incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss before tax by the number of ordinary shares in issue as of the end of the financial periods.
- v. The net earnings per ordinary share is calculated by dividing the loss after tax by the number of ordinary shares in issue as of the end of the financial periods.

XII. ACCOUNTANTS' REPORT (CONT'D)**5.2.18 DSSB**

	17 months ended 31 December 2001 RM'000	----- 9 months ended ----- 30 September 2002 RM'000	30 June 2003 RM'000
Revenue	201	196	169
Loss before interest, depreciation and amortisation	(45)	(13)	(2)
Interest expense	-	-	-
Depreciation expense	(17)	(14)	(14)
Loss before tax	(62)	(27)	(16)
Income tax expense	-	-	-
Loss after tax	(62)	(27)	(16)
Number of ordinary shares in issue ('000)	100	100	100
Gross earnings per ordinary share (RM) *	(0.44)	(0.36)	(0.21)
Net earnings per ordinary share (RM) *	(0.44)	(0.36)	(0.21)

* Annualised

Notes:

- i. There were no extraordinary items during the financial periods under review.
- ii. DSSB was incorporated on 8 August 2000 and the first set of financial statements drawn up was for the financial period from 8 August 2000 to 31 December 2001.
- iii. No provision for income tax was made for the financial periods ended 2001 to 2003 as DSSB incurred operating losses.
- iv. The gross earnings per ordinary share is calculated by dividing the loss before tax by the number of ordinary shares in issue as of the end of the financial periods.
- v. The net earnings per ordinary share is calculated by dividing the loss after tax by the number of ordinary shares in issue as of the end of the financial periods.

XII. ACCOUNTANTS' REPORT (CONT'D)**6. SUMMARISED BALANCE SHEETS**

As the Acquisitions stated in Note 2.2 of this report only took place in 8 August 2003, it is therefore impracticable to present the proforma balance sheets of CAB Group throughout the financial years/ period under review. The proforma financial position of CAB Group has been presented by way of proforma statement of assets and liabilities as of 30 June 2003 based on the latest audited financial statements as of 30 June 2003 of CAB Group in Note 7 of this report.

The summarised balance sheets of each company within the CAB Group based on their respective audited financial statements as of the end of the relevant financial years/ periods are as follows:

6.1 CAB

	----- As of -----	
	30 September 2002 RM'000	30 June 2003 RM'000
Current assets	-	-
Current liabilities	5	7
Net current liabilities	(5)	(7)
	(5)	(7)
Share capital	-	-
Accumulated losses	(5)	(7)
Shareholders' equity	(5)	(7)
Number of ordinary shares in issue ('000)	0.002	0.002
Net tangible assets per ordinary share (RM)	(2,500.00)	(3,500.00)

Note:

CAB was incorporated on 20 June 2002 and the first set of financial statements drawn up was for the financial period from 20 June 2002 to 30 September 2002.