

XI. FINANCIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

1.1 Proforma Consolidated Income Statements

The table below sets out a summary of the proforma consolidated income statements of the CAB Group for the past 5 financial years ended 30 September 2002 and the 9 months ended 30 June 2003, as extracted from the Accountants' Report in Part XII of this Prospectus and prepared based on the audited financial statements of the Group and on the assumption that the current structure of the CAB Group has been in existence throughout the financial years/period under review. The proforma consolidated income statements of the CAB Group are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions to the proforma consolidated income statements as included in the Accountants' Report as set out in Part XII of this Prospectus:

	←-----Audited-----→					
	←-----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
Consolidated profit before interest, amortisation, depreciation and taxation	3,981	6,276	8,345	8,989	10,799	9,855
Interest expenses	(2,131)	(1,568)	(1,179)	(1,512)	(1,779)	(1,470)
Depreciation	(1,007)	(1,193)	(1,635)	(1,831)	(2,206)	(1,874)
Share of loss of associated company	-	-	(3)	(18)	(15)	(6)
Consolidated PBT	843	3,515	5,528	5,628	6,799	6,505
Income tax expense ⁽¹⁾	(404)	(7)	(1,382)	(589)	(1,526)	(1,617)
Consolidated PAT but before MI	439	3,508	4,146	5,039	5,273	4,888
MI	-	-	154	314	199	185
Consolidated profit attributable to shareholders	439	3,508	4,300	5,353	5,472	5,073
Number of CAB Shares assumed in issue (000) ⁽²⁾	63,040	63,040	63,040	63,040	63,040	63,040
Gross EPS (sen) ⁽³⁾	1.34	5.58	8.77	8.93	10.79	*13.76
Net EPS (sen) ⁽⁴⁾	0.70	5.56	6.82	8.49	8.68	*10.73

Notes:

* Annualised for comparison purposes only.

(1) The under/over provision of income tax expense has been adjusted to the respective financial years/period.

(2) The assumed issued and paid-up share capital of 63,040,000 CAB Shares is based on the issued and paid-up share capital of CAB after the Acquisitions but prior to the Issues.

(3) The gross EPS is computed based on the consolidated PBT divided by the number of CAB Shares assumed in issue.

(4) The net EPS is computed based on the consolidated profit attributable to shareholders divided by the number of CAB Shares assumed in issue.

There were no extraordinary items during the financial years/period under review.

XI. FINANCIAL INFORMATION (CONT'D)**1.2 Segmental Analysis**

The tables below set out the segmental analysis of the proforma consolidated revenue and PBT of the CAB Group by products and services for the past 5 financial years ended 30 September 2002 and the 9 months ended 30 June 2003. The segmental analysis is prepared based on the proforma consolidated income statements of the CAB Group and prepared based on the assumption that the current structure of the CAB Group has been in existence throughout the financial years/period under review. The proforma consolidated income statements have been prepared on a time apportionment basis where appropriate.

Revenue by products and services

	----- Proforma ----->					
	<----- 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
Agricultural/poultry farming/food processing	66,945	72,745	103,552	119,095	140,043	117,578
Fast food business	1,424	2,826	6,156	9,361	10,323	8,890
Investment holding	31	38	49	46	21	20
	68,400	75,609	109,757	128,502	150,387	126,488
Less: Consolidation adjustments	(634)	(792)	(1,848)	(2,588)	(3,997)	(18,174)
	67,766	74,817	107,909	125,914	146,390	108,314

PBT by products and services

	----- Proforma ----->					
	<----- 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
Agricultural/poultry farming/food processing	867	3,594	5,774	5,939	6,534	6,100
Fast food business	9	*(60)	*(244)	*(307)	234	439
Investment holding	(33)	(19)	(2)	(4)	31	(34)
	843	3,515	5,528	5,628	6,799	6,505

Note:-

* The loss before tax is mainly due to the losses suffered by its investment in Singapore and China during its initial operating period.

XI. FINANCIAL INFORMATION (CONT'D)

1.3 Directors' Declaration on Financial Performance, Position and Operations

As at 21 November 2003, being the latest practicable date prior to the printing of this Prospectus, the financial performance, position and operations of the CAB Group are not affected by the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) other material commitments for capital expenditure;
- (iii) unusual or infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
- (iv) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

2. WORKING CAPITAL, MATERIAL COMMITMENTS, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION

2.1 Working Capital

The Directors of the Company are of the opinion that after taking into account the consolidated cashflow forecast, banking facilities available and the total gross proceeds from the Public Issue, the CAB Group will have adequate working capital for a period of 12 months from the date of this Prospectus.

2.2 Material Commitments

As at 21 November 2003, being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus, the Directors of the Company are not aware of any material commitments for capital expenditure contracted or known to be contracted by the Company or its subsidiaries, which upon becoming enforceable, may have a material effect on the financial position of the Group.

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2.3 Borrowings

The total outstanding borrowings of the Group as at 21 November 2003, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Outstanding borrowings	Payable within 12 months RM 000	Payable after 12 months RM 000
<i>Interest-bearing</i>		
Bank overdrafts, trust receipts and bankers' acceptances	22,875	-
Term loans	1,588	8,885
Hire-purchase	662	1,817
Total	25,125	10,702

There has been no default on the Group's borrowings as payments of either interest and/or principal sums in respect of the above borrowings have been made throughout the last financial year ended 30 September 2002 and 9 months ended 30 June 2003. The Directors of the Company are of the opinion that after taking into consideration the consolidated cashflow forecast of the Group, the Group should not default in the payment of the interest and/or principal sums in respect of the above borrowings for the financial years ended/ending 30 September 2003 and 2004.

2.4 Contingent Liabilities

As at 21 November 2003, being the latest practicable date prior to the printing of this Prospectus, the Directors of the Company are not aware of any material contingent liabilities incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

2.5 Material Litigation

Save for the material litigation as set out in Section 9 of Part XVI of this Prospectus, as at 21 November 2003, being the latest practicable date prior to the printing of this Prospectus, neither the Company nor its subsidiaries is engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries, and the Directors of the Company are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company or its subsidiaries.

XI. FINANCIAL INFORMATION (CONT'D)

3. CONSOLIDATED PROFIT ESTIMATE AND FORECAST

The Directors of the Company estimate and forecast that the consolidated profit of the CAB Group for the financial years ended/ending 30 September 2003 and 2004 will be as follows:

Financial years ended/ending 30 September	Estimate 2003 RM 000	Forecast 2004 RM 000
Revenue	161,657	177,228
Consolidated PBT	9,794	11,554
Income tax expense	(1,833)	(2,213)
Consolidated PAT before MI	7,961	9,341
MI	(134)	(360)
Consolidated PAT after MI	7,827	8,981
Less:		
Pre-acquisition profit	(6,690)	-
Consolidated profit attributable to shareholders	1,137	8,981
Number of CAB Shares in issue (000)	⁽¹⁾ 63,040	⁽²⁾ 80,000
Gross EPS (sen) ⁽³⁾	15.54	14.44
Net EPS ⁽⁴⁾	12.42	11.23
Gross PE multiple (times) ⁽⁵⁾	5.66	6.09
Net PE multiple (times) ⁽⁵⁾	7.09	7.84

Notes:

- (1) *The issued and paid-up share capital in issue for the financial year ended 30 September 2003 is based on 63,040,000 CAB Shares in issue after the Acquisitions but before the Public Issue and on the assumption that the current structure of the CAB Group has been in existence throughout the financial year.*
- (2) *The issued and paid-up share capital in issue for the financial year ending 30 September 2004 is based on the enlarged issued and paid-up share capital of 80,000,000 CAB Shares.*
- (3) *Computed based on the consolidated PBT divided by the number of CAB Shares in issue for the respective financial years.*
- (4) *Computed based on the consolidated PAT after MI divided by the number of CAB Shares in issue for the respective financial years.*
- (5) *Based on the offer/issue price of RM0.88 per Offer/Public Issue Share.*

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4. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

(Prepared for inclusion in this Prospectus)

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The Board of Directors
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MALAYSIA

Dear Sirs,

**CAB CAKARAN CORPORATION BERHAD (COMPANY NO.: 583661 W)
CONSOLIDATED PROFIT ESTIMATE AND FORECAST
FOR THE FINANCIAL YEARS ENDED/ ENDING 30 SEPTEMBER 2003 AND 2004**

We have reviewed the consolidated profit estimate and forecast of CAB Cakaran Corporation Berhad ("CAB" or "the Company") and its subsidiary companies ("the Group") for the financial years ended/ ending 30 September 2003 and 2004 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the standard (ISA 810) applicable to the review of forecasts. The consolidated profit estimate and forecast have been prepared for inclusion in the Prospectus 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 the Company comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange,

and should not be relied on for any other purposes.

(FORWARD)

**Deloitte
Touche
Tohmatsu**

**Deloitte
KassimChan**

28 NOV 2003

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DELOITTE KASSIMCHAN

Our review has been undertaken to enable us to form an opinion as to whether the consolidated profit estimate and forecast, in all material respects, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted and disclosed by the Group in its audited financial statements for the financial period from 1 October 2002 to 30 June 2003. The Directors of the Company are solely responsible for the preparation and presentation of the consolidated profit estimate and forecast and the assumptions on which the consolidated profit estimate and forecast are based.

Estimate and forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the estimate and forecast are based, such information are generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the estimate and forecast since anticipated events frequently do not occur as expected and the variation could be material.

Subject to the matters stated in the preceding paragraphs:

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit estimate and forecast; and
- (ii) in our opinion, the consolidated profit estimate and forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted and disclosed by the Group in its audited financial statements for the financial period from 1 October 2002 to 30 June 2003.

Yours faithfully,



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



TAN BOON HOE
1836/07/05(J)
Partner

XI. FINANCIAL INFORMATION (CONT'D)

**CAB CAKARAN CORPORATION BERHAD (COMPANY NO.: 583661 W)
 CONSOLIDATED PROFIT ESTIMATE AND FORECAST
 AND ASSUMPTIONS
 FOR THE FINANCIAL YEARS ENDED/ ENDING 30 SEPTEMBER 2003 AND 2004**

The Directors of CAB Cakaran Corporation Berhad ("CAB" or "the Company") estimate and forecast that barring unforeseen circumstances, the consolidated profit after tax and after minority interests of the Company and the subsidiary companies ("the Group") for the financial years ended/ ending 30 September 2003 and 2004 will be approximately as follows:

	2003 RM'000	2004 RM'000
Consolidated profit after tax and after minority interests	7,827	8,981
Less: Pre-acquisition profit	(6,690)	-
	<hr/>	<hr/>
Consolidated profit after deduction of pre-acquisition profit	<u>1,137</u>	<u>8,981</u>

The principal bases and assumptions upon which the above consolidated profit estimate and forecast have been made are set out below:

1. The Group will or has carried out the following:
 - i. revaluation of the landed properties of Antik Kualiti Sdn Bhd, CAB Cakaran Breeding Farm Sdn Bhd, CAB Cakaran Sdn Bhd ("CABC"), Gettmore Group Sdn Bhd ("GGSB"), Jimat Jaya Sdn Bhd, Kyros Properties Sdn Bhd and Ladang Ternakan Asun Sdn Bhd. The valuation was carried out by Tan Kok Yew, MBA, Bachelor of Sury. (Hons) (Property Management), a registered valuer of Intra Harta Consultants (North) Sdn Bhd, an independent firm of professional valuers, based on market value using comparison and cost methods of valuation;
 - ii. sub-division of the par value for every existing ordinary share in CAB from RM1.00 to RM0.50 each;
 - iii. acquisition of the entire issued and fully paid-up share capital of CABC comprising 5,500,000 (inclusive of 3,500,000 new ordinary shares of RM1.00 each issued by way of rights issue by CABC on 31 July 2003) 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 in CAB at approximately RM0.6219 per ordinary share ("Acquisition of CABC");
 - iv. acquisition of the entire issued and fully paid-up share capital of 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 in CAB at approximately RM0.6219 per ordinary share ("Acquisition of GGSB");
 - v. 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; and

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 Penang

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- vi. 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 ("Public Issue"). The estimated listing expenses of RM2,000,000 are written off against the share premium account.

The revaluation was approved by the Securities Commission on 7 August 2003. The total revaluation surplus (net of deferred tax liabilities of RM2,608,515) of RM14,038,995 is credited into revaluation reserve accounts of the relevant subsidiary companies and a revaluation deficit of RM54,044 is debited into income statement of a subsidiary company.

The Acquisition of CABC and Acquisition of GGSB was completed on 8 August 2003.

The Public Issue will be completed by the end of December 2003 and the proceeds from the Public Issue will be used to finance the construction of a new high-technology slaughter and food processing plant in Sungai Petani, Kedah Darul Aman, purchase of machinery, working capital requirements and the estimated listing expenses.

2. There will be no significant changes in the prevailing world economic and political conditions in Malaysia and elsewhere that will adversely affect the activities or performance of the Group and the business of the Group's major customers and suppliers.
3. There will be no significant changes in the present legislation or government regulations, rates and bases of duties, levies and taxes which will affect the activities of the Group or the markets in which the Group operates.
4. There will be no significant fluctuations in inflation rate from the present level which will adversely affect the activities and operations of the Group.
5. There will be no significant changes in the present management structure, key personnel, ownership and operating and accounting policies normally adopted by the Group.
6. There will be no material changes in the principal activities and structure of the Group.
7. There will be no significant changes in the prices of raw materials, labour and overheads.
8. There will be no major breakdown or disruption of manufacturing facilities, major industrial disputes, labour shortages, technological changes or any abnormal factors or changes, both domestic and overseas, which will adversely affect the Group's operations.
9. There will be no significant fluctuations in foreign currency exchange rates. It is assumed that the exchange rates for the Singapore dollar to Ringgit Malaysia will be maintained at SGD1.00 : RM2.1381 and for the Renminbi Yuan to Ringgit Malaysia will be maintained at RMB1.00 : RM0.4599.
10. The current trend of increasing demand on the Group's products and services will be maintained.

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XI. FINANCIAL INFORMATION (CONT'D)

11. The Group will continue to maintain its current profit margins on its products and services.
12. Existing financing facilities will remain available and that the level of interest rates will not change materially from those presently prevailing and that the Group will be able to secure sufficient financing facilities for working capital purposes if necessary. Additional financing facilities will be obtained at the present prevailing interest rates.
13. There will be no material acquisitions or disposals of property, plant and equipment or investments other than those that have been forecasted for.
14. Income taxes on profit of the Group's operations in Malaysia, Singapore and China for the financial years ended/ ending 30 September 2003 and 2004 are computed based on the applicable statutory income tax rates and will be paid in the same financial years.
15. There will be no dividend proposed for the financial year ended 30 September 2003. A first and final dividend of 2.5 sen per ordinary share, less tax, will be proposed in respect of the financial year ending 30 September 2004 and will be paid in the following financial years.
16. The Group will not be engaged in any material litigation and there will be no legal proceedings which will adversely affect the activities or performance of the Group or give rise to any additional contingent liabilities which will materially affect the position or businesses of the Group.
17. The estimated listing expenses of RM2,000,000 will be written off against the share premium account.

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28 NOV 2003
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Penang

XI. FINANCIAL INFORMATION (CONT'D)

5. DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

The Directors of the Company have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit estimate and forecast of the CAB Group for the financial years ended/ending 30 September 2003 and 2004 and are of the opinion that the consolidated profit estimate and forecast is fair and reasonable in light of the future plans, strategies and prospects of the CAB Group as set out in Sections 2 and 3 of Part VII of this Prospectus and after taking into consideration the estimated and forecast gearing levels, liquidity and working capital requirements of the CAB Group.

Consolidated profit estimate for the financial year ended 30 September 2003 ("FYE 2003")

The consolidated revenue of the CAB Group for the FYE 2003 is estimated to increase by RM15.27 million or approximately 10.43% to RM161.66 million from RM146.39 million for the financial year ended 30 September 2002 ("FYE 2002"), due mainly to the following factors:

- (i) the estimated increase of 8.0% and 10% in the total output of live chicken and processed chicken, respectively; and
- (ii) the opening of 16 Kyros Kebab new outlets coupled with an increase in sale of international franchises resulting from the Group's aggressive marketing efforts.

The PBT for the FYE 2003 of RM9.79 million is estimated to be approximately 43.97% higher than the PBT of RM6.80 million recorded in the FYE 2002 due mainly to the higher percentage of increase in revenue as compared to the percentage of increase in operating costs. The higher PBT in the FYE 2003 is also due mainly to the higher franchise fees received which do not attract high operating costs as normally incurred by the fast food outlets. In addition, the upgrade in the production facilities of the food processing plant in Segambut, Kuala Lumpur is expected to increase the production output and hence result in economies of scale of the food processing division.

The consolidated PAT and after MI is estimated to be RM7.83 million for the FYE 2003, representing an increase of approximately 43.14% of the consolidated PAT and after MI of RM5.47 million recorded in the FYE 2002. The PAT margin for the CAB Group is estimated to increase from 3.74% in the FYE 2002 to 4.84% in the FYE 2003 due mainly to the higher PBT as stated above.

The effective tax rate for the FYE 2003 is approximately 18.72% which is lower than the average income tax rate due to the claim of reinvestment allowances by CAB's subsidiaries namely CABB, CABC and JJSB arising from the additional capital expenditure during the financial year.

The Directors of the Company do not expect any exceptional or extraordinary items during the FYE 2003.

Consolidated profit forecast for the financial year ending 30 September 2004 ("FYE 2004")

The consolidated revenue of the CAB Group in the FYE 2004 is forecast to increase by RM15.57 million or approximately 9.63% to RM177.23 million from RM161.66 million in the FYE 2003, due mainly to the following factors:

- (i) the continuing increase in the total output of live chicken, processed chicken and additional output of DOCs arising from the completion of new breeder farms and new DOCs hatchery centre; and

XI. FINANCIAL INFORMATION (CONT'D)

- (ii) the continuing growth of new Kyros Kebab outlets in both the local and international markets.

The PBT for the FYE 2004 of RM11.55 million is forecast to be approximately 17.97% higher than the PBT of RM9.79 million recorded in the FYE 2003 due mainly to lower financing costs resulting from the utilisation of proceeds raised from the Public Issue for expansion of its business as well as the additional interest earned from fixed deposit(s) placed. The enhancement in economies of scale after the completion of new breeder farms and hatchery centre for production of DOCs to meet in-house requirements for broiler breeding is also a contributory factor to the improvement in the consolidated PBT.

The consolidated PAT and MI is expected to be RM8.98 million for the FYE 2004 representing an increase of 14.74% as compared to the FYE 2003. The PAT margin is forecast to improve from 4.84% in FYE 2003 to approximately 5.07% in FYE 2004. The improvement in the PAT margin is due mainly to enhancement of economies of scale, the lower financing costs and interest earned from the fixed deposit(s) placed as stated above.

The effective tax rate of the CAB Group for the FYE 2004 is forecast to be lower than the statutory tax rate of 28% due mainly to the claim of reinvestment allowances by CAB's subsidiaries namely CABB, CABG and JJSB arising from the continuing expansion in capital expenditure during the year.

The Directors of the Company do not expect any exceptional or extraordinary items during the FYE 2004.

6. SENSITIVITY ANALYSIS**(i) Variation in Revenue**

A sensitivity analysis on the CAB Group's estimate and forecast consolidated profit before tax for the financial years ended/ending 30 September 2003 and 2004 based on a deviation of 5% to 10% on the CAB Group's revenue for the financial years are set out below:

Financial years ended/ending 30 September	Estimate 2003 RM 000	Forecast 2004 RM 000
Consolidated PBT	9,794	11,554
Deviation		
Up 10%	11,863	13,907
Up 5%	10,829	12,731
Down 5%	8,760	10,377
Down 10%	7,725	9,201

XI. FINANCIAL INFORMATION (CONT'D)**(ii) Variation in Cost of Sales**

A sensitivity analysis on the CAB Group's estimate and forecast consolidated profit before tax for the financial years ended/ending 30 September 2003 and 2004 based on a deviation of 5% to 10% on the CAB Group's cost of sales for the financial years are set out below:

Financial years ended/ending 30 September	Estimate 2003 RM 000	Forecast 2004 RM 000
Consolidated PBT	9,794	11,554
Deviation		
Up 10%	(4,303)	(3,816)
Up 5%	2,746	3,869
Down 5%	16,842	19,239
Down 10%	23,891	26,924

The principal bases and assumptions upon which the sensitivity analysis on the Group's profit before tax have been made are as follows:

- (a) The selected independent variable items such as revenue and cost of sales will vary accordingly to 5% and 10% from the base case;
- (b) The selected dependent variable item such as the consolidated PBT will vary as a result of the variation in the independent variable items;
- (c) The gross profit margin will be maintained at the same percentage as in the base case despite the variations in revenue;
- (d) Other operating expenses and amortisation of goodwill and reserve shall remain unchanged; and
- (e) The product mix will be maintained as in the base case.

Based on the above assumptions, the sensitivity analysis shows that the PBT of the CAB Group is more sensitive to the variation in cost of sales than the variation in turnover.

XI. FINANCIAL INFORMATION (CONT'D)**7. DIVIDEND FORECAST AND POLICY**

It is the policy of the Directors of the Company in recommending dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group. However, as the Listing is estimated to be completed by December 2003, there is no dividend estimated for the financial year ended 30 September 2003.

Based on the consolidated profit attributable to shareholders of RM8.981 million for the financial year ending 30 September 2004, the Directors of the Company anticipate that the Company will be in a position to propose a dividend of 2.5 sen for the financial year ending 30 September 2004, based on the enlarged issued and paid-up share capital of 80,000,000 CAB Shares.

The intended appropriation of the forecast consolidated PAT for the financial year ending 30 September 2004 will be as follows:

	RM 000
Consolidated PBT	11,554
Income tax expense	(2,213)
Consolidated PAT before MI	<u>9,341</u>
MI	(360)
Consolidated PAT attributable to shareholders	<u>8,981</u>
Proposed net dividend (RM 000)	1,440
Gross dividend per ordinary share (sen)	2.5
Net dividend per ordinary share (sen)	1.8
Gross dividend cover (times)	5.78
Net dividend cover (times)	6.24
Gross dividend yield (%)	2.84
<i>(based on the offer/issue price of RM0.88 per CAB Share)</i>	
Net dividend yield (%)	2.05
<i>(based on the offer/issue price of RM0.88 per CAB Share)</i>	

Future dividends may be waived in the event of the following circumstances:

- (i) insufficient retained profits to declare as dividends;
- (ii) insufficient tax exempt profits to declare as dividends and/or insufficient tax credits to frank its dividends; or
- (iii) insufficient cashflows to pay dividends.

XI. FINANCIAL INFORMATION (CONT'D)

8. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

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**Deloitte
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28 NOV 2003

The Board of Directors
CAB Cakaran Corporation Berhad
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10350 PENANG
MALAYSIA

Dear Sirs,

**CAB CAKARAN CORPORATION BERHAD (COMPANY NO.: 583661 W)
PROFORMA CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2003**

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of CAB Cakaran Corporation Berhad ("CAB" or "the Company") and its subsidiary companies ("the Group") as of 30 June 2003 as set out in the accompanying statement (which we have stamped for the purpose of identification), for which the Directors are solely responsible. The Proforma Consolidated Balance Sheets have been prepared for inclusion in the Prospectus 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 the Company comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange.

(FORWARD)

**Deloitte
Touche
Tohmatsu**

XI. FINANCIAL INFORMATION (CONT'D)

DELOITTE KASSIMCHAN

In our opinion,

- (i) the Proforma Consolidated Balance Sheets, which are provided for illustrative purposes, have been properly compiled on the basis set out in the Notes and Assumptions to the Proforma Consolidated Balance Sheets;
- (ii) such basis is consistent with the accounting policies normally adopted by the Group; and
- (iii) the adjustments are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

Yours faithfully,



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



TAN BOON HOE
1836/07/05(J)
Partner

XI. FINANCIAL INFORMATION (CONT'D)

CAB CAKARAN CORPORATION BERHAD (COMPANY NO.: 583661 W)
PROFORMA CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2003

	Note	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
PROPERTY, PLANT AND EQUIPMENT	2	-	55,884	55,884
INVESTMENT IN ASSOCIATED COMPANY		-	3	3
AGRICULTURAL EXPENDITURE		-	177	177
GOODWILL ON CONSOLIDATION		-	6,644	6,644
CURRENT ASSETS				
Investment in quoted shares		-	125	125
Inventories		-	5,515	5,515
Trade receivables		-	29,231	29,231
Amount owing by associated company		-	119	119
Other receivables and prepaid expenses	3	-	3,387	2,852
Tax recoverable		-	141	141
Fixed deposits with licensed banks	4	-	-	10,720
Cash and bank balances	5	-	1,185	3,925
Total Current Assets		-	39,703	52,628
CURRENT LIABILITIES				
Trade payables		-	12,232	12,232
Amount owing to associated company		-	89	89
Amount owing to directors		5	150	150
Other payables and accrued expenses		2	2,884	2,884
Hire-purchase payables		-	658	658
Long-term loans		-	1,542	1,542
Bank borrowings		-	22,808	22,808
Tax liabilities		-	1,007	1,007
Total Current Liabilities		7	41,370	41,370
NET CURRENT (LIABILITIES)/ ASSETS		(7)	(1,667)	11,258
		(7)	61,041	73,966

(FORWARD)

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Penang

XI. FINANCIAL INFORMATION (CONT'D)

	Note	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
SHARE CAPITAL	6	-	31,520	40,000
SHARE PREMIUM	7	-	7,684	12,129
RESERVE ON CONSOLIDATION		-	8,260	8,260
ACCUMULATED LOSSES		(7)	(7)	(7)
SHAREHOLDERS' EQUITY		(7)	47,457	60,382
MINORITY INTERESTS		-	370	370
LONG-TERM AND DEFERRED LIABILITIES				
Hire-purchase payables		-	1,630	1,630
Long-term loans		-	8,032	8,032
Deferred tax liabilities	8	-	3,552	3,552
Total Long-term and Deferred Liabilities		-	13,214	13,214
		(7)	61,041	73,966
Net Tangible Assets		(7)	40,813	53,738
Net Tangible Assets per ordinary share (RM)		(3,500.00)	0.65	0.67

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XI. FINANCIAL INFORMATION (CONT'D)**CAB CAKARAN CORPORATION BERHAD (COMPANY NO.: 583661 W)
NOTES AND ASSUMPTIONS TO THE
PROFORMA CONSOLIDATED BALANCE SHEETS****1. Basis of Preparation**

The Proforma Consolidated Balance Sheets together with the notes thereon have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements of CAB Cakaran Corporation Berhad ("CAB") and its subsidiary companies ("the Group") as of 30 June 2003 and on the assumptions that the following transactions have been effected on 30 June 2003.

Proforma I

Proforma I has been presented based on the audited balance sheet of CAB as of 30 June 2003 and incorporating the following:

- i. revaluation of the landed properties of Antik Kualiti Sdn Bhd, CAB Cakaran Breeding Farm Sdn Bhd, CAB Cakaran Sdn Bhd ("CABC"), Gettmore Group Sdn Bhd ("GGSB"), Jimat Jaya Sdn Bhd, Kyros Properties Sdn Bhd and Ladang Ternakan Asun Sdn Bhd. The valuation was carried out by Tan Kok Yew, MBA, Bachelor of Sury. (Hons) (Property Management), a registered valuer of Intra Harta Consultants (North) Sdn Bhd, an independent firm of professional valuers, based on market value using comparison and cost methods of valuation. The revaluation was carried out as part of the listing exercise of CAB and was approved by the Securities Commission on 7 August 2003. The total revaluation surplus (net of deferred tax liabilities of RM2,608,515) of RM14,038,995 is credited into revaluation reserve accounts of the relevant subsidiary companies and a revaluation deficit of RM54,044 is debited into income statement of a subsidiary company;
- ii. sub-division of the par value for every existing ordinary share in CAB from RM1.00 to RM0.50 each;
- iii. acquisition of the entire issued and fully paid-up share capital of CABC comprising 5,500,000 (inclusive of 3,500,000 new ordinary shares of RM1.00 each issued by way of a rights issue by CABC on 31 July 2003) 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 in CAB at approximately RM0.6219 per ordinary share ("Acquisition of CABC"); and
- iv. acquisition of the entire issued and fully paid-up share capital of 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 in CAB at approximately RM0.6219 per ordinary share ("Acquisition of GGSB").

The Acquisition of CABC and Acquisition of GGSB are hereinafter collectively referred to as the "Acquisitions".

The Acquisitions are accounted for using the acquisition method of consolidation.

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XI. FINANCIAL INFORMATION (CONT'D)**Proforma II**

Proforma II incorporates the effects of Proforma I and 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; and
- 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 ("Public Issue"). The estimated listing expenses of RM2,000,000 are written off against the share premium account.

2. Property, Plant and Equipment

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
Acquisitions:			
Property, plant and equipment at book values	-	39,291	39,291
Revaluation surplus of revalued properties	-	16,593	16,593
	-	55,884	55,884

3. Other Receivables And Prepaid Expenses

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
Acquisitions	-	3,387	3,387
Write-off of listing expenses against share premium	-	-	(535)
	-	3,387	2,852

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XI. FINANCIAL INFORMATION (CONT'D)**4. Fixed Deposits With Licensed Banks**

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
Proceeds from Public Issue (net of estimated listing expenses)	-	-	10,720
	-	-	10,720

5. Cash And Bank Balances

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
Acquisitions	-	1,185	1,185
Proceeds from Public Issue	-	-	4,205
Payment of estimated listing expenses	-	-	(1,465)
	-	1,185	3,925

6. Share Capital

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	* -	-	-
New shares issued pursuant to the Acquisitions	-	31,520	31,520
Public Issue	-	-	8,480
	* -	31,520	40,000

* The issued and paid-up share capital as of 30 June 2003 consists of 2 ordinary shares of RM1.00 each.

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XI. FINANCIAL INFORMATION (CONT'D)**7. Share Premium**

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
New shares issued pursuant to the Acquisitions	-	7,684	7,684
Public Issue	-	-	6,445
Write-off of estimated listing expenses	-	-	(2,000)
	-	7,684	12,129

8. Deferred Tax Liabilities

	Audited as of 30 June 2003 RM'000	Proforma I RM'000	Proforma II RM'000
As of 30 June 2003	-	-	-
Acquisitions:			
Deferred tax liabilities on temporary differences	-	943	943
Deferred tax liabilities on revaluation surplus of revalued properties	-	2,609	2,609
	-	3,552	3,552

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