

**CAB CAKARAN CORPORATION BERHAD**

(Company No.: 583661 W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006****CONDENSED CONSOLIDATED INCOME STATEMENTS**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER (3 MONTHS)		CUMULATIVE QUARTERS (12 MONTHS)	
		Current Year Quarter September 30, 2006 (Unaudited)	Preceding Year Corresponding Quarter September 30, 2005 (Unaudited)	Current Year To Date September 30, 2006 (Unaudited)	Preceding Year Corresponding Period September 30, 2005 (Audited)
		RM'000	RM'000	RM'000	RM'000
Revenue	8	87,440	81,767	339,868	350,942
Profit/ (Loss) from operations		(7,584)	3,850	(6,907)	17,949
Finance costs		(1,356)	(1,032)	(4,690)	(3,411)
Income from other investment		19	25	99	160
Profit/ (Loss) before taxation	8	(8,921)	2,843	(11,498)	14,698
Taxation	18	893	(758)	372	(3,434)
Profit/ (Loss) after taxation		(8,028)	2,085	(11,126)	11,264
Minority interests		98	(818)	452	(1,155)
Net Profit/ (Loss) for the period		(7,930)	1,267	(10,674)	10,109
Basic earnings/ (loss) per ordinary share (sen)	26	(6.12)	1.01	(8.27)	8.16
Diluted earnings/ (loss) per ordinary share (sen)	26	N/A	1.01	N/A	8.09

Note: The comparative earnings per share is computed to reflect the bonus issue in the current year.

The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2005 and the accompanying explanatory notes attached to the interim financial statements.



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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006**

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	(Unaudited) As at September 30, 2006 RM'000	(Audited) As at September 30, 2005 RM'000
Non-Current Assets			
Property, plant and equipment		125,610	109,025
Other Investment	19	63	217
Agricultural expenditure		177	177
Goodwill on consolidation		6,873	9,346
		132,723	118,765
Current Assets			
Investment in quoted shares		59	59
Inventories		27,496	20,685
Trade receivables		56,397	74,648
Other receivables		4,637	6,925
Tax recoverable		703	323
Fixed deposit with licensed financial institution		3,088	3,000
Cash and bank balances		2,193	2,354
		94,573	107,994
Current Liabilities			
Trade payables		32,404	42,410
Amount owing to directors		91	140
Other payables		8,114	7,628
Finance lease payable		-	13
Hire-purchase payables		1,566	803
Long-term loans	22	5,030	4,568
Short-term borrowings	22	69,835	49,206
Tax liabilities		651	2,641
		117,691	107,409
Net Current Assets/ (Liabilities)		(23,118)	585
		109,605	119,350
Financed by:			
Share capital		65,876	41,652
Reserves		3,521	38,720
Shareholders' equity		69,397	80,372
Minority interests		12,576	13,074
		81,973	93,446
Hire-purchase payables		4,045	1,554
Long-term loans	22	16,362	17,132
Deferred tax liabilities		7,225	7,218
		109,605	119,350
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.53	0.64

Note: The comparative Net Assets per share is computed to reflect the bonus issue exercise in the current year.

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2005 and the accompanying explanatory notes attached to the interim financial statements.



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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Twelve (12) Months Ended September 30, 2006 (Unaudited)

	<----- Non-distributable ----->				Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Translation Reserve RM'000	Retained Profit RM'000	Total RM'000
As at October 1, 2005	41,652	13,239	4,901	1	20,579	80,372
Exercise of share option of 5,284,300 ordinary shares	2,642	978	-	-	-	3,620
Transfer (to)/ from Bonus Issue	21,582	(14,147)	-	-	(7,435)	-
Amortisation of reserve on consolidation	-	-	(1,970)	-	-	(1,970)
Currency translation differences Reserve arising on acquisition of subsidiary company	-	-	-	(20)	-	(20)
Net gain/(loss) not recognised in the income statement	-	-	240	(20)	-	220
Dividend	-	-	-	-	(2,171)	(2,171)
Net loss for the financial period	-	-	-	-	(10,674)	(10,674)
Balance as at September 30, 2006	65,876	70	3,171	(19)	299	69,397

Twelve (12) Months Ended September 30, 2005 (Audited)

	<----- Non-distributable ----->				Distributable	
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Translation Reserve RM'000	Retained Profit RM'000	Total RM'000
As at October 1, 2004	40,004	12,307	6,548	(9)	11,969	70,819
Exercise of share option of 3,295,500 ordinary shares	1,648	988	-	-	-	2,636
Amortisation of reserve on consolidation	-	-	(1,719)	-	-	(1,719)
ESOS expenses written off Reserve arising on acquisition of subsidiary company	-	(56)	-	-	-	(56)
Currency translation differences	-	-	72	10	-	82
Net gain/(loss) not recognized in the income statement	-	(56)	72	10	-	26
Net profit for the financial period	-	-	-	-	10,109	10,109
Dividend	-	-	-	-	(1,499)	(1,499)
Balance as at September 30, 2005	41,652	13,239	4,901	1	20,579	80,372

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2005 and the accompanying explanatory notes attached to the interim financial statements.

**CAB CAKARAN CORPORATION BERHAD**

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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	12 months ended September 30, 2006 (Unaudited) RM'000	12 months ended September 30, 2005 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	(11,498)	14,698
Adjustments for:		
Non-cash items	13,155	6,818
Non-operating items	4,207	2,692
Operating profit before working capital changes	5,864	24,208
Net change in current assets	16,673	(8,074)
Net change in current liabilities	(17,925)	7,016
Effect of exchange rates changes on working capital	(58)	13
Cash generated from operations	4,554	23,163
Interests paid	(4,487)	(3,079)
Income tax paid	(2,784)	(2,246)
Net cash generated from operating activities	(2,717)	17,838
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	546	1,089
Dividend received	10	15
Interest received	92	169
Net repayment of advances by associated company	-	144
Purchase of property, plant and equipment	(10,899)	(20,426)
Investment in unquoted shares	-	(217)
Investment in subsidiary companies	(4,934)	(10,713)
Net cash used in investing activities	(15,185)	(29,939)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares for share option exercised	3,620	2,636
Net repayment of advances to associated company	-	(14)
Payment of ESOS expenses	-	(56)
Net change in long-term loans	(307)	8,438
Net change in short-term borrowings	12,229	4,982
Net repayment of finance lease payable	(13)	(21)
Net change in hire-purchase	(1,619)	(912)
Advance/ repayment from/ (to) directors	681	(13)
Dividend paid	(2,171)	(1,499)
Net cash from financing activities	12,420	13,541
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,482)	1,440
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(1,136)	(2,576)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(6,618)	(1,136)
Bank overdrafts	(11,899)	(6,490)
Deposits with licensed financial institution	3,088	3,000
Cash and Bank Balances	2,193	2,354
	(6,618)	(1,136)

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2005 and the accompanying explanatory notes attached to the interim financial statements.



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(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of CAB Cakaran Corporation Berhad ("CAB" or "the Company") and all its subsidiaries ("the Group") for the financial year ended September 30, 2005. The explanatory notes attached hereto provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended September 30, 2005.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended September 30, 2005.

2. Audit opinion

The auditors' report on the audited financial statements of the Group for the financial year ended September 30, 2005 was not subject to any audit qualifications.

3. Seasonal or cyclical factors

The Group's financial performance in the current quarter was not significantly affected by any seasonal or cyclical factors. However, during the financial year especially in the second quarter (January 2006 to March 2006), sales of poultry and poultry related products was significantly affected by the outbreaks of Avian Influenza ("AI") in the states of Selangor, Perak and Penang in February and March 2006 respectively.

4. Unusual items

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter ended September 30, 2006.

5. Material change in estimates

There were no material changes in estimates of amounts reported in the prior quarter and/ or financial year that have a material effect on the Group in the current quarter ended September 30, 2006.

6. Changes in debt and equity securities

Save for the issuance of 165,900 ordinary shares of RM0.50 each pursuant to the exercise of ESOS, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company for the current quarter ended September 30, 2006.

7. Dividends paid

A first and final dividend of 2.5 sen (5.0%) per ordinary share, less tax of 28%, and a special dividend of 1.0 sen (2.0%) per ordinary share, less tax of 28% for the financial year ended September 30, 2005 were paid on April 12, 2006.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006****8. Segment information**

The analysis of contribution by business activities of the Group is as follows:-

	Three (3) Months ended September 30, 2006		Twelve (12) Months ended September 30, 2006	
	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
By Business Activities				
Investment holding	-	(2,470)	-	(2,639)
Integrated poultry farming and processing	76,340	(2,640)	300,108	209
Marine products manufacturing	7,678	(905)	29,280	(3,098)
Restaurants and franchising	779	(1,938)	3,873	(3,450)
Value-added food products manufacturing and trading	2,643	(968)	6,607	(2,520)
Consolidated	87,440	(8,921)	339,868	(11,498)

The analysis of contribution by geographical locations of the Group is as follows:-

	Three (3) Months ended September 30, 2006		Twelve (12) Months ended September 30, 2006	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	80,232	91.7%	311,314	91.6%
European Countries	4,029	4.6%	17,260	5.1%
United States of America	3,147	3.6%	9,924	2.9%
Others	32	0.1%	1,370	0.4%
Consolidated	87,440	100.0%	339,868	100.0%

The Directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

9. Carrying amount of revalued assets

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the audited financial statements of the Group for the financial year ended September 30, 2005.

10. Material events subsequent to the end of the interim period

There were no material events which occurred subsequent to the end of current quarter ended September 30, 2006 until the date of the interim financial statements save as disclosed in Note 21 of the interim financial statements.



CAB CAKARAN CORPORATION BERHAD

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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006**

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended September 30, 2006.

12. Changes in contingent liabilities and assets

As at September 30, 2006, the Company has issued corporate guarantees amounting to RM132.958 million (2005 : RM104.544 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively granted to its subsidiary companies.

13. Capital commitments

The capital commitments of the Group as at September 30, 2006 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Contracted but not provided for in the financial statements	9,444
Investments:	
Authorised but not contracted for	-
Contracted but not provided for in the financial statements	-
Total	<u>9,444</u>

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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006****NOTES TO THE INTERIM FINANCIAL STATEMENTS****PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA SECURITIES LISTING REQUIREMENTS****14. Review of performance**

For the fourth quarter ended September 30, 2006, the Group recorded a revenue of RM87.440 million, representing an increase of 6.9% over the prior year corresponding quarter's revenue of RM81.767 million due largely to higher production output of poultry and poultry related products. For the financial year ended September 30, 2006, the Group recorded a revenue of RM339.868 million, representing a marginal decrease of 3.2% as compared to the prior year's revenue of RM350.942 million due largely to the lower export sales of marine products to overseas.

For the fourth quarter ended September 30, 2006, the Group recorded a loss before taxation of RM8.921 million as compared to the prior year corresponding quarter's profit before taxation of RM2.843 million. This was due largely to the provision of bad/ doubtful debts and write-off of goodwill on acquisition. During the current quarter under review, the Group carried out a review and impairment test on its long overdue trade debts and investment assets. As a result, provision of bad/ doubtful debts of RM2.729 million and write-off of goodwill of RM2.439 million were recognised and charged to the Income Statement in the current quarter. The goodwill of RM2.439 million was the entire carrying amount (after amortisation) arising from the acquisition of Kyros International Sdn Bhd and its subsidiary companies in August 2003 and such investment was tested impaired because of its negative net assets value due to continued losses. Should such provision of bad/ doubtful debts and write-off of goodwill be excluded, the losses would have been reduced to RM3.753 million in the current quarter and such losses were due mainly to lower average ex-farm price of broilers as compared to prior year corresponding quarter and losses incurred by the marine, restaurants/franchising and value-added food products divisions.

For the financial year ended September 30, 2006, the Group recorded a loss before taxation of RM11.498 million as compared to the profit before taxation of RM14.698 million in the prior year. This was due to the losses in the Group's marine business, the continued losses in the Group's restaurants/franchising business and the losses in the Group's value-added food products business due to high start-up costs. The losses in the Group's marine business were due largely to competitive selling prices in overseas versus the higher costs of raw materials due to shortage of supply in raw prawns. The continued losses in the Group's restaurants/franchising business were due to weaker sales of Kyros Kebab outlets and high operating costs. The poultry business, on the other hand, recorded a marginal profit before taxation of RM0.209 million despite operated in the challenging environment especially with the lower average ex-farm price of broilers due to lower demand for poultry and poultry related products after the outbreaks of Avian Influenza ("AI") in the states of Selangor, Perak and Penang in February and March 2006.

15. Comment on material change in profit before taxation

The comparison of the Group revenue and profit before taxation for the current quarter and preceding quarter is summarised as follows:-

	2006	2006	Variance	
	Quarter 4	Quarter 3	RM'000	%
	RM'000	RM'000		
Revenue	87,440	87,052	388	0.4%
Profit/ (Loss) Before Taxation	(8,921)	(2,673)	6,248	233.7%

For the current quarter ended September 30, 2006, the Group recorded stable revenue relative to the revenue recorded in the preceding quarter. However, losses were enlarged due largely to the provision of bad/ doubtful debts and write-off of Goodwill as explained under Item 14 above.



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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006**

16. Commentary on prospects

The Board foresees the overall business environment especially the industry in which the Group is involved in to remain challenging in the next financial year. In view of the challenging and competitive environments, the Board would explore various measures especially in reducing the operating costs of the Group as well as to further strengthen the contribution in terms of revenue and profitability from the Group's value-added food products. With such measures, the Board hopes that the Group would achieve better financial results in the financial year ending September 30, 2007.

17. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

18. Taxation

	3 months ended		12 months ended	
	30.09.06 RM'000	30.09.05 RM'000	30.09.06 RM'000	30.09.05 RM'000
Current taxation				
- Current	(471)	338	766	3,090
- Prior years	-	(80)	(277)	(155)
	(471)	258	489	2,935
Deferred taxation	(422)	500	(861)	499
	(893)	758	(372)	3,434

There was write-back on taxation provision in the current quarter due to over-provision of taxation in prior quarter. The effective taxation rate in the current financial year ended September 30, 2006 was different from the statutory rate of income tax due to deferred tax assets on certain loss making subsidiary companies not recognised. The effective tax rate of the Group for the prior financial year was lower than statutory income tax rate due to tax incentives enjoyed by certain subsidiary companies.

19. Unquoted investments and/ or properties

There were no material purchases or disposals of unquoted investments and/ or properties in the current quarter ended September 30, 2006.

20. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter ended September 30, 2006.

21. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended September 30, 2006 and up to the date of this interim report.

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(Company No.: 583661 W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006

22. Group borrowings and debt securities

The Group's total bank borrowings as at September 30, 2006 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdrafts	7,287	4,612	11,899
Bankers' acceptances and export credit refinancing	13,168	44,768	57,936
Hire purchase	1,566	-	1,566
Term loan	4,379	651	5,030
Sub-total	<u>26,400</u>	<u>50,031</u>	<u>76,431</u>
Long-term borrowings:			
Hire purchase	4,045	-	4,045
Term loan	15,707	655	16,362
Sub-total	<u>19,752</u>	<u>655</u>	<u>20,407</u>
Total borrowings	<u>46,152</u>	<u>50,686</u>	<u>96,838</u>

The above borrowings are denominated in Ringgit Malaysia.

23. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of issue of this Interim Financial Report save for foreign currency forward contracts. Foreign currency forward contracts are entered into by the Group in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge as far as possible all amounts of receivables in foreign currency.

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at November 24, 2006 are as follows:-

	Fair Value RM'000	Contracted Amount RM'000
Foreign currency forward contracts	1,274	1,266

The fair value of foreign currency forward contracts are calculated by reference to the current rate of contracts with similar maturity profiles.

24. Changes in material litigation

There were no material litigations as at the date of the interim financial statements.

25. Proposed Dividend

No interim dividend has been declared for the current quarter ended September 30, 2006

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**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED SEPTEMBER 30, 2006****26. Earnings per share**

The basic earnings per ordinary share and diluted earnings per ordinary share are calculated based on the Group's net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue as follows:-

	Current Year Quarter September 30, 2006	Prior Year Quarter September 30, 2005	Current Year To Date September 30, 2006	Preceding Year Corresponding Period September 30, 2005
Net profit/ (loss) attributable to shareholders (RM'000)	(7,930)	1,267	(10,674)	10,109
Weighted average number of Shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	129,494	124,952	129,085	123,866
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	129,494	124,952	129,085	123,866
Adjustment for assumed exercised of ESOS ('000)	210	(85)	636	1,123
Adjusted weighted average number of ordinary shares ('000)	129,704	124,867	129,721	124,989
Basic earnings/ (loss) per ordinary share (sen)	(6.12)	1.01	(8.27)	8.16
Diluted earnings/ (loss) per ordinary share (sen)	N/A	1.01	N/A	8.09

The computation of the diluted earnings per share in the current quarter was ignored as it is an anti-dilutive.

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on November 29, 2006.