



CAB CAKARAN CORPORATION BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 JUNE 2008**

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CAB CAKARAN CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 9 months ended 30 June	
		2008 RM'000 (Unaudited)	2007 RM'000 (Unaudited)	2008 RM'000 (Unaudited)	2007 RM'000 (Unaudited)
Revenue	9	128,470	106,763	378,670	313,664
Profit/(Loss) from operations		(3,215)	*(731)	418	*(578)
Finance costs		(1,403)	(1,350)	(4,194)	(4,068)
Investment Revenue		519	*786	1,673	*1,307
Loss before taxation	9	(4,099)	(1,295)	(2,103)	(3,339)
Taxation	19	(560)	173	(1,728)	56
Loss for the period		(4,659)	(1,122)	(3,831)	(3,283)
Loss attributable to equity holders of the parent		(4,338)	(798)	(3,415)	(2,657)
Minority interests		(321)	(324)	(416)	(626)
		(4,659)	(1,122)	(3,831)	(3,283)
Basic loss per ordinary share (sen)	27	(3.29)	(0.61)	(2.59)	(2.02)
Diluted loss per ordinary share (sen)	27	(3.33)	(0.61)	(2.62)	(2.02)

The condensed consolidated income statement should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2007 and the accompanying explanatory notes attached to the interim financial statements.

The above condensed consolidated income statement for the three months ended June 30, 2008 has been reviewed by the external auditors wherein their report dated August 27, 2008 expressed an unqualified conclusion.

* These items have been reclassified from profit from operations to investment revenue for comparison purpose to be consistent with current year presentation.

CAB CAKARAN CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS
(The figures have not been audited)

		As at 30 June 2008	As at 30 September 2007
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		109,622	110,388
Investment properties		18,769	19,920
Prepaid lease payments		7,486	6,476
Agricultural expenditure		177	177
Goodwill on consolidation		2,566	6,873
		138,620	143,834
Current Assets			
Inventories		24,045	20,538
Trade and other receivables		66,757	62,524
Other assets		5,139	4,972
Tax recoverable		112	401
Cash and bank balances		5,299	6,129
Non-current assets held for sale		5,201	1,247
		106,553	95,811
TOTAL ASSETS		245,173	239,645
EQUITY AND LIABILITIES			
Share capital		65,890	65,890
Reserves		8,166	11,591
		74,056	77,481
Minority interests		14,117	13,503
Total Equity		88,173	90,984
NON-CURRENT LIABILITIES			
Long-term borrowings	23	15,029	16,909
Deferred tax liabilities		7,623	7,463
		22,652	24,372
CURRENT LIABILITIES			
Trade and other payables		52,890	40,808
Short-term borrowings	23	80,878	82,972
Tax liabilities		580	509
		134,348	124,289
TOTAL EQUITY AND LIABILITIES		245,173	239,645
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.56	0.59

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2007 and the accompanying explanatory notes attached to the interim financial statements.

The above condensed consolidated balance sheet as at June 30, 2008 has been reviewed by the external auditors wherein their report dated August 27, 2008 expressed an unqualified conclusion.

CAB CAKARAN CORPORATION BERHAD
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 (The figures have not been audited)

Nine (9) Months Ended June 30, 2008

	< ----- Attributable to the equity holders of the parent ----- >							
	<----- Non-distributable ----->				Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained Profit	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at October 1, 2007	65,890	71	5,748	9	5,763	77,481	13,503	90,984
Transfer of revaluation Reserve	-	-	(120)	-	120	-	-	-
Currency translation differences	-	-	-	(10)	-	(10)	(15)	(25)
Net income and expenses recognized directly in equity	-	-	(120)	(10)	120	(10)	(15)	(25)
MI arising from allotment of shares in a subsidiary company	-	-	-	-	-	-	1,045	1,045
Loss for the financial period	-	-	-	-	(3,415)	(3,415)	(416)	(3,831)
Balance as at June 30, 2008	65,890	71	5,628	(1)	2,468	74,056	14,117	88,173

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Nine (9) Months Ended June 30, 2007

	< ----- Attributable to the equity holders of the parent ----- >						Minority Interest	Total Equity
	Share Capital	Share Premium	Reserve on Consolidation	Translation Reserve	Retained Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at October 1, 2006	65,876	71	3,171	(20)	247	69,345	12,576	81,921
Effects of adopting:								
FRS3	-	-	(3,171)	-	3,171	-	-	-
FRS140	-	-	-	-	54	54	14	68
	65,876	71	-	(20)	3,472	69,399	12,590	81,989
Exercise of share option of 27,700 ordinary shares	14	-	-	-	-	14	-	14
Currency translation differences	-	-	-	19	-	19	33	52
Net income and expenses recognized directly in equity	-	-	-	19	-	19	33	52
MI arising from acquisition of new subsidiary	-	-	-	-	-	-	1	1
Loss for the financial period	-	-	-	-	(2,657)	(2,657)	(626)	(3,283)
Balance as at June 30, 2007	65,890	71	-	(1)	815	66,775	11,998	78,773

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, 2007 and the accompanying explanatory notes attached to the interim financial statements.

CAB CAKARAN CORPORATION BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
(The figures have not been audited)

	9 months ended June 30, 2008 RM'000	9 months ended June 30, 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(3,831)	(3,283)
Adjustments for:		
Non-cash items	10,754	6,057
Non-operating items	3,747	3,466
Tax income recognized in profit or loss	1,728	(56)
Operating profit before working capital changes	12,398	6,184
Net change in current assets	(8,004)	(6,272)
Net change in current liabilities	12,057	11,459
Effect of exchange rates changes on working capital	(29)	59
Cash generated from operations	16,422	11,430
Interests paid	(3,765)	(3,733)
Income tax paid & refund	(1,209)	(1,259)
Net cash generated from operating activities	11,448	6,438
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	863	1,025
Proceeds from disposal of quoted investment	-	156
Dividend received	-	3
Interest received	(90)	73
Purchase of property, plant and equipment	(4,889)	(6,782)
Purchase of leasehold land	(1,122)	-
Purchase of investment properties	(1,643)	-
Net cash used in investing activities	(6,881)	(5,525)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital to MI of subsidiaries	1,122	2
Proceeds from shares option exercised	-	14
Net change in long-term loans	(4,135)	(2,148)
Net change in short-term borrowings	(2,619)	2,272
Net change in hire-purchase	(601)	(1,140)
Advance from directors	9	21
Short term deposit held as security	(190)	-
Net cash used in financing activities	(6,414)	(979)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,847)	(66)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(6,247)	(6,620)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(8,094)	(6,686)
REPRESENTED BY:-		
Bank overdrafts	(10,663)	(11,142)
Deposits with licensed financial institution	2,730	2,523
Cash and Bank Balances	2,569	1,933
	(5,364)	(6,686)
Less : Short term deposit pledged as security	(2,730)	-
	(8,094)	(6,686)

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, 2007 and the accompanying explanatory notes attached to the interim financial statements.

CAB CAKARAN CORPORATION BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT

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

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended September 30, 2007. The explanatory notes attached to the interim financial report 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, 2007.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended September 30, 2007 except for the adoption of the following new/ revised Financial Reporting Standards ("FRS") effective for the financial period beginning October 1, 2007:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 121	Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 8	Scope of FRS 2

The adoption of these new and revised FRSs and IC Interpretations has no material effect on the financial statements of the Group and of the Company.

The new standards, amendments to published standards and interpretations to existing standards that were issued but are not yet effective to the Group and the Company and have not been early adopted by the Group and the Company is FRS 139 Financial Instruments – Recognition & Measurement.

The impact of FRS 139 on the financial statements upon its initial application is not disclosed by virtue of the exemption given by this FRS.

3. Audit opinion

The auditors' report on the audited financial statements of the Group for the financial year ended September 30, 2007 was not subject to any audit qualifications.

4. Seasonal or cyclical factors

The Group's financial performance in the current quarter was not significantly affected by any seasonal or cyclical factors.

5. 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 June 30, 2008.

6. 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 June 30, 2008.

7. Changes in debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company for the current quarter ended June 30, 2008.

8. Dividends paid

There was no dividend paid for the current year to date.

9. Segment information

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

	Three (3) Months ended June 30, 2008		Nine (9) Months ended June 30, 2008	
	Profit/ (Loss) Before		Profit/ (Loss) Before	
	Revenue RM'000	Taxation RM'000	Revenue RM'000	Taxation RM'000
By Business Activities				
Investment holding	-	(4,384)	-	(4,477)
Integrated poultry farming and processing	111,399	2,174	328,655	5,832
Marine products manufacturing	8,952	(1,687)	28,524	(2,664)
Restaurants and franchising	889	(74)	2,701	(286)
Value-added food products manufacturing and trading	7,230	(128)	18,790	(508)
Consolidated	128,470	(4,099)	378,670	(2,103)

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

	Three (3) Months Ended June 30, 2008		Nine (9)Months Ended June 30, 2008	
	RM'000	%		%
Revenue				
By Geographical Locations				
Malaysia	118,881	92.5%	350,003	92.4%
European Countries	925	0.7%	2,958	0.8%
United States of America	7,801	6.1%	18,454	4.9%
Others	863	0.7%	7,255	1.9%
Consolidated	128,470	100.0%	378,670	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.

10. 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 2007.

11. 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 June 30, 2008 until the date of the interim financial statements saved as disclosed below.

- (i) On July 3, 2008, the Company announced that Jaya Gading Farm Sdn Bhd (“JGFSB”), a 55% owned subsidiary company of CAB Cakaran Sdn Bhd, which in turn is a wholly owned subsidiary of the company, acquired 20,000 ordinary shares of RM1 each in Fah Leong Sdn Bhd (“FLSB”) from Mr Loo Chu Heng for a total purchase consideration of RM260,000.00. In turn, FLSB became an associated company of JGFSB.
- (ii) On July 11, 2008, the Company announced that its 75% owned subsidiary, N.T. Huat Kee Fisheries Sdn Bhd (“NTHK”) had been served with a winding up petition by a 5% minority shareholder under Section 218(1)(f);(i) of the Companies Act 1965. A full provision of RM10,547,000 for diminution in its investment in NTHK and impairment loss on goodwill for RM4,306,739 had been made in the accounts. The potential losses and financial impact to CAB Group cannot be determined at this point in time. The Company has a potential contingent liabilities of RM21,063,000.00 in respect of corporate guarantees extended to NTHK for its banking facilities. However, the total contingent liabilities based on actual outstanding balances as at June 30, 2008 of its banking facilities only amounting to RM8,038,979.00

The Petition is scheduled for hearing on November 17, 2008 at the High Court of Malaya at Penang. The Company has appointed a legal advisor to vigorously defend the Petition. The Court has on August 25, 2008 granted a Consent Order for the company to operate its bank accounts in its ordinary course of business.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended June 30, 2008.

13. Changes in contingent liabilities and assets

As at June 30, 2008, the Company has issued corporate guarantees amounting to RM136.466 million (June 30 2007 : RM140.595 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively granted to its subsidiary companies.

14. Capital commitments

The capital commitments of the Group as at June 30, 2008 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for in the financial statements	10,006
Total	<u>10,006</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA SECURITIES LISTING REQUIREMENTS

15. Review of performance

For the third quarter ended June 30, 2008, the Group recorded revenue of RM128.470 million, representing an increase of 20.33% over the prior year corresponding quarter's revenue of RM106.763 million. The higher revenue in the current quarter as compared to the revenue of the prior year corresponding quarter was mainly due to higher sales and production output.

Even though the Group recorded a higher revenue in the current quarter ended June 30, 2008, the Group suffered loss before taxation of RM4.099 million as compared to loss before taxation of RM1.295 million incurred in the prior year corresponding quarter . This was due to rising and higher feeds and raw materials costs and continuing losses suffered in marine product manufacturing division and impairment of goodwill of RM4,306,739 recognised in the current quarter.

16. 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:-

	2008 Quarter 3 RM'000	2008 Quarter 2 RM'000	Variance RM'000	%
Revenue	128,470	123,213	5,257	4.27%
Loss Before Taxation	(4,099)	(1,300)	(2,799)	215.31%

For the current quarter ended June 30 2008, the Group recorded higher revenue relative to revenue recorded in the preceding quarter mainly due to higher sales and higher average selling prices. The Group incurred losses in the current quarter mainly due to impairment of goodwill in marine product manufacturing division.

17. Commentary on prospects

It is anticipated that the overall business environment especially the industries in which the Group is involved in will remain challenging in the remaining quarters of this financial year due to rising operating and raw materials costs. The recent ban in export of seafood products to European market has further exacerbated already lacklustre performance of the marine product manufacturing division. The Group's marine product manufacturing division continues to face some tough challenges ahead. The management has decided to divert its export market to elsewhere especially to US in anticipation of the export ban to European market to sustain its sales and to avoid further losses. The management is confident that this division's overall performance and profits will improve in the last quarter of this financial year. Nevertheless, the management is optimistic that its overall performance will be satisfactory. Its value added products manufacturing and trading division will continue to generate higher sales and better profit margins as it has received more overseas orders. Barring any unforeseen circumstances, it is hoped that the Group's overall performance will be satisfactory in the coming financial year.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Taxation

	3 months ended		9 months ended	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	600	249	1,355	775
- Prior years	-	-	213	(171)
	<u>600</u>	<u>249</u>	<u>1,568</u>	<u>604</u>
Deferred taxation	(40)	(422)	160	(660)
	<u>560</u>	<u>(173)</u>	<u>1,728</u>	<u>(56)</u>

The Group is subject to tax even though it incurred losses as certain expenses were disallowed for tax purpose and losses of certain subsidiaries cannot be set off with profit of other subsidiaries within the Group.

20. Unquoted investments and/ or properties

There were no material purchases or disposals of unquoted investments and/ or properties in the current quarter ended June 30, 2008.

21. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter ended June 30, 2008.

22. Corporate proposals

Except for the Proposed Share Buy Back and Proposed Exemption announced on June 2, 2008, there were no other corporate proposals announced but not completed in the current quarter ended June 30, 2008 and up to the date of this interim report.

23. Group borrowings and debt securities

The Group's total bank borrowings as at June 30, 2008 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdrafts	8,245	2,418	10,663
Bankers' acceptances and export credit refinancing	36,181	27,085	63,266
Hire purchase	2,385	-	2,385
Term loan	4,053	511	4,564
Sub-total	<u>50,864</u>	<u>30,014</u>	<u>80,878</u>
Long-term borrowings:			
Hire purchase	5,295	-	5,295
Term loan	9,458	276	9,734
Sub-total	<u>14,753</u>	<u>276</u>	<u>15,029</u>
Total borrowings	<u>65,617</u>	<u>30,290</u>	<u>95,907</u>

The above borrowings are denominated in Ringgit Malaysia.

24. 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 recognized in the balance sheet as at August 25, 2008 are as follows:-

	Fair Value RM'000	Contracted Amount RM'000
Foreign currency forward contract	595	563

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

25. Changes in material litigation

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

26. Proposed Dividend

No interim dividend has been declared for the current quarter ended June 30, 2008.

27. 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 June 30, 2008	Prior Year Quarter June 30, 2007	Current Year To Date June 30, 2008	Preceding Year Corresponding Period June 30, 2007
Loss attributable to equity holders of the parent (RM'000)	(4,338)	(798)	(3,415)	(2,657)
Weighted average number of Shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	131,779	131,779	131,779	131,768
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	131,779	131,779	131,779	131,768
Adjustment for assumed exercised of ESOS ('000)	(1,596)	(657)	(1,264)	(315)
Adjusted weighted average number of ordinary shares ('000)	130,183	131,122	130,515	131,453
Basic loss per ordinary share (sen)	(3.29)	(0.61)	(2.59)	(2.02)
Diluted loss per ordinary share (sen)	(3.33)	(0.61)	(2.62)	(2.02)

28. 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 August 27, 2008.