



**CAB CAKARAN CORPORATION BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED  
30 SEPTEMBER 2008**

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**CAB CAKARAN CORPORATION BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 12 months ended 30 September	
		2008 RM'000 (Unaudited)	2007 RM'000 (Unaudited)	2008 RM'000 (Unaudited)	2007 RM'000 (Audited)
Revenue	9	177,523	129,270	556,193	442,934
Profit from operations		6,333	*4,747	6,751	*5,235
Finance costs		(1,347)	(1,303)	(5,541)	(5,371)
Investment revenue		496	*1,521	2,169	*1,762
Profit before taxation	9	5,482	4,965	3,379	1,626
Taxation	19	(878)	(1,466)	(2,606)	(1,410)
Profit for the period		4,604	3,499	773	216
Profit attributable to equity holders of the parent		4,268	3,276	853	619
Minority interests		336	223	(80)	(403)
		4,604	3,499	773	216
Basic earnings per ordinary share (sen)	27	3.24	2.49	0.65	0.47
Diluted earnings per ordinary share (sen)	27	N/A	N/A	N/A	N/A

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

The above condensed consolidated income statement for the three months ended September 30, 2008 has been reviewed by the external auditors wherein their report dated November 26, 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**

		As at 30 September 2008 (Unaudited)	As at 30 September 2007 (Audited)
	Note	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		112,089	110,388
Investment in unquoted shares		260	-
Investment properties		19,048	19,920
Prepaid lease payments		7,805	6,476
Agricultural expenditure		177	177
Goodwill on consolidation		2,566	6,873
Deferred tax assets		94	-
		142,039	143,834
<b>Current Assets</b>			
Inventories		25,573	20,538
Trade and other receivables		89,513	62,524
Other assets		4,957	4,972
Tax recoverable		214	401
Cash and bank balances		6,728	6,129
Non-current assets held for sale		3,541	1,247
		130,526	95,811
<b>TOTAL ASSETS</b>		<b>272,565</b>	<b>239,645</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		65,890	65,890
Reserves		12,442	11,591
		78,332	77,481
Minority interests		14,459	13,503
Total Equity		92,791	90,984
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	23	14,111	16,909
Deferred tax liabilities		7,328	7,463
		21,439	24,372
<b>CURRENT LIABILITIES</b>			
Trade and other payables		80,246	40,808
Short-term borrowings	23	76,333	82,972
Tax liabilities		1,756	509
		158,335	124,289
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>272,565</b>	<b>239,645</b>
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.59	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 September 30, 2008 has been reviewed by the external auditors wherein their report dated November 26, 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)

Twelve (12) Months Ended September 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	-	-	(160)	-	160	-	-	-
Realisation of revaluation reserve upon disposal of property	-	-	(261)	-	261	-	-	-
Reversal of deferred tax liabilities arising from change in tax rate	-	-	21	-	-	21	28	49
Currency translation differences	-	-	-	(23)	-	(23)	(37)	(60)
Net income and expenses recognised directly in equity	-	-	(400)	(23)	421	(2)	(9)	(11)
MI arising from allotment of shares in a subsidiary company	-	-	-	-	-	-	1,045	1,045
Profit for the financial year	-	-	-	-	853	853	(80)	773
Balance as at September 30, 2008	65,890	71	5,348	(14)	7,037	78,332	14,459	92,791

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Company No.: 583661 W

**CAB CAKARAN CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Twelve (12) Months Ended September 30, 2007

	Attributable to the equity holders of the parent						Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Consolidation	Translation Reserve	Distributable Retained Profit			
	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 changes in accounting policies	-	-	-	(3,171)	-	4,897	1,726	15	1,741
	65,876	71	-	-	(20)	5,144	71,071	12,591	83,662
Exercise of share option of 27,700 ordinary shares	14	-	-	-	-	-	14	-	14
Surplus on revaluation of properties	-	-	6,393	-	-	-	6,392	970	7,363
Deferred tax liabilities on revaluation surplus of revalued properties	-	-	(645)	-	-	-	(645)	(87)	(732)
Reversal of deferred tax liabilities arising from change in tax rate	-	-	-	-	-	-	-	209	209
Reversal of deferred tax liabilities arising from abolishment of capital gains tax	-	-	-	-	-	-	-	79	79
Currency translation differences	-	-	-	-	29	-	29	15	44
Net income and expenses recognised directly in equity	-	-	5,748	-	29	-	5,777	1,186	6,963
Issue of additional shares by a subsidiary	-	-	-	-	-	-	-	110	110
MI arising from acquisition of New subsidiary	-	-	-	-	-	-	-	1	1
Accretion in minority interest in a subsidiary	-	-	-	-	-	-	-	18	18
Profit for the financial year	-	-	-	-	-	619	619	(403)	216
Balance as at September 30, 2007	65,890	71	5,748	-	9	5,763	77,481	13,503	90,984

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)

	12 months ended September 30, 2008 RM'000	12 months ended September 30, 2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	773	216
Adjustments for:		
Non-cash items	13,048	8,459
Non-operating items	4,826	4,827
Tax income recognized in profit or loss	2,606	1,410
Operating profit before working capital changes	21,253	14,912
Net change in current assets	(32,324)	413
Net change in current liabilities	39,367	262
Effect of exchange rates changes on working capital	(64)	50
Cash generated from operations	28,232	15,637
Interests paid	(5,005)	(4,985)
Income tax paid and refunded	(1,353)	(1,485)
Net cash generated from operating activities	21,874	9,167
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	3,165	494
Proceeds from disposal of quoted investment	-	156
Dividend received	-	3
Acquisition of subsidiary	-	1
Interest received	99	90
Purchase of property, plant and equipment	(10,270)	(10,428)
Purchase of leasehold land	(370)	-
Purchase of investment properties	(1,652)	-
Investment in unquoted shares	(260)	-
Net cash used in investing activities	(9,288)	(9,684)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital to MI of subsidiaries	-	110
Proceeds from shares options exercised	-	14
Net change in long-term loans	(5,251)	(2,960)
Net change in short-term borrowings	(5,066)	7,949
Net change in hire-purchase	(737)	(1,678)
Advance from/(repayment to) directors	2	(9)
Short term deposit held as security	(207)	(2,540)
Net cash (used in)/generated from financing activities	(11,259)	886
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,327</b>	<b>369</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>(6,246)</b>	<b>(6,619)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>(4,919)</b>	<b>(6,250)</b>
<b>REPRESENTED BY:-</b>		
Bank overdrafts	(8,899)	(9,839)
Deposits with licensed financial institution	2,748	2,540
Cash and Bank Balances	3,980	3,589
	(2,171)	(3,710)
Less : Short term deposit pledged as security	(2,748)	(2,540)
	(4,919)	(6,250)

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.

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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 September 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 September 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 September 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 September 30, 2008		Twelve (12) Months Ended September 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	-	(38)	-	(4,515)
Integrated poultry farming and processing	134,733	5,231	463,388	11,063
Marine products manufacturing	33,933	242	62,457	(2,422)
Restaurants and franchising	853	(151)	3,554	(437)
Value-added food products manufacturing and trading	8,004	198	26,794	(310)
Consolidated	177,523	5,482	556,193	3,379

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

	Three (3) Months Ended September 30, 2008		Twelve (12) Months Ended September 30, 2008	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	143,387	80.8%	493,390	88.7%
European Countries	-	0.0%	2,958	0.5%
United States of America	33,375	18.8%	51,829	9.3%
Others	761	0.4%	8,016	1.5%
Consolidated	177,523	100.0%	556,193	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 September 30, 2008 until the date of the interim financial statements saved as disclosed below.

The Petition hearing scheduled on November 17, 2008 at the High Court of Malaya at Penang is now adjourned to January 20, 2009 due to incomplete Court papers and Registrar Certificate has yet to be issued.

**12. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter ended September 30, 2008 except as mentioned below.

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”), representing 19.99% of equity interest in FLSB, from Mr Loo Chu Heng for a total purchase consideration of RM260,000.00.

**13. Changes in contingent liabilities and assets**

As at September 30, 2008, the Company has issued corporate guarantees amounting to RM136.928 million (September 30, 2007 : RM140.901 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 September 30, 2008 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for in the financial statements	7,321
Total	<u>7,321</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 fourth quarter ended September 30, 2008, the Group recorded revenue of RM177.523 million, representing an increase of 37.33% over the prior year corresponding quarter's revenue of RM129.270 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.

The Group recorded profit before taxation of RM5.482 million as compared to profit before taxation of RM4.965 million incurred in the prior year corresponding quarter . This was due to better ex farm price and stable feeds costs in the current quarter. Higher profits contributed by poultry division more than outweigh losses in other divisions.

**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:-

	<b>2008</b> <b>Quarter 4</b> <b>RM'000</b>	<b>2008</b> <b>Quarter 3</b> <b>RM'000</b>	<b>Variance</b> <b>RM'000</b>	<b>%</b>
Revenue	177,523	128,470	49,053	38.18%
Profit /(Loss) Before Taxation	5,482	(4,099)	9,581	233.74%

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

**17. Commentary on prospects**

It is anticipated that the overall business environment will remain challenging amidst anticipated slower growth of the world economy. The ban on 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 in view of the overall outlook of the seafood industry. The management is confident that with the measures taken to reduce its operating cost, the losses suffered will be mitigated. Nevertheless, the management is optimistic that its overall performance in the next financial year will be satisfactory as its poultry division will continue to enjoy better profits and prices in anticipation of stable and lower feed costs.

**18. Variance of actual profit from profit forecast**

Not applicable as no profit forecast was published.

**19. Taxation**

	3 months ended		12 months ended	
	30.09.08 RM'000	30.09.07 RM'000	30.09.08 RM'000	30.09.07 RM'000
Current taxation				
- Current	1,121	761	2,476	1,536
- Prior years	96	706	309	535
	<u>1,217</u>	<u>1,467</u>	<u>2,785</u>	<u>2,071</u>
Deferred taxation	(339)	(1)	(179)	(661)
	<u>878</u>	<u>1,466</u>	<u>2,606</u>	<u>1,410</u>

The Group's effective tax rate for the current quarter ended September 30, 2008 is lower than the statutory tax rate as it utilised certain subsidiary's losses as group relief. The Group's effective tax rate for twelve months ended September 30, 2008 is higher as the impairment of goodwill recognized in current year is not deductible for tax purpose.

**20. 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, 2008.

**21. Quoted investments**

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

## 22. Corporate proposals

Except for the Proposed Share Buy Back Exercise, there were no other corporate proposals announced but not completed in the current quarter ended September 30, 2008 and up to the date of this interim report. The Proposed Share Buy Back was approved by its shareholders at its Extraordinary General Meeting held on November 20, 2008.

## 23. Group borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short-term borrowings:</b>			
Bank overdrafts	6,320	2,579	8,899
Bankers' acceptances and export credit refinancing	35,364	25,455	60,819
Hire purchase	2,481	-	2,481
Term loan	3,695	439	4,134
Sub-total	47,860	28,473	76,333
<b>Long-term borrowings:</b>			
Hire purchase	5,063	-	5,063
Term loan	8,785	263	9,048
Sub-total	13,848	263	14,111
<b>Total borrowings</b>	<b>61,708</b>	<b>28,736</b>	<b>90,444</b>

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 November 24, 2008 are as follows:-

	Fair Value RM'000	Contracted Amount RM'000
Foreign currency forward contract	2.3	2.5

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 September 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 September 30, 2008	Prior Year Quarter September 30, 2007	Current Year To Date September 30, 2008	Preceding Year Corresponding Period September 30, 2007
Profit attributable to equity holders of the parent (RM'000)	4,268	3,276	853	619
Weighted average number of Shares a) Basic Weighted average number of ordinary shares in issue ('000)	131,779	131,779	131,779	131,771
Basic earnings per ordinary share (sen)	3.24	2.49	0.65	0.47
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

The diluted earnings per ordinary share is not shown for current and year to date quarter and prior year and preceding year to date corresponding quarter as the effect of the conversion of share options to ordinary shares would be anti-dilutive.

## 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 November 26, 2008.