

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
31 MARCH 2010**

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CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 6 months ended 31 March	
		2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)
Revenue	9	123,553	110,797	257,549	258,299
Profit/(Loss) from operations		(422)	(2,080)	3,091	(106)
Finance costs		(1,027)	(1,219)	(2,075)	(2,591)
Investment revenue		421	572	799	1,043
Profit/(Loss) before taxation	9	(1,028)	(2,727)	1,815	(1,654)
Taxation	19	17	(41)	(751)	(464)
Profit/(Loss) for the period		(1,011)	(2,768)	1,064	(2,118)
Profit/(Loss) attributable to :					
Equity holders of the parent		(884)	(1,856)	1,194	(690)
Minority interests		(127)	(912)	(130)	(1,428)
		(1,011)	(2,768)	1,064	(2,118)
Basic earnings per ordinary share (sen)	27	(0.67)	(1.41)	0.91	(0.52)
Diluted earnings per ordinary share (sen)	27	NA	NA	NA	NA

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, 2009 and the accompanying explanatory notes attached to the interim financial statements.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As at 31 March 2010 (Unaudited) RM'000	As at 30 September 2009 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		104,048	106,278
Investment properties		28,368	28,638
Prepaid lease payments on leasehold land		7,303	7,629
Other investment		260	260
Agricultural development expenditure		298	324
Goodwill		2,566	2,566
Total non-current assets		142,843	145,695
Current Assets			
Inventories		23,921	24,856
Trade and other receivables		58,652	66,456
Other assets		4,838	3,411
Current tax assets		133	182
Short term deposits with licensed banks		4,009	3,973
Cash and bank balances		4,738	4,383
		96,291	103,261
Non-current assets classified as held for sale		1,469	1,159
Total current assets		97,760	104,420
TOTAL ASSETS		240,603	250,115
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital		65,890	65,890
Less: Treasury shares		(69)	(69)
Reserves		15,825	14,609
		81,646	80,430
Minority interests		12,148	12,375
Total Equity		93,794	92,805
NON-CURRENT LIABILITIES			
Borrowings	23	12,094	14,627
Deferred tax liabilities		6,853	6,924
		18,947	21,551
CURRENT LIABILITIES			
Trade and other payables		49,648	59,340
Borrowings	23	77,292	75,731
Current tax liabilities		922	688
		127,862	135,759
TOTAL EQUITY AND LIABILITIES		240,603	250,115
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.62	0.61

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, 2009 and the accompanying explanatory notes attached to the interim financial statements.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

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

Six (6) Months Ended March 31, 2010

	<----- Attributable to the equity holders of the parent ----->								
	<----- Non-distributable ----->					Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Treasury Shares	Translation Reserve	Retained Profit	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at October 1, 2009	65,890	71	5,431	(69)	(19)	9,126	80,430	12,375	92,805
Transfer of revaluation reserve	-	-	(73)	-	-	73	-	-	-
Currency translation differences	-	-	-	-	22	-	22	24	46
Net income and expenses recognised directly in equity	-	-	(73)	-	22	73	22	24	46
Net profit/(loss) for the financial period	-	-	-	-	-	1,194	1,194	(130)	1,064
MI arising from acquisition of a subsidiary	-	-	-	-	-	-	-	(1)	(1)
MI share of dividend	-	-	-	-	-	-	-	(120)	(120)
Balance as at March 31, 2010	65,890	71	5,358	(69)	3	10,393	81,646	12,148	93,794

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

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

Six (6) Months Ended March 31, 2009

	< ----- Attributable to the equity holders of the parent ----- >									
	<----- Non-distributable ----->					Distributable		Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Treasury Shares	Translation Reserve	Retained Profit	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at October 1, 2008	65,890	71	5,348	-	(14)	7,013	78,308	14,459	92,767	
Transfer of revaluation reserve	-	-	(81)	-	-	81	-	-	-	
Realisation of revaluation reserve upon disposal of revalued assets	-	-	(56)	-	-	56	-	-	-	
Currency translation differences	-	-	-	-	(12)	-	(12)	(20)	(32)	
Net income and expenses recognised directly in equity	-	-	(137)	-	(12)	137	(12)	(20)	(32)	
Net loss for the financial year	-	-	-	-	-	(690)	(690)	(1,428)	(2,118)	
Purchase of treasury shares	-	-	-	(69)	-	-	(69)	-	(69)	
Balance as at March 31, 2009	65,890	71	5,211	(69)	(26)	6,460	77,537	13,011	90,548	

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, 2009 and the accompanying explanatory notes attached to the interim financial statements.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 months ended March 31, 2010 RM'000 (Unaudited)	6 months ended March 31, 2009 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	1,064	(2,118)
Adjustments for:		
Non-cash items	4,463	3,800
Non-operating items	1,523	2,228
Tax income recognized in profit or loss	751	463
Operating profit before working capital changes	7,801	4,373
Net change in current assets	7,344	22,509
Net change in current liabilities	(9,431)	(24,343)
Effect of exchange rates changes on working capital	48	(32)
Cash generated from operations	5,762	2,507
Interest paid	(1,826)	(2,286)
Interest received	33	16
Income tax paid & refund	(541)	(294)
Net cash generated from/(used in) operating activities	3,428	(57)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	833	3,589
Interest received	36	50
Purchase of property, plant and equipment	(2,443)	(1,985)
Purchase of additional shares in subsidiary company	-	(48)
Additional expenditure on agriculture expenditure	(15)	-
Net cash(used in)/generated from investing activities	(1,589)	1,606
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	-	(69)
Net change in long-term loans	(2,105)	104
Net change in short-term borrowings	1,222	(1,017)
Net change in hire-purchase	(1,517)	(1,676)
Dividend paid to minority interest	(120)	-
Advance from/(Repayment to) a director	(1)	1
Short term deposit pledged as security	(36)	(1,250)
Net cash used in financing activities	(2,557)	(3,907)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(718)	(2,358)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(4,031)	(4,919)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(4,749)	(7,277)
REPRESENTED BY:-		
Bank overdrafts	(9,487)	(10,841)
Deposits with licensed financial institution	4,009	3,997
Cash and Bank Balances	4,738	3,564
	(740)	(3,280)
Less: Deposits pledged as security	(4,009)	(3,997)
	(4,749)	(7,277)

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, 2009 and the accompanying explanatory notes attached to the interim financial statements.

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 Main Market 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, 2009. 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, 2009.

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, 2009 except for the adoption of the following Financial Reporting Standards ("FRSs"), amendments to FRSs and Issues Committee ("IC") Interpretations which have been issued but not yet effective :

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ^(a)
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) ^(b)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) ^(a)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) ^(b)
FRS 3	Business Combinations (Revised in 2010) ^(b)
FRS 4	Insurance Contracts ^(a)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) ^(b)
FRS 7	Financial Instruments: Disclosures ^(a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition) ^(a)
FRS 101	Presentation of Financial Statements (Revised in 2009) ^(a)
FRS 123	Borrowing Costs (Revised) ^(a)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ^(a)
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010) ^(b)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation) ^(a)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3) ^(b)
FRS 139	Financial Instruments: Recognition & Measurement ^(a)
FRS 139	Financial Instruments: Recognition & Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition and embedded derivatives and revised FRS 3 and revised FRS 127) ^(a)
Improvements to FRSs 2009 ^(a)	
IC Interpretation 9	Reassessment of Embedded Derivatives ^(a)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to

IC Interpretation 9	embedded derivatives) ^(a) Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) ^(b)
IC Interpretation 10	Interim Financial Reporting and Impairment ^(a)
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions ^(a)
IC Interpretation 12	Service Concession Arrangements ^(b)
IC Interpretation 13	Customer Loyalty Programmes ^(a)
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction ^(a)
IC Interpretation 15	Agreements for the Construction of Real Estate ^(b)
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation ^(b)
IC Interpretation 17	Distribution of Non-cash Assets to Owners ^(b)

^(a) Effective for annual periods beginning on or after January 1, 2010

^(b) Effective for annual periods beginning on or after July 1, 2010

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

FRSs 4, amendments to FRS 132 and IC Interpretations 9, 13, 14, 15, 16 and 17 are not expected to be relevant to the operations of the Group and of the Company. The directors anticipate that the abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

- (a) FRS 3 Business Combinations (Revised in 2010)
- (b) FRS 7 Financial Instruments: Disclosures
- (c) FRS 101 Presentation of Financial Statements (Revised in 2009)
- (d) FRS 123 Borrowing Costs (Revised)
- (e) FRS 127 Consolidated and Separate Financial Statements (Revised in 2010)
- (f) FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items)
- (g) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs but only the following three of the improvements are expected to have an impact on the Group's and the Company's financial statements.

- (i) FRS 117 Leases
- (ii) FRS 140 Investment Property
- (iii) FRS 120 Accounting for Government Grants and Disclosure for Government Assistance

By virtue of the exemption provided in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the Group's and the Company's financial statements upon initial application of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

3. Audit opinion

The auditors' report on the audited financial statements of the Group for the financial year ended September 30, 2009 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 March 31, 2010.

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 March 31, 2010.

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 March 31, 2010.

At the Annual General Meeting held on March 29, 2010, the shareholders of the Company had approved the Proposed Renewal of Share Buy Back for the Company to purchase its own ordinary shares of RM0.50 each as may be determined by the Directors of the Company up to a maximum of 10% of the issued and paid up capital of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting of the Company.

The Company did not repurchase any treasury shares during the current quarter under review.

As at March 31, 2010, a total of 218,200 shares were repurchased and held as treasury shares and carried at cost of RM69,304.

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 March 31, 2010		Six (6) Months Ended March 31, 2010	
	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
By Business Activities				
Investment holding	-	(47)	-	(21)
Integrated poultry farming and Processing	111,477	(1,317)	234,238	1,464
Marine products manufacturing	805	83	1,192	(236)
Restaurants and franchising	581	(82)	1,348	(146)
Value-added food products Manufacturing and trading	10,690	335	20,771	754
Consolidated	<u>123,553</u>	<u>(1,028)</u>	<u>257,549</u>	<u>1,815</u>

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

	Three (3) Months Ended March 31, 2010		Six (6) Months Ended March 31, 2010	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	120,071	97.2%	250,552	97.3%
United States of America	2,711	2.2%	5,050	1.9%
Others	771	0.6%	1,947	0.8%
Consolidated	<u>123,553</u>	<u>100.0%</u>	<u>257,549</u>	<u>100.0%</u>

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. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. There was no revaluation of property, plant and equipment for the current quarter under review.

The valuation of land and buildings has been brought forward without any amendment from the previous audited financial statements.

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

There were no material events which have occurred subsequent to the end of current quarter ended March 31, 2010 until the date of the interim financial statements except as disclosed below.

The Company, CAB Cakaran Corporation Berhad (CAB), had acquired additional shares of 750,000 ordinary shares of RM1 each in NT Huat Kee Fisheries Sdn Bhd (NTHK) and 50,000 ordinary shares of RM1 each in HK Foods (M) Sdn Bhd (HKF) respectively on May 7, 2010 for a total purchase consideration of RM750,000.00. With this acquisition, both NTHK and HKF are now wholly owned subsidiaries of CAB.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year up to current quarter under review saved as disclosed below:

(i) On November 19, 2009, a 55% owned subsidiary of the Company, Jaya Gading Farm Sdn Bhd ("JGFSB"), acquired the entire equity interest of Pasaraya Jaya Gading Sdn Bhd ("PJGSB") representing 2 ordinary shares of RM1 each from 2 individuals for a cash consideration of RM2. In consequence thereof, PJGSB becomes a wholly owned subsidiary of JGFSB.

(ii) On January 6, 2010, a wholly owned subsidiary of the Company, CAB Cakaran Sdn Bhd ("CABC") transferred 1,000 ordinary shares of RM1 each of Shin Hong Breeding Farm Sdn Bhd ("SHBF") to its wholly owned subsidiary company, Jimat Jaya Sdn Bhd for a purchase consideration of RM181,000.00. In consequence thereof, CABC effective interest in SHBF remains unchanged at 50%.

(iii) On February 19, 2010, a wholly owned subsidiary of the Company, Jimat Jaya Sdn Bhd ("JJSB"), increased its authorized capital from RM5,000,000.00 to RM10,000,000.00 and its paid up capital from RM1,020,000.00 to RM7,000,000.00 by issuing additional 5,980,000 ordinary shares of RM1 each by way of capitalization of its Retained Profits. The shareholding in JJSB remained unchanged after the issuance of the Bonus Shares of JJSB.

13. Changes in contingent liabilities and assets

As at March 31, 2010, the Company has issued corporate guarantees amounting to RM144.799 million (March 31 2009: RM139.609 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 March 31, 2010 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for	10,117
Total	<u>10,117</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of performance

For the second quarter ended March 31, 2010, the Group recorded revenue of RM123.553 million, representing an increase of 11.5% over the prior year corresponding quarter's revenue of RM110.797 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 recorded in value added food products manufacturing and trading division and integrated poultry farming and processing division of 37.9% and 15.3% respectively. However, the Group recorded a lower loss before taxation of RM1.028 million as compared to loss before taxation of RM2.727 million achieved in the prior year corresponding quarter. The lower loss was attributed to higher sales recorded in both the integrated poultry farming and processing division as well as value added products manufacturing and trading division.

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:-

	2010 Quarter 2 RM'000	2010 Quarter 1 RM'000	Variance RM'000	%
Revenue	123,553	133,996	(10,443)	(7.8%)
Profit Before Taxation	(1,028)	2,843	(3,871)	(136.2%)

For the current quarter ended March 31 2010, the Group recorded lower revenue relative to the revenue recorded in the preceding quarter mainly due to lower sales recorded in poultry farming and processing division. In tandem with the lower sales achieved, the Group also recorded loss in the current quarter under review as compared to profit achieved in the preceding quarter due to lower selling prices and quantity recorded in integrated poultry farming and processing division.

17. Commentary on prospects

The management is optimistic that the overall Group performance will improve as value added food products manufacturing and trading division has shown improved revenue and earnings in addition to stable revenue and earnings achieved by its integrated poultry and processing division. This will certainly improve the overall financial performance of the Group in this financial year.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Taxation

	3 months ended		6 months ended	
	31.03.10 RM'000	31.03.09 RM'000	31.03.10 RM'000	31.03.09 RM'000
Current taxation				
- Current	(139)	590	741	1,584
- Prior years	81	170	81	170
	(58)	760	822	1,754
Deferred taxation	41	(719)	(71)	(1,290)
	(17)	41	751	464

For the current quarter and year to date under review, the effective tax rate is higher than the statutory tax rate as certain expenses of the Group were disallowed 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 March 31, 2010.

21. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter ended March 31, 2010.

22. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended March 31, 2010 and up to the date of this interim report.

23. Group borrowings and debt securities

The Group's total bank borrowings as at March 31, 2010 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdrafts	7,442	2,045	9,487
Bankers' acceptances	32,921	27,808	60,729
Hire purchase	3,433	-	3,433
Term loan	2,783	860	3,643
Sub-total	46,579	30,713	77,292
Long-term borrowings:			
Hire purchase	6,098	-	6,098
Term loan	5,272	724	5,996
Sub-total	11,370	724	12,094
Total borrowings	57,949	31,437	89,386

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 and to control and manage financial risks arising from its operations. In general, the Group's policy is to hedge as far as possible all amounts of receivables and payables denominated in foreign currency.

Gains and losses on foreign exchange contracts designated as hedges of identified exposure are offset against the foreign exchange gains and losses on the hedged financial assets and liabilities. Where the instrument is used to hedge against anticipated future transactions, gains and losses are not recognized until the transaction occurs.

The contracted amount and fair value of financial instruments not recognised in the balance sheet based on exchange rate as at May 21, 2010 are as follows:-

	Fair/Notional Value RM'000	Contracted Amount RM'000
Foreign currency forward contracts – Buy	1,823	1,790
Foreign currency forward contracts – Sell	514	519

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

These contracts outstanding are all maturing within one year. No significant gains or losses arose from such foreign currency forward contracts.

For the quarter ended March 31, 2010, there have been no significant changes to the Group's exposure to credit risk, market risk, liquidity risk and foreign currency risk from the previous year. The Group's financial risk management objectives or policies have also not been changed since the previous financial year.

25. Changes in material litigation

There were no material litigations as at the date of the interim financial statements save as disclosed below:-

The court hearing on the petition to wind up the Company's 75% owned subsidiary, N.T. Huat Kee Fisheries Sdn. Bhd. scheduled on March 23, 2010 has been withdrawn pursuant to amicably settlement reached by both parties.

The court hearing on the petition to wind up the Company's wholly owned subsidiary, Kyros International Sdn. Bhd. scheduled on May 13, 2010 has been adjourned to June 17, 2010.

26. Proposed Dividend

No interim dividend has been declared for the current quarter ended March 31, 2010.

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	Prior Year Quarter	Current Year To Date	Preceding Year Corresponding Period
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Net profit attributable to shareholders (RM'000)	(884)	(1,856)	1,194	(690)
Weighted average number of Shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	131,561	131,561	131,561	131,655
Basic earnings per ordinary share (sen)	(0.67)	(1.41)	0.91	(0.52)
Diluted earnings per ordinary share (sen)	NA	NA	NA	NA

The effect of the assumed conversion of the outstanding employees' share options to ordinary shares would be anti-dilutive as the market price of the ordinary shares is currently lower than the subscription price.

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 May 27, 2010.