

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED  
30 SEPTEMBER 2010**

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 12 months ended 30 September	
		2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2009 RM'000 (Audited)
Revenue	9	132,500	122,669	513,103	494,417
Profit from operations		6,511	1,950	13,930	4,668
Finance costs		(1,162)	(1,066)	(4,342)	(4,706)
Investment revenue		375	128	1,583	1,665
Profit before taxation	9	5,724	1,012	11,171	1,627
Taxation	19	(1,632)	(311)	(3,440)	(1,604)
Profit for the period		4,092	701	7,731	23
Profit/(Loss) attributable to :					
Equity holders of the parent		3,913	874	7,244	1,906
Minority interests		179	(173)	487	(1,883)
		4,092	701	7,731	23
Basic earnings per ordinary share (sen)	27	2.97	0.66	5.51	1.45
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 30 September 2010 (Unaudited) RM'000	As at 30 September 2009 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		108,574	106,278
Investment properties		29,941	28,638
Prepaid lease payments on leasehold land		7,216	7,629
Other investment		260	260
Agricultural development expenditure		296	324
Goodwill		2,354	2,566
<b>Total non-current assets</b>		<b>148,641</b>	<b>145,695</b>
<b>Current Assets</b>			
Inventories		21,961	24,856
Trade and other receivables		60,326	66,456
Other assets		3,048	3,411
Current tax assets		76	182
Short term deposits with licensed banks		4,164	3,973
Cash and bank balances		7,814	4,383
		97,389	103,261
Non-current assets classified as held for sale		3,559	1,159
<b>Total current assets</b>		<b>100,948</b>	<b>104,420</b>
<b>TOTAL ASSETS</b>		<b>249,589</b>	<b>250,115</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; reserves</b>			
Share capital		65,890	65,890
Less: Treasury shares		(69)	(69)
Reserves		21,882	14,609
		87,703	80,430
Minority interests		12,499	12,375
<b>Total Equity</b>		<b>100,202</b>	<b>92,805</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	23	12,664	14,627
Deferred tax liabilities		6,816	6,924
		19,480	21,551
<b>CURRENT LIABILITIES</b>			
Trade and other payables		51,201	59,340
Borrowings	23	76,600	75,731
Current tax liabilities		2,106	688
		129,907	135,759
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>249,589</b>	<b>250,115</b>
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.67	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)

Twelve (12) Months Ended September 30, 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	-	-	(144)	-	-	144	-	-	-
Realisation of revaluation reserve upon disposal	-	-	(29)	-	-	29	-	-	-
Currency translation differences	-	-	-	-	29	-	29	37	66
Net income and expenses recognised directly in equity	-	-	(173)	-	29	173	29	37	66
Net profit for the financial year	-	-	-	-	-	7,244	7,244	487	7,731
Dividend paid to minority interest of a subsidiary	-	-	-	-	-	-	-	(120)	(120)
Purchase of shares from minority interest in subsidiaries	-	-	-	-	-	-	-	(280)	(280)
Balance as at September 30, 2010	65,890	71	5,258	(69)	10	16,543	87,703	12,499	100,202

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(The figures have been audited)

Twelve (12) Months Ended September 30, 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	
Fair Value adjustment upon transfer from property, plant and equipment to investment properties	-	-	290	-	-	-	290	176	466	
Transfer of revaluation reserve	-	-	(150)	-	-	150	-	-	-	
Realisation of revaluation reserve upon disposal of revalued assets	-	-	(57)	-	-	57	-	-	-	
Currency translation differences	-	-	-	-	(5)	-	(5)	(3)	(8)	
Net income and expenses recognised directly in equity	-	-	83	-	(5)	207	285	173	458	
Net profit/(loss) for the financial year	-	-	-	-	-	1,906	1906	(1,883)	23	
Buy-back of ordinary shares	-	-	-	(69)	-	-	(69)	-	(69)	
Purchase of shares from minority interest in subsidiary	-	-	-	-	-	-	-	1	1	
Dividend paid to minority interest of a subsidiary	-	-	-	-	-	-	-	(375)	(375)	
Balance as at September 30, 2009	65,890	71	5,431	(69)	(19)	9,126	80,430	12,375	92,805	

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)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	12 months ended September 30, 2010 RM'000 (Unaudited)	12 months ended September 30, 2009 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	7,731	23
Adjustments for:		
Non-cash items	10,141	9,965
Non-operating items	3,570	2,972
Tax income recognized in profit or loss	3,440	1,604
Operating profit before working capital changes	24,882	14,564
Net change in current assets	8,473	24,062
Net change in current liabilities	(7,806)	(20,855)
Effect of exchange rates changes on working capital	68	(9)
Cash generated from operations	25,617	17,762
Interest paid	(3,937)	(4,185)
Interest received	56	100
Income tax paid & refund	(2,021)	(2,950)
Net cash generated from operating activities	19,715	10,727
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,081	3,819
Interest received	94	99
Dividend income	8	-
Payment for property, plant and equipment	(14,373)	(5,769)
Payment for purchase of shares from minority interest	(750)	(48)
Payment for agricultural development expenditure	-	(147)
Net cash used in investing activities	(13,940)	(2,046)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	(69)
Net change in long-term loans	(552)	(1,438)
Net change in short-term borrowings	1,948	(1,312)
Net change in hire-purchase	(3,349)	(3,478)
Dividend paid to minority interest of a subsidiary	(120)	(375)
Advance from/(Repayment to) a director	(72)	104
Short term deposit pledged as security	(191)	(1,225)
Net cash used in financing activities	(2,336)	(7,793)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,439	888
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(4,030)	(4,919)
Effect of foreign exchange rates changes	(1)	1
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(592)	(4,030)
<b>REPRESENTED BY:-</b>		
Bank overdrafts	(8,406)	(8,413)
Deposits with licensed financial institution	4,164	3,973
Cash and Bank Balances	7,814	4,383
	3,572	(57)
Less: Deposits pledged as security	(4,164)	(3,973)
	(592)	(4,030)

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) <sup>(a)</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) <sup>(b)</sup>
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters and additional inceptions for First-time Adopters) <sup>(c)</sup>
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) <sup>(a)</sup>
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) <sup>(b)</sup>
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions) <sup>(c)</sup>
FRS 3	Business Combinations (Revised in 2010) <sup>(b)</sup>
FRS 4	Insurance Contracts <sup>(a)</sup>
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) <sup>(b)</sup>
FRS 7	Financial Instruments: Disclosures <sup>(a)</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition) <sup>(a)</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) <sup>(c)</sup>
FRS 101	Presentation of Financial Statements ( Revised in 2009) <sup>(a)</sup>
FRS 123	Borrowing Costs (Revised) <sup>(a)</sup>
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) <sup>(a)</sup>
FRS 127	Consolidated and Separate Financial Statements ( Revised in 2010) <sup>(b)</sup>

FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation) <sup>(a)</sup>
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue) <sup>(d)</sup>
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3) <sup>(b)</sup>
FRS 139	Financial Instruments: Recognition & Measurement <sup>(a)</sup>
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) <sup>(a)</sup>
Improvements to FRSs 2009 <sup>(a)</sup>	
IC Interpretation 4	Determining whether an arrangement contains a lease <sup>(c)</sup>
IC Interpretation 9	Reassessment of Embedded Derivatives <sup>(a)</sup>
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives) <sup>(a)</sup>
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) <sup>(b)</sup>
IC Interpretation 10	Interim Financial Reporting and Impairment <sup>(a)</sup>
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions <sup>(a)</sup>
IC Interpretation 12	Service Concession Arrangements <sup>(b)</sup>
IC Interpretation 13	Customer Loyalty Programmes <sup>(a)</sup>
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction <sup>(a)</sup>
IC Interpretation 15	Agreements for the Construction of Real Estate <sup>(b)</sup>
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation <sup>(b)</sup>
IC Interpretation 17	Distribution of Non-cash Assets to Owners <sup>(b)</sup>
IC Interpretation 18	Transfer of Assets from Customers <sup>(c)</sup>

<sup>(a)</sup> Effective for annual periods beginning on or after January 1, 2010

<sup>(b)</sup> Effective for annual periods beginning on or after July 1, 2010

<sup>(c)</sup> Effective for annual periods beginning on or after January 1, 2011

<sup>(d)</sup> Effective for annual periods beginning on or after March 1, 2011

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, 17 and 18 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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 September 30, 2010		Twelve (12) Months ended September 30, 2010	
	Profit/ (Loss) Before Taxation		Profit/ (Loss) Before Taxation	
	Revenue RM'000	RM'000	Revenue RM'000	RM'000
By Business Activities				
Investment holding	-	(245)	-	(768)
Integrated poultry farming and Processing	118,076	6,647	461,045	12,129
Marine products manufacturing	4,809	(302)	15,651	(682)
Restaurants and franchising	544	(490)	2,489	(609)
Value-added food products				
Manufacturing and trading	9,071	114	33,918	1,101
Consolidated	<u>132,500</u>	<u>5,724</u>	<u>513,103</u>	<u>11,171</u>

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

	Three (3) Months ended September 30, 2010		Twelve (12) Months ended September 30, 2010	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	126,495	95.5%	493,676	96.2%
United States of America	4,958	3.7%	14,753	2.9%
Others	1,047	0.8%	4,674	0.9%
Consolidated	<u>132,500</u>	<u>100.0%</u>	<u>513,103</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 September 30, 2010 until the date of the interim financial statements.

## 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. 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 to RM10,000,000 and its paid up capital from RM1,020,000 to RM7,000,000 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.
- (iv) The Company, CAB Cakaran Corporation Berhad (CAB), acquired additional shares of 750,000 ordinary shares of RM1 each in CAB Marine Resources Sdn Bhd (formerly known as NT Huat Kee Fisheries Sdn Bhd) (NTHK) and 50,000 ordinary shares of RM1 each in HK Foods (M) Sdn Bhd (HKF) on May 7, 2010 for a total purchase consideration of RM500,000 and RM250,000 respectively. With this acquisition, both NTHK and HKF are now wholly owned subsidiaries of CAB. NTHK has changed its name to CAB Marine Resources Sdn Bhd from June 01, 2010.
- (v) On June 28, 2010, a 55% owned subsidiary of the Company, Jaya Gading Farm Sdn Bhd (“JGFSB”), further subscribed additional 1,999,998 ordinary shares of RM1 each in Pasaraya Jaya Gading Sdn Bhd (“PJGSB”) for a total consideration of RM1,999,998. In consequence thereof, PJGSB remained a wholly owned subsidiary of JGFSB.
- (vi) On July 21, 2010, the Company, CAB Cakaran Corporation Berhad (CAB), further subscribed additional shares of 1,000,000 shares of RM1 each in CAB Marine Resources Sdn Bhd (“CABM”) (formerly known as NT Huat Kee Fisheries Sdn Bhd) and 225,000 ordinary shares of RM1 each in HK Foods (M) Sdn Bhd (“HKF”) for a total consideration of RM1,000,000.00 and RM225,000 respectively. With this subscription, both CABM and HKF remained the wholly owned subsidiaries of CAB.

### 13. Changes in contingent liabilities and assets

As at September 30, 2010, the Company has issued corporate guarantees amounting to RM143.360 million (September 30 2009: RM145.511 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, 2010 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for	7,365
Total	<u><u>7,365</u></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 fourth quarter ended September 30, 2010, the Group recorded revenue of RM132.500 million, representing an increase of 8.0% over the prior year corresponding quarter's revenue of RM122.669 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 all divisions except restaurants and franchising division. In tandem with the higher sales recorded, the Group also recorded a higher profit before taxation of RM5.724 million as compared to profit before taxation of RM1.012 million achieved in the prior year corresponding quarter. The higher profit was attributed mainly to higher selling prices of broilers and lower feed costs in integrated poultry farming and processing 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 4 RM'000	2010 Quarter 3 RM'000	Variance RM'000	%
Revenue	132,500	123,054	9,446	7.7%
Profit Before Taxation	5,724	3,632	2,092	57.6%

For the current quarter ended September 30 2010, the Group recorded higher revenue relative to the revenue recorded in the preceding quarter mainly due to higher sales recorded in integrated poultry farming and processing division. Consequently, the Group recorded a higher profit in the current quarter under review as compared to the preceding quarter due to better profit margin achieved.

#### 17. Commentary on prospects

Despite the continuing uncertainty in the global economy, the Management is confident that with the appropriate measures taken over the past two years to stabilize the loss-making operations of the Marine Products and Restaurant and Franchising divisions, together with new investments undertaken in the Integrated Poultry Farming and Processing division, which remains the main driver of Group's revenue and profit, the financial performance of the Group in the next financial year will continue to be satisfactory.

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

Not applicable as no profit forecast was published.

#### 19. Taxation

	3 months ended		12 months ended	
	30.09.10 RM'000	30.09.09 RM'000	30.09.10 RM'000	30.09.09 RM'000
Current taxation				
- Current	1,699	(263)	3,468	1,745
- Prior years	-	-	80	170
	<u>1,699</u>	<u>(263)</u>	<u>3,548</u>	<u>1,915</u>
Deferred taxation	(67)	574	(108)	(311)
	<u>1,632</u>	<u>311</u>	<u>3,440</u>	<u>1,604</u>

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 purchases or disposals of unquoted investments and/ or properties in the current quarter ended September 30, 2010.

## 21. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter ended September 30, 2010.

## 22. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended September 30, 2010 and up to the date of this interim report.

## 23. Group borrowings and debt securities

The Group's total bank borrowings as at September 30, 2010 are as follows:-

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short-term borrowings:</b>			
Bank overdrafts	7,130	1,276	8,406
Bankers' acceptances	37,121	24,334	61,455
Hire purchase	3,054	-	3,054
Term loan	2,057	1,628	3,685
Sub-total	<u>49,362</u>	<u>27,238</u>	<u>76,600</u>
<b>Long-term borrowings:</b>			
Hire purchase	5,158	-	5,158
Term loan	6,031	1,475	7,506
Sub-total	<u>11,189</u>	<u>1,475</u>	<u>12,664</u>
<b>Total borrowings</b>	<b><u>60,551</u></b>	<b><u>28,713</u></b>	<b><u>89,264</u></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 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 November 25, 2010 are as follows:-

	<b>Fair/Notional Value RM'000</b>	<b>Contracted Amount RM'000</b>
:Foreign currency forward contracts – Buy	1,858	6,005
:Foreign currency forward contracts – Sell	360	115

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 September 30, 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 of Appeal had on the November 16, 2010 allowed our appeal against the High Court's decision dated the 20<sup>th</sup> May 2009 and has struck out the Winding Up Petition filed against the Company's wholly owned subsidiary, Kyros International Sdn. Bhd.

## 26. Proposed Dividend

No interim dividend has been declared for the current quarter ended September 30, 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
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Net profit attributable to shareholders (RM'000)	3,913	874	7,244	1,906
Weighted average number of Shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	131,561	131,561	131,561	131,608
Basic earnings per ordinary share (sen)	2.97	0.66	5.51	1.45
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 November 30, 2010.