

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2010**

CONTENTS

	Page
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM FINANCIAL REPORT	6 - 14

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 3 months ended 31 December	
		2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)
Revenue	9	122,619	133,996	122,619	133,996
Profit from operations		1,570	3,513	1,570	3,513
Finance costs		(1,153)	(1,048)	(1,153)	(1,048)
Investment revenue		458	378	458	378
Profit before taxation	9	875	2,843	875	2,843
Taxation	19	(422)	(768)	(422)	(768)
Profit for the period		453	2,075	453	2,075
Other Comprehensive Income:					
Effects of foreign exchange differences		(11)	10	(11)	10
Total Other comprehensive income for the period, net of tax		(11)	10	(11)	10
Total Comprehensive Income for the period		442	2,085	442	2,085
Profit/(Loss) attributable to :					
Equity holders of the parent		380	2,078	380	2,078
Non-controlling interests		73	(3)	73	(3)
Profit for the period		453	2,075	453	2,075
Total Comprehensive Income attributable to :					
Equity holders of the parent		374	2,083	374	2,083
Non-controlling interests		68	2	68	2
Total Comprehensive Income for the period		442	2,085	442	2,085
Basic earnings per ordinary share (sen)	27	0.29	1.58	0.29	1.58
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, 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2010 (Unaudited)	As at 30 September 2010 (Audited)
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		108,319	108,574
Investment properties		29,941	29,941
Prepaid lease payments on leasehold land		7,173	7,216
Other investment		260	260
Agricultural development expenditure		295	296
Goodwill		2,354	2,354
Total non-current assets		148,342	148,641
Current Assets			
Derivative financial asset designated at fair value	24	17	-
Inventories		23,146	21,931
Trade and other receivables		59,963	60,326
Other assets		3,583	3,048
Current tax assets		88	76
Short term deposits with licensed banks		4,188	4,163
Cash and bank balances		6,981	7,814
		97,966	97,358
Non-current assets classified as held for sale		3,559	3,559
Total current assets		101,525	100,917
TOTAL ASSETS		249,867	249,558
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital		65,890	65,890
Less: Treasury shares		(69)	(69)
Reserves		5,298	5,339
Retained earnings		15,027	16,507
		86,146	87,667
Non-controlling interests		12,444	12,498
Total Equity		98,590	100,165
NON-CURRENT LIABILITIES			
Borrowings	23	11,356	12,664
Deferred tax liabilities		6,673	6,816
		18,029	19,480
CURRENT LIABILITIES			
Derivative financial liabilities designated at fair value	24	33	-
Trade and other payables		56,546	51,207
Borrowings	23	74,331	76,599
Current tax liabilities		2,338	2,107
		133,248	129,913
TOTAL EQUITY AND LIABILITIES		249,867	249,558
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.65	0.67

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, 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

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

Three (3) Months Ended December 31, 2010

	←----- Attributable to the equity holders of the parent -----→								
	←----- Non-distributable -----→				Distributable		Total	Non-controlling interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Other reserves	Retained earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at October 1, 2010	65,890	71	(69)	5,268	16,507	87,667	12,498	100,165	
Effects of adopting FRS 139	-	-	-	-	(1,895)	(1,895)	(122)	(2,017)	
	65,890	71	(69)	5,268	14,612	85,772	12,376	98,148	
Total comprehensive income for the period	-	-	-	(41)	415	374	68	442	
Balance as at December 31, 2010	65,890	71	(69)	5,227	15,027	86,146	12,444	98,590	
As at October 1, 2009	65,890	71	(69)	5,412	9,126	80,430	12,375	92,805	
Total comprehensive income for the period	-	-	-	(31)	2,114	2,083	2	2,085	
Minority interest arising from acquisition of a subsidiary	-	-	-	-	-	-	(1)	(1)	
Balance as at December 31, 2009	65,890	71	(69)	5,381	11,240	82,513	12,376	94,889	

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, 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended December 31, 2010 RM'000 (Unaudited)	3 months ended December 31, 2009 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	453	2,075
Adjustments for:		
Non-cash items	2,163	1,922
Non-operating items	990	882
Tax income recognized in profit or loss	422	768
Operating profit before working capital changes	4,028	5,647
Net change in current assets	(3,339)	(4,901)
Net change in current liabilities	5,318	(979)
Effect of exchange rates changes on working capital	(5)	10
Cash generated from/(used in) operations	6,002	(223)
Interest paid	(972)	(930)
Interest received	6	12
Income tax paid & refund	(346)	(306)
Net cash generated from/(used in) operating activities	4,690	(1,447)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	97	833
Interest received	37	17
Payment for property, plant and equipment	(1,596)	(608)
Payment for agricultural development expenditure	-	-
Net cash generated from/(used in) investing activities	(1,462)	242
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in long-term loans	(900)	(942)
Net change in short-term borrowings	(2,839)	242
Net change in hire-purchase	(967)	(606)
Advance from/(Repayment to) a director	30	(2)
Short term deposit pledged as security	(25)	(17)
Net cash used in financing activities	(4,701)	(1,325)
NET DECREASE) IN CASH AND CASH EQUIVALENTS	(1,473)	(2,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(592)	(4,030)
Effect of foreign exchange rates changes	-	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(2,065)	(6,560)
REPRESENTED BY:-		
Bank overdrafts	(9,046)	(10,418)
Deposits with licensed financial institution	4,188	3,990
Cash and Bank Balances	6,981	3,858
	2,123	(2,570)
Less: Deposits pledged as security	(4,188)	(3,990)
	(2,065)	(6,560)

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, 2010 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, 2010. 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, 2010.

2. Changes in Accounting Policies

Adoption of new and revised Financial Reporting Standards

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended September 30, 2010 except for the adoption of the following Financial Reporting Standards ("FRSs"), amendments to FRSs and Issues Committee ("IC") Interpretations which were effective for the Group's financial period beginning on October 1, 2010.

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (revised)
FRS 4	Insurance Contracts
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 128	Investments in Associates (revised)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition & Measurement
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)

FRS 139	Financial Instruments: Recognition & Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)
Improvements to FRSs issued in 2009	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners

The adoption of the above new and revised Standards and IC Interpretations have not significantly affected the amounts reported on the financial statements of the Group and of the Company except the effects and changes in accounting policies as disclosed below.

(a) FRS 7 Financial Instruments: Disclosures

This standard requires additional disclosures of information about the significance of financial instruments for the Groups and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital. However FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

(b) FRS 101 Presentation of Financial Statements (Revised in 2009)

FRS 101 has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and the Company's financial statements as this change affects only the presentation of the Group's and the Company's financial statements.

(c) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

Financial assets

Prior to the adoption of FRS 139, loan and receivables were stated at gross receivables less allowance for doubtful debts. Under FRS139, these receivables are initially measured at fair value and subsequently at amortised cost using effective interest rate ("EIR") method. Gain and losses arising from the derecognition of the receivables, EIR amortization and impairment losses are recognized in the income statement.

Prior to the adoption of FRS 139, allowance for doubtful debts was recognized when it was considered uncollectible. Upon the adoption of FRS139, an impairment loss is recognized when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. After initial recognition, all financial liabilities other than those categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. The Group's financial liabilities include trade and other payables and borrowings.

Derivative financial instruments

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities including financial derivatives are recognized at contract dates when and only when, the Company or any subsidiary becomes a party to the contractual provision of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognized and unrecognized in the prior financial year are classified into the following categories:

Pre-FRS 139	Post-FRS 139
Trade and other receivables	Loan and receivables
Unrecognised derivatives assets	Financial assets at fair value through profit or loss
Unrecognised derivatives liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Loan and receivables	At amortised cost effective interest method
Loan and other financial liabilities	At amortised cost effective interest method

Financial Impact

In accordance with the transitional provisions for first time adoption of FRS139, the above changes are applied prospectively and the comparatives as at September 30, 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balance in the statement of financial position as at October 1, 2010.

	As previously reported RM'000	Effect of adoption of FRS 139 RM'000	As restated RM'000
Trade and other receivables	60,326	(2,061)	58,265
Derivative financial asset designated at fair value	-	44	44
Non-controlling interest	12,498	(122)	12,376
Retained earnings	16,507	(1,895)	14,612

Other than the adjustments made to the opening balances shown above, the adoption of FRS139 has no significant impact to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

Standards and IC Interpretations in issue but not yet effective

The new and revised standard and IC Interpretations which were in issue but not yet effective and not earlier adopted by the Group are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters) ^(a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional inceptions for First-time Adopters) ^(a)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions) ^(a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) ^(a)
FRS 124	Related Party Disclosures (revised) ^(b)
Improvements to FRSs 2010 ^(a)	
IC Interpretation 4	Determining whether an arrangement contains a lease ^(a)
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement) ^(c)
IC Interpretation 15	Agreements for the Construction of Real Estate ^(d)
IC Interpretation 18	Transfer of Assets from Customers ^(e)
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ^(c)

^(a) Effective for annual periods beginning on or after January 1, 2011

^(b) Effective for annual periods beginning on or after January 1, 2012

^(c) Effective for annual periods beginning on or after July 1, 2011

^(d) Original effective date of July 1, 2009 deferred to January 1, 2012 via amendment issued by MASB on August 30, 2010

^(e) Applies to transfers of assets from customers received on or after January 1, 2011

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:

Improvements to FRSs (2010)

Improvements to FRSs (2010) contain amendments to 11 FRSs/ IC. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following four of the improvements are expect to have an impact on the Group's and the Company's financial statements.

- (i) Amendments to FRS 3 Business Combinations.
- (ii) Amendments to FRS 7 Financial Instruments.
- (iii) Amendments to FRS 101 Presentation of Financial Statements
- (iv) Amendments to FRS 134 Interim Financial Reporting.

3. Audit opinion

The auditors' report on the audited financial statements of the Group for the financial year ended September 30, 2010 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 December 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 December 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 December 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 December 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 December 31, 2010		Three (3) Months ended December 31, 2009	
	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
By Business Activities				
Investment holding	-	(33)	-	26
Integrated poultry farming and Processing	111,721	692	122,761	2,781
Marine products manufacturing	1,286	(285)	389	(319)
Restaurants and franchising	554	101	767	(64)
Value-added food products Manufacturing and trading	9,058	400	10,081	419
Consolidated	<u>122,619</u>	<u>875</u>	<u>133,996</u>	<u>2,843</u>

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

	Three (3) Months ended December 31, 2010		Three (3) Months ended December 31, 2009	
	Revenue RM'000	%	Revenue RM'000	%
Revenue				
By Geographical Locations				
Malaysia	118,254	96.4%	130,481	97.4%
United States of America	3,313	2.7%	2,339	1.7%
Others	1,052	0.9%	1,176	0.9%
Consolidated	<u>122,619</u>	<u>100.0%</u>	<u>133,996</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 December 31, 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 quarter ended December 31, 2010.

13. Changes in contingent liabilities and assets

As at December 31, 2010, the Company has issued corporate guarantees amounting to RM141.061 million (December 31, 2009: RM138.576 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 December 31, 2010 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for	16,715
Total	<u>16,715</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 first quarter ended December 31, 2010, the Group recorded revenue of RM122.619 million, representing a decrease of 8.5% over the prior year corresponding quarter's revenue of RM133.996 million. The lower revenue in the current quarter as compared to the revenue of the prior year corresponding quarter was mainly due to lower sales recorded in all divisions especially the integrated poultry farming and processing division. In tandem with the lower sales recorded, the Group also recorded a lower profit before taxation of RM0.875 million as compared to profit before taxation of RM2.843 million achieved in the prior year corresponding quarter. This was attributed mainly to lower average selling prices of broilers and higher 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:-

	2011 Quarter 1 RM'000	2010 Quarter 4 RM'000	Variance	
			RM'000	%
Revenue	122,619	132,500	(9,881)	(7.5%)
Profit Before Taxation	875	5,724	(4,849)	(84.7%)

For the current quarter ended December 31, 2010, the Group recorded lower revenue relative to the revenue recorded in the preceding quarter mainly due to lower average selling price of broiler. Compounded with the higher feed cost, the Group consequently recorded a lower profit.

17. Commentary on prospects

The current world supply shortage of major commodities has resulted in a sharp rise in their prices which will have a significant impact on food prices and animal feedstock. Since cost of feed constitutes a major portion of the cost of production of the poultry industry, rising feed cost will have a negative impact on the profitability of the business. Despite this scenario, the Management is cautiously confident that the financial performance of the Group for the next quarter will be satisfactory as it has taken the necessary measures to counter the impact from the expected increase in feed cost.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Taxation

	3 months ended		3 months ended	
	31.12.10 RM'000	31.12.09 RM'000	31.12.10 RM'000	31.12.09 RM'000
Current taxation				
- Current	564	880	564	880
- Prior years	-	-	-	-
	<u>564</u>	<u>880</u>	<u>564</u>	<u>880</u>
Deferred taxation	(142)	(112)	(142)	(112)
	<u>422</u>	<u>768</u>	<u>422</u>	<u>768</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 December 31, 2010.

21. Quoted investments

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

22. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended December 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 December 31, 2010 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdrafts	7,076	1,970	9,046
Bankers' acceptances	35,154	23,462	58,616
Hire purchase	2,868	-	2,868
Term loan	2,900	901	3,801
Sub-total	47,998	26,333	74,331
Long-term borrowings:			
Hire purchase	4,760	-	4,760
Term loan	6,546	50	6,596
Sub-total	11,306	50	11,356
Total borrowings	59,304	26,383	85,687

The above borrowings are denominated in Ringgit Malaysia.

24. Derivative financial instruments

With the adoption of FRS 139, financial derivatives are recognized on their respective contract dates. The related accounting policies are disclosed in Note 2 to the interim financial statements. There are no off-balance sheet financial instruments.

Detail of the outstanding derivative financial instruments as at December 31, 2010 are as follows:-

Derivative	Contracted Amount RM'000	Fair Value RM'000
Forward Foreign Exchange Contracts:		
Sales Contracts – Less than 1 year	868	17
Purchase Contract – Less than 1 year	1,728	(33)

The above foreign exchange contracts were entered into by the Group to minimize its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities. In line with the Group's Forward Foreign Exchange Management Policy, hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed the net exposure value. The derivatives and their underlying exposures will be monitored on an on-going basis.

Derivative financial instruments are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rate. Derivatives with positive market values (unrealized gain) are included under current assets and derivatives with negative market values (unrealized losses) are included under current liabilities in the statement of financial position.

For the quarter ended December 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.

26. Proposed Dividend

No interim dividend has been declared for the current quarter ended December 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 December 31, 2010	Prior Year Quarter December 31, 2009	Current Year To Date December 31, 2010	Preceding Year Corresponding Period December 31, 2009
Net profit attributable to shareholders (RM'000)	380	2,078	380	2,078
Weighted average number of shares Basic Weighted average number of ordinary shares in issue ('000)	131,561	131,561	131,561	131,561
Basic earnings per ordinary share (sen)	0.29	1.58	0.29	1.58
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. Realised and Unrealised Profits/ Losses Disclosure

The breakdown of the retained earnings of the Group and accumulated losses of the Company into realized and unrealized amounts, pursuant to the directive from Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	Current Quarter Ended December 31, 2010 RM'000	Preceding Quarter Ended September 30, 2010 RM'000
Total retained earnings/ (accumulated losses)		
Realised	35,029	36,543
Unrealised	(2,085)	(2,146)
	32,944	34,397
Less: Consolidation adjustments	(17,917)	(17,890)
Total retained earnings as per statement of financial position	15,027	16,507

29. 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 February 28, 2011.