

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
30 SEPTEMBER 2011**

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 12 months ended 30 September	
		2011 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2011 RM'000 (Unaudited)	2010 RM'000 (Audited)
Revenue	9	130,866	127,545	491,006	508,148
Profit from operations		6,756	7,442	20,665	15,243
Other Gains/(Losses)		961	*(1,030)	1,709	*(1,412)
Finance costs		(1,176)	(1,162)	(4,640)	(4,342)
Investment revenue		471	438	1,752	1,646
Profit before taxation	9	7,012	5,688	19,486	11,135
Taxation	19	(1,353)	(1,632)	(4,983)	(3,440)
Profit for the period		5,659	4,056	14,503	7,695
Other Comprehensive Income:					
Effects of foreign exchange differences		(36)	19	(60)	66
Total Other comprehensive income for the period, net of tax		(36)	19	(60)	66
Total Comprehensive Income for the period		5,623	4,075	14,443	7,761
Profit attributable to :					
Equity holders of the parent		5,336	3,877	12,591	7,208
Non-controlling interests		323	179	1,912	487
Profit for the period		5,659	4,056	14,503	7,695
Total Comprehensive Income attributable to :					
Equity holders of the parent		5,323	3,883	12,560	7,237
Non-controlling interests		300	192	1,883	524
Total Comprehensive Income for the period		5,623	4,075	14,443	7,761

Basic earnings per ordinary share (sen)	27	4.06	2.94	9.57	5.47
Diluted earnings per ordinary share (sen)	27	NA	NA	NA	NA

*This has been reclassified from profit from operations for comparison purpose to be consistent with current quarter presentation.

The condensed consolidated statement of comprehensive income 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 30 September 2011 (Unaudited)	As at 30 September 2010 (Audited)
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		125,481	108,574
Investment properties		32,709	29,941
Prepaid lease payments on leasehold land		7,044	7,216
Other investment		260	260
Agricultural development expenditure		291	296
Goodwill		1,670	2,354
Deferred tax assets		458	-
Total non-current assets		167,913	148,641
Current Assets			
Inventories		30,302	21,931
Trade and other receivables		50,364	60,326
Other assets		3,661	3,048
Current tax assets		88	76
Short term deposits with licensed banks		4,280	4,163
Cash and bank balances		6,388	7,814
		95,083	97,358
Non-current assets classified as held for sale		1,159	3,559
Total current assets		96,242	100,917
TOTAL ASSETS		264,155	249,558
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital		65,890	65,890
Less: Treasury shares		(69)	(69)
Reserves		5,165	5,339
Retained earnings		26,802	16,507
		97,788	87,667
Non-controlling interests		13,924	12,498
Total Equity		111,712	100,165
NON-CURRENT LIABILITIES			
Borrowings	23	19,630	12,664
Deferred tax liabilities		7,802	6,816
		27,432	19,480
CURRENT LIABILITIES			
Derivative financial liabilities designated at fair value	24	30	-
Trade and other payables		50,195	51,207
Borrowings	23	72,340	76,599
Current tax liabilities		2,446	2,107
		125,011	129,913
TOTAL EQUITY AND LIABILITIES		264,155	249,558
Net Assets per share of RM0.50 each attributable to ordinary equity holders of the parent (RM)		0.74	0.67

The condensed consolidated statement of financial position 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)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)

Twelve (12) Months Ended September 30, 2011

	←----- Attributable to the equity holders of the parent -----→				Retained earnings	Total	Non-controlling interests	Total Equity	
	←----- Non-distributable -----→								Distributable
	Share Capital	Share Premium	Treasury Shares	Other reserves					
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	-	-	-	-	(2,427)	(2,427)	(185)	(2,612)	
	65,890	71	(69)	5,268	14,080	85,240	12,313	97,553	
Total comprehensive income for the period	-	-	-	(174)	12,734	12,560	1,883	14,443	
Accretion of non-controlling interest in a subsidiary	-	-	-	-	(12)	(12)	12	-	
Non-controlling interest share of dividend	-	-	-	-	-	-	(284)	(284)	
Balance as at September 30, 2011	65,890	71	(69)	5,094	26,802	97,788	13,924	111,712	
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	-	-	-	(144)	7,381	7,237	524	7,761	
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	(1)	(1)	
Non-controlling interest share of dividend	-	-	-	-	-	-	(120)	(120)	
Decrease in non-controlling interest arising from purchase of share from non-controlling shareholders in subsidiaries	-	-	-	-	-	-	(280)	(280)	
Balance as at September 30, 2010	65,890	71	(69)	5,268	16,507	87,667	12,498	100,165	

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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended September 30, 2011 RM'000 (Unaudited)	12 months ended September 30, 2010 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	14,503	7,695
Adjustments for:		
Non-cash items	7,994	10,005
Non-operating items	3,096	3,789
Tax income recognized in profit or loss	4,983	3,440
Operating profit before working capital changes	30,576	24,929
Net change in current assets	(2,593)	8,521
Net change in current liabilities	(1,132)	(7,859)
Effect of exchange rates changes on working capital	(44)	-
Cash generated from operations	26,807	25,591
Interest paid	(3,974)	(3,947)
Interest received	41	56
Income tax paid & refund	(4,126)	(2,022)
Net cash generated from operating activities	18,748	19,678
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3,529	1,058
Dividend received	8	8
Interest received	158	97
Payment for property, plant and equipment	(20,155)	(14,022)
Additional investment in existing subsidiary companies	-	(750)
Payment for agricultural development expenditure	-	-
Net cash used in investing activities	(16,460)	(13,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in long-term loans	6,074	(552)
Net change in short-term borrowings	(4,750)	1,948
Net change in hire-purchase	(3,461)	(3,676)
Dividend paid to non-controlling interest of a subsidiary	(284)	(120)
Advance from/(Repayment to) a director	32	(39)
Short term deposit pledged as security	(117)	(191)
Net cash used in financing activities	(2,506)	(2,630)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(218)	3,439
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(592)	(4,030)
Effect of foreign exchange rates changes	1	(1)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(809)	(592)
REPRESENTED BY:-		
Bank overdrafts	(7,197)	(8,406)
Deposits with licensed financial institution	4,280	4,163
Cash and Bank Balances	6,388	7,814
	3,471	3,571
Less: Deposits pledged as security	(4,280)	(4,163)
	(809)	(592)

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	(2,656)	57,670
Derivative financial asset designated at fair value	-	44	44
Non-controlling interest	12,498	(185)	12,313
Retained earnings	16,507	*(2,427)	14,080

* The effect of adoption of FRS139 on retained earnings as reported in previous quarters was RM1,895,000. This was due to changes in the effective interest rate used in calculating the present value of the estimated future cash flow.

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 expected 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 September 30, 2011.

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, 2011.

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, 2011.

At the Annual General Meeting held on March 29, 2011, 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, 2011, 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, 2011		Twelve (12) Months ended September 30, 2011	
	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000	Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
By Business Activities				
Investment holding	-	(658)	-	(798)
Integrated poultry farming and processing	117,794	7,641	445,772	19,418
Marine products manufacturing	3,192	186	5,262	(540)
Restaurants and franchising	548	(61)	2,229	212
Value-added food products Manufacturing and trading	9,332	(96)	37,743	1,194
Consolidated	<u>130,866</u>	<u>7,012</u>	<u>491,006</u>	<u>19,486</u>

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

	Three (3) Months ended September 30, 2011		Twelve (12) Months ended September 30, 2011	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	126,559	96.7%	481,608	98.1%
United States of America	2,407	1.8%	4,366	0.9%
Others	1,900	1.5%	5,032	1.0%
Consolidated	<u>130,866</u>	<u>100.0%</u>	<u>491,006</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, 2011 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 March 02, 2011, Likes Marketing Sdn Bhd (“LMSB”), a wholly-owned subsidiary of the Company, acquired 28,490 ordinary shares of S\$1.00 each in Protheme Pte Ltd (“PPL”) for a cash consideration of S\$1.00 only. In consequent thereof, PPL became a wholly-owned subsidiary of the Company.
- (ii) On August 15, 2011, CAB Cakaran Sdn Bhd, a wholly-owned subsidiary of the Company, disposed its equity interest of 550 ordinary shares of RM1 each in Jaya Gading Farm Sdn Bhd to its wholly-owned subsidiary, Jimat Jaya Sdn Bhd for a purchase consideration of RM28,424. Accordingly, the Group’s equity interest in Jaya Gading Farm Sdn Bhd remains unchanged.
- (iii) On September 23, 2011, Kyros International Sdn Bhd (“KISB”), a wholly-owned subsidiary of the Company, disposed its equity interest of 100,000 ordinary shares of RM1 each in Kyros Properties Sdn Bhd (“KPSB”) for a purchase consideration of RM2. Upon the disposal, KPSB ceased to be a subsidiary of KISB.

13. Changes in contingent liabilities and assets

As at September 30, 2011, the Company has issued corporate guarantees amounting to RM151.319 million (September 30, 2010: RM143.360 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, 2011 are as follows:-

	RM’000
Property, plant and equipment:	
Authorised but not contracted for	-
Approved and contracted for	6,489
Total	<u>6,489</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, 2011, the Group recorded revenue of RM130.866 million, representing an increase of 2.6% over the prior year corresponding quarter's revenue of RM127.545 million. The higher revenue in the current quarter as compared to the prior year's corresponding quarter was due mainly to the overall increase in sale of all divisions especially the integrated poultry farming and processing division which saw sales increase of more than 4%.

Despite the higher sale recorded, the Group's profit from operations showed a decrease of 9% to RM6.756 million as compared with the prior year's corresponding quarter of RM7.442 million. The lower profit from operations was attributed mainly to the lower average selling price of broilers.

The Group recorded a net gain of RM0.961 million largely from fair value adjustment on investment properties as compared with net loss of RM1.030 million in the prior year's corresponding quarter. Overall the Group achieved a profit before tax of RM7.012 million representing an increase of 23% over the prior year's corresponding quarter.

16. Comment on material change in profit before taxation

The comparison of the Group's revenue and profit before taxation for the current quarter and preceding quarter is summarised as follows:-

	2011 Quarter 4 RM'000	2011 Quarter 3 RM'000	Variance	
			RM'000	%
Revenue	130,866	122,287	8,579	7.0%
Profit before taxation	7,012	7,212	(200)	-2.8%

For the current quarter ended September 30, 2011, the Group recorded higher revenue relative to the revenue recorded in the preceding quarter due to the higher sales achieved by integrated poultry farming and processing division.

Despite the higher revenue achieved in the current quarter as compared to the preceding quarter, the Group's profit before tax dropped by 2.8% to RM7.012 million. This is due mainly to the lower profit margin resulting from the lower average selling price of broilers.

17. Commentary on prospects

The Group's high technology slaughtering plant in Sungai Petani is expected to be operational by March 2012. This facility will provide the Group more flexibility in its supply of live birds in the local market as well as enhancing the Group's downstream food processing activities.

With the significant investments undertaken by the Group over the past few years to strengthen and improve the various production facilities along the integrated line, the management is confident that the Group is now more equipped to face the challenges confronting the local poultry industry and that moving forward the Group will be in a better position to benefit from the various business opportunities that may arise in the future. And barring any unforeseen circumstances, the management is confident that the Group would continue to be profitable in the coming financial year.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Taxation

	3 months ended		12 months ended	
	30.09.11	30.09.10	30.09.11	30.09.10
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	1,246	1,699	4,488	3,468
- Prior years	3	-	(33)	80
	<u>1,249</u>	<u>1,699</u>	<u>4,455</u>	<u>3,548</u>
Deferred taxation	104	(67)	528	(108)
	<u>1,353</u>	<u>1,632</u>	<u>4,983</u>	<u>3,440</u>

For the current quarter under review, the effective tax rate is lower than the statutory tax rate due to the recognition of deferred tax assets not recognized previously. Whereas the effective tax rate for the year to date 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, 2011.

21. Quoted investments

There were no purchases or disposals of quoted investments during the current quarter ended September 30, 2011.

22. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended September 30, 2011 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, 2011 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings:			
Bank overdrafts	6,064	1,133	7,197
Bankers' acceptances	33,389	23,316	56,705
Hire purchase	3,786	-	3,786
Term loan	4,370	282	4,652
Sub-total	<u>47,609</u>	<u>24,731</u>	<u>72,340</u>
Long-term borrowings:			
Hire purchase	7,016	-	7,016
Term loan	12,614	-	12,614
Sub-total	<u>19,630</u>	<u>-</u>	<u>19,630</u>
Total borrowings	<u>67,239</u>	<u>24,731</u>	<u>91,970</u>

The above borrowings are denominated in Ringgit Malaysia.

24. Derivative financial instruments

With the adoption of FRS 139, financial derivatives are recognized at 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 September 30, 2011 are as follows:-

Derivatives	Contracted Amount RM'000	Fair Value RM'000
Forward Foreign Exchange Contracts:		
Sales Contracts – Less than 1 year	554	(28)
Purchase Contracts – Less than 1 year	311	(2)

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 September 30, 2011, 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 September 30, 2011.

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, 2011	Prior Year Quarter September 30, 2010	Current Year To Date September 30, 2011	Preceding Year Corresponding Period September 30, 2010
Net profit attributable to shareholders (RM'000)	5,336	3,877	12,591	7,208
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)	4.06	2.94	9.57	5.47

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 September 30, 2011 RM'000	As At September 30, 2010 RM'000
Total retained earnings/ (accumulated losses)		
Realised	49,628	36,543
Unrealised	(547)	(2,146)
	<hr/>	<hr/>
	47,081	34,397
Less: Consolidation adjustments	(22,279)	(17,890)
Total retained earnings as per statement of financial position	<hr/>	<hr/>
	26,802	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 November 29, 2011.