

27 February 2009

# MARKET ANNOUNCEMENT

## APPENDIX 4E PRELIMINARY FINAL REPORT - 2008

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period:	Financial year ended 31 December 2008
Previous Corresponding Period:	Financial year ended 31 December 2007
Balance Date:	31 December 2008
Company:	China Cattle Limited ("CAC")
Consolidated Entity:	CAC and controlled entities:
	1. Aspen Pastoral Pty Ltd (a wholly owned subsidiary);
	2. Aspen Export Pty Ltd (a wholly owned subsidiary).

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Dec 2008	Dec 2007	% Change	Up / Down
Total revenues	1,970,035	2,683,434	-26.6%	Down
Total expenses	(3,366,778)	(5,488,733)	-38.7%	Down
Loss before tax	(1,396,743)	(2,805,299)	-50.2%	Down
Income tax expense	-	-		
Loss after tax attributable to members	(1,396,743)	(2,805,299)	-50.2%	Down
Basic loss per share (cents)	(0.08)	(0.03)	163.2%	
Pre and post tax NTA backing per share (cents)	0.00	0.08	-96.9%	Down

### Brief Explanation of Results

Total revenues comprise:  
 \$ 1,553,534 in cattle sales

Total expenses comprise:

- (1) \$ 1,283,872 in cost of sales
- (2) \$783,643 in corporate expenses
- (3) \$706,737 in employment costs



**BALANCE SHEET**  
as at 31 December 2008

	Economic Entity	Economic Entity	Parent	Parent
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	55,950	1,262,028	38,023	1,227,961
Trade and other receivables	107,099	50,442	38,773	54,601
Inventories	79,632	318,235		-
Financial Assets		400,689		400,689
<b>TOTAL CURRENT ASSETS</b>	<b>242,681</b>	<b>2,031,394</b>	<b>76,796</b>	<b>1,683,251</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	(68,693)	64,813	381,712	341,554
Property, plant & equipment	229,325	207,700	150,608	202,043
Financial Assets	90	-	90	90
<b>TOTAL NON-CURRENT ASSETS</b>	<b>160,722</b>		<b>532,410</b>	<b>543,687</b>
<b>TOTAL ASSETS</b>	<b>403,403</b>	<b>2,303,907</b>	<b>609,206</b>	<b>2,226,938</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	87,676	548,850	601,648	270,688
Short term borrowings		46,370		46,370
<b>TOTAL CURRENT LIABILITIES</b>	<b>87,676</b>	<b>595,220</b>	<b>601,613</b>	<b>317,058</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables		-		222,012
Other long term borrowings	178,849	175,064	178,849	175,064
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>178,849</b>		<b>178,849</b>	<b>397,076</b>
<b>TOTAL LIABILITIES</b>	<b>266,525</b>	<b>770,284</b>	<b>780,497</b>	<b>714,134</b>
<b>NET ASSETS</b>	<b>136,878</b>	<b>1,533,623</b>	<b>(171,291)</b>	<b>1,512,804</b>
<b>EQUITY</b>				
Issued capital	10,472,735	10,472,635	10,472,635	10,472,635
Accumulated losses	(10,335,745)	(8,939,012)	(10,643,926)	(8,959,831)
<b>TOTAL EQUITY</b>	<b>136,878</b>	<b>1,533,623</b>	<b>(171,291)</b>	<b>1,512,804</b>

**CASH FLOW STATEMENT**  
for the financial year ended 31 December 2008

	Economic Entity	Economic Entity	Parent	Parent
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	2,063,279	2,509,345	649,121	2,460,767
Payments to suppliers and employees	(3,494,598)	(3,492,735)	(1,873,610)	(5,080,045)
Interest Paid	(141,399)	(69,462)	(140,642)	(69,462)
Interest Received	88,034	69,558	85,697	66,338
<b>Net cash provided by/ (used in) operating activities</b>	<b>(1,484,684)</b>	<b>(983,294)</b>	<b>(1,279,434)</b>	<b>(2,622,401)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of Investment	395,924	-	395,924	-
Payments for subsidiaries	-	-	(262,170)	-
Purchase of plant and equipment	(74,733)	(111,082)	(1,673)	(103,525)
Investment in Chinese Joint venture	-	-	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>321,191</b>	<b>(111,082)</b>	<b>132,081</b>	<b>(103,525)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	-	-	-	-
Proceeds from Interest Bearing Loans	-	2,267,780	-	2,267,780
Proceeds from Lease Financing	-	110,890	-	110,890
Repayment of Lease Financing	(42,585)	(37,116)	(42,585)	(37,116)
Repayment of Interest Bearing Loans	-	(2,267,780)	-	(2,267,780)
Net Proceeds from/ (repayment) of related entity and other loans	-	(100)	-	1,714,149
<b>Net cash provided by / (used in) financing activities</b>	<b>(42,585)</b>	<b>73,674</b>	<b>(42,585)</b>	<b>1,787,923</b>
<b>Net increase/(decrease) in cash held</b>	<b>(1,206,078)</b>	<b>(1,020,702)</b>	<b>(1,189,938)</b>	<b>(938,004)</b>
<b>Cash at beginning of the year</b>	<b>1,262,028</b>	<b>2,282,730</b>	<b>1,227,961</b>	<b>2,165,965</b>
<b>Cash at end of the year</b>	<b>55,950</b>	<b>1,262,028</b>	<b>38,023</b>	<b>1,227,961</b>

## SUSPENSION FROM ASX

The Company has been suspended from the Australian Securities Exchange (**ASX**) since 26 April 1999

The new Board has been in discussions with parties in relation to the recapitalisation of the Company and the undertaking of a transaction that will facilitate the Company's re-admission to the ASX.

The new board of directors entered into a memorandum of understanding on 30 December 2008 to acquire the

The proposed acquisition is subject to a number of condition precedents, including:

- completion of satisfactory due diligence by CAC;
- a formal acquisition agreement;
- the approval of the shareholders of CAC via an EGM to be held; and
- the re listing of the company.

Shareholders will be provided a further update at the planned AGM. An EGM will be called once the prospectus and the underwriting for the issue have been completed over the forthcoming months.

## COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

The 2008 Annual Report audited accounts will be lodged upon the final audit sign off and the financial position and performance of the Company for the year ended 31 December 2008 detailed above are the preliminary figures subject to final audit sign off.

## STATUS OF AUDIT

This Preliminary Final Report is based on:

Accounts under audit.

For and on behalf of the Directors,

Date: 27 February 2009

David M Hickie  
Director

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