CAB CAKARAN CORPORATION BERHAD

(200201015998) (583661-W)

(Incorporated in Malaysia)

Contents

Please scan the QR code for Annual Report 2022

ANNUAL GENERAL MEETING

24th March 2023 (Friday)

10.30 a.m

CAB Cakaran Corporation Berhad
The Conference Room, Third Floor
Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park
Seberang Jaya, 13700 Perai, Penang, Malaysia

www.cab.com.my

About Us

OUR VISION

To be a respectful leader in the regional food industry with strict adherence to high quality and safety standards for food production

OUR MISSION

To manage and conduct all business dealings with integrity and innovation to supply a wide range of high quality and safe food products to our customers

OUR CORE VALUES

- To always ensure premium quality and food safety standards are adhered to
- To actively participate in activities related to raising the standards of the food industry
- To form strategic long-term partnerships with our employees, customers and suppliers
- To optimise profit through efficient utilisation of resources
- To constantly invest in new facilities and research and development in order to produce a continuous stream of quality and safe food products

"SUSTAINABLE GROWTH WITH INTEGRITY"

Incorporated in 2002 and listed on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") on 22 December 2003 and subsequently transferred to the Main Board of Bursa Securities on 03 May 2006. CAB Cakaran Corporation Berhad ("CAB" or "the Company") together with its subsidiaries ("the Group" or "the CAB Group") is anchored on its sterling commitment to fortify its position as one of the most efficient poultry farming players in the region. The Group continues to grow its capabilities and expertise and to ensure sustainable growth through the long-term within a challenging and evolving environment by continued improvement in its key strengths and resources.

Corporate Information

BOARD OF DIRECTORS

Chuah Ah Bee
Executive Chairman

Chuah Hoon Phong
Group Managing Director

Chew Chee Khong
Executive Director

Loo Choo Gee
Executive Director

Wijanti Tjendera
Non-Independent Non-Executive Director

Lim Ghim Chai
Independent Non-Executive Director

Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti
Independent Non-Executive Director

Datuk Sr. Haji Zakaria Bin Hashim
Independent Non-Executive Director

REGISTERED OFFICE

Suite A, Level 9
Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel : 04-2296 318
Fax : 04-2282 118

COMPANY SECRETARIES

Chew Siew Cheng
(MAICSA 7019191)
(SSM PC No. 202008001179)

Lim Choo Tan
(LS 0008888)
(SSM PC No. 202008000713)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
(197101000970) (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-2783 9299
Fax : 03-2783 9222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 7174
Stock Name : CAB

AUDITORS

Grant Thornton Malaysia PLT
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
Bank of China (Malaysia) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

AUDIT COMMITTEE

Chairman
Lim Ghim Chai

Members
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti
Datuk Sr. Haji Zakaria Bin Hashim

NOMINATION COMMITTEE

Chairman
Datuk Sr. Haji Zakaria Bin Hashim

Members
Lim Ghim Chai
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti

REMUNERATION COMMITTEE

Chairman
Lim Ghim Chai

Members
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti
Datuk Sr. Haji Zakaria Bin Hashim

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman
Loo Choo Gee

Members
Lim Ghim Chai
Datuk Sr. Haji Zakaria Bin Hashim

HALAL COMMITTEE

Patron & Syariah Advisor
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti

Chairman
Haji Ahmad Fazil Bin Haji Hashim

Deputy Chairman
Dato' Raja Zulkepley Bin Dahalan

Members
Abdul Rahman Bin Din
Brigadier General Dato' Azizon Bin Ariffin

Corporate Structure

as at 9 January 2023

CAB CAKARAN CORPORATION BERHAD

Profile of Board of Directors

Board Meetings Attendance

6/6

CHUAH AH BEE

Executive Chairman

- Aged 72, Male, Malaysian

Mr. Chuah was appointed to the Board of CAB Cakaran Corporation Berhad ("CAB") on 11 August 2003. He was later appointed as Executive Chairman of CAB on 17 February 2011.

Mr. Chuah is the founder of CAB Group and has more than 40 years of experience and expertise in the integrated poultry livestock industry. He has been leading the expansion of CAB's operation since its incorporation.

He is the Chairman of Persatuan Penjual-Penjual Ayam Itik Pulau Pinang since 2004 and had served as the Vice Chairman from 1995 to 2003. He is also a Committee Member of Penang & Province Wellesley Farmers Association since 2003.

His vision and strategies have led to the Group's successful growth track record as well as financial strength and is also instrumental in leading the executive team in implementing the Group's strategies. His leadership and entrepreneurial vision have been and will continue to be crucial in leading the Group into the future.

CHUAH HOON PHONG

Group Managing Director

Board Meetings Attendance

6/6

- Aged 44, Male, Malaysian

Mr. Chuah was appointed to the Board of CAB on 29 May 2007. He was later appointed as the Group Managing Director of CAB on 17 February 2011.

Mr. Chuah obtained his Advanced Diploma in Business Studies from International College, Penang in 2000. He joined the Group as a Marketing Manager in 2000 and was subsequently promoted as a Chief Operating Officer of the Group's food processing division in October 2002.

He has more than 20 years of experience and expertise in the integrated poultry industry, following in his father Mr. Chuah Ah Bee's footsteps into this industry.

As the Group Managing Director, he oversees the entire business operations of the Group. Supported by his extensive expertise in the upstream and downstream activities of livestock production, operation, development and marketing areas, he has spearheaded many business expansion projects which contributed to the growth of the Group.

Board Meetings Attendance
6/6

CHEW CHEE KHONG

Executive Director

- Aged 66, Male, Malaysian

Mr. Chew was appointed to the Board of CAB on 1 February 2007 as an Executive Director. He obtained his Bachelor Degree of Economics with Honours from the University of Malaya in 1980 and his Chartered Institute of Management Accountants ("CIMA") qualifications in 1983.

Mr. Chew began his career in the banking industry and has held various positions in both commercial and merchant banks over a period of 15 years. After leaving the banking industry, he joined Denko Industrial Corporation Berhad in 1994 as its Group General Manager. In 1996, he ventured into business and is one of the founding members of Kyros Kebab fast food chain.

LOO CHOO GEE

Executive Director

Board Meetings Attendance
6/6

- Aged 59, Male, Malaysian

Mr. Loo was appointed to the Board of CAB on 11 August 2003 as an Executive Director. He was appointed as the Chairman of the Risk Management and Sustainability Committee on 27 November 2020.

He joined the Group as Branch Manager in 1996 and has more than 30 years of experience in the poultry industry.

Mr. Loo was the Secretary of Persatuan Penternak dan Pengusaha Ayam, Kedah Darul Aman/Perlis Indera Kayangan from 2000 to 2008 and a member of the Committee of Unit Broiler of Federation of Livestock Farmers' Association of Malaysia, representing Kedah Darul Aman/Perlis Indera Kayangan region from 2001 to 2007. He has been a committee member of Federation of Livestock Farmers' Association of Malaysia since 2004 and the Secretary of Penang & Province Wellesley Farmers' Association from 2007 to 2012 and was promoted to Chairman from 2013 to 2016.

Currently, Mr. Loo is an Honorable Advisor to the Penang and Province Wellesley Farmers' Association.

Board Meetings Attendance

5/6

WIJANTI TJENDERA

Non-Independent Non-Executive Director

- Aged 64, Female, Indonesian

Ms. Wijanti was appointed to the Board of CAB on 26 August 2016 as a Non-Independent Non-Executive Director. She is currently an independent professional practicing as Notary Public and Land Deed Officer (PPAT) in Jakarta Indonesia/ Capital City since year 2004.

Ms. Wijanti is also responsible for promoting Joint Venture Company establishment within Salim Group's various operating unit company with several Japanese companies and other international companies since year 2010. Prior to that, Ms. Wijanti was an independent professional practicing as Notary Public and PPAT in Riau Province from year 2000 to year 2004.

Ms. Wijanti is a member of Ikatan Notaris Indonesia/ Indonesian Notary Public Association (INI) and Ikatan PPAT Indonesia/Indonesian Land Title and Land Affair Officer Association (IPPAT).

LIM GHIM CHAI

Independent Non-Executive Director

Board Meetings Attendance

5/6

- Aged 48, Male, Malaysian

Mr. Lim was appointed to the Board of CAB on 23 March 2016 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of Nomination Committee and Risk Management and Sustainability Committee. He obtained his Bachelor of Commerce (Accounting) Degree from La Trobe University of Melbourne, Australia. He is a qualified Chartered Accountant with membership of the Malaysian Institute of Accountants and Chartered Accountants of Australia since year 2003.

Mr. Lim began his career in finance and accounting with international companies in Malaysia as Financial Accountant and Financial Analyst. He subsequently assumed senior managerial position as a partner of a professional firm which was involved in providing services in taxation, business planning consultancy, accounting and company secretarial fields.

Board Meetings Attendance

-/-

PROFESSOR DATO' DR. MOHD FAKHRUDIN BIN ABDUL MUKTI

Independent Non-Executive Director

- Aged 66, Male, Malaysian

Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti was appointed to the Board of CAB on 13 September 2022 as an Independent Non-Executive Director. Professor Dato' is a member of Audit Committee, Nomination Committee and Remuneration Committee. He is also a Patron & Syariah Advisor to the Halal Committee of CAB.

Professor Dato' holds a PhD degree from Birmingham University United Kingdom (2001). After obtaining BA Hons. from a prestigious Islamic University AlAzhar in Egypt, he obtained Master degree in Islamic Philosophy from Ain Shams University Cairo. He served as a lecturer in University of Malaya and further secured another Master degree from the Temple University Philadelphia USA. As a lecturer and associate professor, Professor Dato' was also elected as deputy dean of the faculty and Deputy Director in the Islamic Academy of UM. In 2005, he was appointed as a Director of MSD in Cairo under Ministry of Higher Education Malaysia. In 2010, he was then appointed as Ambassador of Malaysia to Arab Republic of Egypt. By 2016, Professor Dato' was elected by Kedah government as Rector /Vice Chancellor of the University of Unishams in Kedah.

In 2016-2018, he was a member of Majlis Agama Islam Negeri Kedah and also a member of Fatwa Committee of Negeri Kedah.

Professor Dato' is a member of Darul Quran's Board of Directors JAKIM since 2019 and President of the World Organization of AlAzhar Graduates Malaysia (WOAGM) since 2011. He was appointed by prime minister as Deputy Chairman of YADIM (2020-2022). He was also a member of Fatwa Committe of Pulau Pinang (2002-2022).

Currently, Professor Dato' is serving as Professor in Islamic Thought in the Sultan Sharif Ali Islamic University (UNISSA) of Brunei Darussalam.

Board Meetings Attendance

-/-

DATUK SR. HAJI ZAKARIA BIN HASHIM

Independent Non-Executive Director

- Aged 77, Male, Malaysian

Datuk Sr. Haji Zakaria Bin Hashim was appointed to the Board of CAB on 13 September 2022 as an Independent Non-Executive Director. Datuk Sr. Haji Zakaria is the Chairman of the Nomination Committee. He is also a member of Audit Committee, Remuneration Committee and Risk Management and Sustainability Committees.

Datuk Sr. Haji Zakaria is a Chartered Quantity Surveyor (Fellow, Royal Institution Chartered Surveyors, and Fellow, Royal Institution of Surveyors, Malaysia) and obtained his Diploma in Quantity Surveying from Maktab Teknik, Kuala Lumpur in 1970 and Advance Diploma in Quantity Surveying from the Thames Polytechnic, London, United Kingdom in 1972. He obtained Masters in Business Administration (MBA) Henley Business School, University of Reading, United Kingdom in 1990. Datuk Sr. Haji Zakaria has more than 45 years' experience in Quantity Surveying and Project Management.

Datuk Sr. Haji Zakaria is the founding partner of Messrs Zakaria-Lee and Partners Sdn. Bhd., a Consultant Chartered Quantity Surveying Firm established in 1980. He was the Vice Chairman of the Commonwealth Association of Professional Centres (1996-2000), President of the Federation of Consultants from Islamic Countries (2004-2006), Chairman of the National Consumer Advisory Council, Ministry of Domestic Trade and Consumer Affairs (2002-2004) and Board Member of the National Accreditation Board, LAN/MQA under the Ministry of Education back in 1996-2009.

Datuk Sr. Haji Zakaria was the Chairman of CAB Cakaran Corporation Berhad and Audit Committee of CAB during the period from 2003-2011.

Currently, he is a Council Member of the National Professional Services Export Council (NAPSEC) MATRADE, Ministry of International Trade (MITI), Malaysia.

Notes:

(1) Family Relationships and Major Shareholders

None of the Directors has any family relationship with any Director and/or Major Shareholder except:
Chuah Ah Bee is the husband of Chan Kim Keow (Major Shareholder) and father of Chuah Hoon Phong. Chuah Hoon Phong is a child of Chuah Ah Bee and Chan Kim Keow.

(2) Directors' Shareholdings

Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

(3) No Conflict of Interest

All Directors of the Company do not have any conflict of interest with the Company.

(4) Non-Conviction of Offences

All the Directors have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

Profile of Key Senior Management

The Management team is headed by the Executive Chairman, Mr Chuah Ah Bee, and Group Managing Director, Mr Chuah Hoon Phong. They are assisted by the Executive Directors, Mr. Chew Chee Khong, Mr. Loo Choo Gee and the following key senior management:

KOAY LAY EAN

Director
(Group's Finance Division)

- Aged 49, Female, Malaysian

She is the Director of CAB Group's Finance Division. She is an Associate of Chartered Management Accountant and obtained her CIMA qualification in 1999 and Diploma in Management Accounting from Tunku Abdul Rahman College in 1998. She started her accountancy career with accounting firms and gained her experience in auditing of various companies ranging from small to medium sized companies. She joined CAB Cakaran Sdn. Bhd. as an internal auditor in May 2002 and was subsequently transferred to the Accounts Department as an Accounts Manager in October 2002. She was promoted to the Group Finance Director in year 2013. At present, she is responsible for the accounting and finance functions of CAB Group.

LIM CHIN SENG

Director
(Breeding Farm Operation Division)

- Aged 61, Male, Malaysian

He is a Director of CAB Cakaran Breeding Farm Sdn. Bhd. ("CABBF") and was appointed to the Board of Directors of CABBF on 3 May 2012. Upon completing his primary education in 1974, he immediately began his career with various companies involved in hatching of eggs into day-old-chicks. He has more than 30 years of experience in managing various breeder farms and hatching of eggs into day-old-chicks. At present, he is in-charge of the day-to-day operations of CABBF's breeder farms and hatchery centers.

CHUAH HOON TENG

Director
(Breeding Farm Operation Division)

- Aged 35, Male, Malaysian

He is a Director of Cabin Premier GPS Farm Sdn. Bhd. ("CPGPS") and was appointed to the Board of Directors of CPGPS on 17 November 2016. He obtained his Bachelor of Commerce Degree in Marketing Management and Economics from Murdoch University in Perth, Australia. He joined the Group as a Manager and was later promoted to be a Director of CPGPS. He is currently in-charge of the day-to-day operations of CPGPS breeder farms and hatchery centers.

VINCENT LEONG WENG FAI

Director
(Food Processing Operation Division)

- Aged 43, Male, Malaysian

He is a Director of Jimat Jaya Sdn. Bhd. ("JJSB") and was appointed to the Board of Directors of JJSB on 8 May 2012. He holds his Advanced Diploma in Business Studies from International College, Penang in 2000. Upon graduation in 2001, he joined JJSB as a Marketing Executive and undertook various job responsibilities in JJSB until his current position as a Director of JJSB. He is currently in charge of the day-to-day operations of JJSB.

LEONG YOUK LEEN

Managing Director (East Coast Poultry and Supermarket Division)

- Aged 54, Female, Malaysian

She is a Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on 10 August 1999. She was promoted as the Managing Director of JGF on 29 November 2022. After completing her secondary school education, she joined JGF since the incorporation of JGF on 21 February 1984. She has more than 30 years of experience in poultry industry and more than 10 years of experience in supermarket industry respectively. She is currently responsible for managing and monitoring the day-to-day operations and management decisions of JGF and its group of companies including responsible for the accounting and finance functions.

CHUAH HOON HONG

Director (Singapore's Food Processing and Malaysia Southern Poultry Divisions),

- Aged 37, Male, Malaysian

He was appointed as Managing Director of Tong Huat Poultry Processing Factory Pte. Ltd. ("THPPF") on 31 March 2020. He obtained his Diploma of Commerce from Murdoch Institute of Technology Perth, Australia in the year 2010. He is currently in charge of managing and monitoring the day-to-day operations and management decisions of THPPF. He is also a Director of CAB Cakaran Southern Sdn. Bhd. ("CABS") and was appointed to the Board of Directors of CABS on 31 January 2017.

DR. HUANG LIP CHIN

Senior Group Manager (Poultry Technical Division)

- Aged 48, Male, Malaysian

Dr. Huang is the Senior Group Manager (Poultry Technical) of CAB Group. He graduated in 2001 with professional degree Doctor of Veterinary Medicine (UPM) and Master of Business Administration (USM) in 2013. He has held various senior management positions in multinational livestock industry companies covering Malaysia and Asia Pacific Region prior to joining CAB Group in November 2015. He is currently in charge of the operations of Cabin Premier GPS Farm Sdn. Bhd. and technically supports all Parent Stocks & Hatchery divisions of CAB Group.

GAN CHIN NAM

General Manager (Southern Poultry Division)

- Aged 58, Male, Malaysian

He is the General Manager of CAB Cakaran Southern Sdn. Bhd. ("CABS"). He obtained his Bachelor Degree of Business Administration from the University of Toledo, Ohio, USA. He has over 20 years of experience in poultry industry. He joined CABS as General Manager in 2014 and currently in charge of the operations of CABS.

ABDUL RAHMAN BIN DIN

Senior Business Development Manager (Poultry cum Business Development Division)

- Aged 41, Male, Malaysian

He is the Senior Business Development Manager of CAB Cakaran Sdn. Bhd. ("CABC"). He graduated in 2002 with Bachelor of Environmental Sciences from University Malaysia Sabah. He has over 15 years of experience in the poultry livestock business. He was the head of Technical Coordinator Department of CP Brand Malaysia for Northern Region prior to joining CAB Group in 2006. He is currently in charge of the broiler business operations of CABC for the Northern and Eastern Peninsular Region.

Notes:

(1) Family Relationships and Major Shareholders

None of the Key Senior Management personnel has family relationship with any Directors or Major Shareholders of CAB except that Mr. Chuah Hoon Hong and Mr. Chuah Hoon Teng are the sons of Mr. Chuah Ah Bee and Madam Chan Kim Keow and brothers of Mr. Chuah Hoon Phong.

(2) No Conflict of Interest

All the Key Senior Management personnel of the Company do not have any conflict of interest with the Company.

(3) Non-Conviction of Offences

All the Key Senior Management personnel have not been convicted with any offences other than traffic offences (if any) in the past five (5) years and have not been imposed any public sanction or penalty by the relevant regulator during the financial year.

Management Discussion And Analysis

MANAGEMENT DISCUSSION AND ANALYSIS BY THE EXECUTIVE CHAIRMAN

"This Statement contains the management discussion and analysis ("MD&A") of the business operations and performance of CAB Cakaran Corporation Berhad ("the Company") and its subsidiaries ("the Group" or "CAB Group") for the financial year ended 30 September 2022 ("FY2022").

This MD&A should be read in conjunction with the audited financial statements of the Group for FY2022 as set out in this Annual Report."

GROUP BUSINESS AND OVERVIEW

The CAB Group is one of the largest integrated poultry producers in Malaysia that undertakes the following major business operations:

(1) breeding and farming of grand-parent stocks, to produce breeder eggs and hatching of eggs into parent-stock day-old chicks;
(2) breeding and farming of parent-stocks to produce eggs and hatching of eggs into day-old chicks;
(3) farming of broiler chicken as well as trading of poultry feeds and other farm consumables;
(4) slaughtering and processing of chicken and manufacturing and marketing of meat based food products; and
(5) operation of supermarkets and fast food franchising business.

The Group's grand-parent stock farms and breeder farms are primarily located in Penang, Kedah, Negeri Sembilan, Melaka and Johor whilst the broiler farms are located throughout the Peninsular making us the one of the largest integrated poultry farming producers in the country with such diverse locations in farm operation.

The CAB Group's downstream business includes sales of poultry products which entail the slaughtering and processing of live broilers for sale as processed chicken or chicken parts as well as the production and trading of value-added products such as nuggets, sausages, burgers patties and deli meats. Our products are packed and sold under the brand names of Likes, Ayam Likes, Farm's Best, Segaria, Rasaria, Hennie's and Garing. These downstream activities complement our livestock upstream business and form an integral part of our integrated poultry value chain.

The Group operates six (6) slaughtering and processing factories which are located in Kedah, Kuala Lumpur, Melaka, Johor, Pahang and Singapore. We have established strong distribution networks in the domestic and Singapore markets which encompass retail outlets, wholesalers, restaurants, hotels, supermarkets and hypermarkets.

The CAB Group operates medium-sized supermarkets under Pasaraya Jaya Gading Sdn. Bhd. and Home Mart Fresh & Frozen Sdn. Bhd. with the outlets located either in small towns or at the fringes of the bigger towns, which are away from the bigger competitors. The Group currently has a total of eleven (11) outlets with four (4) in Kuantan, two (2) in Kelantan, one (1) in Penang and three (4) in Kedah. The Group's long-term strategy is to build a big network of such outlets throughout the Peninsular as one of the distribution channels for the Group's products.

The Group also owns and operates the Kyros Kebab fast food franchise chain in the country. Currently, there are five (5) Kyros Kebab outlets operating in Malaysia.

GROUP BUSINESS AND OVERVIEW (CONT'D)

The joint venture project with the Salim Group of Indonesia has been put on hold since the beginning of 2020 due to the Covid-19 pandemic which restricted travelling between countries. In line with the reopening of borders and lifting of restriction on travelling between countries, as well as the resumption of all business activities, the Group will be looking into the matter in due course.

Considering that chicken is an essential food item and a cheap protein source, the Board believes that by being one of the large-scale broiler producers, the CAB Group can reap economies of scale in its operation as well as achieving more sustainable and consistent supply of its poultry products.

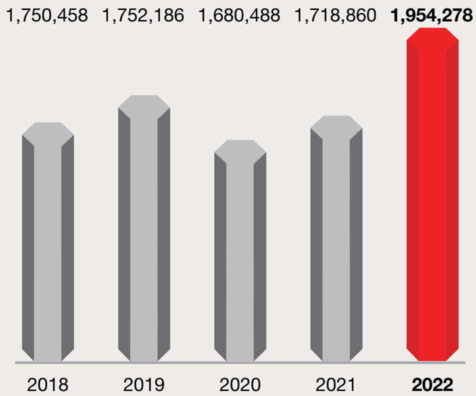
The Group has diversified its business into the provision of drone related services for the oil palm sector during the FY2022. This business is still in its infancy stage.

HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS

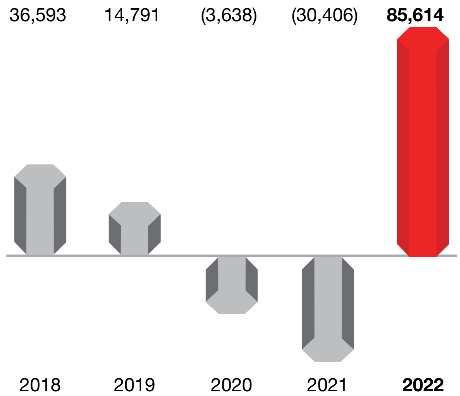
Financial Years Ended September 30	2018	2019	2020	2021	2022
Revenue (RM'000)	1,750,458	1,752,186	1,680,488	1,718,860	**1,954,278**
Earning/(loss) before interest and taxation (RM'000)	52,986	35,535	17,621	(13,264)	**101,961**
Profit/(loss)before taxation (RM'000)	36,593	14,791	(3,638)	(30,406)	**85,614**
Profit/(loss) after taxation (RM'000)	27,822	4,034	(11,131)	(36,273)	**56,328**
Net profit/(loss) attributable to equity holders (RM'000)	24,546	12,160	2,760	(20,188)	**57,720**
Total assets (RM'000)	1,293,675	1,319,633	1,378,843	1,333,574	**1,423,958**
Total borrowings (RM'000)	407,382	470,619	525,390	509,789	**480,458**
Shareholders' equity attributable to equity holders (RM'000)	447,995	453,870	460,360	440,536	**504,207**
Debt/equity (%)	90.93%	103.69%	114.13%	115.72%	**95.29%**
Net assets per share (RM)	0.69	0.69	0.67	0.64	**0.72**
Basis earnings/(loss) per share (sen)	3.89	1.87	0.41	(2.93)	**8.26**
Diluted earnings per share (sen)	3.60	1.79	N/A	N/A	**N/A**
Return on equity (%)	5.64%	2.70%	0.60%	(4.48%)	**12.22%**
Dividend per share (sen)	0.50	0.25	N/A	N/A	**N/A**

HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS (CONT'D)

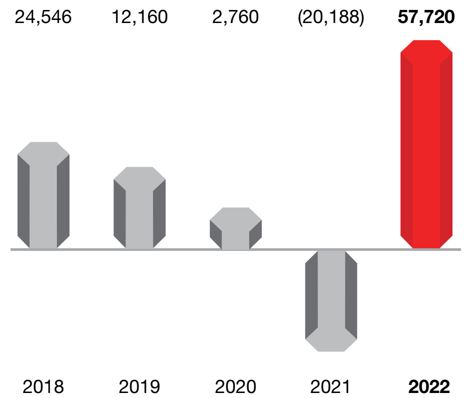
Revenue
(RM'000)



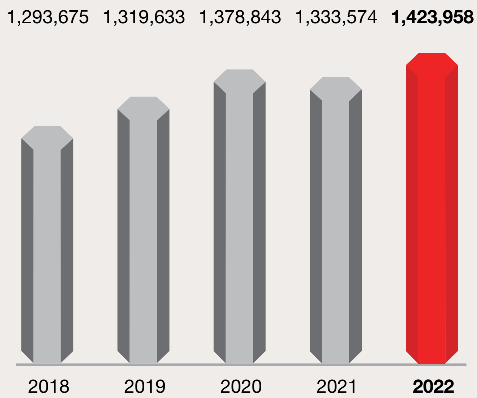
Profit/(Loss) Before Taxation
(RM'000)



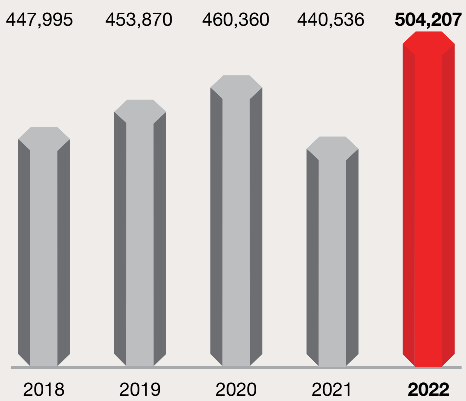
Net Profit/(Loss) Attributable To Equity Holders (RM'000)



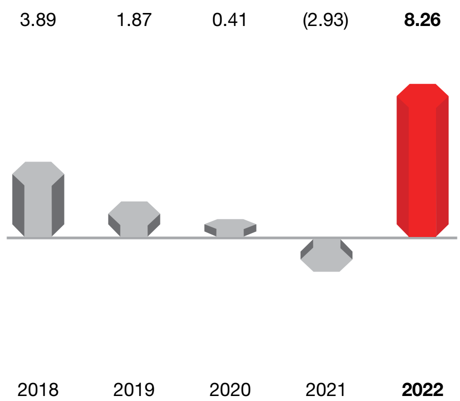
Total Assets
(RM'000)



Shareholders' Equity Attributable To Equity Holders (RM'000)



Basic Earnings (Loss) Per Share
(Sen)



GROUP FINANCIAL REVIEW

The purpose of this review is to highlight and provide brief insights on key financial and operating information at Group level. A more detailed commentary on operating performance is covered under the respective business segment reports.

Key Financial Indicators

The following are the key indicators used to measure the Group's financial performance for FY2022 as compared with the previous financial year 2021 ("FY2021"):

	FY2021 RM'000	FY2022 RM'000
Revenue	1,718,860	1,954,278
Cost of sales	1,632,607	1,778,705
Gross profit	86,253	175,573
Other income	20,973	44,242
Administrative expenses	48,509	55,499
Other gains and losses	(8,008)	5,792
Profit/(loss) before tax	(30,406)	85,614
Tax expense	5,867	29,286
Profit/(loss) after tax	(30,273)	56,328
Deferred tax assets	126	4,475
Biological assets	85,432	108,450
Inventories	72,968	79,814
Trade and other receivables	193,818	202,083
Trade and other payables	208,103	238,979
Short-term deposits with licensed banks	19,660	43,350
Cash and bank balances	49,049	76,526
Borrowings	509,789	480,458

Financial Highlights and Insights

During the FY2022, strong rebound in global demand, poor crop harvest due to climate change, the war in Ukraine as well as sanctions against Russia, have resulted in a massive decline in the supply of major staple foods. In addition, the supply shock provoked by the blockade of Ukrainian exports, coupled with record price levels for energy and basic commodities, led several nations to adopt export restrictions, fuelling market shocks and speculative operations, leading to unpredictability in global food supply. This has driven up food prices globally. As a result, the food prices in Malaysia such as poultry meat and other food related products have also risen.

These factors have contributed to the Group's total revenue rising to RM1.95 billion in FY2022 which was 13.4% higher than the total revenue of RM1.72 billion reported in FY2021. In tandem with the higher selling price of most of the food products, the Group recorded a higher gross profit of RM175.57 million during the FY2022 as compared to a gross profit of RM86.25 million in FY2021. Despite the increase in the selling price, the higher cost of raw material has negated the increase in gross profit margin of the Group. In addition, the increase in operating cost has resulted in higher administrative expenses.

GROUP FINANCIAL REVIEW (CONT'D)

Financial Highlights and Insights (Cont'd)

Meanwhile, income from subsidy on chicken of RM25.86 million given by Government has resulted in the increase in other income of the Group to RM44.24 million in FY2022 as compared to the prior year's other income of RM20.97 million. The subsidy for chicken was one of the measures taken by the government to combat inflation in Malaysia.

The 'other gain and loss' turned from a loss of RM8.00 million in FY2021 to a gain of RM5.79 million mainly due to a gain on fair value adjustment on biological assets of RM9.44 million as compared to a loss of RM7.39 million in FY2021.

The Group's share of a higher loss in joint venture of RM3.67 million in FY2022 was mainly due to the higher loss suffered by the joint venture company in Singapore. The ban on exports of chicken to Singapore since June 2022 by the Malaysia government to ensure the security of chicken supply in Malaysia has resulted in the joint-venture company operating below capacity and suffered a loss during the FY2022.

The Group continued to record a high tax expense of RM29.29 million in FY2022 mainly due to the loss suffered by certain subsidiaries which could not be utilised to offset against the profits generated by some subsidiaries and there was no expected or probable taxable profit in the near future which would be available to utilise the credit. Consequently, the Group recorded a profit after tax of RM56.33 million in FY2022.

However, a subsidiary company has made provision for its deferred tax asset during the FY2022 as there will be expected taxable profit in the near future which would be available to utilise the tax credit. This has resulted in the increase in the Group's deferred assets to RM4.48 million.

The biological assets increased by RM23.02 million to RM108.45 million in FY2022 as compared to RM85.43 million in previous financial year end. This was mainly due to the increase in the cost of raw material, in particular, the feed cost, as well as the increase in gain on fair value adjustment resulting from the increase in the selling price of the assets.

The Group has increased its stock of raw materials and trading products in view of the inconsistent supply of such products in the market. This has resulted the increase in the inventories of the Group to RM79.81 million in FY2022 from RM72.97 million in FY2021.

In tandem with the higher sales, the trade and other receivables increased by 4.26% to RM202.08 million in FY2022. Whereas, the higher trade and other payables of RM238.98 million in FY2022 was mainly due to increase in stock held and higher cost of raw material.

The Group's total borrowings decreased to RM480.46 million in FY2022 as compared to RM509.79 million in the FY2021 mainly due to the repayment of revolving credit and term loan facilities resulting in the gearing ratio of the Group improving to 0.95 time in the FY2022.

GROUP BUSINESS OPERATIONS REVIEW

Integrated Poultry Division

The integrated poultry division as the core and largest business segment of the Group recorded an increase in revenue to RM1.83 billion in FY2022, representing an increase of about 14.38% over the prior year's revenue of RM1.60 billion. The higher revenue generated was largely due to the increase in the price of most of its products. The price of food stuff has increased in Malaysia in year 2022 due to the increase in costs of raw material, labour as well as operating overheads.

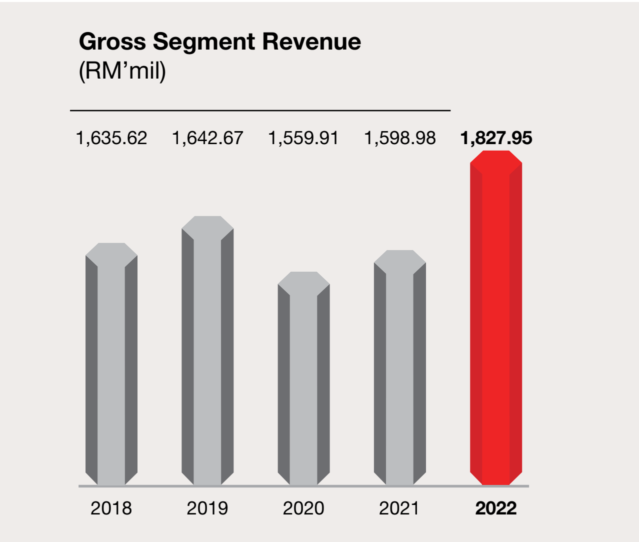
In tandem with the higher revenue, this division recorded a higher profit from operation of RM116.45 million in FY2022. This was mainly due to subsidy on chicken received from the government as well as recovery of selling price especially for broiler and day old chick in FY2022. The average selling price of broiler in FY2022 was RM6.03 per kilogram ("kg") as compared to RM4.67 per kg in FY2021.

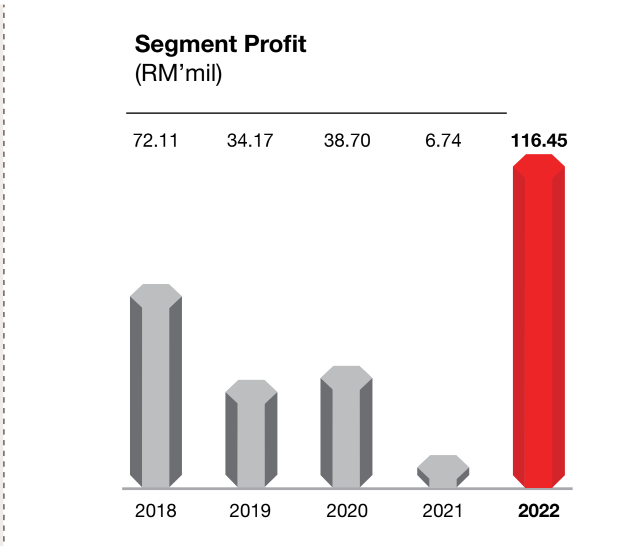
GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Integrated Poultry Division (Cont'd)

Although the Group recorded higher revenue and profit in FY2022, the high cost of raw material, security of raw material supply as well as government policies, such as the imposition of ceiling price on chicken and the ban on export of chicken to Singapore, remained as the major challenges for the local poultry industry.

	2018 (RM'mil)	2019 (RM'mil)	2020 (RM'mil)	2021 (RM'mil)	2022 (RM'mil)
Gross Segment Revenue	1,635.62	1,642.67	1,559.91	1,598.98	1,827.95
Segment Profit	72.11	34.17	38.70	6.74	116.45





Presently, the Group operates more than 10 breeder farms, which are located in Penang. Kedah, Negeri Sembilan, Melaka and Johor. The Group also operates more than 100 broiler farms located throughout the Northern, Southern and Eastern regions of Peninsular.

During the year under review, the Group invested RM27.35 million in capital expenditure. Our investment is focus to ensuring a sustainable supply of chicken products in order to secure our internal supply chain to meet the demand from our customers.

The Group will continue to deploy resources towards our upstream and downstream business, such as to upgrade as well as modernising of existing open house farms to closed house farms and expanding our processed food business.

Supermarket Division

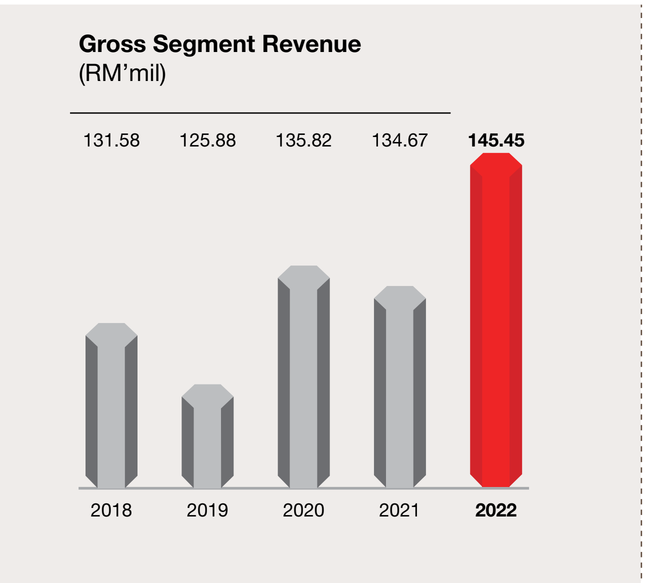
The supermarket division recorded an increase in revenue to RM145.45 million in FY2022 as compared to RM134.67 million in FY2021. This was mainly due to increase in sales by most of its outlets.

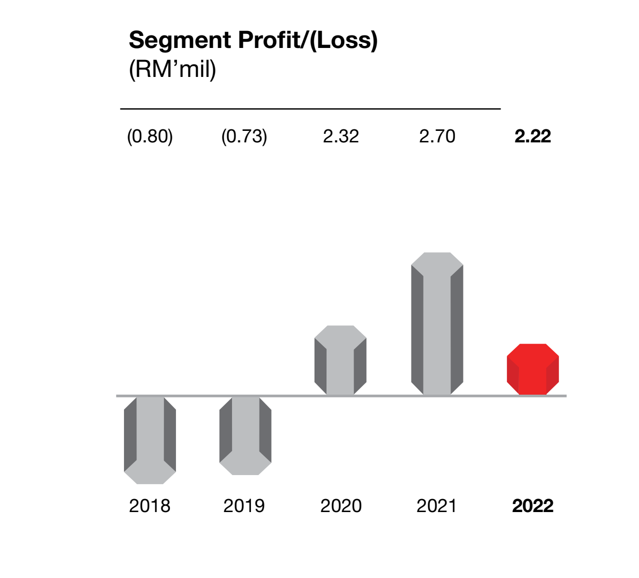
GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Supermarket Division (Cont'd)

Despite a higher revenue, the supermarket division recorded a slightly lower profit from operation of RM2.22 million in FY2022 as compared to RM2.70 million in FY2021. The increase in operation cost such as higher wages has resulted in the drop of profit margin of the division.

	2018 (RM'mil)	2019 (RM'mil)	2020 (RM'mil)	2021 (RM'mil)	2022 (RM'mil)
Gross Segment Revenue	131.58	125.88	135.82	134.67	145.45
Segment Profit/(Loss)	(0.80)	(0.73)	2.32	2.70	2.22





During the year under review, the Group opened a new outlet in Kedah. Moving forward, the Group is planning to open two (2) more outlets.

Drone Service Division

During the second half of the FY2022, the Group has diversified its business into the provision of drone related services for the oil palm sector. This division contributed a revenue of RM0.25 million in FY2022 and recorded a loss from operation of RM0.34 million due to high start-up cost. This business is still in its infancy and will need more management effort to build up the business.

KEY BUSINESS RISK AND MITIGATION STRATEGIES

- **Disease Outbreaks**

  Being in the livestock industry, we are always mindful of the risk associated with the outbreaks of infectious diseases such as Newcastle disease and Avian Influenza. The management has taken decisive steps over the past years to reduce the Group's exposure to such risk by implementing strict bio-security in all its farms and diversifying its operations over a larger geographical area. Presently, the Group's farm operations are located throughout Peninsular Malaysia from the Northern region of Kedah and all the way down to Johor in the South as well as in the East Coast states of Pahang, Terengganu and Kelantan. The Group will continue upgrading its existing open house farms to closed house system in order to minimize the impact of disease transmission.

- **Volatility of Prices of Live Broilers and Processed Chicken Meat**

  The major portion of the Group's revenue is derived from the sale of live broilers and processed chicken meats. The prices of these products are dependent on the overall demand and supply situation in the market which are determined by various factors. Therefore, the volatility of price of broiler in the local market will have an effect on the Group's revenue and profit. We minimize our exposure through vigilance and close monitoring of prevailing market condition and remain focused on our cost optimization strategy. To partly mitigate the price volatility, the Group enters into medium term contracts to supply dressed chicken and parts at a pre-determined fixed price to some of its major customers. In addition, the Group has geared up efforts to diversify from the volatile domestic market by increasing the export of its processed poultry products. However, due to the shortage of chicken to supply the domestic market and the government's policy of banning the export of chicken, the export volume decreased significantly in FY2022.

- **Food Safety**

  Being a food producer, the Group has always placed food safety as its utmost priority in its operations. We strictly adhere to operational best practices and processes as well as standard operating procedures. To ensure quality and safety of the Group's products, the relevant operations are certified and accredited with the following recognized national and international food safety standards:

  (a) Malaysian Good Agriculture Practices ("MyGAP") certification for its breeder and grand-parent stock farms;

  (b) Sirim QAS International Quality Management System requirements ISO 9001:2015 for Farm's Best Food Industries Sdn. Bhd. and Jimat Jaya Sdn. Bhd.;

  (c) Veterinary Health Mark ("VHM") and HALAL certification by Jabatan Kemajuan Islam Malaysia ("JAKIM") for its chilled/frozen chicken and further processed products;

  (d) Good Manufacturing Practice ("GMP") and Hazard Analysis and Critical Control Point ("HACCP") certification for the chicken processing and further processed product manufacturing facilities in Kuala Lumpur and Melaka;

  (e) Food Safety System Certification ("FSSC") 22000 for its slaughtering facility in Kedah and further processed product factory in Kuala Lumpur; and

  (f) Certification from Singapore Food Agency ("SFA") for certain broiler farms in Johor as well as the processing and manufacturing facility in Melaka which enables the Group to export broilers, frozen dressed birds and parts, as well as further processed products to Singapore.

- **Risks of Reliance on a Single Market**

  The Group has expanded into the Singapore market by acquiring a controlling stake in a slaughter house. The Group has continued to expand its business in areas such as manufacturing of delicatessen products, trading and supplying of marinated and fully-cooked meat products in the Island republic. The Group will, after the Covid-pandemic, be reassessing the joint-venture with the Salim Group with the view of starting the poultry business in Indonesia.

KEY BUSINESS RISK AND MITIGATION STRATEGIES (CONT'D)

- **Regulation and Policy Risk**

  The Group's production is based mainly in Malaysia and Singapore and valid operating licence and veterinary licence are generally required for the purpose of carrying out poultry farming activities which are subject to yearly renewal. The Group constantly keeps abreast with the current political, economic and regulatory conditions so that counteractive measures can be implemented at a very short notice upon the awareness of any changes that can affect the Group's operations.

- **Foreign Exchange Risk**

  The Group has exposure to the Singapore dollar via its subsidiaries operating there as well as United States Dollar for its imported raw materials and foreign currency loan. The Group will continue to assess the need to utilize financial instruments to hedge our forex exposure.

- **COVID-19 Pandemic Risk**

  To mitigate the potential impact of Covid-19 on the Group's operations, the Management still takes a serious stance in precautionary, preventive and deterrent approaches in the aspects of workers' personal hygiene, Covid-19 inspection test, isolation/quarantine for patients, proper hostel accommodation etc., in attempt to minimize risk of impacting the Group's operations.

FORWARD LOOKING STATEMENT

Economies and international borders are opening up after two years of Covid pandemic. With the transition from the pandemic to endemic stage, most restrictions relating to personal contact and travel have been lifted. This bodes well for the economy as a whole as most economic activities, such as manufacturing, construction, mining, agriculture and hospitality, are seeing a resumption in demand.

The Malaysian economy was projected to grow by 5.3% to 6.3% in 2022. However, the GDP grew by 9.3% in the first three quarters of 2022 with the third quarter registering an impressive rate of 14.2%. Overall, the Malaysian economy is expected to experience a growth rate of more than the projected rate of 6.3% by Bank Negara Malaysia.

However, the local economy growth is expected to slow down to 4%-5% in 2023 against the backdrop of a softening world economic growth and trade activities due to inflationary pressure, tightening of financial conditions and supply constraints. The IMF has projected that the world growth rate will decline to 2.7% in 2023 from 3.2% in 2022, which is the slowest growth rate since 2001.

With the expected weaker economic growth rate in 2023, the Group is expected to face major challenges especially in the supply chain and the continued increase in the cost of production of broiler. Besides the significant increase in the cost of raw material for chicken feed, the shortage of labour, the high cost to convert the farms from open house to closed house system to comply with local authorities guidelines as well as the continue export ban on live broilers coupled with the government's price control policy will present further challenges to the Group.

Nevertheless, the Group will continue to take effort to improve efficiency in the various stages of the value chain in its integration to enhance productivity and reduce cost of production.

The Group will be tapping into the premium chicken segment by launching its Omega Chicken and Organic Chicken in the beginning of 2023. With the changing consumer's taste and preference for healthier and tastier chicken, we believe the market for premier chicken will continue to increase.

Moving forward, the Group will also focus in the use of automation and new technology into its operations where appropriate and reduce the dependency on labour.

SUSTAINABILITY STATEMENT

CAB Cakaran Corporation Berhad ("CAB" or "the Company") recognises the importance of business sustainability relating to business growth and is committed to uphold good governance and sustainability practices in the operations of CAB and its subsidiaries ("CAB Group" or "Group").

SCOPE AND REPORTING FRAMEWORK

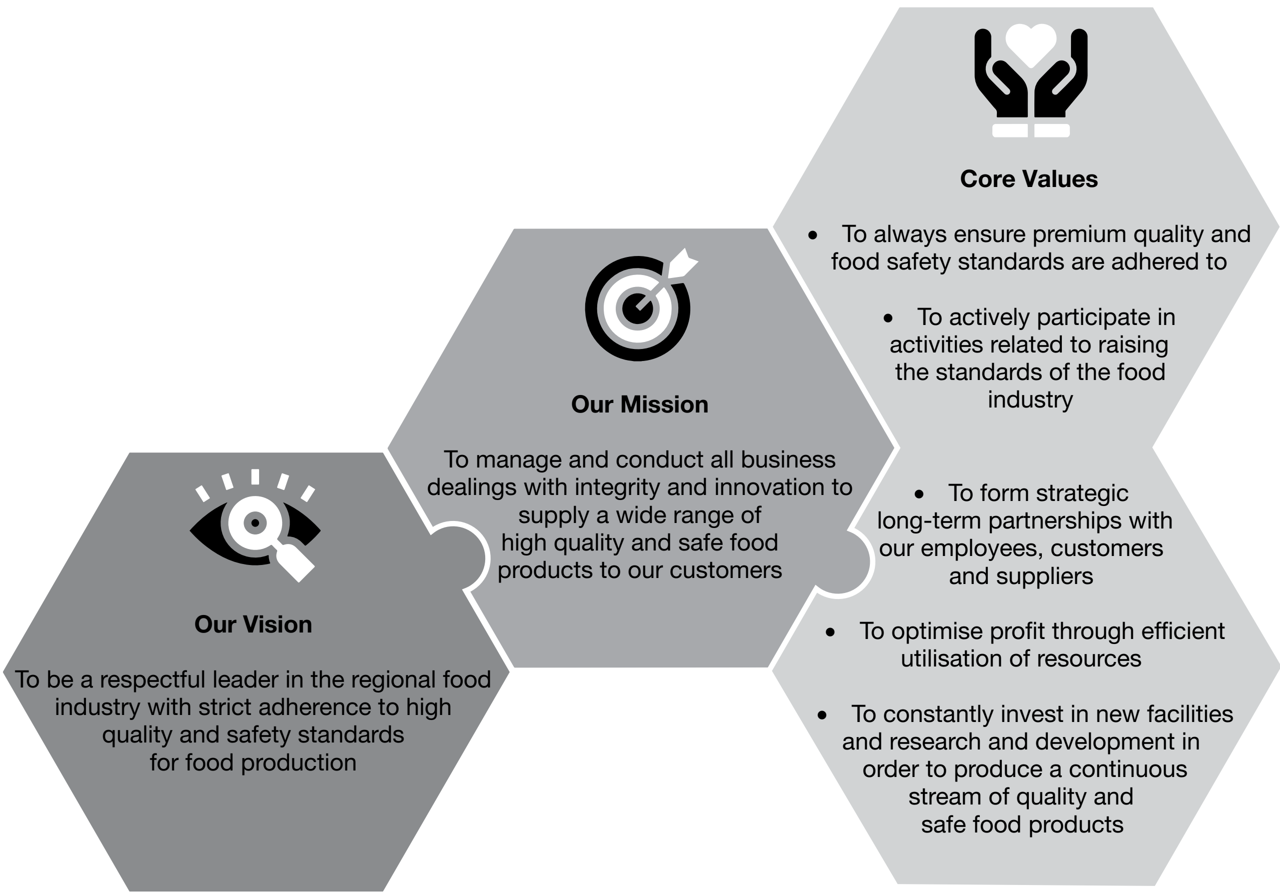
CAB prepares this Sustainability Statement ("Statement") to report on the ongoing efforts, practices, and performance of how CAB manages its material sustainability matters ("MSMs") to its stakeholders under the purview of Economic, Environment and Social ("EES") for the financial year ended 30 September 2022 ("FY2022"). This Statement reports on the sustainability practices and performance pertaining to the Group's integrated poultry business in Malaysia which significantly represents the revenue of the Group. Our operations do not include contract farms which are owned and managed by third parties.

This year, the Group has also conducted a review of the MSMs which affect the Group's businesses and operations, through discussions with our internal and external stakeholders to understand their concerns and requirements for our business as well as considering development in sustainability disclosure regulations including amendments to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa").

This Statement has been prepared in accordance with the MMLR of Bursa and also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa.

Aligning Sustainability with CAB Group's Vision, Mission, and Core Values

CAB Group's sustainability strategies and approaches are guided by and are intended to support our Group's Mission, Vision Statements, and Core Values which are illustrated as follows:



SCOPE AND REPORTING FRAMEWORK (CONT'D)

Aligning Sustainability with CAB Group's Vision, Mission, and Core Values (cont'd)

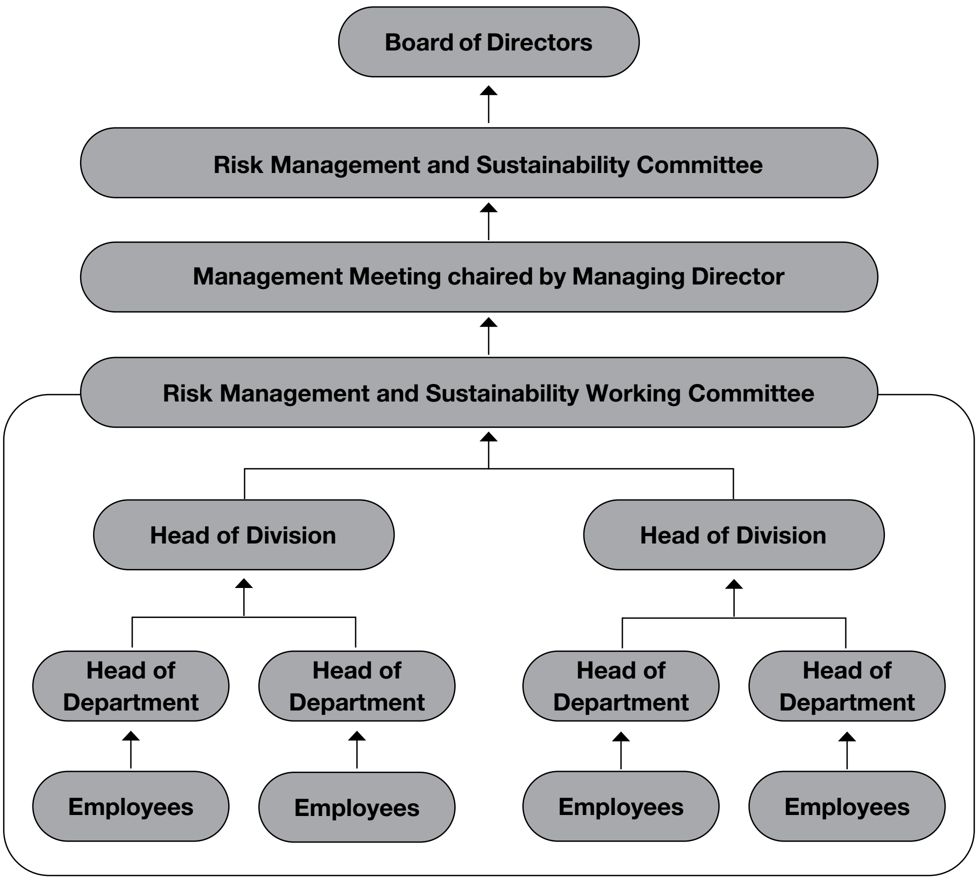
Where possible, we integrate our sustainability efforts into our business management processes, while sustainability management and performance form an integral part of the Group's established risks management system where matters in relation to sustainability are treated as part of the key discussion topics to be discussed during the quarterly management meetings.

In addition, the Group reviews its MSMs, including associated risks and opportunities, in alignment with its strategic plans at least once a year to ensure our sustainability management approaches and strategies continue to be relevant and facilitates the sustainable achievement of the Group's long-term objectives. The Group will continuously monitor, evaluate and manage to improve and enhance our sustainability performance.

Sustainability Governance

In order to instil strong sustainability stewardship and a clear tone at the top, sustainability is also incorporated in CAB Group's corporate governance structure where the Board of Directors (the "Board") holds ultimate responsibility in ensuring sustainability is considered in the Group's corporate strategies in the long term. The governance framework is established to specify the roles and responsibilities of respective personnel in relation to sustainability initiatives and performance, in addition to day-to-day sustainability management such as compliance with environmental and social laws and regulations. This is also aligned with the promulgations of the Malaysian Code of Corporate Governance ("MCCG").

CAB Group's governance structure for sustainability is illustrated as follows:



SCOPE AND REPORTING FRAMEWORK (CONT'D)

Sustainability Governance (cont'd)

The Board's leadership roles include ensuring sustainability aspects, including EES aspects, are considered adequately and are able to support long-term value creation. The Management, led by the Group Managing Director, is responsible for developing strategies, proposing them for the Board's approval, and implementing relevant initiatives towards realising the Board-approved strategies.

In carrying out its oversight role, the Board is supported by the Risk Management and Sustainability Committee ("RMSC"), whose role is to oversee and monitor the effective implementation of the Group's sustainability framework and performance. The Group's key sustainability strategies, priorities, and targets are also reviewed by the RMSC before they are reported to the Board.

At the management level, the Group Managing Director leads the development of implementation plans and drives sustainability strategies. The achievement of sustainability targets which are developed to measure performance against sustainability priorities and KPIs is the responsibility of respective key management personnel, including ensuring sustainability-related activities are carried out effectively. The Group Managing Director is assisted by the Risk Management and Sustainability Working Committee ("RMSWC") whose members are responsible for sustainability implementation within specific functions and operations.

The Board is also responsible for ensuring key sustainability strategies, priorities, targets, as well as performance, are communicated with CAB Group's internal and external stakeholders, as appropriate. Amongst others, the Group's key communication and engagement with stakeholders include the annual publication of Annual Reports (including Sustainability Reports), the corporate website, corporate announcements via the Bursa's portal, and annual general meetings.

During FY2022, arising from the Group's review of its MSMs, Management also reviewed and enhanced the Group's sustainability KPIs, which were subsequently reviewed by the RMSC and approved by the Board.

Stakeholder Engagement

In ensuring our business strategies and sustainability strategies are aligned with the broad interest of our stakeholders and shareholders, the opinions and feedback of our stakeholders are important to the Group as it helps to ensure the success of the sustainability journey throughout its course.

In CAB Group, we actively engage and communicate with our relevant stakeholders via various channels in order to better understand the stakeholders' concerns and needs. Through our stakeholder engagement activities, we are able to identify issues deemed important to our stakeholders and address their interests, expectations, and concerns.

Our stakeholder engagement processes and the outcomes arising from such processes also enable CAB Group to determine its MSMs to understand which sustainability matters are more significant to the Group's value creation for stakeholders.

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Sustainability Governance (cont'd)

The following table below summarises our key stakeholders, engagement methods, and key focus areas during FY2022.

Key Stakeholders	Engagement Methods	Frequency of Engagement	Key Focus Areas
Shareholders/ investors	Annual General Meeting	Annually	• Economic performance • Corporate governance compliance with all relevant laws and regulations • Anti-corruption and bribery measures
	Annual Report and Audited Accounts	Annually	
	Quarterly Financial Report	Quarterly	
	Extraordinary General Meeting	As and when needed	
	Announcement to Bursa and Corporate Website	As and when needed	
Employees	Departmental and Management meetings	Ongoing	• Occupational health and safety working environment • Employee, Engagement and Development • Work-life balance and employee welfare • Competitive compensation and benefit and remuneration packages • Covid-19 prevention measures
	Annual performance appraisal	Annually	
	Events and festive celebrations	Periodically	
	Briefing and training	As and when needed	
Customers and consumers	Feedback channels such as emails, phone calls, and walk-in	As and when needed	• Product safety and quality • Pricing competitiveness • Variety of products • Product availability • Marketing and labelling
	Customer services	Ongoing	
	Website and social media platforms	As and when needed	
	Service satisfaction	Regular	
Suppliers and contract farmers	Collaboration contracts	As need arises	• Continuous supply of key products • Product Quality • Compliance with the supplier's code of conduct • Similar good practices in the supply chain
	Sites visits	As and when needed	
	Suppliers selection and evaluation (via audit)	Regular	
	Business meetings	Regular	
Government Bodies/ Regulators	Meetings and discussions with authorities	Regular	• Health and safety matters • Product certification • Environmental and Social Compliance • Tax and pricing issues • Labour practice • Transparency and accountability
	Compliance activities	Regular	
	Timely reporting	As prescribed by law/ regulation	
Community	Corporate social responsibility activities	Regular	• Waste and effluent management • Community development • Social impact • Community living, care and development
	Local Representative	Regular	
	Charitable contributions	As and when needed	
	Internship programmes and charity events	As and when needed	

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Materiality Assessment

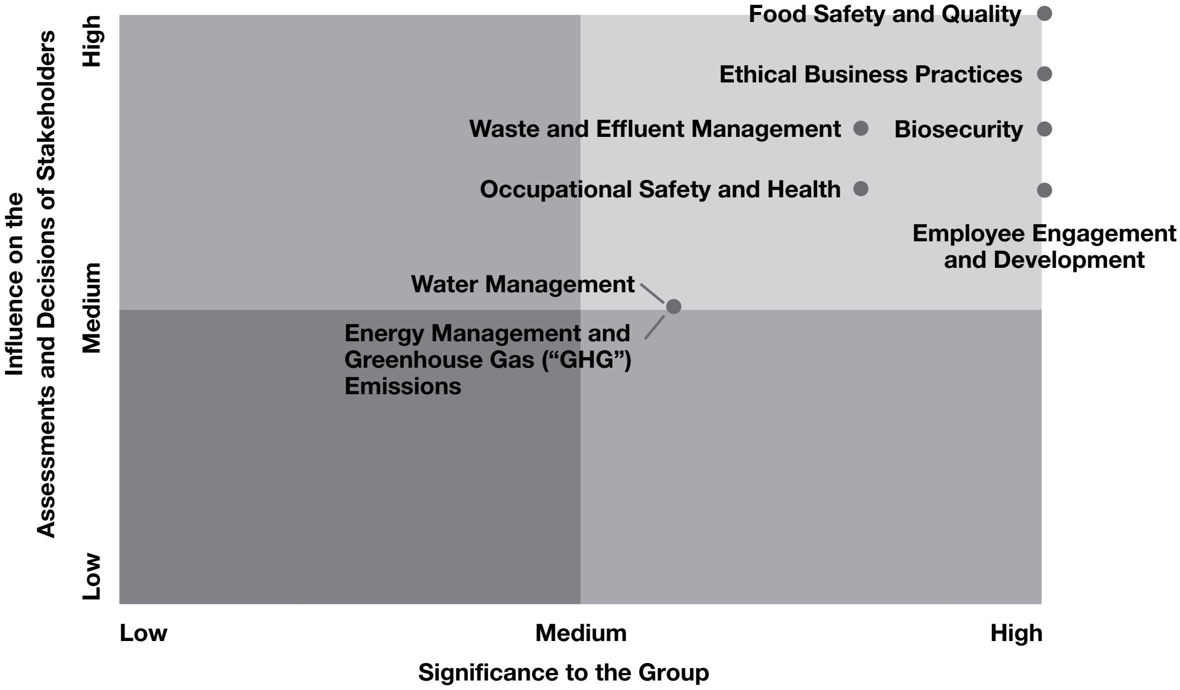
At CAB Group, we assess and determine the Group's MSMs via a materiality assessment process, which defines MSMs in accordance with the MMLR, whereby a material sustainability matter is one that:

- reflects the Group's significant EES impacts; or
- substantively influence the assessments and decisions of key stakeholders.

The Group reviews its MSMs every year to ensure that the identified MSMs remain material to the Group's operations.

During FY2022, CAB Group performed a materiality assessment process which was participated by the top and senior management personnel including the Group Managing Director, Division Heads and Heads of Departments as well as those who deal closely with the Group's key stakeholders. A new MSM, namely Water Management, has been identified this year. CAB Group's MSMs are illustrated in its materiality matrix as follows:

Materiality Matrix



CORE FOCUS AREAS (CONT'D)

1. Economic

1.1 Food Safety and Quality

Food safety and quality are of paramount importance to our business and industry and this is also enshrined in the Group's Vision, Mission and Core Values. As a provider of food sources, CAB Group complies with the most stringent standard of food quality and safety to ensure our food products provided to the customers, from food processing to packaging, meet the highest food safety and quality requirements, laws and regulations.

In order to ensure the quality and safety of our food products, the Group's operations and processes have been certified and recognised with national and international guidelines or food safety standards as follows:

- Malaysian Good Agriculture Practices ("MyGAP") certification for its breeder and grand-parent stock farms;

- Sirim QAS International Quality Management System requirements ISO 9001:2015 for Farm's Best Food Industries Sdn. Bhd. and Jimat Jaya Sdn. Bhd.;

- Veterinary Health Mark ("VHM") and HALAL certification by Jabatan Kemajuan Islam Malaysia ("JAKIM") for its chilled/frozen chicken and further processed products;

- Good Manufacturing Practice ("GMP") and Hazard Analysis and Critical Control Point ("HACCP") certification for the chicken processing and further processed product manufacturing facilities in Kuala Lumpur and Melaka;

- Food Safety System Certification ("FSSC") 22000 for its slaughtering facility in Kedah and further processed product factory in Kuala Lumpur; and

- Certification from the Singapore Food Agency ("SFA") for certain broiler farms in Johor and processing and manufacturing facility in Melaka which enables the Group to export broilers, frozen dressed birds and parts, as well as further processed products to Singapore.

CAB Group has a Food Safety Policy formulated to guide our processing and manufacturing processes and practices. The Food Safety Policy is also incorporated as part of our Quality Assurance Program. We also have processes including feedback and complaints mechanisms, as well as recall procedures.

To prevent cross-contamination, proper segregation and compartmentalisation of processing areas are in place between raw, semi-processed, and processed items, at the same time, sanitation procedures and hygiene practices are also implemented and managed on an ongoing basis.

CAB Group's processing and manufacturing lines have incorporated controls that ensure the preservation and maintenance of optimum food safety and quality, including metal detectors, temperature controls, and the implementation of automation technology to minimise manual handling. Bar-coding technology is also applied in Farm's Best Food Industries Sdn. Bhd. to promote effective storage and logistics planning and management, as well as enable our employees to trace batches, quickly react to any issues arising, identify root causes and carry out remedial actions.

In relation to antibiotic safety, the Group's broiler farms also have food safety and quality practices that observe a withdrawal period to maintain the antibiotic level in chicken meats within the regulated levels.

CORE FOCUS AREAS (CONT'D)

1. Economic (cont'd)

1.1 Food Safety and Quality (cont'd)

Food Safety and Quality Awareness and Training

To ensure our employees are equipped with the relevant knowledge to safeguard food safety and quality in our operations, we provide them with regular education and training on standard operating procedures ("SOPs"), including but not limited to, identifying and overseeing the issues in the processing or manufacturing process, maintaining hygiene at all times, proper handling and storage of materials and products, etc. In addition, we also provide employee training specific to their scopes of work to ensure they carry out assigned, specialised tasks effectively, including managing associated food safety and quality matters.

Training relevant to food quality and safety provided to our employees during the financial year under review is summarised as follows:

- Food Handling and Defense Training;
- Rat Control Program Training;
- Poultry Forum; Food Safety according to Hazard Analysis & Critical Control Point (HACCP);
- HACCP Monitoring and Management Tool;
- Food Packaging and Labelling;
- FSSC 22000 Awareness & Effective Implementation;
- Food Traceability and Product Recall Training;
- Hatchery talk; and
- Training in relation to the SEA Technical Broadcast.

Quality Assurance, Quality Control, and Audits

The Quality Assurance Department and Quality Control Department of the respective business units are responsible for conducting regular internal reviews of the Group's operations, including food safety and quality compliance. Our facilities are also periodically audited by regulators and customers who apply stringent food quality and safety requirements.

As part of the Group's Quality Assurance Policy and programme, we have an in-house laboratory to monitor the quality of incoming raw materials to factories and finished products before delivery to customers. Our qualified Safety Officer is also tasked to highlight any quality and safety issues that need to be improved as well as carry out review activities to ensure compliance with ISO audits.

During the financial year under review, there were no recalled product cases and major issues reported on food safety and quality matters.

	FY2021	FY2022
Recalled product cases	0	0
Major food safety and quality issues	0	0

CORE FOCUS AREAS (CONT'D)

1. Economic (cont'd)

1.2 Biosecurity

It is also important for CAB Group to manage its biosecurity risks, which is conducted in accordance with our Biosecurity Policy. Appropriate actions and controls are implemented in our hatcheries and farms to minimise, prevent, confine, and control potential diseases and infection risks.

CAB Group's biosecurity-related controls are summarised as follows:

- CAB farms are managed in accordance with the Group's Farm Management Policy and SOPs. All hatcheries and farms had applied Flock Health Monitoring and Good Animal Husbandry Practice ("GAHP") with due consideration given to excellent bird health and welfare.
- CAB's poultry farms are distanced from each other, spreading across entire Peninsular Malaysia, covering Kedah, Melaka, Negeri Sembilan, Johor, Pahang, Terengganu and Kelantan to minimise and avoid the impact of cross-infection in the case of a disease outbreak. Employees and/or visitors who have been to poultry farms are forbidden from entering the Group's hatcheries within a specified period to prevent infection of day-old chicks.
- The physical movements of persons in and out of the operating premises are monitored and controlled, and persons entering the premises are required to wear disinfected apparel and gear. Entry to the farm is only allowed for those who are wearing the designated farm uniform, and who have undertaken the required shower, hand washing and disinfectant boot-dipping procedures.
- Livestock quality control plays a crucial part throughout the entire production chain starting from grandparent stock down to parent stock and broiler. To keep good disease prevention and control, ongoing practices of stringent biosecurity and farm isolation are undertaken. CAB is moving forward with having all its farms, especially broiler farms certified by the Department of Veterinary Services ("DVS") as MyGAP.
- Vehicle shower and wheel-dip are required for all authorised vehicles before entering farms and hatcheries whilst external vehicles are forbidden from entering the production and clean areas to minimise the risk of bringing disease-carrying microorganisms into farms.
- Good practices on a range of matters important to hygiene and disease control, such as rodent, insect and wild bird control and waste management for farms and hatcheries, are adopted by the Group to monitor the internal conditions of its operations premises.
- The Group has employed qualified veterinarians who are responsible for poultry health monitoring and disease control. Ongoing monitoring of flock health is conducted across all CAB's farms and veterinarians will visit CAB's farms regularly.
- Evaporative Tunnel Ventilated Closed House System is adopted by the Group to regulate and enhance consistency of air quality and house temperature to avoid unnecessary stress on poultry in order to deliver excellent performance and also to minimise biosecurity risks. To improve the effectiveness of the Group's effort in managing biosecurity risks, the Group is gradually adopting the conversion of all its open-house farms to the Closed House System.

There were no major disease outbreaks in CAB's poultry farms for the financial year under review.

	FY2021	FY2022
Major disease outbreaks in CAB's poultry farms	0	0

CORE FOCUS AREAS (CONT'D)

2. Environmental

2.1 Water Management

Water is a significant input in CAB Group's operations, including in our integrated poultry operations and food processing operations. The majority of the water we use is sourced from the municipal water supply and we also draw underground water in some operations.

While we generally do not operate in water-stressed areas, the Group undertakes approaches and initiatives to ensure we use water effectively and do not waste water at all our business units. Our water management practices are highlighted as follows:

- rainwater harvesting system or water retention ponds in farms to enable the collection and reuse of collected rainwater; and
- maximising water efficiency in accordance to the 3Rs principle: reduce, reuse and recycle.

During the financial year under review, there was an estimated amount of 1,304,167 m^3 of water withdrawal across our operations.

2.2 Waste and Effluent Management

At CAB's farms and processing plants, we implement environmentally-conscious practices to reduce and mitigate the impact on the environment, as well as avoid environmental contamination from production effluents, which include a mixture of, amongst others, blood, fat, feathers, skins, etc.

CAB Group monitors its effluent discharge through wastewater treatment systems which apply two (2) types of treatments, i.e. Biological Process and Physical Chemical Process, or a combination of both in some plants. The purpose of the processes is to remove the contents such as suspended solids, grease and fat, and harmful substances which are afterwards processed into sludge cake for disposal in accordance with environmental laws and regulations, while the treated effluent can be discharged safely into the public water system.

In order to ensure the quality of treated effluent is retained within the regulated levels, treated effluent is sampled and tested at least every week, to assess and determine its acidity, biochemical oxygen demand ("BOD") level, chemical oxygen demand ("COD"), etc.

The wastewater treatment process as part of our operations and manufacturing chain plays an important role in running our daily business, hence, training in relation to the treatment system is provided to our Group's technical officers to ensure that they are well-trained while certified by the Department of Environment ("DOE"). In FY2022, the Group received zero major non-compliance on wastewater treatment/ compound.

During the financial year under review, the Group generated an estimated amount of 755,253 m^3 of wastewater, mainly from our chicken slaughtering plants.

During the financial year under review, there were no significant penalties levied by authorities (2021: no significant penalties reported). The Group is committed to continually reviewing and monitoring environmental laws and regulations and always conducting the relevant training for our employees to ensure we are in compliance with the regulatory compliance rules in the areas we operate.

Poultry Manure

Continuous initiatives are undertaken by the Group to manage the problem of odour and flies arising from poultry manure, such as adopting effective microorganism spray and gradual implementation of the conversion of all the Group's farms into Closed House Systems.

CORE FOCUS AREAS (CONT'D)

2. Environmental (cont'd)

2.2 Waste and Effluent Management (cont'd)

Poultry Manure (cont'd)

The generated poultry manure, which may result in foul odour and encourage the breeding of pests, is handled and disposed of to licensed waste contractors to be recycled into organic fertilisers to be used in the agricultural sector as a substitute source for chemical fertilisers or as soil enhancement, which improves the quality of the environment.

2.3 Energy Management and Greenhouse Gas ("GHG") Emissions

This year, CAB Group increased its focus on energy management and the associated matter of GHG emissions. The Group is committed to continuing proactively to manage and monitor the energy use within the businesses in order to enhance operational efficiency and reduce the carbon footprints.

In FY2022, the following approaches are taken in conserving energy across our operations in the long run:

- corrective actions are taken to reduce abnormal power consumption and minimise energy waste during idle production time;
- continue to oversee and monitor energy consumption via supervisory control;
- utilising and prioritising energy-efficient equipment and electrical appliances across the operations such as installing of energy efficient chiller systems, LED lighting, condensers, and cooling tower fans;
- installation of stabilizers on air compressors, temperature control on relevant processes to reduce electrical usage whenever appropriate; and
- applying environmentally friendly designs and materials in our products.

During the financial year under review, the Group consumed 107,708,985 kWh electricity across its operations, of which 1,445,081 kWh were derived from solar power generation systems installed at our site.

Renewable Energy – Solar

The development of sustainable energy approaches such as the installation of solar panels is one of the Group's key efforts in reducing reliance on fossil fuel-based electricity.

In FY2021, we successfully installed a Photovoltaic System ("PV System") at CAB's Corporate Office in Seberang Jaya, Penang and this has helped to significantly supplement our electricity needs in FY2022. In addition, we have also installed a set of solar panels system at the premise of our subsidiary Farm's Best Food Industries Sdn. Bhd. and the solar panels system has been operating since December 2021.

In FY2022, the Group generated a total of 1,445,081 kWh of renewable energy from our solar panels.

Renewable Energy	FY2021	FY2022
Solar panels (kWh)	565,000	1,445,081

CORE FOCUS AREAS (CONT'D)

2. Environmental (cont'd)

2.3 Energy Management and Greenhouse Gas ("GHG") Emissions (cont'd)

GHG Emissions

Acknowledging CAB Group's responsibility in building a sustainable business as well as the need to gradually transition towards an emission-efficient operation, we are currently undertaking internal process reviews to assess and standardise the Group's data collection, especially in relation to energy usage and other key emission sources, in order to support accurate reporting of GHG emissions in the coming years. Currently, our efforts are focused on Direct (Scope 1) and Indirect (Scope 2) GHG emissions.

3. Social

3.1 Ethical Business Practices

The Group is committed to upholding integrity and ethics in the conduct of business and this commitment is aligned with the CAB Group's Vision, Mission, and Core Values. The Group has established a Code of Ethics and Conduct ("Code"), applicable to the Group's Directors and employees, which set their expectation to display the highest levels of professionalism in all aspects of their work and dealings with internal and external stakeholders. The Group's Code communicates the Group's commitment to practising business ethically towards its stakeholders, including its employees, customers, suppliers, the environment and the community. The Group's commitment is to deal fairly and ethically in the market, with its customers, suppliers, competitors, and business partners to promote a healthy, competitive and economically efficient marketplace.

Data Privacy and Confidentiality

The Code also requires our employees to safeguard confidential information and data including data relevant to customers and other personal data. CAB Group is committed to compliance with the requirements of applicable laws relating to the protection of personal data. A Privacy and Security Statement is also established to guide our employees on how to treat personal information. We are pleased to report that there were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2022.

Anti-Bribery and Anti-Corruption

In accordance with the Anti-Bribery and Corruption Policy ("ABC Policy") and Code, CAB Group adopts a zero-tolerance approach towards bribery and corrupt practices in all its operations. ABC Policy is applicable to all the Group's business dealings and transactions in all the countries in which they operate and is available in three (3) versions, i.e. English, Bahasa Malaysia and Chinese. The forms of bribery and corruption covered in the ABC Policy include gifts and hospitality, facilitation payments to an officer of public body, third parties and agencies, political contribution as well as charitable contribution. For detailed requirements and guidance on ABC Policy, please refer to the ABC Policy which is available on CAB's corporate website.

The ABC Policy is also regularly communicated with the internal and external stakeholders through various methods, including the company website, the company's internal communication and others. In FY2022, communication in relation to bribery and corruption is conducted for all employees in all operations to increase employee awareness. Written acknowledgement of the ABC Policy was also obtained from all employees. In addition, ABC training has also been provided to Directors and Key Senior Management.

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.1 Ethical Business Practices (cont'd)

Anti-Bribery and Anti-Corruption (cont'd)

	FY2022	
Training on Anti-Corruption	**Communication**	**Training**
Directors	100%	100%
Key Senior Management (including Executive Directors)	100%	100%
Managerial	100%	0
Executive & Supervisory	100%	0
Non-Executive	100%	0

Corruption risks assessment and management is incorporated in CAB Group's annual risk management process and all of our operations have been assessed for corruption-related risks to avoid and minimise the risks or acts associated with corruption and bribery.

	FY2021	FY2022
Operations assessed for corruption-related risks	100%	100%

3.2 Occupational Safety and Health

CAB Group is committed to providing a safe, secure, and conducive working environment to our employees and workers. To this end, the Group has established a Group Safety and Health Policy which sets out our commitment and serves as a communication tool internally and externally. The Group Safety and Health Policy is reviewed at least annually and updated when necessary to ensure effectiveness and compliance with relevant laws and regulations.

Relevant standard operating procedures governing workplace safety and health procedures are developed and implemented to mitigate our employees' exposure to health and safety risks. We have also set a target of maintaining zero accidents across our operations.

Operationally, our employees that are working on a farm are exposed to a range of occupational safety and health risks, including but not limited to industrial accidents, occupational poisoning (such as from chemical gases, ammonia, pesticides, etc), occupational diseases (such as musculoskeletal disorders and biological hazards), whereas employees that are working in a manufacturing and processing factory is exposed to physical harms due to activities like using with sharp tools, machinery, high temperature, etc.

Health and Safety Management Governance and Processes

The Group has established working committees on occupational safety and health for production operations to manage and monitor the management of occupational safety and health issues in relevant operations.

Risk assessment processes, such as Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), Chemical Health Risk Assessment ("CHRA") and assessment on Noise Monitoring, are undertaken regularly to assess workplace hazards. Several initiatives and approaches, including standard operating procedures, provision of suitable and adequate personal protective equipment ("PPE"), training, safe work instructions and the use of equipment with enhanced safety features, are adopted by the Group in managing these potential hazards.

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.2 Occupational Safety and Health (cont'd)

Health and Safety Management Governance and Processes (cont'd)

A registered competent Safety and Health Officer is being employed to manage and ensure matters in relation to occupational safety and health are kept in check. Regular safety training and safety audit or reviews at the Group's farms, hatcheries, processing plants, and production sites are conducted to increase the safety and health awareness of our employees, workers and contractors. Safety information, improvement opportunities, and non-compliances are communicated and reported via Notice Boards and regular management briefings. We also perform regular checks on the equipment and machinery to ensure they are in safe working condition.

In addition, we have processes that facilitate the continual review and improvement of the Group's internal control system. Enquiries and investigations will be undertaken to assess and identify the causes of every accident or incident to address control weaknesses and avoid recurrence.

It is the responsibility of all employees, suppliers, contractors and consultants who perform their duties at our premises to comply with the safety and health work practices and guidelines. Safety programme are held to remind workers and employees of safety awareness and related issues to reduce injury, safety and health hazards. We ensure that every worker and employee are understand that safety is their responsibility.

During the financial year under review, there were no major accidents reported in all our operations. Most of the work-related injuries during the financial year were due to reasons such as being cut or stabbed by sharp objects or falling or slipping.

	FY2022
Total hours worked (hours)	7,292,656
Work-related fatalities (cases)	0
Total accidents reported/ resulted in lost workdays (cases)	17
Lost time injury frequency rate* (per million hours)	2.33
Lost day rate**	6.03

* lost time injury frequency rate = (no of accident in the reporting period x 1,000,000) / total hours worked in the reporting period

** lost day rate = (total no of workdays lost x 200,000) / total hours worked in the reporting period

Health and Safety Awareness and Training

Proactive risk identification, risk management and continuous improvement are undertaken by the CAB Group towards zero accidents at our operations and preventing future incidents. Safety and health-related training is also constantly provided to our workers and employees to develop strong safety awareness and develop safety and health management skills across the operations.

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.2 Occupational Safety and Health (cont'd)

Health and Safety Awareness and Training (cont'd)

During the financial year under review, training provided to employees and workers includes, but is not limited to the following subjects:

- boilerman course;
- safety forklift driving;
- hearing conservation program;
- introduction course on safety standards;
- chemical safety management & emergency spill control;
- post Covid-19 prevention at workplace; and
- early self-pain management techniques for work-related musculoskeletal disorders.

Covid-19 Pandemic

In FY2022, we continued to comply with relevant Covid-19 prevention guidelines laid down by the authorities. All our employees are fully vaccinated with at least 2 doses of vaccine and we also encourage employees to take their Covid-19 booster vaccine to maintain their immunity levels.

3.3 Employment

Workforce Diversity

CAB Group is committed to developing and maintaining a diverse workforce and providing a work environment in which every employee is treated fairly and equally. CAB Group is an equal opportunity employer and excellent workplace culture where employees of different backgrounds, gender, age, creed, ethnicity, and cultural affiliations are given equal opportunities for career development and progression. Below is the workforce statistic for the Group:

Number of employee by gender	FY2022		
	Male	Female	Total
	2,293 (72.6%)	867 (27.4%)	3,160 (100%)

Number of employee by gender and nationality	FY2022			
	Male		Female	
	Local	Foreign	Local	Foreign
	1,294 (56%)	999 (44%)	858 (99%)	9 (1%)

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.3 Employment (cont'd)

Employee Welfare

Employees play an important role in our operations as they contribute to business growth and maintain the quality and safety of products. Hence, various employee welfare is introduced to attract and retain talent and reward employee efforts.

The benefits we provide to our employees are summarised as follows:

- healthcare benefits;
- compassionate leave;
- various insurance plans such as Group hospitalisation and Surgical and Group Personal Accident; and
- minimum benefits in accordance with local laws and regulations.

In FY2022, the minimum salary threshold of all employees is updated to no less than RM1,500 per month in order to comply with the updated Malaysian Minimum Wages Order 2022. The Group's HR Department is responsible for ensuring that the Group's fair and comprehensive remuneration system is in compliance with the relevant requirements, laws and regulations.

As of 30 September 2022, the Group employed 1,008 foreign employees and we ensure that proper documentation and complete legal permits are in place together with the contract of employment.

3.4 Employee Engagement and Development

An employee reward system, which is fair and substantive, linking rewards to individual contribution and performance, is adopted by the Group in order to align with the merits-based principle it adopts in its employment. Employee performance assessment is carried out every year to assess and determine the appropriate reward, which may be in the form of bonus distribution, salary revision and/ or promotion, to be given to our employees. The employee reward system is participated by the employee under assessment, the employee's superior, and the Group HR Department (acting as verifier), to provide sufficient and appropriate checks and balances in rewarding employees in a transparent manner.

Open and transparent communication with all our employees is practised by the Group to maintain a close engagement with the employees. Employees are encouraged to speak, discuss, and propose their ideas on business improvement so employees can contribute to business growth whilst being aware of their personal potential. We also encourage managers to maintain ongoing engagement with their team members, including workers, as it helps to understand and resolve the challenges and problems that employees face at work.

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.4 Employee Engagement and Development (cont'd)

Training and Development

Continuous skill development and knowledge improvement remain to be one of the Group's key focus areas as talented and skilled person is a vital asset that brings the business to success. Thus, the Group's employee training and development program is conducted with the purpose of assisting employees to improve their personal skills and knowledge. The Group's training and development program not only helps to provide employees with opportunities towards a progressive career path but also helps the Group to assess and determine the personnel with high potential that can be considered in its succession planning.

The training provided to our employees and workers is based on training need analyses conducted during our engagement with employees and workers, such as during the annual performance evaluation and appraisal sessions. To improve and upskill the knowledge, skills and experiences of our employees, training is provided for the Group's executive team, management personnel and employees.

Following is the summary of training attended by our employees during the financial year under review.

- Food Handling and Packaging Training;
- Food Traceability and Product Recall Training;
- Occupational Healthy And Safe Training;
- Chemical Safety Management & Emergency Spill control;
- Training subject to sustainability;
- ISO standard requirements;
- Employment Act 1995 & Amendment Act 2022 and employment contract;
- Labour Act;
- Sales and Tax;
- Training or webinar related to the operation of the Group; and
- Training subject of Halal compliance.

In general, due to the restrictions caused by Covid-19, most of the training was still conducted virtually. However, the Group still managed to arrange and schedule the training and development programmes for our employees via online platforms for the financial year 2022 as follow:

	FY2022
Total hours of training	11,088
Average hours of training per employee	3.51

CORE FOCUS AREAS (CONT'D)

3. Social (cont'd)

3.5 Corporate Social Responsibility

CAB Group is aware of its responsibility to the society and community where it operates. In general, we intend to create balanced and meaningful initiatives in supporting our local community. As such, the Group has supported youth development by offering students from Universities to have their practical training in the Group's poultry breeder farming.

In FY2022, the Group supported flood victims at various locations in Malaysia including Kedah, Selangor, and Kelantan via donations in the form of money, daily essentials, or food to help them go through hard times. In addition, we also donated to the Program Rezeki Ternak Dan Pertanian Organik Peringkat Negeri Kelantan. The Group also supported sports activities via sponsorships including Pasukan Wushu Sanda Bagi Menyertai Sukma XX MSN 2022, International Football Academic Super Cup 2022 Bangkok Thailand as well as SJKC Chung Hwa 3.

3.6 Whistle-blowing

A whistle-blowing channel, which is formalised via the Group's Whistle-blowing Policy, has also been established to allow internal and external stakeholders for the reporting genuine concerns, about unethical behaviour, malpractices, illegal acts, or failure to comply with regulatory requirements, without fear of reprisal. The whistle-blowing mechanism encourages and allows employees and stakeholders to report genuine concerns about malpractices, unethical behaviour, illegal acts or failure to comply with regulatory requirements without fear of reprisal.

During the financial year under review, we received zero whistle-blowing cases reported and zero confirmed incidents of corruption. CAB Group also did not receive any cases in relation to discrimination, child labour, or workplace harassment in FY2022.

The Group is committed to continually improving the overall labour practices in all its operations to prevent human rights and labour standards matters.

	FY2021	FY2022
Whistle-blowing cases	0	0
Confirmed incidents of corruption	0	0
Substantiated complaints concerning human rights violations	0	0

BUILDING A SUSTAINABLE FUTURE

The Board will continue to oversee and monitor the sustainability performance of each MSMs on an ongoing basis and further improve and enhance its existing practices and initiatives, to enable the sustainable creation and preservation of long-term value to the Group's stakeholders.

This Sustainability Statement was approved by the Board on 28 December 2022.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of CAB Cakaran Corporation Berhad ("CAB" or "the Company") is pleased to present the Corporate Governance ("CG") Overview Statement to provide shareholders and investors with a summary of the CG practices of the Company for the year ended 30 September 2022 ("FY2022") as set out in the Malaysian Code on Corporate Governance ("MCCG" or the "Code") with reference to the following three key principles:

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders
• Board responsibilities • Board composition • Remuneration	• Audit Committee • Risk management and internal control	• Engagement with stakeholders • Conduct of general meetings

This overview statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and should be read in conjunction with the CG Report of the Company for FY2022, which is available on the Company's website at www.cab.com.my.

The Board is pleased to outline below the manner in which the Company and its subsidiaries ("the Group") has applied the three (3) principles as set out in the Code.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board of Directors is primarily responsible for proper and good corporate governance of the Company and as such, leadership and effectiveness of the Board are critical and crucial as a fundamental part of discharging its duties and responsibilities to protect and create value for all stakeholders and raise the Company's overall performance.

The Board sets the strategic direction, managing the business and affairs of the Group including ensuring achieving its strategic goals and realising long-term shareholders' values. The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016, the MMLR and MCCG as well as the Company's Constitution and Board Charter in discharging its fiduciary duties and responsibilities.

The Board assumes, amongst others, the following principal roles and responsibilities in discharging its stewardship role, fiduciary duties and leadership functions:

(i) Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
(ii) Review, challenge and decide on Management's proposals for the Group, and monitor their implementation;
(iii) Review, approve and monitor the overall strategies and direction of the Group and to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
(iv) Supervise and assess Management's performance to determine whether the Group's business is being properly managed;
(v) Ensure that there is a sound and adequate framework for internal controls and risk management;
(vi) Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
(vii) Assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
(viii) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
(ix) Ensure that the Group has in place procedures to enable effective communication with stakeholders;
(x) Ensure the integrity of the Group's financial and non-financial reporting;
(xi) Providing input and approved the annual operating budget as well as periodic review the Group's financial performance and operating results against budget and major capital commitments;
(xii) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group;
(xiii) Review the terms of office and performance of the Board Committees annually (with members of the respective Board Committees abstain from deliberation); and
(xiv) Reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

The Board is governed by the Board Charter which guides, regulates and delineates clearly relevant matters reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the Group Managing Director and the Management.

The Board has five (5) Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management and Sustainability Committee and Halal Committee to assist the Board and each committee is governed by their Terms of Reference ("TOR") respectively. The TORs of the Board Committees are periodically reviewed by the Board Committees and approved by the Board on any changes/updates to ensure that they remain relevant and adequate in governing the responsibilities of the Board Committees and reflect the developments in the Listing Requirements, MCCG and other regulatory authorities. The TORs of the Board Committees are made available for reference at the Company's website at www.cab.com.my.

The Chairman of each Board Committee will report to the Board the outcome of the Board Committee meetings for the Board's consideration and approvals as well as matters which require the Board's deliberation. The extract of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company and the Group.

The Board plays an active role in reviewing and monitoring the Group's overall strategic and financial plans. The Board reviews and approves on a yearly basis the proposed business plan and budget of the Group as well as the capital expenditure at the Board Meetings.

The Board reviews the performance and results of the business at individual business unit level and group level on a regular basis at its quarterly meetings by monitoring the Group's financial results against the budget and the preceding quarter's results. The Board receives updates on financial, operational, corporate, regulatory, business development and audit matters for the decisions to be made on an informed basis to effectively discharge the Board's responsibilities.

The Group Managing Director, Executive Directors and/or other relevant Board members with the assistance of senior management team will furnish comprehensive explanation on pertinent issues and recommendations by the Management to the Board. The issues are then deliberated and discussed thoroughly by the Board and the Board will give in depth consideration, guidance, ideas and feedback on the Company's strategy over short, medium and long-term, prior to decision making. In addition, the Board members are updated on the Company's activities and its operations on a regular basis.

The Board also deliberates and evaluates the feasibility of business propositions and corporate proposals as well as the principal risks that may have a significant impact on the Group's business. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required.

The Audit Committee assists the Board in reviewing financial reporting such as quarterly and annual financial results, major acquisitions and disposals, major investments, non-financial reporting such as disclosures and statements in the annual report before tabling the same to the Board for deliberation and approval to ensure the Group is in compliance with the relevant accounting standards and Listing Requirements.

The Management team conducted quarterly meetings with each business unit head to review, discuss, deliberate, consider and submit proposals to the Board for final decision on issues of financial performance, business plan, risk management, information technology support, corporate governance, business development, investment activities and current issues faced by the Group which require the Board's input and decision.

The Board, via the Risk Management and Sustainability Committee ("RMSC"), sets the risk tolerance levels, objectives, performance targets and policies to manage the key risks faced by the Group. The details of the risk management framework are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

The Board is ultimately responsible in managing sustainability matters of the Company. The Board, via RMSC, headed by the Executive Director and supported by the sustainability working committee, discusses and resolves risk management and sustainability-related issues, in particular, the establishment of a sustainability framework, the review the adequacy of sustainability processes, ensuring effectiveness in the identification, management, and reporting of Material Sustainability Matters of the Group, monitoring and overseeing of all sustainability strategies and initiatives of the Group. The details of the sustainability matters are set out in the Sustainability Statement section of this Annual Report.

Clear Segregation of Roles and Responsibilities of Executive Chairman and Group Managing Director

The roles of the Executive Chairman and Group Managing Director are distinct and separated to ensure a balance of power and authority. The Executive Chairman leads the Board and is responsible for the efficient functioning of the Board. The key roles of the Executive Chairman, amongst others, are as follows:

(a) Leading the Board in setting the values and ethical standards of the Company;
(b) Monitoring the workings of the Board, especially the conduct and lead of Board meetings and discussions;
(c) Encouraging all Directors to play an active role in Board activities and allowing dissenting views to be freely expressed;
(d) Liaising with the Group Managing Director and the Company Secretary on the agenda for Board meetings and ensure that all relevant issues for the effective running of the Company's business is on the agenda;
(e) Ensuring the provision of accurate, timely and clear information to members of the Board;
(f) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
(g) Ensuring effective communication with shareholders and relevant stakeholders;
(h) Arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
(i) Manage the interface between Board and Management;
(j) Facilitating effective contribution of Non-Executive Directors and ensuring constructive discussion at Board meeting;
(k) Chairing general meetings of shareholders;
(l) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
(m) Leading the Board in establishing and monitoring good corporate governance practices in the Group;
(n) In determining policies matters, the Chairman should ensure that the following are carried out:
    (i) All Directors are properly briefed on issues arising at Board meetings;
    (ii) There is sufficient time allowed for the discussion of complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparation; and
(o) Fulfilling such other responsibilities as are allocated by the Constitution from time to time.

The positions of Executive Chairman and Group Managing Director are held by different individuals.

The roles of the Executive Chairman and the Group Managing Director as well as their terms of reference are stated in detail in the Board Charter which is made available for reference at the Company's website at www.cab.com.my.

The Board has delegated to the Group Managing Director, the authority and responsibility for implementing of the Board policies, strategies and decisions adopted by the Board. The Group Managing Director takes on primary responsibility to spearhead and manage the overall business activities of the various business divisions of the Group. The Group Managing Director is assisted by Executive Directors and head of each division in implementing and running the Group's day-to-day business operations.

The Group Managing Director may delegate aspects of his authority and power but remains accountable to the Board for the Company and the Group's performance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Company Secretaries

The Company is supported by two (2) qualified named Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under section 235(2) of the Companies Act, 2016. They play a supportive role by ensuring adherence to the Company's Constitution, Board's policies, procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function and duties.

Access to Information and Confirmation of Minutes

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The notices of Board meetings are sent out to the Directors via email at least seven (7) days prior to the meeting. The meeting materials of the Board and Board Committees together with its detailed reports, proposition papers and other relevant information on matters requiring the consideration of the Board were circulated to all Directors via email for their perusal and consideration where possible, at least five (5) business days prior to each Board meeting, depending on the nature and complexity of the particular meeting material. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at the Board meeting. In case where the subject matter or agenda item is price sensitive or otherwise confidential or in a state of flux, the particular meeting materials will be presented at the meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made.

All proceedings from the Board meetings are recorded and confirmed by the Chairman of the meeting. The minutes of the Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be carried out at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation. Upon receiving confirmation from all the members at the Board meetings, the minutes will be signed by the Chairman of the meeting as a correct record of the proceedings of the meeting. Signed copies of the minutes were kept in the minutes book maintained by the Company Secretaries.

In line with the MCCG, the Company would ensure that the relevant meeting papers are provided to the Board not less than five (5) business days before the meeting and circulate the draft minutes of meeting in a timely manner after conclusion of the Board and Board Committee meetings.

Board Charter

The Board Charter sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors, independent Directors and the Management as well as issues and decisions reserved for the Board.

The Board will periodically review the Board Charter and make any changes whenever necessary in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is published on the Company's website at www.cab.com.my. The Board Charter was last reviewed on 28 December 2022.

The Board ordinarily meets at least five (5) times a year to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Additional meetings will also be convened when urgent and important decisions are required to be made in between scheduled meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Time Commitment, Board Meetings and Directors' Training

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. Six (6) Board Meetings were held during the financial year ended 30 September 2022. Details of attendance of each Director in respect of the meetings held are set out in the statement accompanying notice of annual general meeting of this Annual Report. Additional Board Meetings will, as and when the need arises, be convened to consider and deliberate on issues requiring attention and/or decision of the Board. The dates scheduled for Board meetings, Board Committee meetings and Annual General Meeting are set in advance and circulated to the Directors to facilitate the Directors' time planning.

The Board views continual learning and training as an integral part of the Directors' development. The Board shall review and evaluate each Director's performance, its own performance and the performance of its Committees at least once a year. All Board related performance appraised shall be administered and conducted by the Nomination Committee who shall then report back to the Board. Based on the result of appraisal, the Nomination Committee shall assist the Board to undertake assessment of the training needs of each Board Member and recommend the appropriate educational/training programmes to the respective Board Members to equip themselves with the relevant knowledge.

The Board encourages where necessary its Directors to attend relevant seminars, workshops and conferences for update and enhancement of their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities and duties.

During the FY2022, all the Directors of the Company had attended training and development programmes to enhance their knowledge and to keep abreast of the development in the marketplace which enable them to discharge their duties effectively as Directors. The training and development programmes attended by the Directors during the FY2022 were as follows:

Name of Directors	Date	Programmes
Chew Chee Khong	03 August 2022	Enterprise Risk Management and Sustainability
Chuah Ah Bee	03 August 2022	Enterprise Risk Management and Sustainability
Chuah Hoon Phong	03 August 2022	Enterprise Risk Management and Sustainability
Loo Choo Gee	03 August 2022	Enterprise Risk Management and Sustainability
Wijanti Tjendera	03 August 2022	Enterprise Risk Management and Sustainability
Lim Ghim Chai	03 August 2022	Enterprise Risk Management and Sustainability
Chan Kim Keow (Resigned on 13 September 2022)	03 August 2022	Enterprise Risk Management and Sustainability
Haji Ahmad Fazil Bin Haji Hashim (Resigned on 13 September 2022)	03 August 2022	Enterprise Risk Management and Sustainability
Goh Choon Aik (Resigned on 13 September 2022)	03 August 2022	Enterprise Risk Management and Sustainability

The newly appointed Directors, Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti and Datuk Sr. Haji Zakaria Bin Hashim (both appointed on 13 September 2022) had also attended the Mandatory Accreditation Programme from 5-7 December 2022.

Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct that sets out the basic principles to guide all the Directors and employees of the Company and the Group. The Code of Ethics and Conduct clearly sets out expectations for all the Directors and employees of the Group to display the highest level of professionalism and corporate governance in the conduct of work and dealings with its internal and external stakeholders including its customers, suppliers, employees, the environment and the community. This includes the Group's commitment to dealing fairly and ethically in the market, with its customers, suppliers, competitors, and business partners to promote a healthy, competitive and economically efficient marketplace.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Code of Ethics and Conduct (Cont'd)

The Group's stance on zero-tolerance towards bribery and corrupt practices is also clearly stated in the Code of Ethics and Conduct and is applicable to all the Group's business dealings and transactions in all countries in which its subsidiaries operate. The Code of Ethics and Conduct further provides for how gifts, meals, entertainment and other benefits should be assessed and governed, as well as how actual or potential conflict of interest situations should be declared, in ensuring its Directors and employees demonstrate business ethics and integrity in all the Company's business dealings. The Anti-Bribery and Corruption Policy which was adopted in 2019 also requires all employees (including full time, probationary, contract and temporary staff) ("Employees") and Directors of the Group to be committed to acting professionally and with integrity in their business dealings.

The Directors and employees of the Group are obliged, at all times, to comply with the law and Code of Ethics and Conduct and are encouraged to report suspected unlawful and unethical behaviour.

The Directors have the duty to declare immediately to the Board of their interests in any transaction to be entered into directly or indirectly with the Company or the Group. The interested Director shall abstain from all deliberations and decision making of the Board on the transaction where conflict of interests may arise. In the event where a corporate proposal is required to be approved by the shareholders, the interested Director will abstain from voting in respect of their shareholdings in the Company and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolution.

Employees are obliged to observe the standards of ethical behaviours and the rules of conduct at the workplace as stated in the Employees' Handbook adopted by the Company.

The Board will periodically review the Code of Ethics and Conduct to ensure it remains relevant and appropriate. The details of the Code of Ethics and Conduct and the Anti-Bribery and Corruption Policy are available for reference at the Company's website at www.cab.com.my.

Whistle-blowing Policy

The Board has put in place a Whistle-blowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions shall be taken where required.

The policy lays down explicitly the procedures and protection extended to the whistle-blower. The policy is published and promoted for enforcement across the Group, where the whistle-blower can report to the Group Managing Director, the Audit Committee Chairman or the Head of Group Internal Audit respectively.

The Board will periodically review the Whistle-blowing Policy to ensure it remains relevant and appropriate.

The details of the Whistle-blowing Policy are available for reference at the Company's website at www.cab.com.my.

2. Board Composition

The Nomination Committee oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, diversity including diversity of gender, ethnicity and age experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the Board Committees will also be assessed by the NC on an annual basis.

The Board of Directors of the Company currently consists of eight (8) members including a woman Director; of whom four (4) are Executive, three (3) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director.

The Board composition has taken into account adequate mix of skills, independence and diversity including diversity of gender, ethnicity and age of the Members who are well-equipped with relevant knowledge and/or experience for contribution towards achievement of objectives of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

The Board is headed by the Executive Chairman and the Group Managing Director. The Chairman of the Board is not a member of the Audit Committee, Risk Management Committee, Nomination Committee or Remuneration Committee. The composition of the Board complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board comprises Members of strong background on the basis of, in addition to the mix referred to above, their character, integrity and time who bring value to Board deliberations.

All Directors of the Company do not hold more than five (5) directorships under paragraph 15.06 of the Main Market Listing Requirements and none of the Independent Directors has exceeded a cumulative term of nine (9) years in the Company as of FY2022.

The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.

In searching for suitable candidates, the Board may rely on recommendations from existing Board members, Management, major shareholders or utilise external sources to identify suitable qualified candidates. The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is based on the candidates' competency, skills, expertise, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender.

The Nomination Committee is chaired by Datuk Sr. Haji Zakaria Bin Hashim, an Independent Director of the Board. The Nomination Committee Chairman leads the annual assessment of Board effectiveness, ensuring that the performance of the Directors is assessed and the performance of retiring Directors who are recommended for re-election at the forthcoming Annual General Meeting ("AGM") (including the evaluation of the independence of Independent Non-Executive Directors) is reviewed.

The said assessment, with the exception of the interested party who abstained from assessment of that involving himself/herself revealed that the performance of the Board of Directors, the respective Committees of the Board and individual Directors was satisfactory.

The re-election of the Board is done in accordance with the Company's Constitution whereby one-third (1/3) of the Directors for the time being or, if their number is not a multiple of three (3), the number nearest to one-third (1/3) shall retire from office at the conclusion of the AGM in every year provided always all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election.

Newly appointed Directors shall hold office only until the next AGM and shall be eligible for re-election.

For the FY2022, the Nomination Committee has conducted its review pursuant to Practice 5.1 of Malaysian Code on Corporate Governance and in its assessment of the following Directors guided by the Fit and Proper Policy. The Nomination Committee is satisfied with their performance and contribution to the Board during the tenure referred to therein for submission to the Board for their re-election at the forthcoming Annual General Meeting:

1. Chew Chee Khong
2. Lim Ghim Chai
3. Wijanti Tjendera
4. Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti
5. Datuk Sr. Haji Zakaria Bin Hashim

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

The Nomination Committee has examined and considered its present Board size and is satisfied that its current Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operation. Notwithstanding that the Board does not comprise at least half of Independent Directors as recommended under the Code, there is a good mix of members with diversified background and extensive experience and fair knowledge, who bring along a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance. The present scenario does not jeopardize the position of the Board to make independent deliberations and decisions in the best interest of the Company.

The Board will take steps to ensure their compliance with the Code requirements to have at least half of the Board comprises of Independent Directors. The Nomination Committee and the Board will continue seeking new Independent Directors who meet the required criteria and merit with due regard for diversity in skills, experience, age and cultural background that suits the Company's strategic goals to join the Company.

Diversity of Board and Senior Management

The Board acknowledges the importance of a diverse mix of skills and profiles of the Directors on the Board and Senior Management, in terms of age, ethnicity, gender, business experience and personal skills to provide the necessary perspective, experience and expertise required to achieve effective stewardship and management of the Company's operation.

The following is the Boardroom Gender, Ethnicity and Age of the Company:

	40-49 years	50 to 59 years	60 to 69 years	70 to 79 years
Bumiputra	-	-	1 (Male)	1(Male)
Chinese	2 (Male)	1 (Male)	1 (Male)	1 (Male)
Foreigner	-	-	1 (Female)	-

The Group does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workforce throughout the year under review. The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is strictly based on the candidates' competency, skills, character, time commitment, knowledge, expertise, professionalism, suitability and character of a person in meeting the needs of the Group, regardless of gender, ethnicity and age.

The Group is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organization when deciding candidates on the composition of the Board and Senior Management.

Nomination Committee

The annual assessment on the effectiveness of the Board, its Board Committees and each individual Director is conducted internally via the Nomination Committee. The Nomination Committee engages the guideline provided by the regulatory bodies for use during evaluation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

Nomination Committee (Cont'd)

The Nomination Committee comprises three members, all of whom are Independent Non-Executive Directors. The composition of the Nomination Committee is as follows:

Name	Position
Datuk Sr. Haji Zakaria Bin Hashim (Independent Non-Executive Director) (Appointed on 13 September 2022)	Chairman
Lim Ghim Chai (Independent Non-Executive Director)	Member
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member
Haji Ahmad Fazil Bin Haji Hashim (Independent Non-Executive Director) (Resigned on 13 September 2022)	Chairman
Goh Choon Aik (Independent Non-Executive Director) (Resigned on 13 September 2022)	Member

The Nomination Committee held three (3) meetings during the financial year ended 30 September 2022. The details of the terms of reference of Nomination Committee are available at the Company's website at www.cab.com.my.

The criteria to be used in the recruitment process and annual assessment of Directors, assessment and recommendation to the Board candidature of Directors, appointment of Directors to Board Committees, nomination and election process of Board Members, establishment of policy for boardroom diversity including gender diversity and measures are among the issues dealt with by the Nomination Committee as set out in the statement about its activities below:

Statement about the activities of the Nomination Committee in the discharge of its duties for the financial year ended 30 September 2022

The Nomination Committee of Directors had carried out its activities in discharge of its duties for the FY2022 and the Nomination Committee was satisfied with the result of the assessments.

The requirements set out in Paragraph 2.20A of Listing Requirements are that each of the Company's Directors, Chief Executive or Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge his or her role as a Director, Chief Executive or Chief Financial Officer.

All of the Directors including the Chief Executive of the Company have met the requirements set out in above paragraph as they are persons of good character, having adequate relevant experience with integrity and competence in related fields as evidenced in their respective profiles.

They have devoted their time as required to effectively discharge their roles as Directors and/or Chief Executive who had during the year attended all the related meetings held.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

Statement about the activities of the Nomination Committee in the discharge of its duties for the financial year ended 30 September 2022 (Cont'd)

Such statement Pursuant to the Paragraph 15.08A(3) of Bursa Securities Listing Requirements, must also contain the following information:

(a) the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity, diversity in ethnicity and age) required to meet the needs of the listed issuer;

The policy of the Company on Board composition has taken into account adequate mix of the skills, independence and diversity including diversity of gender, ethnicity and age of the members of the Board required to serve the needs of the Company.

Adequate mix of skills of Directors of the Company are reflected in their respective profiles while three out of eight Directors are independent. Additional Independent Directors, if they are suitable, may be considered for future appointments to be in line with the Code.

The requirements of diversity of gender, ethnicity and age are satisfied by composition of the Board of Directors of the Company who are of varied gender, ethnicity and age.

Additional female candidates, if they are suitable, may be considered for future appointments to be in line with the Code.

(b) the Board nomination and election process of Directors and criteria used by the Nomination Committee in the selection process; and

Nomination and election of members of the Board shall undergo a process of identification and evaluation of the candidates concerned. The process of nomination and election referred to above may be summarized as follows:

(1) Identification of skills and other requisite qualities required to meet the needs of Board composition;
(2) Sourcing of candidates;
(3) Evaluation of candidates on the basis of the criteria used in relation to mix of skills, independence and diversity including diversity of gender, ethnicity and age of the members of the Board with the required expertise and experience as well as appropriate balance of Executive and Non-Executive Directors , in particular, apply the Company's Directors Fit and Proper Policy, Gender Diversity for Boardroom and Senior Management Policy which shall form part of their selection, assessment and recruitment exercise.
(4) Selection of suitable candidates; and
(5) Recommendation of candidates to the Board for appointment.

The criteria used by the Nomination Committee in the selection process shall be that of the needs of the Company taking into account, in particular, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to character, experience, integrity, competence and time of the candidates as well as the policy on diversity of gender, ethnicity and age referred to above.

During the FY2022, the Company had approached independent sources namely independent auditors and merchant banker for suitable candidates. The Nomination Committee has assessed and reviewed their profiles and was of the view that they met with the Director's Fit and Proper Policy of the Company and also the Company's needs.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

Statement about the activities of the Nomination Committee in the discharge of its duties for the financial year ended 30 September 2022 (Cont'd)

Such statement Pursuant to the Paragraph 15.08A(3) of Bursa Securities Listing Requirements, must also contain the following information: (Cont'd)

(c) the assessment undertaken by the Nomination Committee in respect of the Board, committees and individual directors together with the criteria used for such assessment.

The assessment undertaken by the Nomination Committee is via evaluation in writing in respect of the Board, its Committees and individual Directors taking into consideration the criteria referred to above as set out in the assessment forms in relation thereto with reference to the Corporate Governance Guide (4th edition) issued by Bursa Malaysia Berhad.

The assessment criteria for the Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure, scope and operations of the Company, the mix of skills, experience and knowledge of the Directors, and the Board's integrity, competency, responsibilities and performance.

The assessment criteria for the Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, experience and knowledge to carry out their respective roles and responsibilities per the Board Committees' Terms of Reference ("TOR") and the contribution of Board Committee members with the view to maximise the performance of individual committees.

Each individual Director is assessed on, inter alia, the effectiveness of his/her strength, responsibilities, competency, expertise, time commitment and contributions as well as the analytical skills and ability to act in the best interest of the Company.

These result of the assessments and comments were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter.

The Nomination Committee carried out the assessment at the Nomination Committee Meeting held on 28 December 2022 and the assessment findings revealed that the Board, its Committees and Individual Directors have met the criteria used and satisfied the requirements.

The Nomination Committee will continue seeking new Independent Directors who meet the required criteria and merits to join the Company as a step to ensure the Company's compliance with the Code's requirements to have at least half of the Board comprising Independent Directors.

The Nomination Committee will recommend relevant training needs to upskill and further equip the Directors on the latest developments in the Listing Requirements and the Code as well as the latest developments of International Accounting Standards.

During the FY2022, the summary of the activities carried out by the Nomination Committee are as follows:

(1) reviewed and assessed the structure, size, required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole and the Board Committees;
(2) reviewed and assessed the contribution of each individual Director based on criteria, responsibilities, strength, time commitment and ability to act in the best interests of the Company in decision-making;
(3) reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Company's Constitution;
(4) reviewed and recommended to the Board the appointment of Independent Non-Executive Directors;
(5) reviewed and assessed the character, experience, integrity and competency of the Group Finance Director;
(6) reviewed the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

Statement about the activities of the Nomination Committee in the discharge of its duties for the financial year ended 30 September 2022 (Cont'd)

Such statement Pursuant to the Paragraph 15.08A(3) of Bursa Securities Listing Requirements, must also contain the following information: (Cont'd)

(c) the assessment undertaken by the Nomination Committee in respect of the Board, committees and individual directors together with the criteria used for such assessment. (Cont'd)

(7) assessed the independence of each of the existing Independent Directors with each Director abstaining from deliberation on his own assessment; and
(8) reviewed the Terms of Reference of Nomination Committee.

3. Remuneration Committee

The Remuneration Committee of the Company comprises of three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the Remuneration Committee as of the date of this Annual Report is as follows:

Name	Position
Lim Ghim Chai (Independent Non-Executive Director)	Chairman
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member
Datuk Sr. Haji Zakaria Bin Hashim (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member

The Remuneration Committee held one (1) meeting during the financial year to carry out its function as stated within the terms of reference.

The details of the terms of reference of Remuneration Committee are available for reference at the Company's website at www.cab.com.my.

The primary function of the Remuneration Committee is to set up and review the policy and procedures of remuneration framework and recommend to the Board the remuneration packages of all the Directors and senior management according to the Group's financial performance includes the sustainability management of the Group, the skills, level of responsibilities, experience and performance of the Directors and senior management.

The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The Remuneration Committee reviews the Board remuneration policy and terms of service of each Director annually taking into consideration market conditions and comparisons, responsibilities held, business strategy, long term objectives and the overall financial performance of the Group includes the sustainability management of the Group.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration. Non-Executive Directors are paid by way of fixed monthly fees and a meeting allowance for each meeting attended. Individual Director is not allowed to participate in discussion of his/her own remuneration.

The Board will then recommend the Directors' fees and other benefits payable to Directors in accordance with Section 230(1) of the Companies Act 2016 to the shareholders for approval at the annual general meeting.

The details and breakdown of the Directors' remuneration comprising remuneration received/receivable from the Company and subsidiaries respectively in FY2022 ended 30 September 2022 are as follow:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration Committee (Cont'd)

Aggregate remuneration of Directors categorised into appropriate components are as follows:

The Company	Fee RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits in-kind RM'000	Other Emoluments RM'000	Total RM'000
Executive Directors	-	-	-	-	-	-	-
Non-Executive Non-Independent Director	-	-	-	-	-	-	-
Wijanti Tjendera	66	4	-	-	-	-	70
Independent Directors							
Lim Ghim Chai	54	4	-	-	-	Negligible	58
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Appointed on 13.09.2022)	-	-	-	-	-	-	-
Datuk Sr. Haji Zakaria Bin Hashim (Appointed on 13.09.2022)	-	-	-	-	-	-	-
Haji Ahmad Fazil Bin Hashim (Resigned on 13.09.2022)	66	4	-	-	-	Negligible	70
Goh Choon Aik (Resigned on 13.09.2022)	54	3	-	-	-	1	58
Total ('000)	**240**	**15**	**-**	**-**	**-**	**1**	**256**
The Group							
Executive Directors							
Chew Chee Khong	114	-	392	33	10	18	567
Chuah Ah Bee	137	-	1,382	101	10	62	1,692
Chuah Hoon Phong	137	-	926	61	15	124	1,263
Loo Choo Gee	-	-	399	36	9	54	498
Chan Kim Keow (Resigned on 13.09.2022)	-	-	232	19	10	10	271
Non-Executive Non-Independent Director							
Wijanti Tjendera	96	4	-	-	-	-	100
Independent Directors							
Lim Ghim Chai	54	4	-	-	-	Negligible	58
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Appointed on 13.09.2022)	-	-	-	-	-	-	-
Datuk Sr. Haji Zakaria Bin Hashim (Appointed on 13.09.2022)	-	-	-	-	-	-	-
Haji Ahmad Fazil Bin Hashim (Resigned on 13.09.2022)	66	4	-	-	-	Negligible	70
Goh Choon Aik (Resigned on 13.09.2022)	54	3	-	-	-	1	58
Total ('000)	**658**	**15**	**3,331**	**250**	**54**	**269**	**4,577**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration Committee (Cont'd)

The Company has not disclosed on a named basis the top five senior management's remuneration components in bands of RM50,000.

The Company acknowledges the need for corporate transparency in the remuneration of its key senior management's remuneration. In view of the highly competitive industry conditions in which the Company is operating, the Company is of the view that the disclosing of the remuneration of senior management would be a disadvantage to the Group and may be detrimental to the Company's business interests given the challenges faced by the Company in talent management and retention.

The Company's remuneration policy for Directors and senior management has alternatively explained how the senior management is rewarded. The policy is available at the Company's website at www.cab.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. Audit Committee

The Audit Committee is entrusted with the responsibilities of reviewing the integrity and reliability of the Group's interim and annual financial statements as well as ensuring that these financial statements comply with relevant accounting and regulatory requirements prior to recommending to the Board for approval.

To preserve and enhance the effectiveness of audit on the financial affairs and results of financial performance of the Group, the Board of Directors has taken appropriate action to enable proper assessment of the External Auditors in the discharge of their duties.

The Audit Committee comprises three (3) Independent Directors all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is not the Chairman of the Board.

The Audit Committee has established policies and procedures adopted by the Company to assess of External Auditors and such assessment would be carried out annually.

Appointment Criteria for External Auditors

Before selecting the External Auditors for the Group and deciding their fees, the Audit Committee shall assess the suitability and independence of the External Auditors based on the following factors:

i. Quality of service including level of knowledge, capabilities, experience and quality of previous work;
ii. Communication and interaction such as ability to provide constructive observations, implications and recommendations in areas which require improvements;
iii. Independence, objectivity, professionalism and calibre of external auditors;
iv. Audit scope and fees as well as the provision of non-audit services does not impede the independence of external auditor;
v. Ability to perform the audit work within the agreed timeframe;
vi The inputs and opinions from the Company's personnel who had constantly dealt with the external audit team throughout the year would be used as one of the tools in the judgement of the suitability of the external auditors; and
vii Requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

For the FY2022, the External Auditors has provided its written assurance to the Audit Committee that they are, and have been, independent through the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT(CONT'D)

4. Audit Committee (Cont'd)

Appointment Criteria for External Auditors (Cont'd)

The External Auditors of the Company attended two (2) meetings with the Audit Committee for the FY2022 to discuss their audit plan and audit findings on the Company's yearly financial statements. During the meetings, the Audit Committee Members also had private sessions with the external auditors without the presence of the management to enable exchange of views on issues requiring attention.

The Audit Committee and the Board are satisfied with the performance, competence and independence of the external auditors, Grant Thornton Malaysia PLT, after considered the above appointment criteria for external auditors and the Board has recommended their re-appointment for shareholders' approval at the forthcoming annual general meeting of the Company.

Pursuant to the MCCG, the Audit Committee members should collectively possess a wide range of necessary skills to discharge its duties and that all members should also be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

The Board regards the members of the Audit Committee collectively possess the accounting and related financial management expertise and experience required for the Audit Committee to discharge its responsibilities and assist the Board in its oversight over the financial reporting process. All members of the Audit Committee have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules as and when required.

The Group Finance Director briefs the Audit Committee members on the quarterly financial statements, budgets, and any other financial related matters. At intervals during the debriefing, questions are raised on the financial statements by members of the Audit Committee.

The Board, through the Nomination Committee, assesses the composition and performance of the Audit Committee through an annual Board Committee effectiveness assessment on 28 December 2022. Based on the assessment, the Board was satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Audit Committee's Terms of Reference.

Appointment for Non-Audit Work

Independence of External Auditors can be impaired by provision of non-audit services to the Group. Therefore, in order to ensure the objectivity of auditing of the External Auditors, the circumstances in which the Group may use the External Auditors for non-audit services shall be evaluated by the Audit Committee before recommending any non-audit service engagements to the Board for approval.

Principally, the Group shall not engage External Auditors for provision of non-audit services that might be perceived to be materially in conflict with their role or potentially could influence their audit objective and independence.

During the FY2022, the non-audit fees paid were in respect of tax related services and review of Statement on Risk Management and Internal Control.

In considering the nature and scope of non-audit fees, the Audit Committee was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

5. Risk Management and Internal Control Framework

The Company is concerned over the risk which the Group may be exposed in its operations and has therefore formulated a risk management policy for implementation across the Group. The primary responsibility of the Board in risk management is to assess and set the risk appetite within which Management should operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

Risk appetite is defined as the amount of risk that the Group is willing to accept in pursuit of its value creation process. When determining the risk appetite of the Group, the Board would consider its business priority and timing as well as the financial position and resources of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

5. Risk Management and Internal Control Framework (Cont'd)

The Risk Management Committee was established on 29 November 2016 and was renamed to Risk Management and Sustainability Committee ("RMSC") on 29 November 2018. The RMSC shall comprises majority of Independent Directors as follows:

Name	Position
Loo Choo Gee (Executive Director)	Chairman
Lim Ghim Chai (Independent Non-Executive Director)	Member
Datuk Sr. Haji Zakaria Bin Hashim (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member

The RMSC is chaired by an Executive Director, assisted by Independent Directors and the Risk Management and Sustainability Working Committee of the respective business divisions. The responsibilities and purposes of the RMSC are:

(i) to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis. The RMSC reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's business units; and

(ii) to include the establishment and overseeing the implementation of the sustainability framework, review of the adequacy of the sustainability processes, ensuring effectiveness in identification, management and reporting of the Material Sustainability Matters pertaining to the Economic, Environmental and Social aspects of the Group, monitoring and overseeing all sustainable strategies and initiatives of the Group. This includes a review of the delivery of the responsibilities of the Risk Management and Sustainability Working Committee and making the necessary recommendations to the Board for its deliberation.

The process of the risk management and internal control are ongoing, which are undertaken by each business unit heads within the Group. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment. Significant issues and risks identified are also discussed during quarterly management meeting which are attended by Executive Directors and key senior management personnel.

The RMSC is supported by the Group's internal audit department who will provide an assessment on the adequacy and effectiveness of the internal control systems operating within the Group.

The key features of the Risk Management Framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on page 57 to 59 of this Annual Report.

The Board receives assurance from the Group Managing Director and the Group Finance Director that the Group's risk management and internal control system are working effectively and all key risks are being managed to an acceptable level based on the existing risk management and internal control system of the Group.

Internal Audit Function

The Board has established an internal audit function for the Group which critically reviews the adequacy of the operational controls and procedures so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. Comprehensive audits of the practices, procedures and internal controls of all business units and subsidiaries are undertaken on a regular basis.

The internal audit department of the Company which is led by the Head of Internal Audit reports directly to the Audit Committee.

The Head of Internal Audit Department presents audit reports, which detail the audit issues, Internal Audit's recommendations and Management's responses, to the Audit Committee during quarterly meetings. Apart from the audit report, the Head of Internal Audit Department also brings up outstanding issues stemmed from follow-up verification, if any, into the knowledge of the Audit Committee for further monitoring.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

5. Risk Management and Internal Control Framework (Cont'd)

Internal Audit Function (Cont'd)

The results of the internal audit reviews and the recommendations are deliberated during the Audit Committee meetings. The Audit Committee Chairman briefs the Board on issues raised and highlights events requiring the Board's attention, if any.

The Statement on Risk Management and Internal Control furnished on pages 57 to 59 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

The summary of activities of the internal audit function during the financial year are set out in the Audit Committee Report.

6. Halal Committee

The Halal Committee of the Company currently comprises the following:

Name	Position
Professor Datuk Dr. Mohd Fakhrudin Bin Abdul Mukti (Independent Non-Executive Director)	Patron & Syariah Advisor
Haji Ahmad Fazil Bin Haji Hashim	Chairman
Dato' Raja Zulkepley Bin Dahalan	Deputy Chairman
Abdul Rahman Bin Din	Member
Brigadier General Dato' Azizon Bin Ariffin	Member

The objective of the Halal Committee is to ensure that the relevant products produced by the Group comply with the requirements of the Malaysian Halal Standards, Halal Certification Procedures in accordance with the Shariah Laws and other related Acts, thereby ensuring that all products produced are 'halal, clean and safe' for consumption. Through the extensive efforts and initiatives of the Halal Committee, the Group has established and implemented a Halal Assurance Management System which provides clear guidelines on Halal standards.

The Halal Committee has formed working committees that represent respective subsidiary under CAB Group of Companies, in various disciplines of expertise, under the supervision of Halal Committee Member. An Executive Secretary is engaged to manage, administer and coordinate all Halal Committee activities such as Internal Halal Auditing, Halal Training Programme and act as liaison officer to Halal Committee.

The Halal Committee Members meet every three months to discuss halal issues arising in each subsidiary. The reports carrying discussion outcome on halal issues are brought to the attention of the Board of Directors by the Chairman of the Halal Committee, in quarterly meeting. Halal Awareness Training is held annually to train employees in each subsidiary to enhance understanding, knowledge and awareness on halal. The vital roles of the Halal Committee encompass updating, keeping abreast with halal development, studying and analysing problem, challenges and resolving on the certification of Halal standard so as to attain reliability, credibility and acceptance by consumers and related organisations domestically and internationally.

The details of the terms of reference of Halal Committee are available for reference at the Company's website at www.cab.com.my.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

7. Communication with Stakeholders

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

7. Communication with Stakeholders (Cont'd)

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear and complete information of the Company's financial performance, major developments and position as possible. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results. All timely disclosure and material information documents will be posted on the Company's website after released to Bursa.

The full version of the Annual Report is available online at the Company's website at www.cab.com.my and a printed full version will be provided to shareholders within four (4) market days upon receiving any formal request.

In addition to shareholders participation at general meetings, the Board also encourages other channel of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Group Finance Director to whom any query and concern regarding the Group may be conveyed at the email at cab@cab.com.my.

The Company maintains a website, www.cab.com.my that allows the shareholders, investors and members of the public to gain access to information and new events relating to the Group.

8. Conduct of General Meetings

The Board regards the Annual General Meetings ("AGM") as an important avenue for the communication and dialogue with its shareholders. The Board supports and encourages active shareholders participation at its AGMs and any other general meetings.

At the AGM, shareholders are given time to ask questions and seek clarifications about the resolutions to be proposed or the Group's operation in general for more information. The Board members, senior management and the external auditors are present at the AGM to respond to shareholders' queries.

The Company will also ensure that the notice for AGM will be given to its shareholders at least twenty eight (28) days prior to the meeting.

All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board makes an announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings for shareholders' information.

The Minutes of the 20th AGM was published on the Company's website at www.cab.com.my within 30 days after AGM.

The above summary sets out how the three Principles pursuant to Practice Note 9 Part 1 Paragraph 3.1A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad are adhered to via adoption of the relevant Board Policies and implementation of appropriate measures.

The CG Overview Statement was approved by the Board of Directors of the Company on 28 December 2022.

Statement On Risk Management And Internal Control

Introduction

The Malaysian Code on Corporate Governance 2021 ("MCCG") requires public listed companies to maintain a sound risk management and system of internal controls to safeguard shareholders' investment and the Group's assets.

With reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board is pleased to present the Statement on Risk Management and Internal Control, which is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities and Practice 10.2 of MCCG.

Board Responsibility

The Board is primarily responsible for the Group's risk management and internal control system as well as reviewing its adequacy, effectiveness and integrity. In view of the inherent limitations in any system of internal control, the system is designed to manage rather than to eliminate the risk of failure to achieve corporate objectives. Accordingly it can only provide reasonable but not absolute assurance against material misstatement, loss and fraud. The system of internal control covers, inter-alia, financial, budgetary, risk management, organizational, operational, regulatory and compliance matters.

Enterprise Risk Management ("ERM") Framework

The Board and the Management of the Group continue to strengthen the Group's control environment and processes by taking into consideration the key risks in their review of strategic and business plans of the Group. The Board is responsible for the identification, evaluation and management of significant risks applicable to their respective areas of business together with the design and implementation of suitable internal controls. These risks may be associated with a variety of internal or external factors including disease outbreaks, disruption in operations, competition, natural catastrophe and regulatory requirements.

The ERM framework has been in place to ensure proper management of the risks that may impede the achievement of the Group's goals and objectives. The Group has an ongoing process for identifying, evaluating and managing the principal risks.

Risk Management & Sustainability Committee ("RMSC")

The Board has constituted the RMSC with the authorities necessary to perform duties as outlined in separate terms of reference. The RMSC is responsible to the Board for:

(a) Overseeing the establishment and implementation of the risk management framework;
(b) Reviewing the effectiveness in identifying, evaluating and managing risks and internal control processes as well as sustainability matters.

RMSC membership composition during financial year 2022 was as follows:

Name	Position
Loo Choo Gee (Executive Director)	Chairman
Lim Ghim Chai (Independent Non-Executive Director)	Member
Datuk Sr. Hj. Zakaria Bin Hashim (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member
Goh Choon Aik (Independent Non-Executive Director) (Resigned on 13 September 2022)	Member

The RMSC reports to the Board regarding risk register updates and assessment on effectiveness of risk-mitigating actions.

Risk Identification, Evaluation and Management

The Group has in place the Risk Management and Sustainability Policy which lays down the responsibilities of the Board, the RMSC, the Risk Management & Sustainability Working Committee and others in relation to risk management.

Fundamentally, the risk management process consists of the following elements:

Identify	:	Identify risk from internal/external sources, which may affect achievement of the Group's objectives, on on-going basis
Assess	:	Risks are assessed on both inherent and residual basis considering its likelihood of occurrence and impact
Plan	:	Mitigating action plan is availed for dealing on certain risks, to minimize/eliminate its foreseeable impact
Implement	:	Mitigating action plan is realized into actions
Monitor and review	:	Monitor the realization progress of mitigating action plan and review its effectiveness in minimizing/eliminating threat
Communicate	:	Make the RMSC aware of the outcome

Risk Identification, Evaluation and Management (Cont'd)

In the framework, root cause for each risk is identified for ascertaining consequence. Risk can be resulted from internal or external sources and by nature, either controllable or inherent. Each risk is graded. The business unit heads and/or risk owners are responsible for generating action plan to manage, minimize and mitigate the risks. Existing controls are also included as part of the action plan. The Management's perceived strength of the internal control is obtained. The department or person in-charge to realize the action plan is prescribed, for reinforcing accountability.

All the above-mentioned are recorded and updated in the Risk Register which serves:

- To develop risk profile for each company;
- To ensure a well-structured and systematic process in place for identification, assessment and management of risks.

All executive directors make frequent visits to business units to assess operations and address key business issues inclusive of risk-mitigating actions. In the event of any emergency business issue that involves/provokes risk, the business unit head shall notify the Group Managing Director immediately, for resolving.

The key risk areas that the Board and Management continually address consist of:

Covid-19 Endemic

Despite Covid-19 disease being classified as under endemic stage, where previous controls under pandemic stage have been relaxed, the Management still takes a serious stance in precautionary, preventive and deterrent approaches in the aspects of workers' personal hygiene, Covid inspection test, isolation/quarantine for patients, proper hostel accommodation etc., in attempt to minimize risk of impacting the Group's operations.

Halal Accreditation

In cognizance of Halal accreditation importance, the Group has in place the Halal Committee, which is directly overseen by the Halal Committee Chairman, Tuan Haji Ahmad Fazil Bin Haji Hashim. The Group deploys qualified Halal Executives at key business units, to oversee and monitor Halal compliance matters. The Halal Committee reports to the Board during quarterly meetings activities, events and issues concerning Halal accreditation and compliance.

Group Internal Audit Department ("GIAD")

GIAD forms an integral part of the Group's internal control system, whereby the GIAD is entrusted to conduct periodic audits on internal control matters to ensure their compliance with the systems and standard operating procedures, as well as to highlight the risks that respective subsidiaries encounter, within each subsidiary's operations and business environment. The main objective of these audits is to provide reasonable assurance that these operations operate satisfactorily and effectively. Investigations are also made at the request of the Audit Committee and senior management on specific areas of concern. These investigations provide additional assurance and comfort on the integrity and robustness of the internal control systems.

The Board regularly reviews the adequacy and integrity of the system of internal controls and risk management, inter alia, as signaled in audit issues presented by the GIAD. Whilst, the Audit Committee reviews the scope, functions, resources and competency of the internal audit function on yearly basis. Whenever needed, the GIAD helps to review the content of Standard Operating Procedures and advise accordingly, in attempt to exert comprehensive controls and minimize loophole risk in process flows.

Internal Control System

The key elements that have been put in place to ensure the adequacy and effectiveness of the internal control system include the following:

(i) Formal organizational structure is in place to define the function, reporting line and responsibility of the Management staff. This organization structure serves to facilitate quick response to changes in the evolving business environment, supervision of day-to-day business operations and accountability for operation performance;

(ii) Standard operating procedure manuals lay down explicitly the process controls and practices, aimed at enforcing guided workflow and sustaining quality of work processes;

(iii) Financial authorization matrix on capital expenditure, asset disposal and write-off, as well as jurisdiction of Corporate Office and business units in handling various types of agreement are spelt out, for enforcement across the whole Group;

Internal Control System (Cont'd)

(iv) In relation to the governance of staff conduct,
- *Code of Conduct and Ethics* as well as employee handbook are availed to employees, for understanding of employment terms and conditions, entitlements, discipline, code of ethics and job grading system;
- *Whistleblowing Policy* is in force to provide an avenue for staff or any external party to report any breach or suspected breach of any law or regulation in a safe and confidential manner;
- *Conflict of Interest Policy* is in force to help the Group effectively identify, disclose and manage any actual, potential or perceived conflict of interest in order to protect the integrity of the Group and its staffs and manage risk;
- *Anti-Bribery and Corruption Policy* has been established and enforced across the board, among all business units within the Group, to reinforce ethical values, in particular, zero tolerance stance against bribery, as well as to comply with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 provisions; and
- Segregation of duties is practiced, whereby check and balance mechanism exists to curb manipulation of certain workflows by particular staff, to the detriment of the Group's interests.

(v) Annual budget is prepared to determine allocation of resources and set performance benchmark at projected revenue level. Respective business unit heads are required to explain on negative variances in financial results, if any, during quarterly management meeting;

(vi) Management meeting is conducted on quarterly basis for all business unit heads to present business performance results and highlight significant matters;

(vii) Regular supervisory checks are performed to ensure strict adherence to operations, administration and accounting procedures;

(viii) External consultants' services are engaged and/or the GIAD is assigned, for the conduct of feasibility study or due diligence review, whichever relevant, for new investment venture and corporate acquisition; and

(ix) All business units strive to observe and comply with health, safety, environmental and quality standards set forth by the Group as well as the accreditation and regulatory bodies.

Internal Audit Function

The GIAD assists the Audit Committee and the Board in providing independent assessment on the adequacy, efficiency as well as effectiveness of the Group's internal control system. The Head of the GIAD presents audit reports, which detail the audit issues, Internal Audit's recommendations and Management's responses, to the Audit Committee during quarterly meetings. Apart from the audit report, the Head of the GIAD also brings up outstanding issues stemmed from follow-up verification, if any, into the knowledge of the Audit Committee for further monitoring.

The results of the internal audit reviews and the recommendations are deliberated during the Audit Committee meetings. The Audit Committee Chairman briefs the Board on issues raised and highlights events requiring the Board's attention, if any.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in material losses or uncertainties that would require separate disclosure in this Annual Report.

Conclusion

The Board has received assurance from the Group Managing Director and the Group Finance Director that the Group's risk management and internal control system is operating adequately and effectively in material aspects based on the existing risk management and internal control system of the Group. The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investments and the Group's assets. This Statement on Risk Management and Internal Control does not cover associates and jointly controlled business units where the internal control systems of these business units are managed by the respective management teams.

The review process has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

Review Of The Statement By External Auditors

Pursuant to paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended 30 September 2022 and reported to the Board that nothing has come to their attention that caused them to believe that this statement was inconsistent with their understanding of the process, adequacy and integrity of the risk management and internal control system.

This Statement was approved by the Board on 28 December 2022.

Audit Committee Report

COMPOSITION

The Audit Committee ("AC") membership composition is as follows:

Name	Position
Lim Ghim Chai (Independent Non-Executive Director)	Chairman
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member
Datuk Sr. Haji Zakaria Bin Hashim (Independent Non-Executive Director) (Appointed on 13 September 2022)	Member
Haji Ahmad Fazil Bin Haji Hashim (Independent Non-Executive Director) (Resigned on 13 September 2022)	Member
Goh Choon Aik (Independent Non-Executive Director) (Resigned on 13 September 2022)	Member

SECRETARY

The Secretary of the AC is the Company Secretary of the Company.

The present AC composition of being made up of only independent and non-executive directors fulfills requirements stipulated in Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Securities.

TERMS OF REFERENCE

The terms of reference of the AC are aligned with the Main Market Listing Requirements of Bursa Securities and recommendations of the Malaysian Code on Corporate Governance. The terms of reference will be revised accordingly, to cater for changes, if any. The terms of reference is available at the Company's website at www.cab.com.my .

MEETINGS

The Committee met five (5) times during the financial year ended 30 September 2022.

Details of attendance of each member at the Committee meetings during financial year 2022 were as follows:

Name	No. of Meetings Attended
Lim Ghim Chai	5/5
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Appointed on 13 September 2022)	-
Datuk Sr. Haji Zakaria Bin Hashim (Appointed on 13 September 2022)	-
Haji Ahmad Fazil Bin Haji Hashim (Resigned on 13 September 2022)	5/5
Goh Choon Aik (Resigned on 13 September 2022)	5/5

Apart from the above AC members, the Executive Director(s) and Group Finance Director were invited to join the AC meetings to facilitate direct communication and provide clarification on audit and financial issues as well as operations of the Group. In the financial year, the AC held two (2) meetings with the external auditors without the presence of the executive Board members and the Management, to provide a platform for the external auditors to discuss any issues arising from their auditing process or any other matters warranting the AC's attention and actions.

MEETINGS (Cont'd)

The AC meeting minutes were prepared and tabled for confirmation and follow-up at the following meeting. The minutes were also circulated to the Board for notation. The AC Chairman reported to the Board the matters discussed and made recommendations for the Board's consideration and resolution.

Through an annual evaluation, the Board was satisfied that the AC has discharged its functions, duties and responsibilities.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year under review, the AC carried out the following activities in the discharge of its functions and duties:

A. Financial Reporting

The AC reviewed the quarterly financial results during the quarterly AC meetings. During the review process, the AC members raised questions related to significant changes, budgetary variances, adoption of accounting principles and standards and so forth. The Group Finance Director responded with explanation and answers.

Upon being satisfied that the financial statements have been prepared in due course, the AC recommended to the Board for approval and subsequent release to Bursa Malaysia Securities Berhad ("Bursa Securities") accordingly.

During the quarterly meetings, the AC also received the update on the statistics of subsidiaries encountering negative shareholders' funds, for the AC to understand the business scenarios and actions already in place or to be instituted, as part of going concern assessment.

Apart from the review on quarterly financial results, the AC held a meeting in December 2021 to review the audited financial statements and the Management Letter issued by the external auditors. The AC also sought a confirmation from the external auditors that all the business units across the Group had rendered satisfactory cooperation during the auditing process.

B. Internal Audit

The AC reviewed and endorsed the annual internal audit plan of the internal audit function to ensure adequate scope and comprehensive coverage of the activities of the Group.

During the financial year under review, the AC reviewed the internal audit reports, recommendations made by the internal auditors and Management's response to the audit issues, during quarterly meetings. The AC also noted the follow-up progress status for the resolved corrective actions on outstanding audit issues, to ensure that control weaknesses and non-compliances have been addressed and rectified.

In November 2021, the AC carried out a thorough yearly assessment on the adequacy of the scope, functions, resources and competency of the internal audit function, using the Internal Quality Assessment Review form and Appendix of Code of Corporate Governance.

The Executive Director(s) and the Group Finance Director were invited to attend the quarterly AC meetings, to give opinion and clarification on issues raised in internal audit reports, if relevant and when necessary.

C. External Audit

The AC reviewed the extent of assistance and cooperation during the conduct of external auditing and issues as well as reservations arising from audit for the financial year ended 30 September 2021 with the external auditors.

The AC obtained a confirmation from the external auditors that they were in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants of Malaysian Institute of Accountants. In addition, to fulfill disclosure requirements, the external auditors furnished information on their fees derived from the audit and non-audit services and their network firms.

In December 2021, the AC deliberated on the final report presented by the external auditors in regard to the matters arising from the statutory audit of the Company and its subsidiaries for the financial year ended 30 September 2021.

SUMMARY OF WORK OF THE AUDIT COMMITTEE (Cont'd)

C. External Audit (Cont'd)

During the course of external audit of the Group's financial statements for the year ended 30 September 2021, the external auditors stated that:

- There was no material variance between results disclosed in the quarterly announcement and the audited report on the Group's revenue, profit before tax and profit after tax;
- Based on the audit work performed, Grant Thornton Malaysia PLT was not aware of any non-compliance of laws and regulations. Based on the discussion held with the AC in December 2021, the AC members have confirmed that there were no significant fraud-related matters that have come to their attention;
- The audited financial statement was a clean report as there was no audit qualification to the audited financial statement and the Group had complied with all the relevant accounting standards;
- Nevertheless, Grant Thornton Malaysia PLT highlighted three key audit matters concerning goodwill on consolidation, fair value on biological assets and investment in subsidiaries and the Management has responded accordingly; and
- Grant Thornton Malaysia PLT also illustrated the key audit matters, risks involved and their review response.

On 29 August 2022, the external auditors, Grant Thornton Malaysia PLT briefed the AC on their Audit Planning Report for the financial year ended 30 September 2022, encompassing:

- Audit timeline;
- Audit objectives;
- Audit plan road map;
- Audit approach;
- Planning materiality and tolerable error;
- Key audit areas;
- Compliance with laws and regulations and fraud related matters;
- Other updates on accounting standards; and
- Proposed audit fees.

The AC had two (2) private sessions with the external auditors in the absence of Management staffs and Executive Board members on 23 December 2021 and 29 August 2022. There was no area of concern raised by the external auditors, for which escalation to the Board was necessitated.

D. Related Party Transactions

The AC reviewed and noted all the Related Party Transactions ("RPT") including the Recurrent Related Party Transactions ("RRPT") that took place among the related parties, as presented by the Management and the Group Internal Audit Department, during the quarterly AC meetings.

The Group Internal Audit Department has performed check against shareholders' mandate, agreements etc. and arm's length test to ensure that the transactions were in the best interest of the Group, fair and reasonable, on normal commercial terms that were not more favourable to the related parties than those generally available to the public.

E. Corporate Governance and Other Matters

The AC evaluated the internal audit function, from the following perspectives:

- Academic background of the internal auditors;
- Fulfillment of the scope and functions, as required in the Listing Requirements;
- Frequency of the Internal Audit's reviews to test the effectiveness of the financial, operational and compliance controls and processes of business units;
- Sufficiency of resources and competency of the internal auditors in the discharge of audit assignment;
- Implementation of Quality Assessment Review of the internal audit function; and
- Collaboration between the internal auditors and the external auditors during the evaluation of internal controls.

SUMMARY OF WORK OF THE AUDIT COMMITTEE (Cont'd)

E. Corporate Governance and Other Matters (Cont'd)

The AC reviewed the Circular to Shareholders in relation to:

- Proposed renewal of the authority for the purchase of the company's own ordinary shares of up to ten per centum (10%) of the company's total number of issued shares;
- Proposed renewal of existing shareholders' mandate for recurrent related party transactions;
- Proposed new shareholders' mandate for additional recurrent related party transactions; and
- Proposed diversification of the existing principal activities of CAB Cakaran Corporation Berhad and its subsidiaries into the provision of drone related services for the agriculture industry.

The AC reviewed the AC Report and Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2021 of CAB Cakaran Corporation Berhad.

F. Statement on Employee Share Option Scheme ("ESOS")

There was no such scheme in place during the financial year ended 30 September 2022.

WORK OF THE GROUP INTERNAL AUDIT DEPARTMENT

The primary role of the internal audit function is to undertake regular review of the system of internal controls, procedures and operations so as to provide reasonable assurance that the overall internal control system is sound, adequate and satisfactory. The Group Internal Audit Department reports directly to the AC.

The activities carried out by the internal auditors during the financial year ended 30 September 2022 were as follows:

- Conducted internal audit sessions according to the approved internal audit plan and presented the reports to the AC at the quarterly meetings;

- Followed up on the implementation of audit recommendations and management action plans and reported to the AC on the status of their implementation of significant matters at the quarterly meetings of the AC; and

- Performed various ad hoc reviews as requested by the Management.

The total costs incurred for the internal audit function for the financial year under review were approximately RM244,394.43.

Additional Compliance Information

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES

During the financial year, the amount of audit and non-audit fees paid and payable to the external auditors and its affiliates by the Company and the Group were as follows:

	Group (RM'000)	Company (RM'000)
Grant Thornton Malaysia PLT:		
Audit Fees:		
Current year	330	38
Prior Year	1	-
Non-Audit Fees	11	3
Other Auditors	178	-

The non-audit fees were in respect of tax related services and review of Statement on Risk Management and Internal Control during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised during the financial year ended 30 September 2022.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Shareholders' Mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature was obtained at the Twentieth Annual General Meeting held on 24 March 2022. Details of such transactions during the financial year are disclosed in Note 42 to the financial statements.

The said Mandate is subject to renewal at the forthcoming Annual General Meeting. Details of the Shareholders' Mandate to be sought will be furnished in the Circular to Shareholders dated 30 January 2023.

UTILISATION OF PROCEEDS RAISED

On 29 April 2022, the Company completed the issuance and listing of 3,884,000 new ordinary shares pursuant to the approved Private Placement of up to 10% of the total number of issued shares (excluding treasury shares) at an issue price of RM0.5150 each. As at 30 September 2022, the entire proceeds have been fully utilised for the intended purpose as follows:

Proposed utilisation	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimate timeframe for use from the placement date
Working Capital	1,700	1,848*	1,848	-	Within 12 months
Estimated placement expenses	300	152*	152	-	Upon completion
	2,000	2,000	2,000	-	

* The actual placement expenses were lower than the estimated. As such, unutilised balance of proceeds of RM148,000 which was allocated for placement expenses has been utilised for working capital of the Group

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that Malaysian Financial Reporting Standard, International Financial Reporting Standards and the provisions of the Companies Act, 2016 and the Listing Requirements of the Bursa Securities have been applied.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates where applicable.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

Financial Statements 2022

Directors' Report

The Directors of **CAB CAKARAN CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management services. There have been no changes in nature of these principal activities during the financial year.

The information on the name, principal place of business, country of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as stated in Note 19 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit for the financial year	56,327,787	286,326
Profit/(Loss) attributable to:		
Owners of the Company	57,719,803	286,326
Non-controlling interests	(1,392,016)	-
	56,327,787	286,326

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chew Chee Khong	
Chuah Ah Bee	
Chuah Hoon Phong	
Lim Ghim Chai	
Loo Choo Gee	
Wijanti Tjendera	
Datuk Sr. Hj Zakaria Bin Hashim	(appointed on 13 September 2022)
Prof Dato' Dr Mohd Fakhrudin Bin Abdul Mukti	(appointed on 13 September 2022)
Chan Kim Keow	(resigned on 13 September 2022)
Goh Choon Aik	(resigned on 13 September 2022)
Haji Ahmad Fazil Bin Haji Hashim	(resigned on 13 September 2022)

The Directors who held office in the subsidiaries of the Company (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Abdul Rahman Bin Abdullah	
Alex Tan Kuan Hon	
Chiew Hock You	
Chiew Kin Huat	
Ching Chin Huat	
Chuah Hoon Hong	
Chuah Hoon Teng	
Dato' Dr Quaza Nizamuddin Bin A Hassan Nizam	
Ho Chong Hee	
Ho Kheng Chew	
Jozef Franciscus Maria Bonang	
Khor Yu Beng	
Leong Youk Leen	
Lim Chin Seng	
Ong Chuan Seng	
Ong Khoon Chuah	
Shafiqurrahman Bin Haji Shamsuddin	
Sia Hui Chen	
Syed Yussof Bin Syed Othman	
Tan Ah Baa @ Tan Chye Khoon	
Tan Chee Hee	
Tan Swee Seong	
Toh Chye Lam	
Toh Eng Say	
Vincent Leong Weng Fai	
Wan Noor Ashikin Binti Wan Azizan	
Winston Yap Eng Chin	
Tan Chin Tee	(appointed on 7 February 2022)
Randall Low Jun Hoe	(appointed on 13 May 2022)
Wan Azrain Bin Wan Adnan	(appointed on 13 May 2022)
Aman Tan Ho Peng	(been a Director upon acquisition of a subsidiary)
Tan Wen Lee	(been a Director upon acquisition of a subsidiary)
Too Siew Din	(resigned on 31 December 2021)
Yap Kim Hwah	(deceased on 2 April 2022)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
Shares in the Company	As at 1.10.2021/ date of appointment	Acquired	Disposed	As at 30.9.2022
Direct interest:				
Chuah Ah Bee	192,578,564	5,253,515	-	197,832,079
Chuah Hoon Phong	14,344,061	-	-	14,344,061
Datuk Sr. Hj Zakaria Bin Hashim	1,000	-	-	1,000
Loo Choo Gee	10,576,170	-	-	10,576,170
Indirect interest:				
Chuah Ah Bee	137,259,684	-	-	137,259,684
Chuah Hoon Phong	170,312	-	-	170,312

By virtue of their interests in the shares of the Company, Mr. Chuah Ah Bee is also deemed to have beneficial interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Other than the above, none of other Directors in office at the end of the financial year had any interest in the shares of the Company and its subsidiaries during the financial year.

DIRECTORS' REMUNERATION

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and of the Company are as follows:

	The Group 2022 RM	The Company 2022 RM
Directors of the Company:		
Executive Directors:		
Fee	387,511	-
Contribution to employees provident fund	255,014	-
Other emoluments	3,594,150	-
Non-executive Directors:		
Fee	270,000	240,000
Contribution to employees provident fund	1,086	1,086
Other emoluments	15,400	14,900
Directors of subsidiaries:		
Executive Directors:		
Fee	304,349	-
Contribution to employees provident fund	353,783	-
Other emoluments	3,519,887	-
	8,701,180	255,986
Benefits-in-kind (based on estimated monetary value) (Note 41)	107,313	-

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liability insurance for purpose of Section 289 of the Companies Act, 2016, throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group and of the Company. The amount of indemnity coverage and insurance premium paid or payable during the financial year, which was borne by the Company and certain subsidiaries and have been accounted for in the financial statements of the Group amounted to RM20,000,000 and RM41,986 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Group during the financial year are amounted to RM2,860,000 and RM36,695 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company, which was borne by the Company during the financial year are amounted to RM600,000 and RM5,239 respectively.

Other than disclosed above, there were no indemnity given to or insurance effected for other Directors, Officers and Auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM140,679,293 to RM145,979,553 during the financial year by way of:

(a) issuance of 7,500,000 new ordinary shares at an exercise price of RM0.44 per ordinary share for the acquisition of a new subsidiary, Benarlab Sdn. Bhd.; and

(b) a private placement of 3,884,000 shares at an issuance price of RM0.515 per placement share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D)

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company.

AUDITORS

Details of auditors' remuneration are set out in Note 11 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extend permissible under provision of the Companies Act, 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

CHUAH AH BEE

CHUAH HOON PHONG

Penang
28 December 2022

Independent Auditors' Report

To The Members Of CAB Cakaran Corporation Berhad
(Incorporated In Malaysia) Registration No.: 200201015998 (583661 W)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CAB Cakaran Corporation Berhad, which comprise the statements of financial position as of 30 September 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 77 to 199.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Goodwill on consolidation	
As at 30 September 2022, the Group has goodwill amounted RM6,218,940 which has been allocated to its poultry farming operations and slaughtering, processing and marketing operations as the cash-generating unit. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount for the cash-generating unit and this involves significant assumptions which are inherently judgmental.	We evaluated the model used in determining the value in use of the cash-generating unit as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generated unit to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value on biological assets	
The value of livestocks held as biological assets of the Group was RM108,450,322. The fair value of livestocks was subject to poultry fluctuation. In addition, there was a high volume of livestock held at year end. We have identified the valuation of livestocks as a key audit matter because of the significant judgement and estimates involved in applying the valuation method on the livestocks. Specifically, we focused our audit efforts to determine whether the capitalisation of costs and standard in accordance with the Group's policy and ensure consistency with that of prior year.	We have obtained an understanding and tested the internal controls in respect of recording of purchase of broiler, breeders, feed and other consumables. We also have tested the capitalised cost as part of the valuation method which includes starter cost (Day-old-chick), cost of feed consumed and cost of other consumables and testing of amortisation of broiler and breeders in accordance with the Group's policy. We compared actual output and selling prices against assumptions to assess the accuracy of management's estimates. We also assessed the reasonableness of discount rate used to reflect the time value of money and the risk. Besides, we assessed the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.
Investment in subsidiaries	
As disclosed in Note 19 to the financial statements, the Company holds RM123,838,794 in investment in subsidiaries, which comprises 89% of the total assets of the Company. Judgement is required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries. This is based on the value in use, using cash flow projections, covering a three-year period for each cash generating unit. The assumptions with the most significant judgement on the cash flow projections are growth rates and discount rate.	We have tested the design and implementation of the key controls around the impairment review process, and challenged management's key assumptions used in the cash flow projections which included impairment model for investment in subsidiaries with reference to historical performance. We also performed substantive procedure and challenged the key assumptions include projected cash flows, future growth rates and the discount rate applied. We also compared the projected cash flow against historical performance to test the reasonable of the projections.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on the Audit of the Financial Statements (cont'd)

***Auditors' Responsibilities for the Audit of the Financial Statements* (cont'd)**

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as Auditors, are disclosed in Note 19 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

ANTONY LEONG WEE LOK
(NO: 03381/06/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
28 December 2022

Statements of Profit or Loss And Other Comprehensive Income

For The Financial Year Ended 30 September 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Revenue	5	1,954,278,678	1,718,859,883	8,762,814	4,550,224
Cost of sales		(1,778,705,245)	(1,632,606,618)	-	-
Gross profit		175,573,433	86,253,265	8,762,814	4,550,224
Investment revenue	6	409,024	274,602	-	-
Other income		44,241,580	20,973,120	-	6,000
Marketing and selling expenses		(61,864,341)	(60,654,144)	-	-
Administrative expenses		(55,498,678)	(48,509,326)	(1,708,191)	(1,480,835)
Other expenses		(1,041,045)	(1,218,931)	(182,953)	-
Operating profit/(loss)		101,819,973	(2,881,414)	6,871,670	3,075,389
Other gains and losses	7	5,791,552	(8,008,295)	(5,380,602)	(30,908,571)
Net remeasurement of expected credit loss		(1,984,107)	(1,259,640)	-	-
Share of result in an associate		4,960	5,718	-	-
Share of result in a joint venture		(3,671,702)	(1,120,351)	-	-
Profit/(Loss) before interest and taxation		101,960,676	(13,263,982)	1,491,068	(27,833,182)
Interest income	8	746,105	395,244	588,114	-
Finance costs	9	(17,093,202)	(17,537,703)	(1,153,232)	(213,803)
Profit/(Loss) before tax		85,613,579	(30,406,441)	925,950	(28,046,985)
Tax expense	10	(29,285,792)	(5,866,587)	(639,624)	(24,871)
Profit/(Loss) for the financial year	11	56,327,787	(36,273,028)	286,326	(28,071,856)
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		2,906,295	826,227	-	-
Other comprehensive income for the financial year, net of tax		2,906,295	826,227	-	-
Total comprehensive income/(loss) for the financial year		59,234,082	(35,446,801)	286,326	(28,071,856)

Statements of Profit or Loss And Other Comprehensive Income (Cont'd)

For The Financial Year Ended 30 September 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Profit/(Loss) attributable to:					
Owners of the Company		57,719,803	(20,188,282)	286,326	(28,071,856)
Non-controlling interests		(1,392,016)	(16,084,746)	-	-
		56,327,787	(36,273,028)	286,326	(28,071,856)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		58,906,449	(19,823,868)	286,326	(28,071,856)
Non-controlling interests		327,633	(15,622,933)	-	-
		59,234,082	(35,446,801)	286,326	(28,071,856)
Earnings/(Loss) per share:					
Basic (sen per share)	12	8.26	(2.93)		

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

As of 30 September 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Assets					
Non-current assets					
Property, plant and equipment	13	661,658,039	679,399,028	3,295	6,173
Right-of-use assets	14	89,970,722	85,684,805	-	-
Investment properties	15	114,033,500	110,849,200	-	-
Bearer plants	16	526,899	298,141	-	-
Other intangible assets	17	9,392,302	8,604,602	-	-
Goodwill	18	6,218,940	6,218,940	-	-
Interest in subsidiaries	19	-	-	123,838,794	123,272,080
Investment in an associate	20	274,453	269,493	-	-
Investment in a joint venture	21	57,868	186,734	-	-
Other financial assets	22	374,619	1,872,381	-	-
Deferred tax assets	23	4,475,300	125,626	-	-
Total non-current assets		886,982,642	893,508,950	123,842,089	123,278,253
Current assets					
Biological assets	24	108,450,322	85,431,930	-	-
Inventories	25	79,814,121	72,967,979	-	-
Trade and other receivables	26	202,083,144	193,818,137	15,543,611	14,439,867
Other assets	27	20,496,841	16,626,072	1,000	6,000
Other financial assets	22	4,466,369	-	-	-
Current tax assets		1,788,405	2,511,986	-	77,020
Short-term deposits with licensed banks	28	43,350,481	19,660,188	-	-
Cash and bank balances	29	76,525,971	49,048,621	337,013	163,932
Total current assets		536,975,654	440,064,913	15,881,624	14,686,819
Total assets		1,423,958,296	1,333,573,863	139,723,713	137,965,072

Statements of Financial Position (Cont'd)

As of 30 September 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Equity and liabilities					
Capital and reserves					
Share capital	30	145,979,553	140,679,293	145,979,553	140,679,293
Treasury shares		(69,304)	(69,304)	(69,304)	(69,304)
Reserves	31	2,782,065	1,595,419	-	-
Retained earnings/ (Accumulated losses)		355,514,749	298,330,894	(21,508,402)	(21,794,728)
Equity attributable to owners of the Company		504,207,063	440,536,302	124,401,847	118,815,261
Non-controlling interests	32	127,991,896	119,966,351	-	-
Total equity		632,198,959	560,502,653	124,401,847	118,815,261
Non-current liabilities					
Provisions	33	1,121,720	1,121,720	-	-
Borrowings	34	207,554,526	235,140,513	-	-
Lease liabilities	35	10,736,599	9,418,370	-	-
Deferred tax liabilities	23	47,630,283	38,699,015	-	-
Deferred revenue	36	173,354	189,644	-	-
Total non-current liabilities		267,216,482	284,569,262	-	-
Current liabilities					
Trade and other payables	37	238,979,437	208,102,774	15,309,366	19,149,811
Provisions	33	1,764,242	1,067,049	-	-
Borrowings	34	272,903,243	274,648,663	-	-
Lease liabilities	35	4,058,820	2,104,167	-	-
Deferred revenue	36	105,674	109,282	-	-
Current tax liabilities		6,731,439	2,470,013	12,500	-
Total current liabilities		524,542,855	488,501,948	15,321,866	19,149,811
Total liabilities		791,759,337	773,071,210	15,321,866	19,149,811
Total equity and liabilities		1,423,958,296	1,333,573,863	139,723,713	137,965,072

The accompanying notes form an integral part of the financial statements.

The Group	Note	Share capital RM	Treasury shares RM	Translation reserve RM	Properties revaluation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
As at 1 October 2020		140,679,293	(69,304)	1,149,065	81,940	318,519,176	460,360,170	122,312,348	582,672,518
Loss for the financial year		-	-	-	-	(20,188,282)	(20,188,282)	(16,084,746)	(36,273,028)
Other comprehensive income		-	-	364,414	-	-	364,414	461,813	826,227
Total comprehensive income/(loss) for the financial year		-	-	364,414	-	(20,188,282)	(19,823,868)	(15,622,933)	(35,446,801)
Transactions with owners of the Company:									
Subscription of ordinary shares by non-controlling interests in a subsidiary	32	-	-	-	-	-	-	13,500,000	13,500,000
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	(223,064)	(223,064)
As at 30 September 2021		140,679,293	(69,304)	1,513,479	81,940	298,330,894	440,536,302	119,966,351	560,502,653

The Group (cont'd)	Note	Share capital RM	Treasury shares RM	Translation reserve RM	Properties revaluation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
As at 30 September 2021		140,679,293	(69,304)	1,513,479	81,940	298,330,894	440,536,302	119,966,351	560,502,653
Profit/(Loss) for the financial year		-	-	-	-	57,719,803	57,719,803	(1,392,016)	56,327,787
Other comprehensive income		-	-	1,186,646	-	-	1,186,646	1,719,649	2,906,295
Total comprehensive income for the financial year		-	-	1,186,646	-	57,719,803	58,906,449	327,633	59,234,082
Transactions with owners of the Company:									
Issuance of ordinary shares pursuant to:									
- acquisition of a subsidiary	30	3,300,000	-	-	-	-	3,300,000	-	3,300,000
- private placement	30	2,000,260	-	-	-	-	2,000,260	-	2,000,260
Additional non-controlling interest arising on the acquisition of a subsidiary		-	-	-	-	-	-	4,429,721	4,429,721
Subscription of ordinary shares by non-controlling interests in subsidiaries		-	-	-	-	-	-	3,079,549	3,079,549
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	(347,306)	(347,306)
Arising from increase in equity interest in subsidiaries		-	-	-	-	(535,948)	(535,948)	535,948	-
As at 30 September 2022		145,979,553	(69,304)	2,700,125	81,940	355,514,749	504,207,063	127,991,896	632,198,959

The Company	Note	Share capital RM	Treasury shares RM	Retained earnings/ (Accumulated losses) RM	Total RM
As at 1 October 2020		140,679,293	(69,304)	6,277,128	146,887,117
Loss for the financial year		-	-	(28,071,856)	(28,071,856)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the financial year		-	-	(28,071,856)	(28,071,856)
As at 30 September 2021		140,679,293	(69,304)	(21,794,728)	118,815,261
Profit for the financial year		-	-	286,326	286,326
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		-	-	286,326	286,326
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to:					
- acquisition of a subsidiary	30	3,300,000	-	-	3,300,000
- private placement	30	2,000,260	-	-	2,000,260
As at 30 September 2022		145,979,553	(69,304)	(21,508,402)	124,401,847

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 September 2022

	Note	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Cash flows from operating activities					
Profit/(Loss) before tax		85,613,579	(30,406,441)	925,950	(28,046,985)
Depreciation and amortisation of non-current assets		50,976,775	52,033,080	2,878	1,662
Interest expense		15,801,192	16,100,791	1,153,232	213,803
Impairment loss recognised on receivables		4,013,082	1,329,141	-	-
Share of result in a joint venture		3,671,702	1,120,351	-	-
Bad debts written off		2,844,628	103,454	-	40,000
Unrealised loss/(gain) on foreign exchange		2,427,160	(113,558)	-	-
Net remeasurement for expected credit loss		1,984,107	1,259,640	-	-
Amortisation of intangible assets		1,179,961	1,048,165	-	-
Property, plant and equipment written off		849,502	524,465	-	-
Deposit written off		103,912	-	-	-
Loss/(Gain) on disposal of property, plant and equipment		19,080	(515,231)	-	-
(Gain)/Loss on fair value adjustment of biological assets		(9,444,935)	7,393,122	-	-
Gain on fair value adjustment of investment properties		(3,184,300)	(892,758)	-	-
Net fair value gain on other financial asset		(2,968,607)	(342,156)	-	-
Gain for bargain purchase		(1,310,525)	-	-	-
Interest income		(746,105)	(395,244)	(588,114)	-
Reversal of impairment loss recognised on receivables		(278,901)	(679,357)	-	-
Gain on remeasurement of right-of-use assets		(242,938)	-	-	-
Amortisation of deferred revenue on government grant		(121,355)	(93,240)	-	-
Gain on forgiven lease payments		(110,547)	(134,100)	-	-
Gain on lease termination		(67,375)	(68,777)	-	-
(Reversal of inventories)/ Inventories written down		(41,517)	23,983	-	-
Realisation of deferred revenue on franchise fee income		(9,375)	(9,375)	-	-
Gross dividend income from available-for-sale investment		(6,001)	-	-	-

	Note	The Group		The Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
Cash flows from operating activities (cont'd)					
Share of result in an associate		(4,960)	(5,718)	-	-
Bad debts recovered		(566)	(769)	-	-
Impairment loss recognised on investment in subsidiaries		-	-	13,807,891	30,868,156
Gross dividend received from subsidiaries		-	-	(8,400,000)	(4,200,000)
Reversal of impairment loss for investment in subsidiaries		-	-	(8,002,585)	-
Gain from waiver of debts		-	-	(424,704)	-
Operating profit/(loss) before changes in working capital		150,946,673	47,279,468	(1,525,452)	(1,123,364)
Movements in working capital:					
(Increase)/Decrease in biological assets		(13,573,457)	237,583	-	-
Increase in inventories		(4,398,265)	(5,570,104)	-	-
Increase in trade and other receivables		(4,722,727)	(6,006,444)	-	-
(Increase)/Decrease in other assets		(4,393,961)	465,790	5,000	(5,000)
Increase/(Decrease) in trade and other payables		25,508,425	(2,950,234)	(26,698)	2,854
Increase in provisions		697,193	1,067,049	-	-
Increase/(Decrease) in deferred revenue		97,272	(724,752)	-	-
Cash generated from/(used in) operations		150,161,153	33,798,356	(1,547,150)	(1,125,510)
Interest received		439,433	159,553	-	-
Taxes refunded		35,022	1,425,144	-	103,129
Taxes paid		(19,749,755)	(13,729,720)	(550,104)	(107,395)
Net cash from/(used in) operating activities		130,885,853	21,653,333	(2,097,254)	(1,129,776)

		The Group		The Company	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Cash flows from investing activities					
Net cash inflow on acquisition of a subsidiary	19	2,436,249	-	-	-
Decrease/(Increase) in other assets for acquisition of property, plant and equipment		788,018	(444,270)	-	-
Proceeds from disposal of property, plant and equipment		552,672	1,025,819	-	-
Interest received		300,681	247,517	588,114	-
Dividend received		6,001	-	8,400,000	4,200,000
Payments for property, plant and equipment	38(b)	(24,690,454)	(29,259,112)	-	(5,128)
Advances granted to a joint venture		(3,996,660)	-	-	-
Payments for bearer plants	16	(228,758)	(298,141)	-	-
Payments for right-of-use assets	14	-	(110,034)	-	-
Payments for investment properties	15	-	(942)	-	-
Payments for purchase of additional shares in subsidiaries		-	-	(2,918,000)	-
Advances granted to subsidiaries		-	-	(1,103,744)	(21,566,047)
Payments for acquisition of a subsidiary		-	-	(154,020)	-
Net cash (used in)/from investing activities		(24,832,251)	(28,839,163)	4,812,350	(17,371,175)

	Note	The Group		The Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
Cash flows from financing activities					
Proceeds from long-term loans		10,593,832	7,046,859	-	-
Proceeds from issuance of ordinary shares pursuant to private placement		2,000,260	-	2,000,260	
Advances granted from a joint venture		1,101,230	-	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling interests		347,980	13,500,000	-	-
Advances granted from non-controlling interests of subsidiaries		138,155	-	-	-
Repayment of long-term loans		(37,148,265)	(46,587,106)	-	-
Interest paid		(15,972,115)	(16,889,298)	(1,153,232)	(213,803)
Repayment of hire-purchase payables		(10,168,326)	(10,500,761)	-	-
Repayment of lease liabilities	38(c)	(3,484,817)	(3,015,726)	-	-
(Repayment of)/Proceeds from short-term borrowings		(1,231,059)	25,937,963	-	-
Dividend paid to non-controlling interests of subsidiaries		(347,306)	(223,064)	-	-
Short-term deposits pledged as securities		(278,812)	(227,587)	-	-
Proceeds from hire-purchase		-	706,945	-	-
Advances granted from a Director		-	79,919	-	-
(Repayment to)/Advances granted from subsidiaries		-	-	(3,389,043)	18,584,610
Net cash (used in)/from financing activities		(54,449,243)	(30,171,856)	(2,542,015)	18,370,807
Net increase/(decrease) in cash and cash equivalents		51,604,359	(37,357,686)	173,081	(130,144)
Cash and cash equivalents at beginning of financial year		54,978,534	91,824,005	163,932	294,076
Effects of exchange rates changes on the balances of cash held in foreign currencies		1,094,206	512,215	-	-
Cash and cash equivalents at end of financial year	38(a)	107,677,099	54,978,534	337,013	163,932

The accompanying notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company are investment holding and provision of management services. The information of the subsidiaries are disclosed in Note 19.

The address of the registered office of the Company is as follows:

Suite A, Level 9
Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang

The address of the principal place of business of the Company is as follows:

Plot 21, Lorong Jelawat 4
Seberang Jaya Industrial Park
Seberang Jaya
13700 Perai, Penang

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS and the Companies Act, 2016 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group's accounting policies. These estimates and judgments are based on Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the Financial Statements.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

2.1 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 October 2021, the Group and the Company have adopted the following MFRSs, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 October 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform' - Phase 2	1 January 2021
Amendment to MFRS 16 'Leases' - Covid-19 Related Rent Concessions Beyond 30 June 2021	1 April 2021

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.2 Standards, Amendments to MFRS and IC Interpretations Issued But Not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 'Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'	1 January 2022
Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts: Costs of Fulfilling a Contract'	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	
- Amendments to MFRS 1 'First-time Adoption of International Financial Reporting Standards - Subsidiary as A First–time Adopter'	1 January 2022
- Amendments to MFRS 9 'Financial Instruments - Fees in the 10% test for derecognition of financial liabilities'	1 January 2022
- Amendments to MFRS 141 'Agriculture - Taxation in Fair Value Measurements'	1 January 2022
MFRS 17 'Insurance Contracts'	1 January 2023
Amendments to MFRS 101 'Presentation of Financial Statements'	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates'	1 January 2023
Amendments to MFRS 112 'Income tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'	1 January 2024
Amendments to MFRS 101 'Presentation of Financial Statements – Non-current Liabilities with Covenants'	1 January 2024
Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Deferred

The adoption of these MFRS, Amendments to MFRS and IC Interpretations are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Accounting (cont'd)

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transaction that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

The principal accounting policies are set out below.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiaries controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during financial year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (cont'd)

Changes in Group's Ownership Interest in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group losses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income are accounted for as if the Group had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e., the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed off.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under MFRS 3 *Business Combinations* (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits*, respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's *share-based payment* awards are measured in accordance with MFRS 2 Share-based Payment; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRS.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Goodwill

At the end of each reporting period, the carrying value of goodwill is tested for impairment by income approach (value-in-use). In the income approach, value-in-use is applied by estimating the discounted value of the sum of the expected future cash flows. If the carrying value of the cash-generating unit exceeds the higher of the value-in-use of the related assets and liabilities, an impairment of goodwill will be recognised in the profit or loss. Evaluations for impairment are impacted by estimates of future sales volume and selling prices of products, economic trends in the local and international construction sector and other factors. The result of these evaluations requires the Group to estimate the future cash flows expected to arise from the cash-generating units, constant growth rates and a suitable discount rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in an Associate and a Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of an associate or a joint venture are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in an associate or a joint venture are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate or the joint venture, less any impairment in the value of individual investments. Losses of an associate or a joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or the joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value Measurement (cont'd)

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(a) Revenue from contract with customers

Revenue from contract with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfer control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax (if any), returns, rebates and discounts. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(b) Sales of chicken and other poultry products

Revenue from sales of chicken and other poultry related products are recognised net of discount and sales and services tax (if any) at the point in time when control of the goods has transferred to customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to location specified by the customer and acceptance of the goods by the customer; or upon delivery of the chicken on board for onward delivery to the customers.

(c) Sales of poultry feed

Revenue from sales of poultry feed is recognised net of discount and sales and services tax (if any) at the point in time when control of the goods has transferred to customer. Revenue for sales of feed are recognised upon delivery of the goods to locations specified by the customer and acceptance of the goods by the customer which indicate the transfer of control.

(d) Rendering of services

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (cont'd)

(e) Rental revenue

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) Franchise fee

Franchise fee is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Franchise fees are recognised on a straight-line basis over the period of the relevant agreement.

(g) Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably).

(h) Other income

Management fee and other income are recognised on an accrual basis.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. As a result, the Group and the Company have recognised deferred taxes on changes in fair value of investment properties based on the expected rate that would apply on disposal of the investment properties.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle their current tax assets and liabilities on a net basis.

(c) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Goods and Services Tax ("GST")

Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authorities, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST being the difference between output and input of GST, payable to or receivable from the taxation authorities at the reporting date, is included in other payables or other receivables accordingly in the statements of financial position.

Sales and Services Tax ("SST")

Revenue, expenses and assets are recognised net of the amount of SST, except:

(a) when the SST incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

(b) when receivables and payables are stated with the amount of SST included. The net amount of SST recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 - 30 years
Prepaid lease payments on leasehold land	12 - 99 years
Lands and buildings	1 - 30 years
Lands	1 - 30 years
Market stalls	2 & 3 years
Outlets	2 years
Office equipment	5 years

If ownership of the leased asset transfers to the Group and the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment in accordance with the accounting policy set out in Note 3 *'Impairment of Tangible and Intangible Assets other than Goodwill'*.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

(a) Group as a lessee (cont'd)

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of hostels, premises, cold room, fowl house, motor vehicle and forklift (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of photocopiers, office equipment, premises and hostel that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) Group as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straightline basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

Foreign Currencies

(a) Presentation and functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in profit or loss.

Foreign exchange differences arising from the translation of a monetary item designated as hedge of net investment in a foreign operation are recognised in other comprehensive income in the consolidated financial statements until the net investment is disposed.

(c) Translation of foreign currency financial statements

For consolidation purposes, foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulated in exchange reserve.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon repayment or disposal of the relevant entity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies (cont'd)

(c) Translation of foreign currency financial statements (cont'd)

Exchange reserve in respect of a foreign operation is recognised to profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interests. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

Employee Benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group and of the Company.

(b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices in the countries in which they operate.

(i) Defined contribution plan

The Group and the Company make statutory contributions to approved provident funds and the contributions are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(ii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at deemed cost, being the fair value in the opening MFRS statements of financial position as at 1 October 2017, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's and the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land and construction-in-progress are not depreciated.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction-in-progress) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	2% - 21%
Farm houses	2% - 21%
Plant, machinery and equipment	2% - 33%
Electrical installation	10% & 50%
Office equipment	5% - 33%
Furniture, fixtures and fittings	10% - 33%
Motor vehicles	10% - 20%
Renovation	5% - 50%
Supermarket equipment	10% & 33%
Warehouse	10%
Workshop	3%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under hire purchase are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

All items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment Properties (cont'd)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses on the same basis as intangible assets that are acquired separately.

The estimated useful economic lives of intangible assets are as follows:

Distribution network	15 years
Technical services agreement	5 years
Customer lists	5 & 10 years

The following are the main categories of intangible assets:

(a) Distribution network

Distribution network relates to relationship established by the subsidiary with the customers.

(b) Technical services agreement

Technical services agreement is a legal document that outline the scope of provision of technical services from drone service provider.

(c) Customer lists

Customer lists represents right for selling and exchanging information about its customers.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of its tangible and intangible assets, except for investment properties, deferred tax assets, inventories and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generated units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Bearer Plants

Bearer plants comprising of immature durian trees are stated at cost less accumulated depreciation and accumulated impairment losses.

Immature crops, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognised impairment losses. Cost includes the cost of land preparation, new planting, fertilizing, maintenance of newly planted durian trees for a period of 8 years until maturity. Immature planted trees are reclassified to mature planted trees when they are commercially productive and available for harvest. Depreciation of bearer plants commence when they are ready for their intended use.

Costs incurred for infilling including block infilling are generally recognised in profit or loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalised and depreciated over the remaining useful life of the respective fields.

Depreciation on bearer plants is recognised so as to write off its cost less residual values over useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Biological Assets

Biological assets comprising of breeders, broilers and hatching eggs are measured at fair value less cost to sell. Costs to sell includes the incremental selling costs, including estimated costs of transport but excludes finance costs and income taxes. The Group recognises a biological asset in its financial statements when, and only when the Group gains control over the asset as a result of past events, it is possible that the future economic benefits associated with the asset will flow to the Group, and when the fair value or cost of the asset can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Biological Assets (cont'd)

Purchases of livestock are directly expensed to profit or loss when incurred. Gains and losses arising on the initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are recognised in profit or loss in the period in which they arise.

The following are further information on determining the fair value of each livestock.

(a) Breeders

The fair value of grandparent and parent breeding stock is determined using discounted cash flows model based on the expected number of day-old-chick produced, the estimated market selling price of day-old-chick, salvage value for old birds, mortality rates of the breeding stocks, feed costs and consumption rates, farm house, equipment rentals, and other estimated farming cost that will be incurred throughout the remaining life of the breeder.

(b) Broilers

Live broilers are measured at fair value less costs to sell based on the discounted cash flows model, taking into consideration the estimated market selling price of broilers, management judgement's mortality rate, estimated consumption rate, feed costs and other estimated farm costs that will be incurred until the point of sale, as well as transportation costs at the point of sale. The assessment of the fair value is based on the internally available data, which includes saleable weight and historical selling price of birds, costs incurred and mortality rates.

Most of the live broilers are transferred to the processing plant at fair value less estimated point-of-sale costs. These broilers are then further process when slaughtered. Once slaughtered, the biological assets are transferred to finished goods.

(c) Hatching eggs

The fair value of hatching eggs is determined using a discounted cash flows model based on internal hatchability ratio, the actual selling price of day-old-chick, actual hatchery cost incurred for hatching the eggs into day-old-chick, contributory asset charges for the hatcheries owned by the Group.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and frozen food consists of the original purchase price and, where applicable, includes an appropriate portion of fixed and variable overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is determined based on first-in, first-out method.

Cost of finished goods consists of cost of raw materials, direct labour and a proportion of production overheads. Cost is determined based on first-in, first-out method.

Goods-in-transit is stated at cost.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's results are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group and the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Financial Assets - Classification Measurement

(i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVTOCI").

The Group and the Company reclassify debt investments when and only when the business model for managing those assets changes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Financial Assets - Classification Measurement (cont'd)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest ("SPPI").

<u>Debt Instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost

  Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Fair Value through Other Comprehensive Income ("FVTOCI")

  Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Financial Assets - Classification Measurement (cont'd)

(iii) Measurement (cont'd)

Debt Instruments (cont'd)

- Fair Value through Profit or Loss ("FVTPL")

  All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

  Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Equity Instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

Financial Assets - Impairment

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) Impairment for debt instruments

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECL") model associated with its debt instruments carried at amortised cost and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group and the Company have financial instruments that are subject to the ECL model as follows:

- trade receivables,
- other receivables and refundable deposits,
- net investment in leases,
- debentures,

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Financial Assets - Impairment (cont'd)

(i) Impairment for debt instruments (cont'd)

- intercompany receivables, and
- financial guarantees

While cash and bank balances are also subject to the impairment requirements of MFRS 9 *Financial Instruments*, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

<u>General 3-stage approach for other receivables and refundable deposits, net investment in leases, debentures, intercompany receivables and financial guarantees</u>

At the end of each reporting period, the Group and the Company measure ECL through a loss allowance at an amount equal to the 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 39.d.(iv) sets out the measurement details of ECL.

<u>Simplified approach for trade receivables</u>

The Group and the Company apply the MFRS 9 *Financial Instruments* simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Note 39.d.(iv) sets out the measurement details of ECL.

(ii) Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Financial Assets - Impairment (cont'd)

(ii) Significant increase in credit risk (cont'd)

The following indicators are incorporated:

- internal credit assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

(iii) Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as in default, when the counterparty fails to make contractual payment within 210 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicate the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit impaired are assessed on individual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Financial Assets - Impairment (cont'd)

(iv) Groupings of instruments for ECL measured on collective basis

- Collective assessment

  To measure ECL, trade receivables have been grouped based on shared credit risk characteristics, geographical location and the days past due.

- Individual assessment

  Trade receivables, other receivables and refundable deposits, net investment in leases, debentures, intercompany receivables and financial guarantees which are in default or credit-impaired are assessed individually. Amounts owing by subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each amount owing by a subsidiary.

(v) Write-off

- Trade receivables

  Trade receivables are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Indicators that there is no realistic prospect of recovery include amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

  Impairment losses on trade receivables are presented as net impairment losses within profit before tax. Subsequent recoveries of amounts previously written off are credited against the same line item.

- Other receivables and refundable deposits, net investment in leases, debentures, intercompany receivables and financial guarantees

  The Group and the Company write-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(b) Financial Liabilities

Financial Liabilities - Recognition and Initial Measurement

Financial liabilities are classified as measured at fair value through profit or loss or at amortised cost, as appropriate. Financial liabilities are recognised initially at fair value plus or minus, in the case of financial instrument not at fair value through profit or loss, any directly attributable transaction costs incurred at the acquisition or issuance of financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(b) Financial Liabilities (cont'd)

Financial Liabilities - Classification and Subsequent Measurement (cont'd)

The Group's and the Company's financial liabilities include borrowings, lease liabilities, trade payables, other payables and accrued expenses and intercompany payables.

Financial Liabilities - Classification and Subsequent Measurement

The subsequent measurement of financial liabilities depend on their classification as follows:

- Financial liabilities at fair value through profit or loss

  Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

  Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in profit or loss.

- Financial liabilities at amortised cost

  This category generally applies to interest-bearing loans and borrowings as well as trade and other payables.

  Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method.

  Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial Liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Derivative Financial Instruments

The Group uses derivative financial instruments such as cross-currency interest rate swap to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting date.

Derivatives financial instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives financial instruments during the financial year are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (cont'd)

(d) Financial Guarantees

A financial guarantee contract is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(e) Effective Interest Method

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(f) Hedge Accounting

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expect to offset each other.

Fair value hedge

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other gains and losses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other gains and losses.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

(g) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, demand deposits which are not pledged, certain bank overdrafts which form an integral part of the Group's and the Company's cash management and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Interest Income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

Current and Non-current Classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when:

- expected to be realised or intended to be sold or consumed in normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- expected to be settled in normal operating cycle; or
- held primarily for the purpose of trading; or
- due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event not wholly within the control of the Group or of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contingencies (cont'd)

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

Contract Asset/Liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 *Financial Instruments.*

A contract liability is stated at cost and represents obligation of the Group or of the Company to transfer goods or services to a customer for which consideration has been received from the customers.

Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. Treasury shares may be acquired and held by the Company. Consideration paid or received is recognised directly in equity.

Related Parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

    i. Has control or joint control over the Group and the Company;

    ii. Has significant influence over the Group and the Company; or

    iii. Is a member of the key management personnel of the parent of the Group, or the Company

(b) An entity is related to the Group and the Company if any of the following conditions applies:

    i. The entity and the Group are members of the same group.

    ii. The entity is an associate or joint venture of the other entity.

    iii. Both entities are joint ventures of the same third party.

    iv. The entity is a joint venture of a third entity and the other entity is an associate of the third entity.

    v. The entity is a post-employment benefit plan for the benefits of employees of either the Group and the Company or an entity related to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Related Parties (cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (cont'd)

vi. The entity is controlled or jointly-controlled by a person identified in (a) above.

vii. A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the parent of the entity; or

viii. The entity, or any member of a group when it is a part, provides key management personnel services to the Group or to the parent of the Group.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the judgements made by the Directors in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Critical Judgements in Applying the Group's and the Company's Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(i) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group and the Company monitor financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the years presented.

(ii) Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. MFRS 9 *Financial Instruments* does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group and the Company take into account qualitative and quantitative reasonable and supportable forward-looking information.

- Stage 1 assets are financial assets whose credit risk has not increased significantly since initial recognition or that have low credit risk at the reporting date.
- Stage 2 assets are financial assets whose credit risk has increased significantly since initial recognition.
- Stage 3 assets are financial assets that have objective evidence of impairment.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical Judgements in Applying the Group's and the Company's Accounting Policies (cont'd)

(iii) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Group and of the Company within the next financial year is discussed below.

(i) Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

The Group and the Company carried out the impairment test based on the assessment of the fair value of the respective assets' or cash generating units' ("CGUs") fair value less costs to sell or based on the estimation of the value-in-use ("VIUs") of the CGUs to which the property, plant and equipment, right-of-use assets and intangible assets other than goodwill are allocated. Estimating the VIUs requires the Group and the Company to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being realised in the statement of profit or loss. The Group engaged an independent professional qualified valuer to determine its fair value as at 30 September 2022. The relevant valuation bases, are disclosed in Note 15 to the financial statements.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the VIU of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose the suitable discount rates and terminal growth rates in order to calculate the present value of those cash flows.

The carrying amount of goodwill of the Group as at 30 September 2022 was RM6,218,940 (2021: RM6,218,940). Further details are disclosed in Note 18.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key Sources of Estimation Uncertainty (cont'd)

(iv) Impairment of investments in subsidiaries

The Company carried out the impairment test based on the assessment of the fair value less costs to sell of the investees' assets or CGU or based on the estimation of the VIU of the CGUs of the investees. Estimating the VIUs required the Company to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. An impairment loss will be recognised if the carrying values of these CGUs are assessed to be in excess of their VIUs. Further details are disclosed in Note 19.

(v) Fair value of biological assets

The Group's consumable biological assets are measured at fair value less point-of-sale costs. In measuring fair values of biological assets, management uses estimates of cash flows using inputs or assumptions of life to maturity, productivity quantity, mortality rate, selling prices of biological assets, variable costs and profit margins. The probability-weighted cash flows are discounted using an appropriate discount rate that reflects the time value of money and the risk. As prices in agricultural business are volatile, the actual cash flows and discount rate may not coincide with the estimates made and this may have a significant effect on the Group's financial position and results.

(vi) Provision for restoration costs

As part of the identification and measurement of right-of-use assets, the Group has recognised a provision for restoration costs. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to remove the facilities and restoring the premises.

(vii) MFRS 16 Leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. REVENUE

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Major goods and services:				
Sale of goods	1,953,861,192	1,718,694,508	-	-
Drone spraying services	252,111	-	-	-
Rental of poultry farm	156,000	156,000	-	-
Franchise fee	9,375	9,375	-	-
Gross dividend income from subsidiaries	-	-	8,400,000	4,200,000
Management fee	-	-	340,600	341,050
Internal audit charges	-	-	22,214	9,174
	1,954,278,678	1,718,859,883	8,762,814	4,550,224
Timing of revenue recognition:				
At a point in time	1,954,026,567	1,718,859,883	8,762,814	4,550,224
Over time	252,111	-	-	-
	1,954,278,678	1,718,859,883	8,762,814	4,550,224

6. INVESTMENT REVENUE

	The Group	
	2022	2021
	RM	RM
Rental revenue from:		
Premises	379,023	226,602
Vegetable farm	24,000	48,000
Gross dividend income from available-for-sale investment	6,001	-
	409,024	274,602

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Gain/(Loss) on fair value adjustment of biological assets (Note 24)	9,444,935	(7,393,122)	-	-
Gain on fair value adjustment of investment properties (Note 15)	3,184,300	892,758	-	-
Net fair value gain on other financial asset	2,968,607	342,156	-	-
Gain for bargain purchase (Note 19)	1,310,525	-	-	-
Reversal of impairment loss recognised on receivables (Note 26)	278,901	679,357	-	-
Gain on remeasurement of right-of-use assets	242,938	-	-	-
Amortisation of deferred revenue on government grant	121,355	93,240	-	-
Gain on forgiven lease payments	110,547	134,100	-	-
Gain on lease termination	67,375	68,777	-	-
Reversal of inventories /(Inventories written down)	41,517	(23,983)	-	-
Bad debts recovered	566	769	-	-
Impairment loss recognised on receivables (Note 26)	(4,013,082)	(1,329,141)	-	-
Bad debts written off	(2,844,628)	(103,454)	-	(40,000)
Unrealised (loss)/gain on foreign exchange	(2,427,160)	113,558	-	-
Amortisation of intangible assets (Note 17)	(1,179,961)	(1,048,165)	-	-
Property, plant and equipment written off	(849,502)	(524,465)	-	-
Realised loss on foreign exchange	(542,689)	(425,911)	-	(415)
Deposit written off	(103,912)	-	-	-
(Loss)/Gain on disposal of property, plant and equipment	(19,080)	515,231	-	-
Reversal of impairment loss for investment in subsidiaries	-	-	8,002,585	-
Gain from waiver of debs	-	-	424,704	-
Impairment loss recognised on investment in subsidiaries	-	-	(13,807,891)	(30,868,156)
	5,791,552	(8,008,295)	(5,380,602)	(30,908,571)

8. INTEREST INCOME

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest income on:				
Bank balances	452,669	159,381	-	-
Short-term deposits	185,787	180,847	-	-
Trade receivables	107,649	55,016	-	-
Amount owing by subsidiaries	-	-	588,114	-
	746,105	395,244	588,114	-

9. FINANCE COSTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expenses for financial liabilities not classified as fair value through profit or loss:				
Long-terms loans	8,797,677	9,571,494	-	-
Short-term borrowings	5,002,603	4,267,709	-	-
Hire-purchase	1,199,196	1,582,252	-	-
Lease liabilities	801,716	679,336	-	-
Amount owing to subsidiaries	-	-	1,153,232	213,803
Bank commission	1,182,334	1,335,594	-	-
Bank charges	109,676	101,318	-	-
Total finance costs	17,093,202	17,537,703	1,153,232	213,803

10. TAX EXPENSE

Tax expense recognised in profit or loss

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Malaysia				
Estimated current tax payable:				
Current financial year	23,619,481	9,553,752	143,000	20,000
Under provision in prior financial years	514,517	279,180	496,624	4,871
Deferred tax:				
Current financial year	5,597,632	(4,429,449)	-	-
(Over)/Under provision in prior financial years	(35,192)	132,429	-	-
	29,696,438	5,535,912	639,624	24,871
Foreign				
Estimated current tax payable:				
Current financial year	443,444	765,211	-	-
Under/(Over) provision in prior financial years	75,731	(141,142)	-	-
Deferred tax:				
Current financial year	(977,325)	(302,727)	-	-
Under provision in prior financial years	47,504	9,333	-	-
	(410,646)	330,675	-	-
Total tax expense	29,285,792	5,866,587	639,624	24,871

The estimated amounts of tax benefits arising from previously unused tax losses is used to reduce current tax expense of the Group is Nil (2021: RM58,000).

10. TAX EXPENSE (CONT'D)

Tax expense recognised in profit or loss (cont'd)

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax	85,613,579	(30,406,441)	925,950	(28,046,985)
Tax credit calculated using the Malaysian income tax rate of 24%	20,547,000	(7,298,000)	222,000	(6,731,000)
Tax effects of:				
- different tax rate of subsidiaries operating in other jurisdiction	871,000	(367,000)	-	-
- expenses that are not deductible in determining taxable profit	10,063,232	7,623,657	2,039,000	7,760,000
- income not taxable in determining taxable profit	(3,944,000)	(5,859,000)	(2,118,000)	(1,009,000)
- change in the unrecognised deferred tax assets	5,292,000	11,770,000	-	-
- deferred real property gains tax on fair value adjustment of investment properties	4,215,000	(47,870)	-	-
- utilisation of unused tax credits not previously recognised	(9,241,000)	(503,000)	-	-
- share of result in an associate	(1,000)	(1,000)	-	-
- share of result in a joint venture	881,000	269,000	-	-
- under provision of tax payable in prior financial years	590,248	138,038	496,624	4,871
- under provision of deferred tax in prior financial years	12,312	141,762	-	-
Tax expense recognised in profit or loss	29,285,792	5,866,587	639,624	24,871

Taxation of other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. TAX EXPENSE (CONT'D)

As of 30 September 2022, the approximate amounts of unused tax losses, unused tax capital allowances and unused allowance for increased export of the Group, which are available for set off against future taxable income are as follows:

	The Group	
	2022	2021
	RM	RM
Unused tax losses:		
Disregarded in year of assessment 2029	41,880,000	42,003,000
Disregarded in year of assessment 2030	7,492,000	7,531,000
Disregarded in year of assessment 2031	19,489,000	16,489,000
Disregarded in year of assessment 2032	30,967,000	31,628,000
Disregarded in year of assessment 2033	11,108,000	-
With no expiry period	9,040,000	569,000
Unused tax capital allowances	63,459,000	75,857,000
Unused allowance for increased export	1,155,000	1,155,000

Pursuant to the Malaysia's Budget 2022, the time frame to carry forward current year business losses for year of assessment 2019 and subsequent years of assessment be extended from 7 to 10 consecutive years of assessment. Unused tax losses accumulated up to year of assessment 2018 can now be carried forward for 10 consecutive years of assessment until year of assessment 2028.

11. PROFIT/(LOSS) FOR THE FINANCIAL YEAR

Profit/(Loss) for the financial year has been arrived at:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
After charging:				
Provision for profit sharing	697,193	1,067,049	-	-
Auditors' remuneration:				
Grant Thornton Malaysia PLT:				
Statutory audit fee:				
Current year	330,000	311,500	38,000	36,000
Prior years	1,454	5,960	-	-
Non-audit fee	10,550	61,150	2,500	6,500
Other Auditors:				
Statutory audit fee:				
Current year	177,956	159,387	-	-
Late payment charges paid to: Competition Consumer Commission of Singapore	-	38,463	-	-

11. PROFIT/(LOSS) FOR THE FINANCIAL YEAR (CONT'D)

Profit/(Loss) for the financial year has been arrived at: (cont'd)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
And crediting:				
Late payment claims on:				
Competition Consumer Commission of Singapore	-	38,463	-	-

Employee benefits recognised as expenses during the financial year are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Contribution to employees provident fund	9,422,593	8,915,969	70,158	65,934
Other emoluments	146,021,928	136,579,027	839,119	766,652
	155,444,521	145,494,996	909,277	832,586

Other emoluments expenses of the Group and of the Company include Directors' remuneration, salaries, bonuses, contribution to employees provident fund and all other employee related expenses.

Details of remuneration of Executive Directors, who are also the only key management personnel of the Group, included in profit/(loss) for the year are as follows:

	The Group	
	2022	2021
	RM	RM
Directors of the Company:		
Fee	387,511	379,240
Contribution to employees provident fund	255,014	242,263
Other emoluments	3,594,150	3,325,220
Directors of subsidiaries:		
Fee	304,349	300,853
Contribution to employees provident fund	353,783	292,461
Other emoluments	3,519,887	2,715,964
	8,414,694	7,256,001

11. PROFIT/(LOSS) FOR THE FINANCIAL YEAR (CONT'D)

Details of remuneration of Non-Executive Directors included in profit/(loss) for the financial year are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors of the Company:				
Fee	270,000	268,403	240,000	238,403
Contribution to employees provident fund	1,086	916	1,086	916
Other emoluments	15,400	12,900	14,900	12,400
	286,486	282,219	255,986	251,719

12. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The net profit/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

	The Group	
	2022	2021
	RM	RM
Profit/(Loss) for the financial year attributable to owners of the Company (RM)	57,719,803	(20,188,282)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	698,732,842	689,963,242
Basic earnings/(loss) per share (sen)	8.26	(2.93)

There are no dilutive potential equity instruments that would give a diluted effects to the basic earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost	Beginning of financial year RM	Additions RM	Disposals/ Write-off RM	Transfers RM	Transfer to right-of use assets RM	Acquisition of a subsidiary RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:								
Freehold land	44,000,000	-	-	-	-	-	-	44,000,000
Freehold land and buildings	450,985,173	1,722,731	(588,323)	11,631,809	-	-	-	463,751,390
Buildings	74,138,015	4,680,207	-	-	-	-	350,770	79,168,992
Farm houses under hire purchase	2,800,000	-	-	-	-	-	-	2,800,000
Plant, machinery and equipment	207,355,336	4,761,269	(927,802)	10,961,057	-	55,079	893,439	223,098,378
Plant, machinery and equipment under hire purchase	28,780,594	1,287,257	-	(3,200,667)	-	-	-	26,867,184
Electrical installation	2,960,047	99,480	(135,295)	83,460	-	-	-	3,007,692
Electrical installation under hire purchase	83,460	-	-	(83,460)	-	-	-	-
Office equipment	7,565,313	323,159	(106,833)	16,661	-	85,652	23,405	7,907,357
Office equipment under hire purchase	209,000	-	-	-	-	-	-	209,000
Furniture, fixtures and fittings	11,064,226	720,759	(342,794)	2,606,657	-	14,802	513,680	14,577,330
Motor vehicles	43,056,541	1,401,210	(2,415,381)	3,241,257	-	329,072	484,807	46,097,506
Motor vehicles under hire purchase	14,443,852	2,545,682	-	(3,147,563)	-	133,854	134,348	14,110,173
Renovation	8,871,533	555,540	(419,612)	4,220,914	-	17,099	203,986	13,449,460
Renovation under hire purchase	155,352	-	-	(40,489)	-	-	-	114,863
Supermarket equipment	6,856,789	214,676	(300,565)	174,294	-	-	-	6,945,194
Supermarket equipment under hire purchase	213,140	-	-	(178,500)	-	-	-	34,640
Warehouse	97,590	-	-	-	-	-	-	97,590
Workshop	58,000	-	-	-	-	-	-	58,000
Construction-in-progress	51,898,832	9,039,661	-	(25,932,310)	(159,585)	-	223,586	35,070,184
Construction-in-progress under hire purchase	672,095	-	-	(353,120)	-	-	-	318,975
	956,264,888	27,351,631	(5,236,605)	-	(159,585)	635,558	2,828,021	981,683,908

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (cont'd)

Cost	Beginning of financial year	Additions	Disposals/ Write-off	Transfers	Effect of foreign currency exchange differences	End of financial year
	RM	RM	RM	RM	RM	RM
2021:						
Freehold land	44,000,000	-	-	-	-	44,000,000
Freehold land and buildings	446,934,553	817,362	(45,476)	3,278,734	-	450,985,173
Buildings	71,824,888	203,979	(28,160)	2,050,000	87,308	74,138,015
Farm houses under hire purchase	4,850,000	-	-	(2,050,000)	-	2,800,000
Plant, machinery and equipment	203,692,876	3,729,264	(2,864,200)	2,623,979	173,417	207,355,336
Plant, machinery and equipment under hire purchase	28,932,514	1,672,694	-	(1,824,614)	-	28,780,594
Electrical installation	2,832,062	112,723	-	15,262	-	2,960,047
Electrical installation under hire purchase	83,460	-	-	-	-	83,460
Office equipment	7,392,314	167,648	-	-	5,351	7,565,313
Office equipment under hire purchase	209,000	-	-	-	-	209,000
Furniture, fixtures and fittings	10,595,712	383,610	(17,750)	899	101,755	11,064,226
Motor vehicles	39,345,169	1,011,093	(477,963)	3,074,230	104,012	43,056,541
Motor vehicles under hire purchase	15,639,745	2,061,982	(218,713)	(3,074,230)	35,068	14,443,852
Renovation	8,551,786	207,791	-	92,420	19,536	8,871,533
Renovation under hire purchase	155,352	-	-	-	-	155,352
Supermarket equipment	6,527,223	319,431	(2,700)	12,835	-	6,856,789
Supermarket equipment under hire purchase	213,140	-	-	-	-	213,140
Warehouse	97,590	-	-	-	-	97,590
Workshop	58,000	-	-	-	-	58,000
Construction-in-progress	33,173,653	22,924,694	-	(4,199,515)	-	51,898,832
Construction-in-progress under hire purchase	-	672,095	-	-	-	672,095
	925,109,037	34,284,366	(3,654,962)	-	526,447	956,264,888

13. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group (cont'd)

Accumulated depreciation	Beginning of financial year RM	Charge for the financial year RM	Disposals/ Write-off RM	Transfers RM	Acquisition of a subsidiary RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:							
Freehold land	-	-	-	-	-	-	-
Freehold land and buildings	52,191,900	14,769,303	(334,185)	843	-	-	66,627,861
Buildings	18,143,748	3,516,485	-	-	-	350,717	22,010,950
Farm houses under hire purchase	700,000	280,000	-	-	-	-	980,000
Plant, machinery and equipment	132,466,924	15,788,464	(655,564)	1,536,008	13,154	596,974	149,745,960
Plant, machinery and equipment under hire purchase	7,084,338	2,558,142	-	(1,536,008)	-	-	8,106,472
Electrical installation	2,067,662	209,936	(30,441)	44,522	-	-	2,291,679
Electrical installation under hire purchase	36,176	8,346	-	(44,522)	-	-	-
Office equipment	5,890,409	565,048	(83,181)	13,149	24,532	19,841	6,429,798
Office equipment under hire purchase	48,767	20,900	-	-	-	-	69,667
Furniture, fixtures and fittings	7,011,896	1,083,387	(307,766)	(12,888)	5,891	270,800	8,051,320
Motor vehicles	34,573,943	2,803,421	(2,073,352)	1,575,581	199,837	301,469	37,380,899
Motor vehicles under hire purchase	4,537,584	2,009,780	-	(1,575,581)	15,616	36,283	5,023,682
Renovation	4,780,986	1,020,706	(102,685)	20,300	1,807	62,361	5,783,475
Renovation under hire purchase	31,565	9,792	-	(21,257)	-	-	20,100
Supermarket equipment	5,034,663	407,737	(218,579)	93,566	-	-	5,317,387
Supermarket equipment under hire purchase	87,987	21,314	-	(93,713)	-	-	15,588
Warehouse	89,392	1,577	-	-	-	-	90,969
Workshop	8,120	1,740	-	-	-	-	9,860
Construction-in-progress	-	-	-	-	-	-	-
Construction-in-progress under hire purchase	-	-	-	-	-	-	-
	274,786,060	45,076,078	(3,805,753)	-	260,837	1,638,445	317,955,667

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (cont'd)

Accumulated depreciation	Beginning of financial year RM	Charge for the financial year RM	Disposals/ Write-off RM	Transfers RM	Effect of foreign currency exchange differences RM	End of financial year RM
2021:						
Freehold land	-	-	-	-	-	-
Freehold land and buildings	37,880,925	14,323,455	(12,480)	-	-	52,191,900
Buildings	13,227,165	4,499,808	(1,945)	333,125	85,595	18,143,748
Farm houses under hire purchase	727,500	305,625	-	(333,125)	-	700,000
Plant, machinery and equipment	116,904,448	16,772,695	(2,308,273)	968,974	129,080	132,466,924
Plant, machinery and equipment under hire purchase	5,368,327	2,684,985	-	(968,974)	-	7,084,338
Electrical installation	1,859,832	207,830	-	-	-	2,067,662
Electrical installation under hire purchase	27,831	8,345	-	-	-	36,176
Office equipment	5,269,160	618,253	-	-	2,996	5,890,409
Office equipment under hire purchase	27,867	20,900	-	-	-	48,767
Furniture, fixtures and fittings	6,023,321	952,616	(17,304)	-	53,263	7,011,896
Motor vehicles	29,572,786	3,659,662	(248,091)	1,528,249	61,337	34,573,943
Motor vehicles under hire purchase	4,108,244	1,978,811	(29,162)	(1,528,249)	7,940	4,537,584
Renovation	3,970,749	800,241	-	-	9,996	4,780,986
Renovation under hire purchase	21,773	9,792	-	-	-	31,565
Supermarket equipment	4,569,202	468,115	(2,654)	-	-	5,034,663
Supermarket equipment under hire purchase	66,673	21,314	-	-	-	87,987
Warehouse	86,573	2,819	-	-	-	89,392
Workshop	6,380	1,740	-	-	-	8,120
Construction-in-progress	-	-	-	-	-	-
Construction-in-progress under hire purchase	-	-	-	-	-	-
	229,718,756	47,337,006	(2,619,909)	-	350,207	274,786,060

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (cont'd)

Accumulated impairment losses	Beginning of financial year RM	Charge for the financial year RM	Disposal/ Write-off RM	End of financial year RM
2022:				
Plant, machinery and equipment	2,065,661	-	(4,001)	2,061,660
Office equipment	10,452	-	(4,684)	5,768
Furniture, fixtures and fittings	3,687	-	(913)	2,774
	2,079,800	-	(9,598)	2,070,202
2021:				
Plant, machinery and equipment	2,065,661	-	-	2,065,661
Office equipment	10,452	-	-	10,452
Furniture, fixtures and fittings	3,687	-	-	3,687
	2,079,800	-	-	2,079,800

The Company

Cost	Beginning of financial year RM	Additions RM	Disposal/ Write-off RM	End of financial year RM
2022:				
Office equipment	18,472	-	-	18,472
2021:				
Office equipment	13,344	5,128	-	18,472

Accumulated depreciation	Beginning of financial year RM	Charge for the financial year RM	Disposal/ Write-off RM	End of financial year RM
2022:				
Office equipment	12,299	2,878	-	15,177
2021:				
Office equipment	10,637	1,662	-	12,299

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Net book value:				
Freehold land	44,000,000	44,000,000	-	-
Freehold land and buildings	397,123,529	398,793,273	-	-
Buildings	57,158,042	55,994,267	-	-
Farm houses under hire purchase	1,820,000	2,100,000	-	-
Plant, machinery and equipment	71,290,758	72,822,751	-	-
Plant, machinery and equipment under hire purchase	18,760,712	21,696,256	-	-
Electrical installation	716,013	892,385	-	-
Electrical installation under hire purchase	-	47,284	-	-
Office equipment	1,471,791	1,664,452	3,295	6,173
Office equipment under hire purchase	139,333	160,233	-	-
Furniture, fixtures and fittings	6,523,236	4,048,643	-	-
Motor vehicles	8,716,607	8,482,598	-	-
Motor vehicles under hire purchase	9,086,491	9,906,268	-	-
Renovation	7,665,985	4,090,547	-	-
Renovation under hire purchase	94,763	123,787	-	-
Supermarket equipment	1,627,807	1,822,126	-	-
Supermarket equipment under hire purchase	19,052	125,153	-	-
Warehouse	6,621	8,198	-	-
Workshop	48,140	49,880	-	-
Construction-in-progress	35,070,184	51,898,832	-	-
Construction-in-progress under hire purchase	318,975	672,095	-	-
	661,658,039	679,399,028	3,295	6,173

As of 30 September 2022, certain property, plant and equipment of the Group with a total carrying value of RM417,013,305 (2021: RM426,749,978) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 34.

Impairment losses recognised in respect of property, plant and equipment are attributable to greater than anticipated wear and tear. Those assets have been impaired in full and they belong to the Group's integrated poultry reportable segment.

14. RIGHT-OF-USE ASSETS

The Group

Carrying value	Beginning of financial year RM	Additions RM	Arising from a subsidiary acquired RM	Remeasurement RM	Termination RM	Transfers from property, plant and equipment RM	Depreciation during the financial year RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:									
Buildings	56,007,266	3,459,941	176,349	-	-	159,585	(2,701,347)	2,904,583	60,006,377
Prepaid lease payments on leasehold land	17,803,255	-	-	-	-	-	(589,756)	-	17,213,499
Lands and buildings	8,824,481	1,062,786	-	1,092,482	(650,478)	-	(1,165,703)	-	9,163,568
Lands	2,077,081	482,333	-	-	-	-	(453,504)	80,637	2,186,547
Market stalls	950,592	1,061,476	-	-	-	-	(860,311)	55,188	1,206,945
Outlets	22,130	253,435	-	-	-	-	(127,728)	-	147,837
Office equipment	-	46,986	-	-	-	-	(2,348)	1,311	45,949
	85,684,805	6,366,957	176,349	1,092,482	(650,478)	159,585	(5,900,697)	3,041,719	89,970,722
2021:									
Buildings	56,003,711	733,870	-	-	-	-	(1,459,649)	729,334	56,007,266
Prepaid lease payments on leasehold land	18,393,010	-	-	-	-	-	(589,755)	-	17,803,255
Lands and buildings	7,988,980	3,234,057	-	-	(1,300,051)	-	(1,098,505)	-	8,824,481
Lands	458,417	2,123,016	-	-	-	-	(507,178)	2,826	2,077,081
Market stalls	966,396	785,816	-	-	-	-	(814,251)	12,631	950,592
Outlets	248,866	-	-	-	-	-	(226,736)	-	22,130
	84,059,380	6,876,759	-	-	(1,300,051)	-	(4,696,074)	744,791	85,684,805

14. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases various lands, buildings, premises and office equipment. Leases contracts are typically made for fixed periods as per below but may have extension option:

Buildings	2 - 30 years
Prepaid lease payments on leasehold land	12 - 99 years
Lands and buildings	1 - 30 years
Lands	1 - 30 years
Market stalls	2 & 3 years
Outlets	2 years
Office equipment	5 years

The Group and the Company have certain leases with lease terms of 12 months or less or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

The right-of-use assets of the Group were acquired by the following means:

	The Group	
	2022	2021
	RM	RM
Future lease payment included in lease liabilities	6,346,957	5,645,005
Accrued expenses	20,000	-
Provision for restoration cost	-	1,121,720
Cash payments	-	110,034
Addition of right-of-use assets	6,366,957	6,876,759

As of 30 September 2022, certain right-of-use assets of the Group with a total carrying value of RM70,312,198 (2021: RM69,121,202) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 34.

15. INVESTMENT PROPERTIES

	The Group	
	2022	2021
	RM	RM
At fair value:		
At beginning of financial year	110,849,200	109,955,500
Additions during the year	-	942
Gain on fair value adjustment at end of financial year (Note 7)	3,184,300	892,758
At end of financial year	114,033,500	110,849,200

15. INVESTMENT PROPERTIES (CONT'D)

The investment properties are as follows:

	The Group	
	2022	2021
	RM	RM
Freehold land	58,005,000	57,137,000
Freehold land and buildings	54,578,500	52,272,200
Long leasehold land and buildings	1,090,000	1,080,000
Short leasehold land	360,000	360,000
	114,033,500	110,849,200
Vacant	62,875,000	63,897,000
Leased out under operating lease	51,158,500	46,952,200
	114,033,500	110,849,200

The fair values of certain buildings included under investment properties of the Group as of 30 September 2022 with a total carrying value of RM15,500 (2021: RM22,200) are determined by the Directors by reference to market evidence of transaction prices for similar properties.

The fair value of other investment properties of the Group as of 30 September 2022 have been arrived at on the basis of valuation carried out by the independent firms of professional valuers. These firms are registered under the Board of Valuer, Appraiser and Real Estate, and they have appropriate qualification and recent experience in the fair value measurement of properties in the relevant location.

The valuations were based on market value using comparison method of valuation, comparison and cost replacement methods of valuation and depreciated replacement cost approach of valuation.

Under the comparison method, properties' fair value is estimated based on comparable transactions. This method is categorised as Level 2 in the fair value hierarchy.

The comparison method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and share of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

15. INVESTMENT PROPERTIES (CONT'D)

The land and buildings valued using this method is categorised as level 3 in the fair value hierarchy. The significant unobservable inputs for this category of assets are the replacement cost per square meter which is RM347 per square meter (2021: RM347 per square meter) for a farm house and worker quarter, RM275 per square meter to RM653 per square meter (2021: RM275 per square meter to RM653 per square meter) for shop houses, office buildings, warehouses and workshops. It is further depreciated at about 15% to 99% (2021: 15% to 99%) after taking into consideration the building condition and other relevant factors.

Detail of the Group's investment properties and information about the fair value hierarchy are as follows:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Freehold land	-	58,005,000	-	58,005,000
Freehold land and buildings	-	6,680,000	47,898,500	54,578,500
Long leasehold land and buildings	-	-	1,090,000	1,090,000
Short leasehold land	-	-	360,000	360,000
	-	64,685,000	49,348,500	114,033,500
2021				
Freehold land	-	57,137,000	-	57,137,000
Freehold land and buildings	-	6,500,000	45,772,200	52,272,200
Long leasehold land and buildings	-	-	1,080,000	1,080,000
Short leasehold land	-	-	360,000	360,000
	-	63,637,000	47,212,200	110,849,200

There were no transfers between Level 1 and 2 during the year.

The rental income earned by the Group from investment properties during the financial year is RM559,023 (2021: RM430,602). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group 2022 RM	The Group 2021 RM
Leased out under operating lease	70,812	55,124
Vacant	14,214	29,937
	85,026	85,061

15. INVESTMENT PROPERTIES (CONT'D)

The operating lease payments to be received are as follows:

	The Group	
	2022	**2021**
	RM	**RM**
Less than 1 year	413,933	420,333
Between 1 and 5 years	273,805	483,738
Total undiscounted lease payments	687,738	904,071

As of 30 September 2022, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 24, 77 and 871 years (2021: 25, 78 and 872 years).

As of 30 September 2022, certain investment properties of the Group with a total carrying value of RM90,359,000 (2021: RM89,630,900) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 34.

16. BEARER PLANTS

Immature Planted Trees

	The Group	
	2022	**2021**
	RM	**RM**
Cost		
At beginning of financial year	298,141	-
Additions during the year	228,758	298,141
At end of financial year	526,899	298,141

17. OTHER INTANGIBLE ASSETS

The Group

Cost	Beginning of financial year RM	Additions RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:				
Distribution network	13,183,956	-	-	13,183,956
Technical services agreement	-	1,921,569	-	1,921,569
Customer lists	1,692,350	-	87,725	1,780,075
	14,876,306	1,921,569	87,725	16,885,600
2021:				
Distribution network	13,183,956	-	-	13,183,956
Customer lists	1,670,515	-	21,835	1,692,350
	14,854,471	-	21,835	14,876,306

Accumulated amortisation	Beginning of financial year RM	Amortisation during the year (Note 7) RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:				
Distribution network	5,566,557	878,930	-	6,445,487
Technical services agreement	-	128,105	-	128,105
Customer lists	705,147	172,926	41,633	919,706
	6,271,704	1,179,961	41,633	7,493,298
2021:				
Distribution network	4,687,627	878,930	-	5,566,557
Customer lists	528,997	169,235	6,915	705,147
	5,216,624	1,048,165	6,915	6,271,704

17. OTHER INTANGIBLE ASSETS (CONT'D)

	The Group	
	2022	**2021**
	RM	**RM**
Net book value:		
Distribution network	6,738,469	7,617,399
Technical services agreement	1,793,464	-
Customer lists	860,369	987,203
	9,392,302	8,604,602

18. GOODWILL

	The Group	
	2022	**2021**
	RM	**RM**
At beginning and at end of financial year	6,218,940	6,218,940

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit that is expected to benefit from that business combination. The carrying amounts of goodwill have been allocated to the following business segments as independent cash-generating units:

	The Group	
	2022	**2021**
	RM	**RM**
Slaughtering, processing and marketing of poultry under Tong Huat Poultry Processing Factory Pte. Ltd. and its wholly-owned subsidiary, Ban Hong Poultry Pte. Ltd.	4,548,812	4,548,812
Poultry farming, trading in poultry and other related business under Jaya Gading Farm Sdn. Bhd.	1,670,128	1,670,128
	6,218,940	6,218,940

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash-generating unit is determined based on the value in use. The value in use calculations is based on the discounted net cash projections based on financial budgets approved by management covering a period of 3 to 5 years (2021: 3 to 5 years) with an estimated growth rates range between 0% to 7% (2021: 0% to 7%) and a weighted average cost of capital of 5.43% and 13.50% (2021: 5.93% and 10.80%).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

19. INTEREST IN SUBSIDIARIES

The subsidiaries are as follows:

Direct subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership 2022	2021	Principal activities
Benarlab Sdn. Bhd.	Malaysia	51%	N/A	Wholesaler of animal feed nutrition, supplements and feed additives for poultry.
CAB Amesist Biomass Generation Sdn. Bhd.	Malaysia	100%	100%	Dormant.
CAB Cakaran Sdn. Bhd.	Malaysia	100%	100%	Breeding of broiler chicken and trading of broiler chicken, poultry feeds and other farm consumables.
CAB Marine Resources Sdn. Bhd.	Malaysia	100%	100%	Dormant.
CABINDO Poultry Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Dronexcel Sdn. Bhd. (formerly known as CAB Econation Renewable Energy Sdn. Bhd.)	Malaysia	51%	100%	Drone spraying services.
Farm's Best Food Industries Sdn. Bhd.	Malaysia	53.04%	53.04%	Poultry hatcheries, contract farming, poultry processing, marketing and distribution of poultry products.
HK Foods (M) Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Home Mart Fresh & Frozen Sdn. Bhd.	Malaysia	100%	100%	Trading of supermarket products.
Kyros Food Industries Sdn. Bhd.	Malaysia	100%	100%	Processing of meat products and trading.
Kyros International Sdn. Bhd.	Malaysia	100%	100%	Investment holding and fast-food franchising business.
Likes Marketing Sdn. Bhd.	Malaysia	100%	100%	Distributing and marketing of food products.
Tong Huat Poultry Processing Factory Pte. Ltd.*	Singapore	51%	51%	Investment holding and operating of poultry slaughter house and supplier of slaughtered poultry and provision of marinating and other services.

19. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows (cont'd):

Indirect subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership 2022	2021	Principal activities
Antik Kualiti Sdn. Bhd.	Malaysia	100%	100%	Processing and marketing of chicken.
Ayamlikes Food Processing Sdn. Bhd. (formerly known as Ayam Kempas Food Industries Sdn. Bhd.)	Malaysia	60.07%	58.23%	Processing and marketing of chicken.
Ban Hong Poultry Pte. Ltd.*	Singapore	51%	51%	Importing and marketing of poultry products.
C&B Poultry Sdn. Bhd.	Malaysia	30.40%	30.40%	Breeding of parent stock of black chicken and colour birds to produce hatching eggs and chicks.
CAB Cakaran Breeding Farm Sdn. Bhd.	Malaysia	100%	100%	Breeding of parent stocks to produce broiler eggs and chicks.
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	100%	100%	Marketing of chicken and frozen foods.
CAB Cakaran Southern Sdn. Bhd.	Malaysia	51%	51%	Breeding of black chicken and colour birds and trading of chicken, poultry feeds and other farm consumables.
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	58.02%	58.02%	Trading of poultry and other related products with poultry contract farmers.
CAB International Trade Pte. Ltd.*	Singapore	45.90%	45.90%	Dormant.
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	67.94%	67.94%	Breeding of grandparent stocks to produce breeder chicks.
Gourmet Chefs Pte. Ltd.*	Singapore	30.60%	30.60%	Manufacturing of value-added food products.
Jaya Gading Farm Sdn. Bhd.	Malaysia	58.02%	58.02%	Poultry farming, trading in poultry and other related business.
Jimat Jaya Sdn. Bhd.	Malaysia	100%	100%	Processing and marketing of chicken.
Kim Fa Foodstuffs Pte. Ltd.*	Singapore	30.60%	30.60%	Supply and distribution of all kinds of sauces and foodstuffs.

19. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows (cont'd):

Indirect subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership 2022	2021	Principal activities
Kyros Kebab Sdn. Bhd.	Malaysia	100%	100%	Fast food restaurants operators and trading.
OTK Farm Equipment Sdn. Bhd.	Malaysia	55%	55%	Manufacturers and trading of farm equipment.
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	58.02%	58.02%	Trading of supermarket products.
Protheme Pte. Ltd.*	Singapore	30.60%	30.60%	Wholesale of livestock, meat and poultry products.
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	50%	50%	Renting of property, plant and equipment to generate rental income.
TH Likes Pte. Ltd.*	Singapore	51%	51%	Wholesaler of food products.

* The financial statements of these subsidiaries were audited by auditors other than Grant Thornton Malaysia PLT.

The Group considers Shin Hong Breeding Farm Sdn. Bhd. and C&B Poultry Sdn. Bhd. as subsidiaries as the Group has power to exercise control through a casting vote given to the Managing Director of the Company who is also the Chairman of the Board of Directors of the subsidiaries.

	The Company 2022 RM	2021 RM
Unquoted shares, at cost	188,800,482	182,428,462
Less: Impairment losses	(64,961,688)	(59,156,382)
	123,838,794	123,272,080

Movements of the allowance for impairment losses on interest in subsidiaries are as follow:

	The Company 2022 RM	2021 RM
At beginning of financial year	59,156,382	28,288,226
Impairment loss recognised during financial year	13,807,891	30,868,156
Reversal of impairment loss for investment in subsidiaries	(8,002,585)	-
At end of financial year	64,961,688	59,156,382

19. INTEREST IN SUBSIDIARIES (CONT'D)

The impairment loss on interest in subsidiaries was provided if the carrying amount of the subsidiaries exceeds its estimated recoverable amount.

The reversal of impairment loss for investment in subsidiaries was provided if the estimated recoverable amount of the subsidiaries exceeds its carrying amount.

On 21 October 2021, the Company has announced an issuance of 7,500,000 new ordinary shares of the Company in exchange for 1,273,980 ordinary shares in Benarlab Sdn. Bhd., representing 51% of the issued share capital of Benarlab Sdn. Bhd. for a total purchase consideration of RM3,300,000. In consequent thereof, Benarlab Sdn. Bhd. became a 51% owned subsidiary of the Company.

Consideration transferred

	The Group 2022 RM
Issuance of shares for acquisition of a subsidiary	3,300,000

Asset acquired and liabilities recognised at the date of acquisition of Benarlab Sdn. Bhd.

	RM
Non-current assets	625,513
Current assets	14,443,741
Non-current liabilities	(1,158,882)
Current liabilities	(4,870,126)
Net assets acquired	9,040,246

Goodwill arising on acquisition

	The Group 2022 RM
Consideration transferred	3,300,000
Add: Non-controlling interests	4,429,721
Less: Fair values of identifiable net assets acquired	(9,040,246)
Gain for bargain purchase	(1,310,525)

Net cash inflow on acquisition of a subsidiary

	The Group 2022 RM
Consideration paid in cash	-
Less: cash and cash equivalent balances acquired	(2,436,249)
	(2,436,249)

19. INTEREST IN SUBSIDIARIES (CONT'D)

Impact of acquisitions on the results of the Group

The effect of the acquired subsidiary on the results of the Group for the period from 21 October 2021 to 30 September 2022 is as follows:

	The Group 2022 RM
Revenue	32,052,618
Profit for the year	2,043,122

On 23 February 2022, Benarlab Sdn. Bhd. increased its issued share capital from RM2,498,000 to RM2,800,000 by the issuance of 302,000 new ordinary shares. The Company has subscribed for the additional 154,020 ordinary shares in Benarlab Sdn. Bhd. by way of cash injection. Accordingly, the Company's interest in Benarlab Sdn. Bhd. remains unchanged.

On 28 February 2022, a 58.23% owned subsidiary, Ayamlikes Food Processing Sdn. Bhd. (formerly known as Ayam Kempas Food Industries Sdn. Bhd.) increased its issued share capital from RM6,500,000 to RM10,000,000 by way of allotment and issuance of 3,500,000 new ordinary shares for a total consideration of RM3,500,000. Thereafter, 57% is held by a 51% owned subsidiary, CAB Cakaran Southern Sdn. Bhd., 31% is held by a wholly-owned subsidiary, CAB Cakaran Sdn. Bhd. and the balance of 12% is held by a non-controlling interest. Consequently, Ayamlikes Food Processing Sdn. Bhd. (formerly known as Ayam Kempas Food Industries Sdn. Bhd.) became a 60.07% owned subsidiary of the Group.

On 28 April 2022, the wholly-owned subsidiary, CAB Amesist Biomass Generation Sdn. Bhd. transferred its entire 2 ordinary shares in Dronexcel Sdn. Bhd. (formerly known as CAB Econation Renewable Energy Sdn. Bhd.) to the Company. Accordingly, Dronexcel Sdn. Bhd. became a wholly-owned subsidiary of the Company.

On 31 May 2022, Dronexcel Sdn. Bhd. increased its issued share capital from RM2 to RM3,921,569 by issuance of 3,921,567 new ordinary shares. The Company has subscribed for 1,999,998 ordinary shares by way of cash injection. Consequently, Dronexcel Sdn. Bhd. became a 51% owned subsidiary of the Company.

On 9 June 2022, Farm's Best Food Industries Sdn. Bhd., a 53.04% owned subsidiary of the Group increased its issued share capital from RM110,000,000 to RM111,800,000 by the issuance of 1,800,000 new ordinary shares. The Company and Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company have subscribed for the additional 918,000 and 72,000 ordinary share respectively by way of converting the amount owing by Farm's Best Food Industries Sdn. Bhd. amounting to RM990,000 into ordinary share. Accordingly, the Group's equity interest in Farm's Best Food Industries Sdn. Bhd. remains unchanged.

On 13 September 2022, Jimat Jaya Sdn. Bhd., a wholly-owned subsidiary of the Group increased its issued share capital from RM10,000,000 to RM20,000,000 by issuance of 10,000,000 new ordinary shares. The wholly-owned subsidiary of the Company, CAB Cakaran Sdn. Bhd. subscribed for the entire additional shares by way of converting the amount owing by Jimat Jaya Sdn. Bhd. of RM10,000,000 into equity shares. Accordingly, the Group's equity interest in Jimat Jaya Sdn. Bhd. remains unchanged.

19. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

Principal Activities	Number of wholly-owned subsidiaries 2022	2021
Integrated poultry	11	12
Operator of fast food restaurants	2	2
Supermarket	1	1
	14	15

Principal Activities	Number of non wholly-owned subsidiaries 2022	2021
Integrated poultry	17	16
Drone service	1	-
Supermarket	1	1
	19	17

20. INVESTMENT IN AN ASSOCIATE

	The Group 2022 RM	2021 RM
At beginning of financial year	269,493	263,775
Share of results during financial year	4,960	5,718
At end of financial year	274,453	269,493

Details of the associate are as follows:

Associate	Principal place of business/ Country of incorporation	Effective percentage of ownership 2022	2021	Principal activities
Fah Leong Sdn. Bhd. *	Malaysia	11.60%	11.60%	Renting of property to generate rental income.

* The financial statements of this associate was audited by auditors other than Grant Thornton Malaysia PLT.

None of the Group's associate is material to the Group. Therefore, the summarised financial information is not presented.

21. INVESTMENT IN A JOINT VENTURE

	The Group	
	2022	2021
	RM	RM
At beginning of financial year	186,734	1,290,222
Additional investment during the financial year	3,537,113	-
Share of results during the financial year	(3,671,702)	(1,120,351)
Effect of foreign currency exchange differences	5,723	16,863
At end of financial year	57,868	186,734

On 14 September 2022, Singapore Poultry Hub Pte. Ltd. increased its issued share capital from SGD3,500,000 to SGD8,000,000 by issuance of 4,500,000 new ordinary shares. Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company subscribed for 25% of the additional 4,500,000 shares in Singapore Poultry Hub Pte. Ltd. by way of converting the amount owing by Singapore Poultry Hub Pte. Ltd. of SGD1,125,000 into equity shares. Accordingly, the Group's equity interest in Singapore Poultry Hub Pte. Ltd. remains unchanged.

Details of the joint venture are as follows:

Joint Venture	Principal place of business/ Country of incorporation	Effective percentage of ownership 2022	2021	Principal activities
Singapore Poultry Hub Pte. Ltd. *	Singapore	12.75%	12.75%	Providers of facility management and poultry slaughtering services

* The financial statements of this joint venture were audited by auditors other than Grant Thornton Malaysia PLT.

Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company holds a 25% of ownership interest in Singapore Poultry Hub Pte. Ltd.. Consequently, Singapore Poultry Hub Pte. Ltd. became a 12.75% joint venture to the Group.

At Group level, the carrying value of joint venture represents its share of net assets in the joint venture at end of the reporting period. Summarised financial information in respect of the Group's joint venture is as follows:

	The Group	
	2022	2021
	RM	RM
Total assets	138,705,528	132,077,404
Total liabilities	(138,474,057)	(131,330,470)
Total revenue	11,857,256	1,978,914
Total loss for financial year	(14,686,808)	(4,481,405)

21. INVESTMENT IN A JOINT VENTURE (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

	The Group	
	2022	2021
Net assets of the joint venture (RM)	231,471	746,934
Proportion of the Group's ownership interest (%)	25	25
Carrying amount of the Group's interest (RM)	57,868	186,734

22. OTHER FINANCIAL ASSETS

	The Group	
	2022 RM	2021 RM
Financial asset carried at fair value through profit or loss:		
Derivative financial instrument:		
Cross-currency interest rate swap	4,840,988	1,872,381
Analysed as:		
Current portion	4,466,369	-
Non-current portion	374,619	1,872,381
	4,840,988	1,872,381

The Group's cross-currency interest rate swap denominated in United States Dollar is overlaid with monthly maturity interest rate swap and are maturing within 1 November 2022 to 3 March 2025 (2021: 12 April 2023 and 8 May 2023).

The cross-currency interest rate swap is used hedge cash flow interest rate risk arising from a floating rate bank loan amounting to RM39,773,423 (2021: RM34,852,517). This interest rate swap receives a floating rate of interest at 1.25% (2021: 1.25%) per annum above the London Interbank Offered Rate, pays a floating rate of interest at 1.44% (2021: 1.44%) per annum above the Kuala Lumpur Interbank Offered Rate and has the same maturity terms as the long-term loans.

The notional/contract amount of the cross-currency interest rate swap as of 30 September 2022 is USD8,600,870 (2021: USD8,323,665).

23. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	Beginning of financial year RM	Arising from a subsidiary acquired RM	Recognised in profit or loss (Note 10) RM	Effect of foreign currency exchange differences RM	End of financial year RM
2022:					
Deferred tax assets					
Unused tax losses	2,379,000	-	9,290,395	12,605	11,682,000
Unused tax capital allowances	12,892,000	-	(6,378,665)	1,665	6,515,000
Receivables	4,074,000	111,416	1,043,584	-	5,229,000
Lease liabilities	-	43,914	2,892,011	25,075	2,961,000
Provisions	525,000	-	167,000	-	692,000
Others	1,127,611	-	226,060	3,346	1,357,017
	20,997,611	155,330	7,240,385	42,691	28,436,017
Deferred tax liabilities					
Property, plant and equipment	(31,056,000)	(38,563)	(952,857)	(41,580)	(32,089,000)
Gain on revaluation of properties	(12,520,000)	-	(1,922,000)	-	(14,442,000)
Biological assets	(10,118,000)	-	(2,120,000)	-	(12,238,000)
Real property gains tax on investment property	(3,838,000)	-	(4,215,000)	-	(8,053,000)
Right-of-use-assets	(211,000)	(42,324)	(2,874,147)	(24,529)	(3,152,000)
Intangible assets	(1,828,000)	-	211,000	-	(1,617,000)
	(59,571,000)	(80,887)	(11,873,004)	(66,109)	(71,591,000)
Net	(38,573,389)	74,443	(4,632,619)	(23,418)	(43,154,983)

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The Group (cont'd)	Beginning of financial year RM	Recognised in profit or loss (Note 10) RM	Effect of foreign currency exchange differences RM	End of financial year RM
2021:				
Deferred tax assets				
Unused tax capital allowances	10,344,000	2,548,000	-	12,892,000
Receivables	3,116,000	958,000	-	4,074,000
Unused tax losses	3,925,000	(1,546,000)	-	2,379,000
Provisions	-	525,000	-	525,000
Right-of-use-assets	5,000	(5,101)	101	-
Others	1,608,798	(482,418)	1,231	1,127,611
	18,998,798	1,997,481	1,332	20,997,611
Deferred tax liabilities				
Property, plant and equipment	(30,696,633)	(347,503)	(11,864)	(31,056,000)
Gain on revaluation of properties	(13,683,678)	1,163,678	-	(12,520,000)
Biological assets	(11,846,768)	1,728,768	-	(10,118,000)
Real property gains tax on investment property	(3,885,870)	47,870	-	(3,838,000)
Intangible assets	(2,039,120)	211,120	-	(1,828,000)
Right-of-use-assets	-	(211,000)	-	(211,000)
	(62,152,069)	2,592,933	(11,864)	(59,571,000)
Net	(43,153,271)	4,590,414	(10,532)	(38,573,389)

Deferred tax balances are presented in the statement of financial position after appropriate offsetting as follows:

	The Group 2022 RM	The Group 2021 RM
Deferred tax assets	4,475,300	125,626
Deferred tax liabilities	(47,630,283)	(38,699,015)
	(43,154,983)	(38,573,389)

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 September 2022, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group	
	2022	**2021**
	RM	**RM**
Unused tax losses	45,996,000	74,578,000
Unused tax capital allowances	24,314,000	16,865,000
Temporary differences arising from:		
Receivables	1,426,000	1,464,000
Property, plant and equipment	22,000	-
Lease liabilities	4,000	-
Others	23,000	12,000
Allowance for increased export	1,155,000	1,155,000
	72,940,000	94,074,000

24. BIOLOGICAL ASSETS

	The Group	
	2022	**2021**
	RM	**RM**
Breeders (grandparent and parent stock)	78,173,250	63,178,714
Hatching eggs	16,430,072	13,100,216
Breeder of colour birds and colour birds	9,410,000	5,404,000
Broilers	4,437,000	3,749,000
	108,450,322	85,431,930

24. BIOLOGICAL ASSETS (CONT'D)

The movement of biological assets can be analysed as follows:

The Group	Beginning of financial year RM	Arising from cost of inputs RM	Decrease due to harvest RM	Fair value (loss)/gain recorded in profit or loss (Note 7) RM	End of financial year RM
2022:					
Breeders (grandparent and parent stock)	63,178,714	139,364,473	(132,276,720)	7,906,783	78,173,250
Hatching eggs	13,100,216	115,463,497	(114,533,757)	2,400,116	16,430,072
Breeder of colour birds and colour birds	5,404,000	65,451,887	(61,547,599)	101,712	9,410,000
Broilers	3,749,000	85,488,671	(83,836,995)	(963,676)	4,437,000
	85,431,930	405,768,528	(392,195,071)	9,444,935	108,450,322
2021:					
Breeders (grandparent and parent stock)	69,945,298	115,644,098	(115,971,694)	(6,438,988)	63,178,714
Hatching eggs	11,775,933	92,603,313	(90,990,163)	(288,867)	13,100,216
Breeder of colour birds and colour birds	5,895,000	34,612,418	(34,317,255)	(786,163)	5,404,000
Broilers	5,446,404	62,779,177	(64,597,477)	120,896	3,749,000
	93,062,635	305,639,006	(305,876,589)	(7,393,122)	85,431,930

24. BIOLOGICAL ASSETS (CONT'D)

The fair value of biological assets was derived based on the management's estimates, assumptions and judgements. The unobservable inputs of biological assets are as following:

- expected number of day-old-chick produced by each type of breeder;
- expected hatchability of the hatching eggs;
- expected salvage value of breeders;
- expected selling price of each type of day-old-chick, broilers and colour birds;
- mortality rate of livestock;
- feed consumption rate and feed costs;
- discount rates; and
- other estimated costs to be incurred for the remaining life of the biological assets and at the point of sales.

The fair value of the Group biological assets is measured at fair value within Level 3 of the fair value hierarchy.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation mode.

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Breeders		
Discounted cash flows: The valuation method considers the projected quantity and price of day-old-chick to be produced over the life of the breeder, taking into account of expected growing cost and the breeder's mortality rate.	• Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of feed and other variable cost expected to incur throughout the life cycle.	The higher the costs, the lower the fair value.

24. BIOLOGICAL ASSETS (CONT'D)

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation mode (cont'd).

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Hatching eggs		
Discounted cash flows: The valuation method considers price of day-old-chick, taking into account of expected hatchery cost and the hatching eggs' hatchability.	• Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of hatchery and other variable cost expected to incur throughout the hatching process.	The higher the costs, the lower the fair value.
Broilers and colour birds		
Discounted cash flows: The valuation method considers the projected selling price and weight of the broilers and colour birds, taking into account the broilers and colour birds mortality rate.	• Projected selling prices of broilers and colour birds based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of feed and other variable cost expected to incur throughout the life cycle.	The higher the costs, the lower the fair value.

24. BIOLOGICAL ASSETS (CONT'D)

The key assumptions used in the fair value calculation are as follows:

	The Group	
	2022	2021
	RM	RM
Breeders and hatching eggs:		
Projected selling price of		
- Day-old-chick (parent stocks)	13.80 - 14.10	12.60 - 23.40
- Day-old-chick (colour birds)	1.70 - 2.60	1.60 - 2.00
- Day-old-chick (broilers)	2.00 - 2.49	1.65 - 1.99
Feed cost per kg for		
- Grandparent stocks	2.66 - 2.76	1.98 - 2.01
- Parent stocks (colour birds)	1.78 - 2.00	1.68 - 2.17
- Parent stocks (broilers)	2.57 - 2.79	1.85 - 1.99
Colour birds and broilers		
Projected selling price per kg for		
- Colour birds	9.16 - 12.38	6.42 - 8.97
- Broilers	6.00	4.57 - 5.80
Feed cost per kg for		
- Colour birds	2.64 - 2.67	1.86 - 1.90
- Broilers	2.20	2.06

Sensitivity analysis of biological assets fair value to be possible changes in the key assumptions are disclosed in the table below:

	The Group	
	2022	2021
	RM	RM
Projected selling price of		
Day-old-chick/hatching eggs/broilers		
- Increased by 10%	39,156,000	27,676,000
- Decreased by 10%	(39,156,000)	(27,676,000)
Number of hatching eggs/day-old-chick/being produced		
- Increased by 10%	30,649,000	23,581,000
- Decreased by 10%	(30,649,000)	(23,581,000)
Feed cost per kg		
- Increased by 10%	(21,759,000)	(13,189,000)
- Decreased by 10%	21,759,000	13,189,000

25. INVENTORIES

	The Group	
	2022	2021
	RM	RM
At costs:		
Raw materials:		
Meats and dressings	8,917,563	6,874,506
Feeds and consumables	4,636,629	4,030,174
Ingredient	2,056,879	2,577,179
Packing materials	1,548,435	1,690,400
Medicine and chemicals	1,520,396	1,322,269
Others	39,560	1,461
	18,719,462	16,495,989
Work-in-progress:		
Frozen food	94,730	159,674
Farm equipment	15,811	-
	110,541	159,674
Finished goods:		
Processed chicken	36,738,998	39,298,770
Supermarket products	9,981,213	10,345,705
Trading products	9,226,124	4,468,144
Frozen food	4,904,435	2,084,767
Farm equipment	133,348	114,930
	60,984,118	56,312,316
	79,814,121	72,967,979

	The Group	
	2022	2021
	RM	RM
Recognised in profit and loss:		
Inventories recognised as cost of sales	1,778,705,245	1,632,606,618
Reversal of inventories written down	41,517	-
Inventories written down	-	23,983

The reversal of inventories written down was made during the year when the related inventories were sold above their carrying amounts.

The inventories written down was made during the previous financial year when the related inventories were sold below their carrying amounts.

26. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade receivables	198,924,302	196,310,439	-	-
Amount owing by related parties	12,142,526	6,361,030	-	-
Loss allowance	(25,785,288)	(21,765,018)	-	-
	185,281,540	180,906,451	-	-
Amount owing by subsidiaries	-	-	15,543,611	14,439,867
Amount owing by a joint venture	958,528	461,550	-	-
Goods and Services Tax receivable	120,447	9,267	-	-
Other receivables	16,597,227	13,270,075	-	-
Amount owing by related parties	9,446	12,024	-	-
Loss allowance	(884,044)	(841,230)	-	-
	15,722,629	12,440,869	-	-
	202,083,144	193,818,137	15,543,611	14,439,867

Trade receivables of the Group comprise amounts receivable for the trading and sales of goods. The credit term for trade receivables of the Group ranges from 3 to 180 days (2021: 3 to 90 days).

The currency profile of trade and other receivables are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	162,523,207	160,534,443	15,543,611	14,439,867
Singapore Dollar	39,109,373	31,157,646	-	-
United States Dollar	450,564	2,126,048	-	-
	202,083,144	193,818,137	15,543,611	14,439,867

26. TRADE AND OTHER RECEIVABLES (CONT'D)

The following table provides information about the exposure to credit risk and ECL for trade receivables, which are grouped together as they are expected to have similar risk nature:

The Group	Gross amount RM	Loss allowance RM	Net RM
2022			
Not past due	140,048,891	(315,160)	139,733,731
Past due 0 - 30 days	22,302,416	(114,736)	22,187,680
Past due 31 - 60 days	10,030,080	(179,403)	9,850,677
Past due 61 - 90 days	2,157,846	(271,434)	1,886,412
Past due more than 90 days	21,532,360	(9,981,563)	11,550,797
	196,071,593	(10,862,296)	185,209,297
Credit impaired			
Individually impaired	14,995,235	(14,922,992)	72,243
At end of financial year	211,066,828	(25,785,288)	185,281,540
2021			
Not past due	128,492,133	(88,162)	128,403,971
Past due 0 - 30 days	26,276,378	(97,332)	26,179,046
Past due 31 - 60 days	8,846,578	(88,522)	8,758,056
Past due 61 - 90 days	4,456,312	(107,283)	4,349,029
Past due more than 90 days	19,931,984	(8,097,350)	11,834,634
	188,003,385	(8,478,649)	179,524,736
Credit impaired			
Individually impaired	14,668,084	(13,286,369)	1,381,715
At end of financial year	202,671,469	(21,765,018)	180,906,451

26. TRADE AND OTHER RECEIVABLES (CONT'D)

The movements in the loss allowance in respect of trade receivables during the financial year are as follows:

The Group	Credit impaired RM	Lifetime ECL RM	Total RM
2022			
At beginning of financial year	13,286,369	8,478,649	21,765,018
Arising from a subsidiary acquired	114,186	350,046	464,232
Loss allowance during financial year	4,013,082	1,984,107	5,997,189
Loss allowance no longer required	(278,901)	-	(278,901)
Amounts written off	(2,221,004)	-	(2,221,004)
Effect of foreign currency exchange differences	9,260	49,494	58,754
At end of financial year	14,922,992	10,862,296	25,785,288
2021			
At beginning of financial year	14,069,390	7,221,182	21,290,572
Loss allowance during financial year	1,329,141	1,244,354	2,573,495
Loss allowance no longer required	(679,357)	-	(679,357)
Amounts written off	(1,435,110)	-	(1,435,110)
Effect of foreign currency exchange differences	2,305	13,113	15,418
At end of financial year	13,286,369	8,478,649	21,765,018

The amount owing by subsidiaries arose mainly from payment made on behalf, management fee receivables and unsecured advances which bear interest at a rate of 4.32% and are repayable on demand.

The amount owing by a joint venture arose mainly from payment made on behalf, are unsecured, interest free and repayable on demand.

Other receivables of the Group include loans and advances given to staffs, amounts receivable for management of outlet, display income receivable, transport charges receivable, scrap sales receivable and payment of expenses made on behalf by the Group which are unsecured, interest free and repayable on demand.

Included in other receivables are an amount of RM6,765,661 (2021: RM6,586,088) penalty to be reimbursed from former shareholders of subsidiaries, Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd. in connection with infringement of the Competition Act of Republic of Singapore.

26. TRADE AND OTHER RECEIVABLES (CONT'D)

The movement in the loss allowance in respect of other receivables during the financial year are as follows:

The Group	Credit impaired RM	Lifetime ECL RM	Total RM
2022			
At beginning of financial year	825,944	15,286	841,230
Effect of foreign currency exchange differences	42,814	-	42,814
At end of financial year	868,758	15,286	884,044
2021			
At beginning of financial year	815,287	-	815,287
Loss allowance during financial year	-	15,286	15,286
Effect of foreign currency exchange differences	10,657	-	10,657
At end of financial year	825,944	15,286	841,230

The allowance for impairment loss on other receivables are made relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral over these balances.

27. OTHER ASSETS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Prepayments	11,820,642	7,357,902	-	5,000
Deposits	5,872,577	5,580,557	1,000	1,000
Deposits for acquisition of property, plant and equipment	2,078,267	1,864,159	-	-
Advance payment for acquisition of property, plant and equipment	725,355	1,823,454	-	-
	20,496,841	16,626,072	1,000	6,000

28. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Short-term deposits with licensed banks of the Group are maturing within October 2022 to September 2023 (2021: October 2021 to September 2022) and earn interests at rates ranging from 0.5% to 2.55% (2021: 0.5% to 1.9%) per annum.

Short-term deposits with licensed banks of the Group with a total carrying value of RM10,121,519 (2021: RM9,842,707) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 34.

29. CASH AND BANK BALANCES

The currency profile of cash and bank balances are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	57,908,507	26,673,296	337,013	163,932
Singapore Dollar	18,041,953	19,621,530	-	-
United States Dollar	575,511	2,753,795	-	-
	76,525,971	49,048,621	337,013	163,932

30. SHARE CAPITAL

	The Company			
	2022		2021	
	No. of shares	RM	No. of shares	RM
Issued and fully paid with no par value:				
Ordinary shares:				
At beginning of financial year	690,508,742	140,679,293	690,508,742	140,679,293
Acquisition of a subsidiary	7,500,000	3,300,000	-	-
Private placement	3,884,000	2,000,260	-	-
At end of financial year	701,892,742	145,979,553	690,508,742	140,679,293

The issued and paid-up ordinary share capital of the Company was increased from RM140,679,293 to RM145,979,553 during the financial year by way of:

(a) issuance of 7,500,000 new ordinary shares at an exercise price of RM0.44 per ordinary share for the acquisition of a new subsidiary, Benarlab Sdn. Bhd.; and

(b) a private placement of 3,884,000 shares at an issuance price of RM0.515 per placement share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

As of 30 September 2022, out of the total number of 701,892,742 (2021: 690,508,742) ordinary shares issued and paid-up, 545,500 shares (2021: 545,500 shares) (adjusted perused through Share Split and Bonus Share Issue) are held as treasury shares. Hence, the number of outstanding ordinary shares in issue and fully paid is 701,347,242 (2021: 689,963,242) shares.

31. RESERVES

	The Group	
	2022	2021
	RM	RM
Non-distributable:		
Translation reserve	2,700,125	1,513,479
Property revaluation reserve	81,940	81,940
Total reserves	2,782,065	1,595,419

Translation Reserve

	The Group	
	2022	2021
	RM	RM
At beginning of financial year	1,513,479	1,149,065
Exchange differences relating to translating the net assets of foreign operations	1,307,919	373,530
Exchange differences relating to share of result in a joint venture	(121,273)	(9,116)
At end of financial year	2,700,125	1,513,479

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Ringgit Malaysia) are recognised directly in other comprehensive income and accumulated in the translation reserve.

Property Revaluation Reserve

	The Group	
	2022	2021
	RM	RM
At beginning and at end of financial year	81,940	81,940

The property revaluation reserve arises on the revaluation of land and buildings upon transfer from property, plant and equipment to investment property. When the revalued property is sold, the portion of the property revaluation reserve that relates to that asset is effectively realised and is transferred directly to retained earnings.

32. NON-CONTROLLING INTERESTS

	The Group 2022 RM	The Group 2021 RM
At beginning of financial year	119,966,351	122,312,348
Additional non-controlling interest arising on the acquisition of a subsidiary	4,429,721	-
Subscription of ordinary shares by non-controlling interests in subsidiaries	3,079,549	13,500,000
Arising from increase in equity interest in subsidiaries	535,948	-
Share of total comprehensive loss for the financial year	327,633	(15,622,933)
Dividend paid to non-controlling interests of subsidiaries	(347,306)	(223,064)
At end of financial year	127,991,896	119,966,351

The subsidiaries of the Group that have non-controlling interests, which, in the opinion of the Directors, are material to the Group are as follows:

Name of subsidiaries	Proportion of equity held by owners of non-controlling interests 2022	2021	Principal place of business/ Country of incorporation
Direct subsidiaries:			
Farm's Best Food Industries Sdn. Bhd.	46.96%	46.96%	Malaysia
Tong Huat Poultry Processing Factory Pte. Ltd.	49%	49%	Singapore
Indirect subsidiaries:			
CAB Cakaran Southern Sdn. Bhd.	49%	49%	Malaysia
Shin Hong Breeding Farm Sdn. Bhd.	50%	50%	Malaysia

There are no significant restrictions on the ability of these subsidiaries to transfer funds to the Group in the form of cash dividends.

32. NON-CONTROLLING INTERESTS (CONT'D)

Summarised financial information

The summarised financial information of the subsidiaries that have non-controlling interests to the Group is based on amounts before intercompany elimination.

The summarised statements of comprehensive income and dividends paid by each subsidiary that has non-controlling interests to the Group are as follows:

	Farm's Best Food Industries Sdn. Bhd. RM	Tong Huat Poultry Processing Factory Pte. Ltd. RM	CAB Cakaran Southern Sdn . Bhd. RM	Shin Hong Breeding Farm Sdn. Bhd. RM	Others RM	Total RM
2022						
Revenue	594,717,424	162,332,996	353,943,589	468,000	529,289,196	1,640,751,205
Profit/(Loss) for the year	22,102,625	(18,426,820)	(8,619,684)	(2,566,885)	5,634,388	(1,876,376)
Other comprehensive income	-	1,476,293	-	-	1,694,163	3,170,456
Total comprehensive income/(loss)	22,102,625	(16,950,527)	(8,619,684)	(2,566,885)	7,328,551	1,294,080
Profit/(Loss) allocated to non-controlling interests	10,379,393	(9,029,142)	(4,223,645)	(1,283,443)	2,764,821	(1,392,016)
Additional non-controlling interest arising on the acquisition of a subsidiary	-	-	-	-	4,429,721	4,429,721
Subscription of ordinary shares by non-controlling interests in subsidiaries	810,000	-	-	-	2,269,549	3,079,549
Arising from increase in equity interest in subsidiaries	-	-	-	-	535,948	535,948
Dividends paid to non-controlling interests	-	-	-	(125,000)	(222,306)	(347,306)
2021						
Revenue	595,858,466	153,293,860	337,647,199	468,000	413,188,364	1,500,455,889
(Loss)/Profit for the year	(25,409,710)	(2,403,248)	(6,945,262)	1,837,090	(3,407,005)	(36,328,135)
Other comprehensive income	-	510,834	-	-	357,757	868,591
Total comprehensive (loss)/income	(25,409,710)	(1,892,414)	(6,945,262)	1,837,090	(3,049,248)	(35,459,544)
(Loss)/Profit allocated to non-controlling interests	(11,932,400)	(1,177,592)	(3,403,178)	918,545	(490,121)	(16,084,746)
Subscription of ordinary shares by non-controlling interests in a subsidiary	13,500,000	-	-	-	-	13,500,000
Dividends paid to non-controlling interests	-	-	-	(100,000)	(123,064)	(223,064)

32. NON-CONTROLLING INTERESTS (CONT'D)

Summarised financial information (cont'd)

The summarised statements of financial position of each subsidiary that has non-controlling interests to the Group are as follows:

	Farm's Best Food Industries Sdn. Bhd. RM	Tong Huat Poultry Processing Factory Pte. Ltd. RM	CAB Cakaran Southern Sdn. Bhd. RM	Shin Hong Breeding Farm Sdn. Bhd. RM	Others RM	Total RM
2022						
Non-current assets	190,093,172	100,760,995	86,937,129	61,455,765	89,943,723	529,190,784
Current asset	170,667,268	45,999,640	67,406,415	1,789,427	132,393,448	418,256,198
Non-current liabilities	(68,008,730)	(56,890,731)	(12,442,743)	(7,065,492)	(31,907,248)	(176,314,944)
Current liabilities	(205,990,784)	(56,728,027)	(118,149,162)	(114,772)	(110,648,307)	(491,631,052)
Net assets	86,760,926	33,141,877	23,751,639	56,064,928	79,781,616	279,500,986
Non-controlling interests' share of net assets	38,551,651	16,239,520	11,638,303	28,032,464	33,529,958	127,991,896
2021						
Non-current assets	197,034,894	95,880,795	89,981,404	61,831,689	86,219,939	530,948,721
Current asset	159,324,284	40,458,015	60,004,340	1,773,226	88,979,992	350,539,857
Non-current liabilities	(81,733,351)	(55,319,780)	(17,139,510)	(4,646,824)	(31,956,373)	(190,795,838)
Current liabilities	(211,767,525)	(30,926,625)	(100,474,911)	(76,278)	(86,979,190)	(430,224,529)
Net assets	62,858,302	50,092,405	32,371,323	58,881,813	56,264,368	260,468,211
Non-controlling interests' share of net assets	27,362,258	24,545,278	15,861,948	29,440,907	22,755,960	119,966,351

32. NON-CONTROLLING INTERESTS (CONT'D)

Summarised financial information (cont'd)

The summarised statements of cash flow of each subsidiary that has non-controlling interests to the Group are as follows:

	Farm's Best Food Industries Sdn. Bhd.	Tong Huat Poultry Processing Factory Pte. Ltd.	CAB Cakaran Southern Sdn. Bhd.	Shin Hong Breeding Farm Sdn. Bhd.
	RM	RM	RM	RM
2022				
Net cash from operating activities	28,983,277	6,912,660	17,568,819	239,687
Net cash (used in)/from investing activities	(3,813,076)	(11,858,875)	(4,101,502)	20,964
Net cash (used in)/from financing activities	(21,733,398)	1,615,468	(11,937,417)	(250,000)
Net increase/(decrease) in cash and cash equivalents	3,436,803	(3,330,747)	1,529,900	10,651
Cash and cash equivalents at beginning of financial year	5,098,569	16,073,134	878,544	1,749,313
Effects of exchange rates changes on the balances of cash held in foreign currencies	36,651	783,400	-	-
Cash and cash equivalents at end of financial year	8,572,023	13,525,787	2,408,444	1,759,964
2021				
Net cash (used in)/from operating activities	(5,623,508)	3,081,502	635,927	312,459
Net cash (used in)/from investing activities	(6,035,937)	(12,114,361)	(2,232,202)	35,086
Net cash from/(used in) financing activities	5,652,646	(2,843,210)	(499,963)	(200,000)
Net (decrease)/increase in cash and cash equivalents	(6,006,799)	(11,876,069)	(2,096,238)	147,545
Cash and cash equivalents at beginning of financial year	11,057,670	27,588,598	2,974,782	1,601,768
Effects of exchange rates changes on the balances of cash held in foreign currencies	47,698	360,605	-	-
Cash and cash equivalents at end of financial year	5,098,569	16,073,134	878,544	1,749,313

33. PROVISIONS

	The Group	
	2022	2021
	RM	RM
Profit sharing[i]	1,764,242	1,067,049
Restoration cost[ii]	1,121,720	1,121,720
	2,885,962	2,188,769
Less: current portion	(1,764,242)	(1,067,049)
Non-current portion	1,121,720	1,121,720

[i] Provision of profit sharing represent to a sharing of 10% of the profit for the financial year which is generated from a breeder farm of a subsidiary to a third party.

[ii] Provision for restoration cost represent estimated cost of restoring leased space used in the principal activities of a subsidiary. Provision made is capitalised as part of the carrying amount of the Group's right-of-use assets. The Group has obligation to restore the rental of premises after expiring or termination of the lease contracts.

34. BORROWINGS

	The Group	
	2022	2021
	RM	RM
Current		
Secured:		
Bankers' acceptances	166,570,108	141,858,000
Long-term loans	33,735,469	32,940,805
Hire-purchase payables	9,004,479	9,621,726
Fixed advance facility	3,236,500	-
Bank overdrafts	2,077,834	3,854,015
Revolving credit	-	4,000,000
Unsecured:		
Bankers' acceptances	54,261,095	67,396,381
Long-term loans	4,017,758	3,744,183
Revolving credit	-	11,200,000
Bank overdrafts	-	33,553
	272,903,243	274,648,663
Non-current		
Secured:		
Long-term loans	193,466,253	210,833,324
Hire-purchase payables	6,509,643	13,282,187
Unsecured:		
Long-term loans	7,578,630	11,025,002
	207,554,526	235,140,513
Total borrowings	480,457,769	509,789,176

The currency profile of borrowings are as follows:

	The Group	
	2022	2021
	RM	RM
Ringgit Malaysia	377,169,791	417,786,469
Singapore Dollar	63,514,555	57,150,190
United States Dollar	39,773,423	34,852,517
	480,457,769	509,789,176

34. BORROWINGS (CONT'D)

The maturity period of borrowings are as follows:

	The Group	
	2022	**2021**
	RM	**RM**
Not later than 1 year	272,903,243	274,648,663
Later than 1 year and not later than 2 years	42,079,221	65,521,002
Later than 2 years and not later than 5 years	90,389,341	86,271,374
Later than 5 years	75,085,964	83,348,137
	480,457,769	509,789,176

The fair value of borrowings approximate their carrying values as the impact of discounting is not significant. It is estimated based on discounted cash flows using prevailing market rates for borrowings with similar risk profile and is within Level 2 of the fair value hierarchy.

The range of effective interest rates at the reporting date for borrowings are as follows:

	The Group	
	2022	**2021**
	%	**%**
Long-term loans	2.00 - 7.39	1.68 - 6.64
Bankers' acceptances	2.38 - 4.06	1.60 - 3.36
Hire-purchase payables	4.20 - 7.14	4.34 - 7.14
Fixed advance facility	5.60	-
Bank overdrafts	7.35 - 7.40	5.97 - 6.64
Revolving credit	-	2.77 & 3.38

The term loans of the Group include the following:

Secured

(i) A floating-rate term-loan amounting to RM160,000 repayable by 240 monthly instalments after the first drawdown date in October 2009;

(ii) A floating-rate term-loan amounting to RM115,000 repayable by 240 monthly instalments after the first drawdown date in October 2009;

(iii) A floating-rate term-loan amounting to RM170,000 repayable by 180 monthly instalments after the first drawdown date in January 2011;

(iv) A floating-rate term-loan amounting to RM2 million repayable by 120 monthly instalments after the first drawdown date in December 2011. This term-loan has been fully paid during the financial year;

(v) A floating-rate term-loan amounting to RM4 million repayable by 240 monthly instalments after the first drawdown in March 2012;

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (cont'd):

Secured (cont'd)

(vi) A floating-rate term-loan amounting to RM1,020,000 repayable by 180 monthly instalments after the first drawdown in January 2013;

(vii) A floating-rate term-loan amounting to RM29,270,062 repayable by 153 monthly instalments after the first drawdown in July 2014;

(viii) A floating-rate term-loan amounting to RM1,620,000 repayable by 300 monthly instalments after the first drawdown in July 2014;

(ix) A floating-rate term-loan amounting to RM702,000 repayable by 300 monthly instalments after the first drawdown in July 2014;

(x) A floating-rate term-loan amounting to RM585,000 repayable by 300 monthly instalments after the first drawdown in July 2014;

(xi) A floating-rate term-loan amounting to RM558,000 repayable by 300 monthly instalments after the first drawdown in July 2014;

(xii) A floating-rate term-loan amounting to RM6 million repayable by 120 monthly instalments after the first drawdown date in November 2014;

(xiii) A floating-rate term-loan amounting to RM9 million repayable by 120 monthly instalments after the first drawdown date in December 2014;

(xiv) A floating-rate term-loan amounting to RM27.5 million repayable by 120 monthly instalments after the first drawdown date in April 2015;

(xv) A floating-rate term-loan amounting to RM2,745,173 repayable by 84 monthly instalments after the first drawdown date in April 2015. This term-loan has been fully paid during the financial year;

(xvi) A floating-rate term-loan amounting to RM8,152,000 repayable by 180 monthly instalments after the first drawdown date in May 2015;

(xvii) A floating-rate term-loan amounting to RM1.5 million repayable by 120 monthly instalments after the first drawdown date in May 2015;

(xviii) A floating-rate term-loan amounting to RM500,000 repayable by 120 monthly instalments after the first drawdown date in May 2015;

(xix) A floating-rate term-loan amounting to RM1 million repayable by 120 monthly instalments after the first drawdown date in June 2015;

(xx) A floating-rate term-loan amounting to RM32.8 million repayable by 180 monthly instalments after the first drawdown in September 2016;

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (cont'd):

Secured (cont'd)

(xxi) A floating-rate term-loan amounting to RM1 million repayable by 60 monthly instalments after the first drawdown date in October 2016. This term-loan has been fully paid during the financial year;

(xxii) A floating-rate term-loan amounting to RM585,000 repayable by 180 monthly instalments after the first drawdown date in October 2016;

(xxiii) A floating-rate term-loan amounting to RM585,000 repayable by 120 monthly instalments after the first drawdown date in October 2016;

(xxiv) A floating-rate term-loan amounting to RM9 million repayable by 84 monthly instalments after the first drawdown date in December 2016;

(xxv) A floating-rate term-loan amounting to RM2.2 million repayable by 180 monthly instalments after the first drawdown in September 2017;

(xxvi) A floating-rate term-loan amounting to RM1,360,000 repayable by 180 monthly instalments after the first drawdown date in September 2017;

(xxvii) A floating-rate term-loan amounting to RM4,796,035 repayable by 84 monthly instalments after the first drawdown date in March 2018;

(xxviii) A floating-rate term-loan amounting to USD9.6 million (equivalent to RM44 million) repayable by 54 monthly installments after 7 months from the first drawdown in April 2018;

(xxix) A floating-rate term-loan amounting to RM24,037,500 repayable by 120 monthly instalments after first drawdown in April 2018;

(xxx) A floating-rate term-loan amounting to RM14 million repayable by 120 monthly instalments after first drawdown in April 2018;

(xxxi) A floating-rate term-loan amounting to RM3,397,500 repayable by 120 monthly instalments after first drawdown in April 2018;

(xxxii) A floating-rate term-loan amounting to RM500,000 repayable by 120 monthly instalments after the first drawdown in April 2018;

(xxxiii) A floating-rate term-loan amounting to RM6,525,000 repayable by 120 monthly instalments after first drawdown in May 2018;

(xxxiv) A floating-rate term-loan amounting to USD890,000 (equivalent to RM3.7 million) repayable by 54 monthly instalments after 7 months from the first drawdown date in June 2018;

(xxxv) A floating-rate term-loan amounting to SGD4,840,000 (equivalent to RM15.7 million) repayable by 240 monthly instalments after the first drawdown date in July 2018;

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (cont'd):

Secured (cont'd)

(xxxvi) A floating-rate term-loan amounting to RM6 million repayable by 120 monthly instalments after the first drawdown date in August 2018;

(xxxvii) A floating-rate term-loan amounting to RM22,160,000 repayable by 180 monthly instalments after the first drawdown date in January 2019;

(xxxviii) A floating-rate term-loan amounting to SGD10,191,456 (equivalent to RM33 million) repayable by 240 monthly instalments after the first drawdown date in June 2019;

(xxxix) A floating-rate term-loan amounting to RM750,000 repayable by 120 monthly instalments after the first drawdown in September 2019;

(xl) A floating-rate term-loan amounting to RM450,000 repayable by 120 monthly instalments after the first drawdown in September 2019;

(xli) A floating-rate term-loan amounting to RM1,113,200 repayable by 240 monthly instalments after the first drawdown date in November 2019;

(xlii) A floating-rate term-loan amounting to RM700,000 repayable by 180 monthly instalments after the first drawdown date in January 2020;

(xliii) A floating-rate term-loan amounting to RM3,150,000 repayable by 60 monthly instalments after the first drawdown date in February 2020;

(xliv) A floating-rate term-loan amounting to USD1,290,000 (equivalent to RM6 million) repayable by 54 monthly installments after 7 months from the first drawdown in March 2020;

(xlv) A fixed-rate term-loan amounting to RM1,842,976 repayable by 33 monthly instalments after 4 months from the first drawdown in April 2020;

(xlvi) A fixed-rate term-loan amounting to RM923,938 repayable by 33 monthly instalments after 3 months from the first drawdown date in August 2020;

(xlvii) A fixed-rate term-loan amounting to RM500,000 repayable by 84 monthly instalments after 6 months from the first drawdown date in September 2020;

(xlviii) A floating-rate term-loan amounting to RM17 million repayable by 120 monthly instalments after the first drawdown date in November 2020;

(xlix) A floating-rate term-loan amounting to RM3,148,238 repayable by 120 monthly instalments after the first drawdown date in November 2020;

(l) A floating-rate term-loan amounting to RM10 million repayable by 120 monthly instalments after the first drawdown date in December 2020;

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (cont'd):

Secured (cont'd)

(li) A floating-rate term-loan amounting to SGD2,096,731 (equivalent to RM6.8 million) repayable by 96 monthly instalments after the first drawdown date in October 2021;

(lii) A floating-rate term-loan amounting to RM1 million repayable by 120 monthly instalments after the first drawdown date in January 2022;

(liii) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;

(liv) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;

(lv) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;

(lvi) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022; and

(lvii) A floating-rate term-loan amounting to RM792,000 repayable by 180 monthly instalments after the first drawdown date in September 2022.

Unsecured

(i) A fixed-rate term-loan amounting to SGD5 million (equivalent to RM16.2 million) repayable by 60 monthly instalments after 12 months from the first drawdown date in August 2020.

35. LEASE LIABILITIES

	The Group	
	2022	2021
	RM	RM
At beginning of financial year	11,522,537	10,373,288
Additions	6,346,957	5,645,005
Remeasurement	849,544	-
Finance costs	801,716	679,336
Arising from a subsidiary acquired	182,975	-
Payments	(4,286,533)	(3,695,062)
Termination	(717,853)	(1,368,828)
Gain on forgiven lease payments	(110,547)	(134,100)
Effect of foreign currency exchange differences	206,623	22,898
At end of financial year	14,795,419	11,522,537
Analysed as:		
Current portion	4,058,820	2,104,167
Non-current portion	10,736,599	9,418,370
	14,795,419	11,522,537

The maturity period of lease liabilities are as follows:

	The Group	
	2022	2021
	RM	RM
Not later than 1 year	4,058,820	2,104,167
Later than 1 year and not later than 2 years	2,256,324	1,541,257
Later than 2 years and not later than 5 years	1,931,344	1,872,450
Later than 5 years	6,548,931	6,004,663
	14,795,419	11,522,537

The Group discounted the lease liabilities by using the Group's incremental borrowings rates which ranges from 3.22% to 6.89% (2021: 3.25% to 6.89%).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

36. DEFERRED REVENUE

	The Group	
	2022	2021
	RM	RM
Asset related government grants [(i)]	258,373	283,561
Franchise fee [(ii)]	5,990	15,365
Income related government grants [(iii)]	14,665	-
	279,028	298,926
Less: current portion	(105,674)	(109,282)
Non-current portion	173,354	189,644

(i) The deferred revenue arose from government grant received which is amortised over periods from 3 to 8 years.

(ii) The deferred revenue arose from franchise fee received from franchisee for the non-executive right to operate a Kyros Kebab franchise unit over a period of 8 years.

(iii) The deferred revenue arose from government grant to carry out energy audit in order to manage and reduce energy consumption which is amortised over period of 38 months.

37. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade payables	188,079,916	164,668,614	-	-
Amount owing to subsidiaries	-	-	15,180,840	18,994,587
Amount owing to a joint venture	1,174,374	38,770	-	-
Amount owing to a Director	91,512	87,002	-	-
Amount owing to non-controlling interests of subsidiaries	144,665	816,510	-	-
Amount owing to related parties	1,318,686	1,290,396	-	-
Sales and Services Tax payables	1,527,203	1,025,725	-	-
Goods and Services Tax payables	396,442	451,516	-	-
Other payables	30,184,712	26,569,393	3,274	38,744
Accrued expenses	16,061,927	13,154,848	125,252	116,480
	238,979,437	208,102,774	15,309,366	19,149,811

37. TRADE AND OTHER PAYABLES (CONT'D)

The currency profile of trade and other payables are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	218,102,671	196,557,371	15,309,366	19,149,811
Singapore Dollar	20,876,766	11,545,403	-	-
	238,979,437	208,102,774	15,309,366	19,149,811

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit term granted to the Group for trade purchases generally range from 7 to 120 days (2021: 7 to 180 days).

Certain of the Group's trade payables are guaranteed by the Company for RM132,020,000 (2021: RM113,020,000). Certain trade payables of two subsidiaries, CAB Cakaran Sdn. Bhd. and CAB Cakaran Breeding Farm Sdn. Bhd. are jointly guaranteed by the Company for RM33,000,000 (2021: RM33,000,000).

The amount owing to subsidiaries arose mainly from payment made on behalf, are unsecured, interest free and repayable on demand except for an advance of RM15,177,640 (2021: RM18,755,106) which bear interest at rates of 6.15% and 6.39% (2021: 1.85% to 6.65%) per annum.

The amount owing to a joint venture arose mainly from management fee payable and slaughtering charges payables which are interest free and repayable on demand.

The amount owing to Directors arose mainly from director fee payable to the Directors of a subsidiary.

The amount owing to non-controlling interests of subsidiaries arose mainly from unsecured advances which is interest free and repayable on demand.

Then amount owing to related parties of the Group are as follows:

	The Group	
	2022	2021
	RM	RM
Trade	1,013,738	1,030,462
Non-trade	304,948	259,934
	1,318,686	1,290,396

The non-trade amount owing to related parties of the Group consist of amount outstanding for ongoing costs.

Other payables of the Group and of the Company consist of amount outstanding for ongoing costs and deposits received.

38. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash and cash equivalents at end of the year comprise the following:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term deposits with licensed banks	43,350,481	19,660,188	-	-
Cash and bank balances (Note 29)	76,525,971	49,048,621	337,013	163,932
Bank overdrafts (Note 34)	(2,077,834)	(3,887,568)	-	-
	117,798,618	64,821,241	337,013	163,932
Less: Short-term deposits pledged as security (Note 28)	(10,121,519)	(9,842,707)	-	-
	107,677,099	54,978,534	337,013	163,932

(b) The additions to property, plant and equipment consist of:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Payment by cash in current year	24,690,454	29,259,112	-	5,128
Financed by means of hire-purchase	2,661,177	5,025,254	-	-
Total (Note 13)	27,351,631	34,284,366	-	5,128

(c) Cash outflows for leases as a lessee:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Included in net cash from operating activities:				
Payment relating to variable lease payments not include in the measurement of lease liabilities	3,641,637	6,708,510	-	-
Payment relating to short-term leases	2,477,194	2,151,294	24,000	24,000
Payment relating to leases of low-value assets	432,132	525,350	-	-
Included in net cash from financing activities:				
Repayment of lease liabilities	3,484,817	3,015,726	-	-
Interest paid in relation to lease liabilities	801,716	679,336	-	-
Total cash outflows for leases	10,837,496	13,080,216	24,000	24,000

39. FINANCIAL INSTRUMENTS

a. Capital Risk Management

The primary objectives of the Group's capital management are to ensure that it maintains healthy capital ratios in order to support its existing business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

The capital structure of the Group consists of net debts (borrowings and lease liabilities as detailed in Notes 34 and 35, respectively offset by cash and bank balances) and equity of the Group (comprising share capital, reserves, retained earnings and non-controlling interests as detailed in Notes 30 to 32).

The gearing ratio at end of the reporting period is as follows:

	The Group	
	2022	2021
	RM	RM
Debts [i]	480,457,769	509,789,176
Lease liabilities (Note 35)	14,795,419	11,522,537
Fixed deposits, cash and bank balances	(119,876,452)	(68,708,809)
Net debts	375,376,736	452,602,904
Equity [ii]	632,198,959	560,502,653
Net debt to equity ratio	59%	81%

(i) Debts are defined as short and long-term borrowings as disclosed in Note 34.

(ii) Equity includes share capital, reserves, retained earnings and non-controlling interests of the Group that are managed as capital.

Under the requirement of Bursa Securities' Practice Note No.17/2005, the Group is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

b. Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial instruments are disclosed in Note 3 to the financial statements.

39. FINANCIAL INSTRUMENTS (CONT'D)

c. Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
Amortised cost:				
Trade and other receivables	201,962,697	193,808,870	15,543,611	14,439,867
Refundable deposits	7,950,844	7,444,716	1,000	1,000
Short-term deposits	43,350,481	19,660,188	-	-
Cash and bank balances	76,525,971	49,048,621	337,013	163,932
Derivative other financial asset				
Fair value through profit or loss:				
Cross-currency interest rate swap	4,840,988	1,872,381	-	-
	334,630,981	271,834,776	15,881,624	14,604,799
Financial liabilities				
Amortised cost:				
Trade and other payables	237,055,792	206,625,533	15,309,366	19,149,811
Borrowings	480,457,769	509,789,176	-	-
Lease liabilities	14,795,419	11,522,537	-	-
	732,308,980	727,937,246	15,309,366	19,149,811

d. Financial Risk Management

The operations of the Group are subject to various financial risks which include market risk (including foreign currency risk and interest rate risk), credit risk, liquidity risk and cash flow risk, in connection with its use or holding of financial instruments. The Group has adopted a financial risk management framework with the principal objective of effectively managing these risks and minimising any potential adverse effects on the financial performance of the Group.

i. Market Risk Management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see 39.d.ii below) and interest rates (see 39.d.iii below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk including:

- cross currency swap arrangement to hedge the exchange rate risk arising on foreign currency purchases; and
- interest rate swap contract to mitigate the risk of rising interest rates.

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

ii. Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign currency cross currency swap arrangement. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as disclosed in Note 26 for trade and other receivables, Note 29 for cash and bank balances, Note 34 for borrowings and Note 37 for trade and other payables.

Foreign currency risk sensitivity analysis

The Group is mainly exposed to United States Dollar and Singapore Dollar.

The following table details the Group's sensitivity to a 9% (2021: 4.5%) increase and decrease in RM against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the RM strengthens 9% (2021: 4.5%) against the relevant currency. For a 9% (2021: 4.5%) weakening of the RM against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	The Group	
	2022	**2021**
	RM	**RM**
Impact on profit or loss and equity		
United States Dollar	2,650,000	1,025,000
Singapore Dollar	1,863,000	613,000

The above sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.

iii. Interest Rate Risk Management

The Group is exposed to interest rate risk because entities in the Group borrow funds at fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by using interest rate swap contracts.

The significant interest-bearing financial assets are mainly fixed deposits and balances with licensed banks and they are not held for speculative purposes. The Group manages the interest rates of its fixed deposits and balances with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank.

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

iii. Interest Rate Risk Management (cont'd)

The interest rate profile of the Group's significant interest-bearing financial liabilities are disclosed in the table below as follows:

	The Group	
	2022	**2021**
	RM	**RM**
Floating rate instruments		
Long-term loans	226,108,311	242,071,720
Bankers' acceptances	220,831,203	209,254,381
Fixed advance facility	3,236,500	-
Bank overdrafts	2,077,834	3,887,568
Hire-purchase payables	216,421	-
Revolving credit	-	15,200,000
	452,470,269	470,413,669
Fixed rate instruments		
Hire-purchase payables	15,297,701	22,903,913
Long-term loans	12,689,799	16,471,594
	27,987,500	39,375,507
	480,457,769	509,789,176

Interest rate risk sensitivity analysis

Sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity and profit or loss of the Group by RM3,505,000 (2021: RM3,609,000). This analysis assumes that all other variables remain constant. The sensitivity analysis in the foregoing paragraph has been determined based on the exposure to interest rate risks at the reporting date.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

iv. Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, amount owing by subsidiaries, other receivables and refundable deposits as well as credit exposures primarily from outstanding trade receivables.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit and certain financial guarantees given by shareholders or directors of customers are obtained.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The Group has no significant concentration of credit risk with its exposure spread over a large number of customers.

As at the end of the reporting period, the exposure of credit risk for trade receivables by geographic region was:

	The Group	
	2022	**2021**
	RM	**RM**
Malaysia	154,777,663	155,222,772
Others	30,503,877	25,683,679
	185,281,540	180,906,451

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

iv. Credit Risk Management (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group's debt recovery process is as follows:

(a) Above 120 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and

(b) Above 210 days past due, the Group will consider to commence a legal proceeding against the customer.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Amount Owing by Subsidiaries and Joint Venture

Risk management objectives, policies and processes for managing the risk

The Group and the Company undertake non-trade transactions, unsecured loans and advances to subsidiaries and joint venture. The Group and the Company monitor their results regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Loans and advances are only provided to subsidiaries and joint venture.

Recognition and measurement of impairment loss

As at the end of the reporting period, there was no indication that the intercompany balances are not recoverable.

Cash and Cash Equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

iv. Credit Risk Management (cont'd)

Other Receivables and Refundable Deposits

Credit risks on other receivables and refundable deposits are mainly arising from deposits paid for plants, advances given to staffs, amounts receivable for management of outlet, display income receivable, transport charges receivable, scrap sales receivable, penalty to be reimbursed from former shareholders of subsidiaries and payment of expenses made on behalf by the Group which are unsecured, interest free and repayable on demand. At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Financial Guarantees

The Company provides unsecured financial guarantees to third parties in respect of provision for services to subsidiaries. The Company monitors on an ongoing basis, the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk is amounting to RM863,063,222 (2021: RM829,563,427) which represents the outstanding amount as at reporting date. As at reporting date, there was no indication that the subsidiaries would default on repayments.

v. Liquidity Risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due.

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

v. Liquidity Risk (cont'd)

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual obligations:

The Group	Carrying value RM	Contractual interest rates per annum %	Contractual cash flows RM	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
2022:							
Financial liabilities							
Trade and other payables	238,979,437	-	238,979,437	238,979,437	-	-	238,979,437
Borrowings	480,457,769	2.00 - 7.40	521,923,204	286,035,375	150,683,405	85,204,424	521,923,204
Lease liabilities	14,795,419	3.22 - 6.89	18,508,271	4,756,976	6,071,382	7,679,913	18,508,271
	734,232,625		779,410,912	529,771,788	156,754,787	92,884,337	779,410,912
2021:							
Financial liabilities							
Trade and other payables	208,102,774	-	208,102,774	208,102,774	-	-	208,102,774
Borrowings	509,789,176	1.60 - 7.14	551,752,652	284,015,499	172,089,090	95,648,063	551,752,652
Lease liabilities	11,522,537	3.25 - 6.89	16,269,491	2,708,777	5,204,673	8,356,041	16,269,491
	729,414,487		776,124,917	494,827,050	177,293,763	104,004,104	776,124,917

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (cont'd)

v. Liquidity Risk (cont'd)

Details of additional undrawn financing facilities that the Group has at its disposal to further reduce liquidity risk are set out below:

	The Group	
	2022	**2021**
	RM	**RM**
Secured	86,173,000	101,096,000
Unsecured	60,164,000	35,932,000
	146,337,000	137,028,000

The Company

All financial liabilities of the Company are repayable on demand or due within one year from the end of the reporting period.

For financial guarantees, it was not probable that the counterparties to financial guarantees will claim under the contract. Consequently, the amount included is negligible.

The financial guarantee contracts are the maximum amounts of the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

vi. Cash Flow Risk

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

e. Cross-currency Interest Rate Swap

The Group enters into cross-currency interest rate swap contracts to exchange the principal payments of bank borrowings denominated in United States Dollar into Ringgit Malaysia to reduce the Group's exposure from adverse fluctuations in foreign currency.

39. FINANCIAL INSTRUMENTS (CONT'D)

e. Cross-currency Interest Rate Swap (cont'd)

The following table details cross-currency interest rate swap contracts outstanding as at the end of the reporting period:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value RM
2022:				
Purchase United States Dollar				
Less than one year	4.6221	7,593,770	31,047,524	4,466,369
More than one year	4.6221	1,007,100	4,599,798	374,619
2021:				
Purchase United States Dollar				
More than one year	4.1872	8,323,665	34,434,507	1,872,381

f. Fair Value

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amounts derived from such methods and valuation techniques are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of the amounts estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amount of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values.

The methodologies used in arriving at the fair values of the principal financial assets and financial liabilities of the Group and of the Company are as follows:

- **Fixed deposits, cash and bank balances, trade and other receivables, refundable deposits, intercompany indebtedness, trade and other payables short-term borrowings and lease liabilities:**

  The carrying amounts are considered to approximate the fair values as they are either within the normal credit terms or they have short-term maturity period.

- **Long-term borrowings and lease liabilities:**

  The fair values of long-term borrowings and lease liabilities are determined by estimating future cash flows on a borrowing-by-borrowing basis, and discounting these future cash flows using an interest rate which takes into consideration the Group's incremental borrowing rate at year end for similar types of debt arrangements.

39. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair Value (cont'd)

- **Derivative instruments:**

The fair values of cross currency interest rate swap contract were calculated using market prices that the Group would pay or receive to settle the related agreements.

i. Fair value measurements recognised in the statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair Value (cont'd)

i. Fair value measurements recognised in the statements of financial position (cont'd)

The following table presents the Group's financial assets that is measured at fair value at the end of the reporting date based on the three different levels as defined above:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset				
Derivative				
Cross currency interest rate swap contract	-	4,840,988	-	4,840,988
2021				
Financial asset				
Derivative				
Cross currency interest rate swap contract	-	1,872,381	-	1,872,381

There were no transfers between Levels 1 and 2 in 2022 and 2021.

39. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair Value (cont'd)

ii. Fair value of the Group's financial asset that is measured at fair value on a recurring basis

Some of the Group's financial asset is measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial asset is determined (in particular, the valuation technique(s) and input used).

The Group

Financial asset	2022 RM	2021 RM	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Derivative other financial asset						
Cross currency interest rate swap contract	4,840,988	1,872,381	Level 2	The fair value of interest rate swap is based on banker quotes. Those reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date	Bankers' interest rate	The higher the interest rate, the higher the fair value

39. FINANCIAL INSTRUMENTS (CONT'D)

g. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

The Group	Beginning of financial year RM	Financing cash flows (i) RM	Other non-cash changes (ii) RM	End of financial year RM
2022				
Borrowings (excluding bank overdrafts)	505,901,608	(37,953,818)	10,432,145	478,379,935
Lease liabilities	11,522,537	(3,484,817)	6,757,699	14,795,419
Amount owing to a joint venture	38,770	1,101,230	34,374	1,174,374
Amount owing to a Director	87,002	-	4,510	91,512
Amount owing to non-controlling interests of subsidiaries	816,510	138,155	(810,000)	144,665
Total liabilities arising from financing activities	518,366,427	(40,199,250)	16,418,728	494,585,905
2021				
Borrowings (excluding bank overdrafts)	523,532,756	(23,396,100)	5,764,952	505,901,608
Lease liabilities	10,373,288	(3,015,726)	4,164,975	11,522,537
Amount owing to a joint venture	38,270	-	500	38,770
Amount owing to a Director	7,083	79,919	-	87,002
Amount owing to non-controlling interests of subsidiaries	816,510	-	-	816,510
Total liabilities arising from financing activities	534,767,907	(26,331,907)	9,930,427	518,366,427

(i) The cash flows from borrowings make up the net amount of drawdowns and repayments of borrowings and loans in the statements of cash flows.

(ii) Other non-cash changes include the drawdown amounts of hire-purchase payables during the year, accretion of interest, additions of lease liabilities, arising from a subsidiary acquired, converting of debts into equity shares and effect of foreign currency exchange differences.

39. FINANCIAL INSTRUMENTS (CONT'D)

g. Reconciliation of Liabilities Arising from Financing Activities (cont'd)

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities (cont'd).

The Company	Beginning of financial year RM	Financing cash flows RM	Waiver of debts RM	End of financial year RM
2022				
Amount owing to subsidiaries	18,994,587	(3,389,043)	(424,704)	15,180,840
2021				
Amount owing to subsidiaries	409,977	18,584,610	-	18,994,587

40. FINANCIAL GUARANTEES

	The Group	
	2022 RM	2021 RM
Unsecured		
Corporate guarantee given to third parties in respect of provision for services to subsidiaries	863,063,222	829,563,427

The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancements to the subsidiaries.

41. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2022 RM	2021 RM
Estimated cash value of benefits-in-kind provided to Directors	107,313	131,239

42. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the details of related parties and their relationship with the Company and its subsidiaries are as follows:

Name of related parties	Relationship
Benarlab Sdn. Bhd.	Direct subsidiary
CAB Amesist Biomass Generation Sdn. Bhd.	Direct subsidiary
CAB Cakaran Sdn. Bhd.	Direct subsidiary
CAB Marine Resources Sdn. Bhd.	Direct subsidiary
CABINDO Poultry Sdn. Bhd.	Direct subsidiary
Dronexcel Sdn. Bhd. (formerly known as CAB Econation Renewable Energy Sdn. Bhd.)	Direct subsidiary
Farm's Best Food Industries Sdn. Bhd.	Direct subsidiary
HK Foods (M) Sdn. Bhd.	Direct subsidiary
Home Mart Fresh & Frozen Sdn. Bhd.	Direct subsidiary
Kyros Food Industries Sdn. Bhd.	Direct subsidiary
Kyros International Sdn. Bhd.	Direct subsidiary
Likes Marketing Sdn. Bhd.	Direct subsidiary
Tong Huat Poultry Processing Factory Pte. Ltd.	Direct subsidiary
Antik Kualiti Sdn. Bhd.	Indirect subsidiary
Ayamlikes Food Processing Sdn. Bhd. (formerly known as Ayam Kempas Food Industries Sdn. Bhd.)	Indirect subsidiary
Ban Hong Poultry Pte. Ltd.	Indirect subsidiary
C&B Poultry Sdn. Bhd.	Indirect subsidiary
CAB Cakaran Breeding Farm Sdn. Bhd.	Indirect subsidiary
CAB Cakaran (Langkawi) Sdn. Bhd.	Indirect subsidiary
CAB Cakaran Southern Sdn. Bhd.	Indirect subsidiary
CAB Cakaran (Timur) Sdn. Bhd.	Indirect subsidiary
CAB International Trade Pte. Ltd.	Indirect subsidiary
Cabin Premier GPS Farm Sdn. Bhd.	Indirect subsidiary
Gourmet Chefs Pte. Ltd.	Indirect subsidiary
Jaya Gading Farm Sdn. Bhd.	Indirect subsidiary
Jimat Jaya Sdn. Bhd.	Indirect subsidiary
Kim Fa Foodstuffs Pte. Ltd.	Indirect subsidiary
Kyros Kebab Sdn. Bhd.	Indirect subsidiary
OTK Farm Equipment Sdn. Bhd.	Indirect subsidiary
Pasaraya Jaya Gading Sdn. Bhd.	Indirect subsidiary
Protheme Pte. Ltd.	Indirect subsidiary
Shin Hong Breeding Farm Sdn. Bhd.	Indirect subsidiary
TH Likes Pte. Ltd.	Indirect subsidiary
Fah Leong Sdn. Bhd.	Associate
Singapore Poultry Hub Pte. Ltd.	Joint venture
Aqina Farming Sdn. Bhd.	A company in which the parent of a Director of a subsidiary is Directors and has interests
Aqinajaya Sdn. Bhd.	A company in which the parent of a Director of a subsidiary is Directors and has interests

42. RELATED PARTY TRANSACTIONS (CONT'D)

In addition to the related party information disclosed elsewhere in the financial statements, the details of related parties and their relationship with the Company and its subsidiaries are as follows (cont'd):

Name of related parties	Relationship
Chuah Ah Bee Sdn. Bhd.	A company in which certain Directors of the Company are also Directors and have interests
Chuah Ah Chui	Brother of a Director of the Company
Chyuan Heng Farming Sdn. Bhd.	A company which is owned by the son of a Director of a subsidiary
Intelmatrix Sdn. Bhd.	A company in which a Director of a subsidiary is also a Director and has interest
Kebun Ngohock (P.W.) Sdn. Bhd.	A company in which certain Directors of the Company are also Directors and have interests
Maju Jaya Farm	An entity which is owned by the son-in-law of a Director of a subsidiary
Mata Aerotech Sdn. Bhd.	A corporate shareholder of a subsidiary in which a Director of a subsidiary is also a Director and has interest
Nulab Sdn. Bhd.	A company in which certain Directors of a subsidiary are also Directors and have interests
OTO Agriculture Marketing Sdn. Bhd.	A company in which a Director of a subsidiary is also a Director and has interest
Shin Salim Japan Co. Ltd.	A company in which a Director of the Company is also a Director and a non-controlling interest of a subsidiary has interest
Sinmah Food Services (S) Pte. Ltd.	A company in which a Director of a subsidiary is also a Director and has interest
Sinmah Poultry Processing (S) Pte. Ltd.	A company in which a Director of a subsidiary is also a Director and has interest
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd	A company in which certain Directors of a subsidiary are also Directors and have interests
Unisetali Sdn. Bhd.	A company in which a Director of a subsidiary is also a Director and has interest
YWT Contract Farming	An entity which is owned by the son of a Director of a subsidiary

42. RELATED PARTY TRANSACTIONS (CONT'D)

Significant Related Parties Transactions

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Subsidiaries:				
Dividend received	-	-	8,400,000	4,200,000
Interest paid	-	-	1,153,232	213,803
Interest received	-	-	588,114	-
Waiver of debts	-	-	424,704	-
Management fee received	-	-	340,600	341,050
Management fee paid	-	-	24,000	24,000
Short-term leases paid	-	-	24,000	24,000
Internal audit charges received	-	-	22,214	9,174
Sundry purchases	-	-	2,407	1,913
Assignment of debt	-	-	-	15,300,000
An associate:				
Short-term leases paid	237,200	228,000	-	-
A joint venture:				
Slaughtering charges paid	1,682,263	-	-	-
Management fee paid	444,293	434,811	-	-
Labour charges received	215,126	-	-	-
Labour charges paid	113,166	-	-	-
Directors of the Company:				
Short-term leases paid	105,000	105,000	-	-
A Director of a subsidiary:				
Lease liabilities paid	132,052	129,234	-	-
Other related parties:				
Sales	84,536,618	60,651,248	-	-
Purchases	72,673,450	57,781,950	-	-
Rental received	1,902,401	1,561,048	-	-
Short-term leases paid	366,000	367,100	-	-
Transportation charges paid	326,604	525,435	-	-
Training charges paid	106,000	-	-	-
Management fee paid	88,667	-	-	-
Labour charges paid	81,634	118,705	-	-
Scrap sales	34,500	36,000	-	-
Sales commission paid	2,693	-	-	-
Labour charges received	1,182	-	-	-
Upkeep paid	950	-	-	-
Transportation charges received	135	19,910	-	-
Sundry purchases	-	2,502	-	-

43. CAPITAL COMMITMENTS

The Group has the following commitments in respect of capital expenditure:

	The Group	
	2022	2021
	RM	RM
Approved and contracted for	26,225,918	14,155,789
Approved but not contracted for	39,788,331	38,794,349

44. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposed of allocating resources to the segment and assessing its performance.

For management purposed, the Group is organised into the operating divisions:

a. investment holding;
b. integrated poultry;
c. fast food business;
d. supermarket; and
e. drone service.

44. SEGMENT INFORMATION (CONT'D)

Information regarding the Group's reportable segments is presented below.

Segment Revenue and Results

The Group	Investment holding RM	Integrated poultry RM	Fast food business RM	Supermarket RM	Drone service RM	Eliminations RM	Consolidated RM
2022:							
Revenue							
External revenue	-	1,806,944,863	1,639,565	145,442,139	252,111	-	1,954,278,678
Inter-segment revenue	8,762,814	21,007,876	612,100	8,844	-	(30,391,634)	-
Total revenue	8,762,814	1,827,952,739	2,251,665	145,450,983	252,111	(30,391,634)	1,954,278,678
Results							
Segment results	6,863,998	116,453,974	86,205	2,222,386	(341,896)	(23,464,694)	101,819,973
Other gains and losses							5,791,552
Net remeasurement of expected credit loss							(1,984,107)
Share of result of an associate							4,960
Share of result of a joint venture							(3,671,702)
Profit before interest and taxation							101,960,676
Interest income							746,105
Finance costs							(17,093,202)
Profit before tax							85,613,579
Tax expense							(29,285,792)
Profit for the financial year							56,327,787

44. **SEGMENT INFORMATION (CONT'D)**

Segment Revenue and Results (cont'd)

The Group (cont'd)	Investment holding RM	Integrated poultry RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
2021:						
Revenue						
External revenue	-	1,583,195,326	1,018,463	134,646,094	-	1,718,859,883
Inter-segment revenue	4,550,224	15,782,796	592,110	21,852	(20,946,982)	-
Total revenue	4,550,224	1,598,978,122	1,610,573	134,667,946	(20,946,982)	1,718,859,883
Results						
Segment results	3,067,194	6,741,886	(366,628)	2,699,626	(15,023,492)	(2,881,414)
Other gains and losses						(8,008,295)
Net remeasurement of expected credit loss						(1,259,640)
Share of result of an associate						5,718
Share of result of a joint venture						(1,120,351)
Loss before interest and taxation						(13,263,982)
Interest income						395,244
Finance costs						(17,537,703)
Loss before tax						(30,406,441)
Tax expense						(5,866,587)
Loss for the year						(36,273,028)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit/(loss) represents the profit earned/loss suffered by each segment without investment revenue, other gains and losses, finance costs and tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

44. SEGMENT INFORMATION (CONT'D)

Segment Assets and Liabilities

The Group	Investment holding RM	Integrated poultry RM	Fast food business RM	Supermarket RM	Drone service RM	Eliminations RM	Consolidated RM
2022:							
Assets							
Segment assets	124,180,104	1,300,033,657	940,452	30,975,929	3,708,543	(85,494,575)	1,374,344,110
Interest revenue producing assets							43,350,481
Tax assets							6,263,705
Consolidated total assets							1,423,958,296
Liabilities							
Segment liabilities	130,526	239,375,022	312,639	16,935,278	191,881	(5,500)	256,939,846
Borrowings							480,457,769
Tax liabilities							54,361,722
Consolidated total liabilities							791,759,337

44. SEGMENT INFORMATION (CONT'D)

Segment Assets and Liabilities (cont'd)

The Group (cont'd)	Investment holding RM	Integrated poultry RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
2021:						
Assets						
Segment assets	123,448,187	1,240,129,404	946,589	28,642,617	(81,890,734)	1,311,276,063
Interest revenue producing assets						19,660,188
Tax assets						2,637,612
Consolidated total assets						1,333,573,863
Liabilities						
Segment liabilities	157,224	204,781,263	195,922	16,984,097	(5,500)	222,113,006
Borrowings						509,789,176
Tax liabilities						41,169,028
Consolidated total liabilities						773,071,210

For the purposes of monitoring segment performance and allocating resources between segments:

a. All assets are allocated to reportable segments other than short-term deposits, and current and deferred tax assets. Goodwill is allocated to reportable segments.

b. All liabilities are allocated to reportable segments other than borrowings, and current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

44. SEGMENT INFORMATION (CONT'D)

Other Segment Information

The Group	Investment holding RM	Integrated poultry RM	Fast food business RM	Supermarket RM	Drone service RM	Eliminations RM	Consolidated RM
2022:							
Other information							
Additions to non-current assets	-	27,415,939	253,435	5,502,089	2,774,452	(77,000)	35,868,915
Depreciation and amortisation expenses	2,878	43,259,090	224,311	1,681,802	182,629	6,806,026	52,156,736
Impairment loss recognised on receivables	-	4,013,082	-	-	-	-	4,013,082
Net remeasurement of expected credit loss	-	1,984,107	-	-	-	-	1,984,107
Impairment loss recognised on investment in subsidiaries	13,807,891	15,748,000	-	-	-	(29,555,891)	-
Other non-cash expenses	-	6,251,156	76,325	485,047	-	(568,246)	6,244,282
2021:							
Other information							
Additions to non-current assets	5,128	40,909,711	-	703,869	-	(158,500)	41,460,208
Depreciation and amortisation expenses	1,662	42,853,628	374,863	1,820,704	-	8,030,388	53,081,245
Impairment loss recognised on receivables	-	3,523,189	-	-	-	(2,194,048)	1,329,141
Net remeasurement of expected credit loss	-	1,259,640	-	-	-	-	1,259,640
Impairment loss recognised on investment in subsidiaries	30,868,156	7,144,605	-	-	-	(38,012,761)	-
Other non-cash expenses	40,000	8,833,705	-	19,571	-	(848,252)	8,045,024

44. SEGMENT INFORMATION (CONT'D)

Revenue from Major Products and Services

Analysis of revenue from major products and services was not disclosed due to it is not practical to analyse these information without incurring excessive cost.

Geographical Information

The Group's integrated poultry business are located in Malaysia and Republic of Singapore. All the other operations are located in Malaysia.

The Group's revenue from external customers attributed to countries of domicile of the Company and its subsidiaries are detailed below:

	The Group	
	2022 RM	2021 RM
Malaysia	1,740,360,544	1,515,223,667
Republic of Singapore	213,918,134	203,636,216
	1,954,278,678	1,718,859,883

The Group's revenue from external customers attributed to countries from which the Company and its subsidiaries derive revenue are detailed below:

	The Group	
	2022 RM	2021 RM
Malaysia	1,706,943,413	1,478,095,011
Singapore	234,561,384	229,127,278
Japan	5,987,372	-
Bangladesh	2,725,588	5,141,970
Brunei	2,050,659	304,540
Myanmar	1,098,305	2,350,472
Others	911,957	3,840,612
	1,954,278,678	1,718,859,883

Information about the Group's non-current assets by locations are detailed below:

	The Group	
	2022 RM	2021 RM
Malaysia	788,818,605	795,985,780
Republic of Singapore	93,314,118	95,525,163
	882,132,723	891,510,943

Non-current assets exclude other financial assets and deferred tax assets.

Information about Major Customers

Information about major customers was not disclosed as there was no customer that contributed 10% or more to the Group's revenue for both 2022 and 2021.

Statement By Directors

The Directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the financial statements set out on pages 77 to 199 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2022 and of their financial performance and their cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

CHUAH AH BEE

CHUAH HOON PHONG

Penang
28 December 2022

Declaration By The Directors
Primarily Responsible For The Financial Management Of The Company

I, **CHUAH AH BEE**, the Director primarily responsible for the financial management of **CAB CAKARAN CORPORATION BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 77 to 199 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **CHUAH AH BEE at**
GEORGETOWN in the State of **PENANG**
on 28 December 2022

Before me,

TAN CHENG KUAN
NO. P.195
COMMISSIONER FOR OATHS

List Of Top Ten (10) Properties

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2022 RM	Date of Valuation/ Purchase
Lot 47, Geran No. 85373, Tempat Padang Bongor, Bandar Gurun, Daerah Kuala Muda, Kedah.	A parcel of agricultural land/ vacant	414,401.28/ -	-	Grant in perpetuity	44,000,000	30.09.2017
Lot Nos 1512 & 3037, Title Nos GRN 38752 & GRN 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural lands/breeder farms	168,264.23/ 24,140.41	32 - 37	Grant in perpetuity	38,665,765	30.09.2017
JTC Space known as Pte Lot A3007536 at JTC Poultry Processing Hub @ Buroh, #03-04, 3 Buroh Lane Singapore 618285	Three units of factories at JTC Poultry Processing Hub	3,964.93	4	Leahold 30 years commencing 1 June 2019	37,870,153	17.05.2019
Lot No. 1623, Title No. GRN 40215, Mukim 14, District of Seberang Perai Tengah, State of Penang /No. 227, Kampung Nenas, Kuala Tasek, Permatang Tinggi, 14100 Bukit Mertajam, Penang	A parcel of agricultural land/poultry farms	49,699.44/ Breeder house - 13,804.18/ Other - 1,899.75	20 - 27	Grant in perpetuity	29,251,627	30.09.2017
Lot 2893 to 2899, Title Nos GRN 15721 to 15727, Mukim of Sungei Baru Ilir, District of Alor Gajah, State of Melaka.	7 parcels of Agriculture lands/ Breeder Farms	286,339/ Breeder house 33,213.21/ Hatchery building 2,011.17/ Others 2,263.77	30	Grant in perpetuity	22,163,032	23.05.2018
Lot No. 26260, Lot No. 26261 and PT92181, Title Nos GRN 95669, GRN 95670 and HSD 109633 respectively, Town of Sungai Petani, District of Kuala Muda, Kedah /Plot 21-24, Bukit Makmur Industrial Estate, Sungai Lalang, 08100 Bedong, Kedah	Three parcels of industrial lands erected upon it a three-storey office cum a single- storey factory/ processing factory	35,008/ 12,314.58	10	Grant in perpetuity	21,980,436	30.09.2017

List Of Top Ten (10) Properties (Cont'd)

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2022 RM	Date of Valuation/ Purchase
Lot Nos. 43, 49, 368, 373, 256, 255, 251, 252, 253, 249, 257, 258, 246, 247, 248 & 250, Mukim Grant Nos. 120, 121, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 173, 174, 175 & 179, respectively, Mukim 6, Province Wellesley South, Penang	Sixteen parcels of lands/renting as breeder farms	91,667.22/ 15,063.73	32 - 37	Grant in perpetuity	22,790,000	30.09.2022
24, Senoko Crescent, Singapore 758276	A JTC "Type T6" 2-storey intermediate terrace factory/food factory	1,470.3/ 1,983.6	31	Leasehold 30 years + 30 years commencing 1 March 1991	19,242,671	29.11.2017
Lot 1441, Title No. HS(D) 57691, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang	Part of the parcel of agricultural land/breeder farm	242,811.4/ Breeder house & Others - 38,024.25	7 - 8	Sub-lease for 30 years expiring on August 29, 2040	15,183,513	30.09.2017
Lot 429, Title No. GM302, Mukim Tebrau, Daerah Johor Bahru, Johor/ Lot 429, Jalan Seelong Jaya 13, 81400 Senai, Johor	A parcel of industrial land erected upon it an office cum a single storey detached factory/ processing factory	19,653/ 3,264,25	14	Grant in perpetuity	15,142,438	31.07.2019

Analysis of Shareholdings
As at 9 January 2023

SHARE CAPITAL AS AT 9 JANUARY 2023

Issued Share Capital	:	RM145,979,553.31 comprising 701,892,742 ordinary shares (inclusive of 545,500 ordinary shares held as treasury shares)
Class of Share	:	Ordinary Shares
Voting Right	:	One voting right for one ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	329	10.058	13,058	0.001
100 - 1,000	305	9.324	156,894	0.022
1,001 - 10,000	1,199	36.655	7,039,843	1.003
10,001 - 100,000	1,125	34.393	40,781,244	5.814
100,001 - 34,873,161 (*)	310	9.477	251,047,389	35.795
34,873,162 and above (**)	3	0.091	402,308,814	57.362
Total	3,271	100.000	701,347,242	100.000

* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF TOP THIRTY (30) HOLDERS
(Without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Shareholdings	%
1	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for OCBC Securities Private Limited (Client A/C-NR)*	107,360,487	15.307
2	Chuah Ah Bee	101,792,940	14.513
3	Chuah Ah Bee	96,039,139	13.693
4	Chan Kim Keow	94,631,405	13.492
5	Chuah Hoon Hong	12,996,875	1.853
6	Chuah Hoon Teng	12,812,500	1.826
7	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Choo Gee*	10,576,170	1.507
8	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	10,437,875	1.488
9	Chuah Hoon Phong	7,814,609	1.114
10	Aman Tan Ho Peng	6,934,700	0.988
11	Lee Yew Aun	6,818,075	0.972
12	Chuah Hoon Phong	6,529,452	0.930

LIST OF TOP THIRTY (30) HOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Shareholdings	%
13	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	6,522,527	0.929
14	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chin Tee*	6,369,000	0.908
15	Public Invest Nominees (Tempatan) Sdn Bhd *Exempt AN for Phillip Securities Pte Ltd (Clients)*	5,913,300	0.843
16	Chu Kum Weng	5,289,700	0.754
17	Tan Chin Tee	4,221,437	0.601
18	Tan Wai Heng	3,900,075	0.556
19	Maybank Nominees (Tempatan) Sdn Bhd *Lim Kah Eng*	3,810,000	0.543
20	Lim Poh Choo	3,805,275	0.542
21	Tang Kuang Heng	3,593,500	0.512
22	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khor Kim Seah (Penang-CL)*	3,441,450	0.490
23	Cheng Mooh Tat	3,387,175	0.482
24	Cheah Bok Chuan	3,374,200	0.481
25	Lim Gaik Bway @ Lim Chiew Ah	3,349,900	0.477
26	Ong Chuan Seng	3,296,000	0.469
27	Yang Yang Poultry Farming Sdn Bhd	2,913,000	0.415
28	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chooi Ho (7006521)*	2,909,000	0.414
29	Chan Kim Keow	2,484,843	0.354
30	Oo Kwang Tung	2,285,862	0.325

SUBSTANTIAL SHAREHOLDERS

	Name	Shareholdings			
		Direct	%	Indirect	%
1	Chuah Ah Bee	197,832,079	28.207	122,925,623#	17.527
2	Chan Kim Keow	97,116,248	13.847	25,809,375#	3.680
3	Plant Wealth Holdings Limited	106,595,625	15.199	-	-
4	KMP Private Ltd	-	-	106,595,625##	15.199
5	KMP Investments Pte Ltd	-	-	106,595,625##	15.199
6	Mariton International Limited	-	-	106,595,625##	15.199
7	Anthoni Salim	-	-	106,595,625##	15.199
8	Tan Hang Huat	-	-	106,595,625##	15.199

DIRECTORS' SHAREHOLDINGS

	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	197,832,079	28.207	122,925,623#	17.527
2	Chuah Hoon Phong	14,344,061	2.045	170,312**	0.024
3	Loo Choo Gee	10,576,170	1.508	-	-
4	Chew Chee Khong	-	-	-	-
5	Lim Ghim Chai	-	-	-	-
6	Wijanti Tjendera	-	-	-	-
7	Datuk Sr. Haji Zakaria Bin Hashim	1,000	*	-	-
8	Professor Dato' Dr Mohd Fakhrudin Bin Abdul Mukti	-	-	-	-

Notes :

* Negligible

** Other interest of his spouse by virtue of Section 59(11)(c) of the Companies Act 2016

Other interest of spouse and children by virtue of Section 59(11)(c) of the Companies Act 2016

Deemed interested under Section 8 of the Companies Act 2016 by virtue of Plant Wealth Holdings Limited's shareholdings in CAB

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21 Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang on Friday, 24 March 2023 at 10.30 a.m.

A G E N D A

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2022 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

2. To re-elect the following Directors retiring under Clause 165 of the Company's Constitution, and who, being eligible, have offered themselves for re-election:

   a) Mr Chew Chee Khong **Resolution 1**

   b) Mr Lim Ghim Chai **Resolution 2**

   c) Mdm Wijanti Tjendera **Resolution 3**

3. To re-elect the following Directors retiring under Clause 156 of the Company's Constitution, and who, being eligible, have offered themselves for re-election:

   a) Datuk Sr. Haji Zakaria Bin Haji Hashim **Resolution 4**

   b) Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti **Resolution 5**

4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 6**

5. To approve the Directors' fees up to an amount of RM586,166.00 and the payment of such fees to the Directors of the Company for the financial year ending 30 September 2023. **Resolution 7**

6. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM150,000.00 from 24 March 2023 until the next Annual General Meeting of the Company. **Resolution 8**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without modifications:

7. **SPECIAL RESOLUTION**
   WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016

   "THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company under Section 85 of the Companies Act 2016 ("the Act"), read together with Clause 31 of the Constitution of the Company.

SPECIAL BUSINESS (CONT'D)

7. **SPECIAL RESOLUTION**
WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 (Cont'd)

THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution I – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act." **Resolution 9**

8. **ORDINARY RESOLUTION I**
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 ("the Act") and pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;

b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or

c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate." **Resolution 10**

SPECIAL BUSINESS (CONT'D)

9. **ORDINARY RESOLUTION II**
PROPOSED RENEWAL OF THE AUTHORITY FOR THE PURCHASE OF THE COMPANY'S OWN ORDINARY SHARES OF UP TO TEN PER CENTUM (10%) OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT subject to the provisions under the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("CAB Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at point of purchase ("Proposed Renewal of Share Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's aggregate retained profits.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any CAB Shares so purchased by the Company in the following manner:

(i) the CAB Shares so purchased could be cancelled; or

(ii) the CAB Shares so purchased could be retained as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be transferred for the purposes of an employees' share scheme and/or be transferred as purchase consideration and/or be cancelled subsequently and/or be sold, transferred or otherwise be used for such purposes of the Minister may by order prescribe; or

(iii) retain part of the CAB Shares so purchased as treasury shares and cancel the remainder; or

(iv) in accordance with the relevant prevailing statutory provisions and guidelines.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or

(ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or

SPECIAL BUSINESS (CONT'D)

9. **ORDINARY RESOLUTION II**
PROPOSED RENEWAL OF THE AUTHORITY FOR THE PURCHASE OF THE COMPANY'S OWN ORDINARY SHARES OF UP TO TEN PER CENTUM (10%) OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY") (Cont'd)

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

And THAT the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **Resolution 11**

10. **ORDINARY RESOLUTION III**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the provisions of the Companies Act 2016 ("the Act"), the Company's Constitution, Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the related parties as set out in Appendix I of the Circular to Shareholders dated 30 January 2023 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate").

THAT the Directors be empowered to do all such acts and things be considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or

(b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

SPECIAL BUSINESS (CONT'D)

10. **ORDINARY RESOLUTION III**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Cont'd)

whichever is earlier.

And THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." **Resolution 12**

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

CHEW SIEW CHENG SSM PC No. 202008001179 (MAICSA 7019191)
LIM CHOO TAN SSM PC No. 202008000713 (LS 0008888)
Company Secretaries

Penang

Date: 30 January 2023

Note A

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

NOTES:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 16 March 2023. Only a shareholder whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.

2. A shareholder entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a shareholder of the Company.

3. A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.

4. Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) (SICDA), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

Note A (Cont'd)

NOTES: (CONT'D)

5. Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.

6. Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.

8. The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website: https://tiih.online before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

11. Last date and time for lodging the proxy form is Wednesday, 22 March 2023 at 10.30 a.m.

12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
    a. Identity card (NRIC) (Malaysian), or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
    c. Passport (Foreigner).

13. For a corporate shareholder who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

14. Members are advised to check the Company's website and announcements from time to time for any changes to the administration of the AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or others relevant authorities.

EXPLANATORY NOTES

1. Re-election of Directors

The details and profiles of the Directors, Mr Chew Chee Khong, Mr Lim Ghim Chai, Mdm Wijanti Tjendera, Datuk Sr. Haji Zakaria Bin Hashim and Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti who are standing for re-election at the 21st AGM are set out in the Directors' profile of the Annual Report 2022.

The Board through the Nomination Committee ("NC") had conducted an annual assessment on the performance and contribution of the individual Directors for the financial year ended 30 September 2022 based on a set of prescribed criteria. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment. Based on the results of the assessments, the performance of each individual Director was found to be satisfactory and the NC had assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company. The NC is also of the view that Datuk Sr. Haji Zakaria Bin Hashim and Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti who were recently appointed to the Board on 13 September 2022, would be able to provide valuable contributions to the Company based on their background, skills and vast experience on strategic, finance and management in various sectors.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members' approval for the re-election of Mr Chew Chee Khong, Mr Lim Ghim Chai, Mdm Wijanti Tjendera, Datuk Sr. Haji Zakaria Bin Hashim and Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti as Directors of the Company.

2. Directors' Fees

The proposed Resolution 7, if passed, will authorise the payment of the Directors' fees up to the amount of RM586,166.00 for the financial year ending 30 September 2023.

3. Directors' Benefits

The proposed Resolution 8, if passed, will authorise the payment of the Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM150,000.00 from 24 March 2023 until the next Annual General Meeting of the Company.

4. SPECIAL RESOLUTION
Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016

The Special Resolution is pertaining to the waiver of pre-emptive rights granted to the shareholders under Section 85 of the Companies Act 2016. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive right. The Special Resolution if passed, would allow the Directors to issue new shares to any person under the Proposed General Mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

5. ORDINARY RESOLUTION I
Resolution Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution proposed under Resolution 10 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). Subject to passing the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Companies Act 2016, the Ordinary Resolution proposed under Resolution 10, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company ("Proposed General Mandate").

EXPLANATORY NOTES (Cont'd)

As at the date of this Notice, the Company had issued and allotted 3,884,000 new ordinary shares of the Company at an issue price of RM0.5150 per share on 29 April 2022 under the General Mandate which was approved by the shareholders at the Twentieth AGM held on 24 March 2022.

Details of the total proceeds amounting to RM2,000,260.00 raised is as follows:-

Proposed utilisation	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimate timeframe for use from the placement date
Working Capital	1,700	1,848*	1,848	-	Within 12 months
Estimated placement expenses	300	152*	152	-	Upon completion
	2,000	2,000	2,000	-	

* The actual placement expenses were lower than the estimated. As such, unutilised balance of proceeds of RM148,000 which was allocated for placement expenses has been utilised for working capital of the Group

6. ORDINARY RESOLUTION II
Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under Resolution 11, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 January 2023 for more information.

7. ORDINARY RESOLUTION III
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution proposed under Resolution 12, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. The authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 January 2023 for more information.

Statement Accompanying Notice of Annual General Meeting

pursuant to Paragraph 8.27(2) Of Bursa Malaysia Securities Berhad Main Market Listing Requirements

There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Twenty-First Annual General Meeting.

GENERAL MANDATE FOR ISSUES OF SECURITIES (Pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board had carried out the Mandate since the Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. The Mandate will expire on 24 March 2023. A renewal of this authority is being sought at the Twenty-First AGM.

As at the date of this Notice, the Company had issued and allotted 3,884,000 new ordinary shares of the Company at an issue price of RM0.5150 per share on 29 April 2022 under the General Mandate which was approved by the shareholders at the Twentieth AGM held on 24 March 2022.

Details of the total proceeds amounting to RM2,000,260.00 raised is as follows:-

Proposed utilisation	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimate timeframe for use from the placement date
Working Capital	1,700	1,848*	1,848	-	Within 12 months
Estimated placement expenses	300	152*	152	-	Upon completion
	2,000	2,000	2,000	-	

* The actual placement expenses were lower than the estimated. As such, unutilised balance of proceeds of RM148,000 which was allocated for placement expenses has been utilised for working capital of the Group

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended 30 September 2022 are as follows:-

Name	Meetings attended
Chew Chee Khong	6/6
Chuah Ah Bee	6/6
Chuah Hoon Phong	6/6
Loo Choo Gee	6/6
Wijanti Tjendera	5/6
Lim Ghim Chai	5/6
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti (Appointed on 13 September 2022)	-
Datuk Sr. Haji Zakaria Bin Hashim (Appointed on 13 September 2022)	-
Chan Kim Keow (Resigned on 13 September 2022)	6/6
Haji Ahmad Fazil Bin Haji Hashim (Resigned on 13 September 2022)	6/6
Goh Choon Aik (Resigned on 13 September 2022)	6/6

Proxy Form

CAB CAKARAN CORPORATION BERHAD
(200201015998) (583661-W)
(Incorporated in Malaysia)

CDS Account No.	No. of shares held

I/We ____ Tel: ______________________
[Full name in block, NRIC/Passport/Company No.]

of ____

____

being shareholder(s) of **CAB Cakaran Corporation Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at **the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21 Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang** on **Friday, 24 March 2023** at **10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

ORDINARY BUSINESS	**Resolution**	**For**	**Against**
Re-election of Mr Chew Chee Khong	Resolution 1		
Re-election of Mr Lim Ghim Chai	Resolution 2		
Re-election of Mdm Wijanti Tjendera	Resolution 3		
Re-election of Datuk Sr Haji Zakaria Bin Haji Hashim	Resolution 4		
Re-election of Professor Dato' Dr Mohd Fakhrudin Bin Abdul Mukti	Resolution 5		
Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company	Resolution 6		
Approval of Directors' fees	Resolution 7		
Approval of Directors' benefits	Resolution 8		
SPECIAL BUSINESS			
Waiver of Pre-emptive Rights	Resolution 9		
Authority to issue and allot shares	Resolution 10		
Renewal of share buy-back authority	Resolution 11		
Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature	Resolution 12		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this .... day of ....

____
Signature*
Shareholder

** Manner of execution:*
(a) If you are an individual shareholder, please sign where indicated.
(b) If you are a corporate shareholder which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate shareholder which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:
1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 16 March 2023. Only a shareholder whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
2. *A shareholder entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a shareholder of the Company.*
3. *A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.*
4. *Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) (SICDA), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
6. *Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

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AFFIX
STAMP

The Secretaries

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
Suite A, Level 9, Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Malaysia

Then fold here

7. *The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.*
8. *The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website: http://tiih.online (applicable to individual shareholders only) before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging this proxy form is Wednesday, 22 March 2023 at 10.30 a.m.*
12. *Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:*
    a. *Identity card (NRIC) (Malaysian), or*
    b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
    c. *Passport (Foreigner).*
13. *For a corporate shareholder who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.*
14. *Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.*
15. *Members are advised to check the Company's website and announcements from time to time for any changes to the administration of the AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or others relevant authorities.*

CAB CAKARAN CORPORATION BERHAD
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