

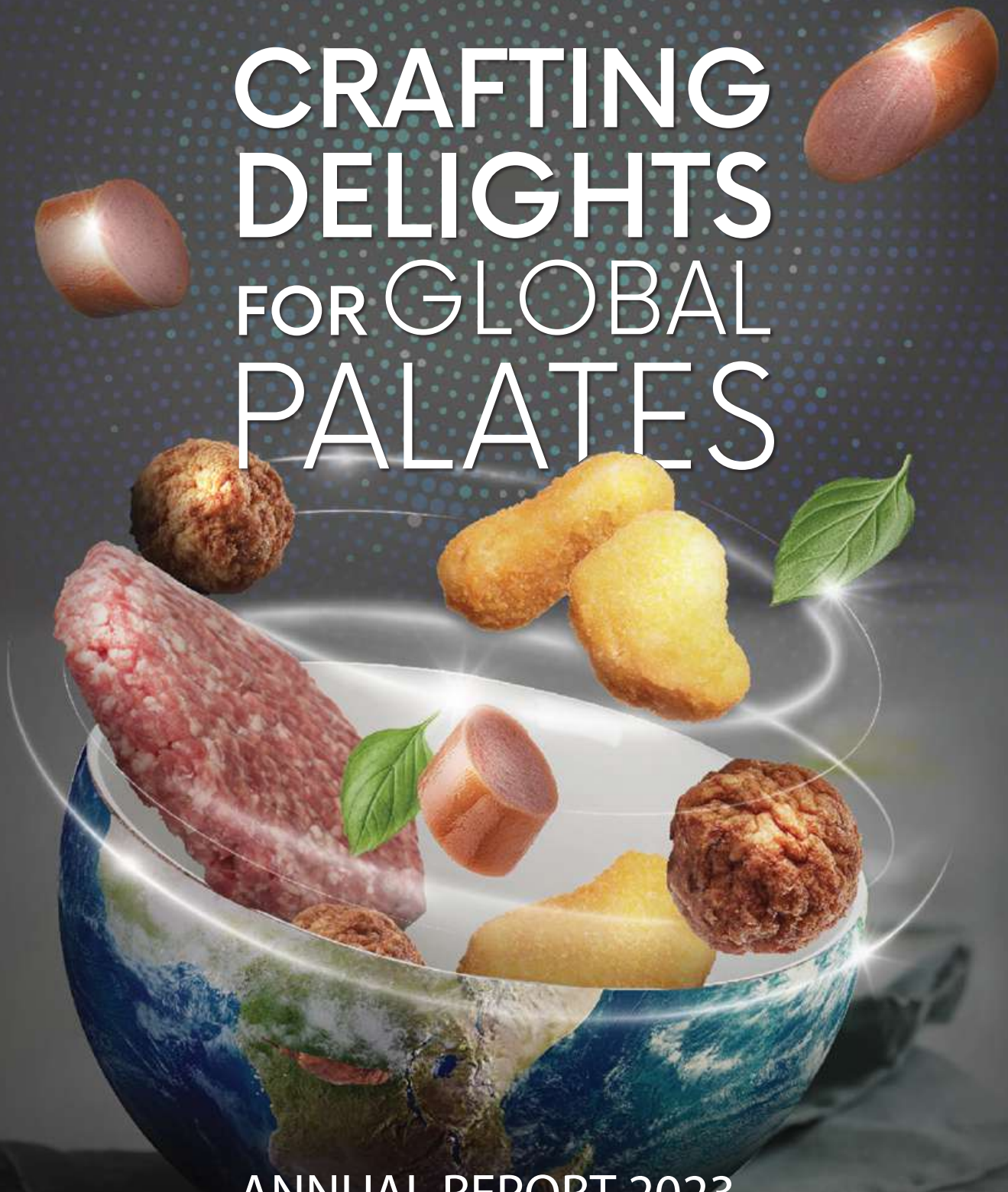


CAB CAKARAN CORPORATION BERHAD

(200201015998) (583661 W)

(Incorporated in Malaysia)

CRAFTING DELIGHTS FOR GLOBAL PALATES



ANNUAL REPORT 2023

CONTENTS

- 02** About Us, Our Vision, Our Mission and Our Core Values
- 03** Corporate Information
- 04** Corporate Structure as at 8 January 2024
- 05** Profile of Board of Directors
- 10** Profile of Key Senior Management
- 13** Management Discussion and Analysis
- 23** Sustainability Statement
- 39** Corporate Governance Overview Statement
- 57** Statement on Risk Management and Internal Control
- 61** Audit Committee Report
- 65** Additional Compliance Information
- 67** Financial Statements 2023
- 198** List of Top Ten (10) Properties
- 200** Analysis of Shareholdings
- 202** Analysis of Warrant Holdings
- 204** Notice of Annual General Meeting
- 211** Notice of Dividend Entitlement and Payment
- 212** Statement Accompanying Notice of Annual General Meeting
Enclosed Proxy Form



22ND ANNUAL GENERAL MEETING



25th March 2024 (Monday)



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



Please scan the QR code for
Annual Report 2023

ABOUT US



“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.



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

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***Datuk Sr. Haji Zakaria Bin Hashim***Independent Non-Executive Director***Lim Ghim Chai***Independent Non-Executive Director***Professor Dato' Dr. Mohd Fakhruddin Bin Abdul Mukti***Independent Non-Executive Director*

REGISTERED OFFICE

Suite A, Level 9
Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Telephone Number : 04-2296 318
Facsimile Number : 04-2282 118
Email Address :
tricolor.penang@my.tricorglobal.com

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
Telephone Number : 03-2783 9299
Facsimile Number : 03-2783 9222
Email Address :
is.enquiry@my.tricorglobal.com

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

DBS Bank Ltd.
Hong Leong Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia)
Berhad

AUDIT COMMITTEE

Chairman
Lim Ghim Chai

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

NOMINATION COMMITTEE

Chairman
Datuk Sr. Haji Zakaria Bin Hashim

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

REMUNERATION COMMITTEE

Chairman
Lim Ghim Chai

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

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman
Loo Choo Gee

Members
Datuk Sr. Haji Zakaria Bin Hashim
Lim Ghim Chai

HALAL COMMITTEE

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

Chairman
Haji Ahmad Fazil Bin Haji Hashim

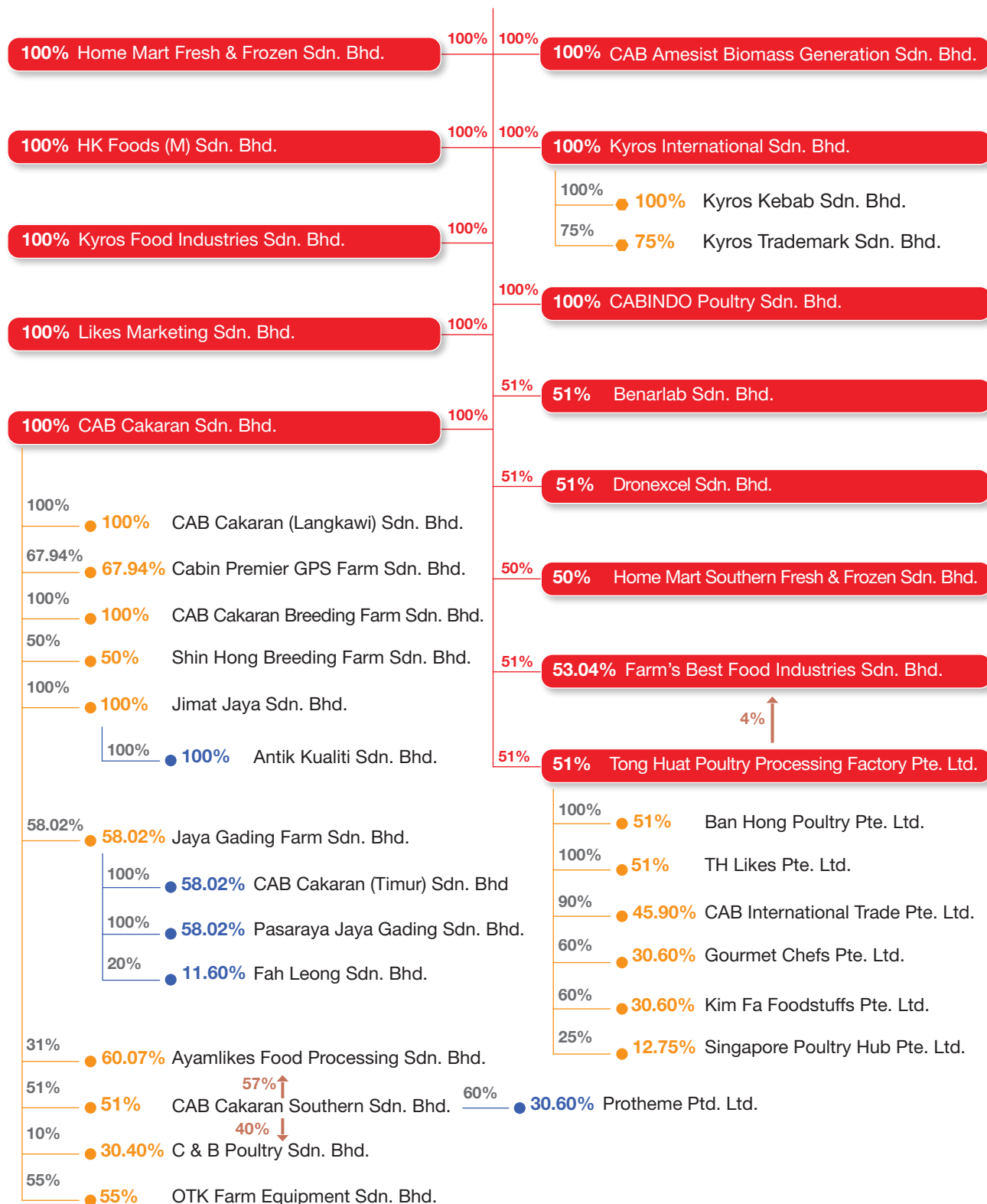
Members
Abdul Rahman Bin Din
Brigadier General Dato' Azizon Bin
Ariffin

CORPORATE STRUCTURE

AS AT 8 JANUARY 2024



CAB CAKARAN CORPORATION BERHAD



PROFILE OF BOARD OF DIRECTORS



CHUAH AH BEE

Executive Chairman

Board Meetings Attendance 5/5

AGED

73

GENDER

Male

NATIONALITY



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 5/5

AGED

45

GENDER

Male

NATIONALITY



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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)



CHEW CHEE KHONG

Executive Director

Board Meetings Attendance 5/5

AGED

67

GENDER

Male

NATIONALITY



LOO CHOO GEE

Executive Director

Board Meetings Attendance 5/5

AGED

60

GENDER

Male

NATIONALITY



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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)



WIJANTI TJENDERA

Non-Independent Non-Executive Director

Board Meetings Attendance 5/5

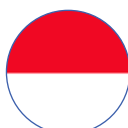
AGED

65

GENDER

Female

NATIONALITY



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 4/5

AGED

49

GENDER

Male

NATIONALITY



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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)



PROFESSOR DATO' DR. MOHD FAKHRUDIN BIN ABDUL MUKTI

Independent Non-Executive Director

Board Meetings Attendance 4/5

AGED

67

GENDER

Male

NATIONALITY



Professor Dato' Dr. Mohd Fakhruddin 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 UK (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 Committee 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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)



DATUK SR. HAJI ZAKARIA BIN HASHIM

Independent Non-Executive Director

Board Meetings Attendance 5/5

AGED

78

GENDER

Male

NATIONALITY



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 other Directors and/or Major Shareholders of the Company except Mr. Chuah Ah Bee is the husband of Madam Chan Kim Keow (Major Shareholder) and father of Mr. Chuah Hoon Phong. Mr. Chuah Hoon Phong is a child of Mr. Chuah Ah Bee and Madam 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 other than as disclosed in the notes to the financial statements.

(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

50

GENDER

Female

NATIONALITY



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

62

GENDER

Male

NATIONALITY



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 CAB Group's breeder farms and hatchery centers.

CHUAH HOON TENG

Director
(Breeding Farm Operation Division)

AGED

36

GENDER

Male

NATIONALITY



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

44

GENDER

Male

NATIONALITY



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.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

LEONG YOUK LEEN

*Managing Director
(East Coast Poultry and Supermarket Divisions)*

AGED

55

GENDER

Female

NATIONALITY



CHUAH HOON HONG

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

AGED

38

GENDER

Male

NATIONALITY



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.

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 in 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

49

GENDER

Male

NATIONALITY



GAN CHIN NAM

*General Manager
(Southern Poultry Division)*

AGED

59

GENDER

Male

NATIONALITY



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.

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 Group's Southern Region operations.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

ABDUL RAHMAN BIN DIN

*Senior Business Development Manager
(Poultry cum Business Development Division)*

AGED

42

GENDER

Male

NATIONALITY



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 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 of the Company do not have any conflict of interest with the Company other than as disclosed in the notes to the financial statements.

(3) Non-Conviction of Offences

All the Key Senior Management 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 2023 (“FY2023”).

This MD&A should be read in conjunction with the audited financial statements of the Group for FY2023 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, AyamLike's, Farm's Best, Segaria, Rasaria, Hennie's, Garing and Farm's Best Omega 3 Chicken. 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 thirteen (13) outlets with five (5) in Pahang, two (2) in Kelantan, four (4) in Kedah, one (1) in Penang and one (1) in Perak. 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 six (6) Kyros Kebab outlets operating in Malaysia.

The joint venture project with the Salim Group of Indonesia, after some years of delay due to the Covid-19 pandemic, will be going full swing in the coming year 2024. This will be an important market for the Group as its next growth engine. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

Financial Years Ended September 30	2019	2020	2021	2022	2023
Revenue (RM'000)	1,752,186	1,680,488	1,718,860	1,954,278	2,245,995
Earning/(loss) before interest and taxation (RM'000)	35,535	17,621	(13,264)	101,961	207,429
Profit/(loss) before taxation (RM'000)	14,791	(3,638)	(30,406)	85,614	189,308
Profit/(loss) after taxation (RM'000)	4,034	(11,131)	(36,273)	56,328	141,379
Net profit/(loss) attributable to equity holders (RM'000)	12,160	2,760	(20,188)	57,720	107,131
Total assets (RM'000)	1,319,633	1,378,843	1,333,574	1,423,958	1,537,765
Total borrowings (RM'000)	470,619	525,390	509,789	480,458	409,355
Shareholders' equity attributable to equity holders (RM'000)	453,870	460,360	440,536	504,207	612,736
Debt/Equity (%)	103.69%	114.13%	115.72%	95.29%	66.81%
Net assets per share (RM)	0.69	0.67	0.64	0.72	0.87
Basis earnings/(loss) per share (sen)	1.87	0.41	(2.93)	8.26	15.28
Diluted earnings per share (sen)	1.79	N/A	N/A	N/A	N/A*
Return on equity (%)	2.70%	0.60%	(4.48%)	12.22%	19.18%
Dividend per share (sen)	0.25	N/A	N/A	N/A	0.50

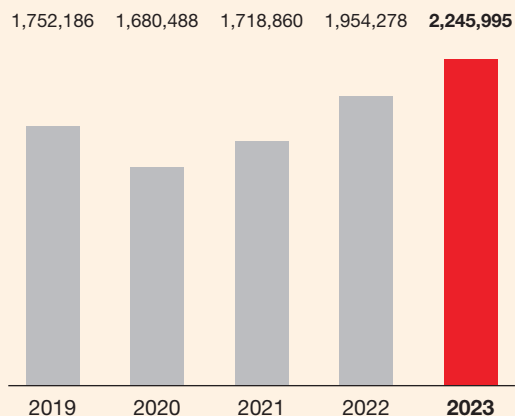
* The diluted earnings per ordinary share is not shown for the FY2023 as the effect of the conversion of share warrants to ordinary shares would be anti-dilutive.



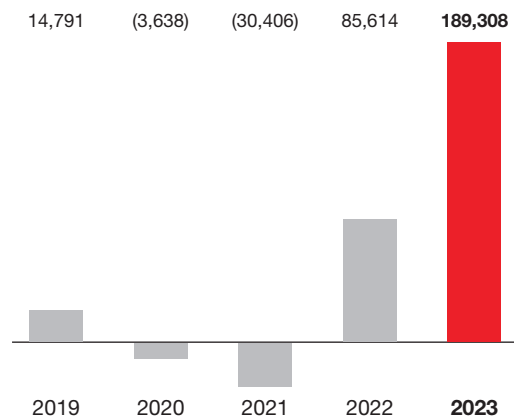
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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

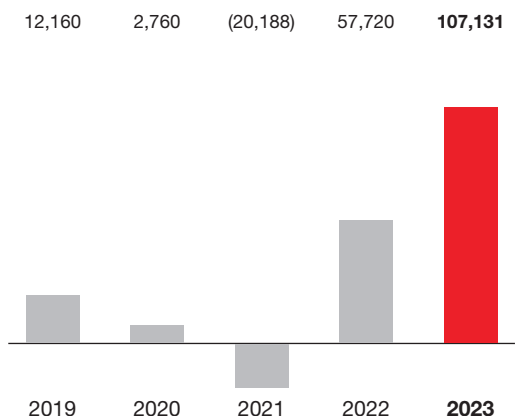
Revenue (RM'000)



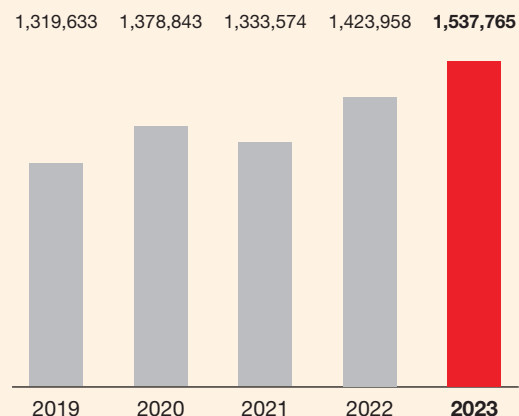
Profit/(Loss) Before Taxation (RM'000)



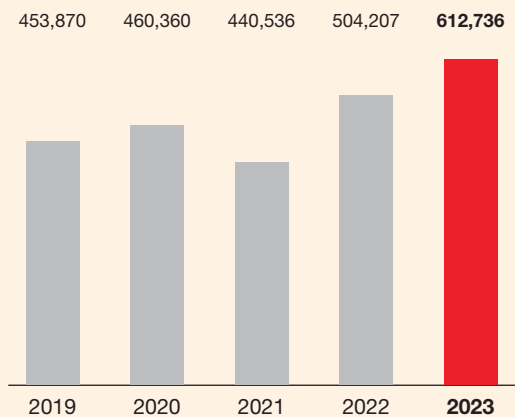
Net Profit/(Loss) Attributable To Equity Holders (RM'000)



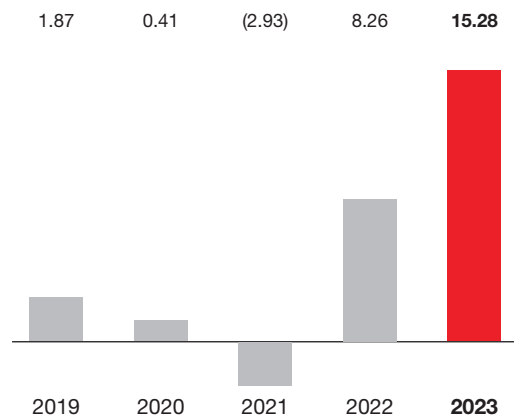
Total Assets (RM'000)



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



Basis Earnings/(Loss) Per Share (sen)



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 FY2023 as compared with the previous financial year 2022 ("FY2022"):

	FY2023 RM'000	FY2022 RM'000
Revenue	2,245,995	1,954,278
Cost of sales	1,983,381	1,778,705
Gross profit	262,614	175,573
Other income	75,235	44,242
Marketing and selling expenses	75,962	61,864
Profit/(loss) before tax	189,308	85,614
Tax expense	47,929	29,286
Profit/(loss) after tax	141,379	56,328
Deferred tax assets	104	4,475
Biological assets	115,021	108,450
Inventories	100,684	79,814
Trade and other receivables	248,657	202,083
Trade and other payables	268,218	238,979
Borrowings	409,355	480,458

Financial Highlights and Insights

During the financial year under review, the Group achieved a higher revenue of RM2.25 billion, an increase of 14.93% over the previous year's revenue of RM1.95 billion resulted mostly from the increased in sales of chicks, feeds, processed chicken, and further processed food products. The integrated poultry division continue to be the main contributor to the Group's revenue which represented approximately 93.60% of the Group's total revenue.

The recovery of the economy to pre-pandemic levels and inflationary pressures affecting food prices likely played a significant role in the revenue growth.

The Group's gross profit rose to RM262.61 million, an increase of 49.58% over the previous year's Group's gross profit of RM175.6 million as the results of increased in sales and higher selling prices for chick, processed chicken, and other processed food products.

Meanwhile, a higher subsidy for chicken received throughout the year has resulted in the increased in other income of the Group. During the financial under review, a total of RM55.99 million which was received as subsidy on chicken compared to RM25.86 million which was received during the FY2022. However, immediately with the removal of the retail ceiling price of chicken on 1 November 2023, the Government announced the end on its subsidy for chicken.

In tandem with the higher sales and increase in cost of distribution, the marketing and selling expenses of the Group increased by 22.79% to RM75.96 million in FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Highlights and Insights (Cont'd)

The Group's effective tax rate has decreased in FY2023 as compared to FY2022, even though the tax expenses rose to RM47.93 million in FY2023. This was mostly caused by the utilisation of the available tax credit of certain subsidiaries.

As a result, the Group registered a higher profit after tax of RM141.38 million for the FY2023, an increase of 150.99% as compared to RM56.33 million in FY2022. The basic earnings per share also increased from 8.26 sen to 15.28 sen in FY2023.

After fully utilised of certain tax credits by certain subsidiary companies, the deferred tax assets of the Group reduced from RM4.48 million to RM0.10 million in FY2023. The provision for deferred tax asset would only be allowed provided that there is the available of expected taxable profit in the near future for the utilisation of the tax credit.

The biological assets increased by RM6.57 million to RM115.02 million in FY2023 as compared to RM108.45 million in previous financial year end. The increase in fair value was attributed to the growth in the cost and quantity of biological assets held. Despite the decrease in feed prices, the decline in the estimated selling price of chicks and broilers have offset the increase in the fair value of biological assets.

The inventory levels in the Group increased by 26.15% to RM100.68 million in FY2023. This was driven by an increase in stock holding held by the Singapore subsidiary companies and an increase in stock of processed chicken, trading products and frozen foods. Other contributing factors included an increase in supermarket inventories primarily due to two new open outlets.

In tandem with the higher sales recorded during the financial year under review, the Group's trade and other receivables increased by 23.05% to RM248.66 million and its trade and other payables increased by 12.23% to RM268.22 million. Overall, the increase reflects the growth in sales and operational activities of the Group.

As of FY2023, the Group's total borrowings decreased to RM409.36 million from RM480.46 million recorded in the FY2022. This reduction in total borrowings was attributed to repayment of term loan and the reduction in utilization of working capital facilities during the FY2023.

GROUP BUSINESS OPERATIONS REVIEW

Integrated Poultry Division

The integrated poultry division as the core and largest business segment of the Group played a crucial role in driving both the increase in revenue and operating profit of the Group in FY2023. This division's performance contributed significantly to the Group's overall financial success.

This division recorded a segment revenue of RM2.13 billion in FY2023, representing an increase of about 16.29% over the prior year's revenue of RM1.83 billion. The higher revenue generated was largely due to the increase in the production and price of chicks as well as increase in the trading volume of feed and increase in sales of processed chicken and further processed products. The price of food stuff has shown a significant increase in Malaysia since 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 RM241.05 million in FY2023. This was attributed to the higher selling price of day-old chicks, processed chicken and further processed products coupled with financial support from Government's subsidies on chicken.

Although the Group managed to increase its revenue and recorded a higher profit, the Group will continue to face challenges such as the increase in the cost of production, outbreak of diseases, changes in weather condition and the on-going war in Ukraine and the latest Israeli-Hamas war in Gaza.

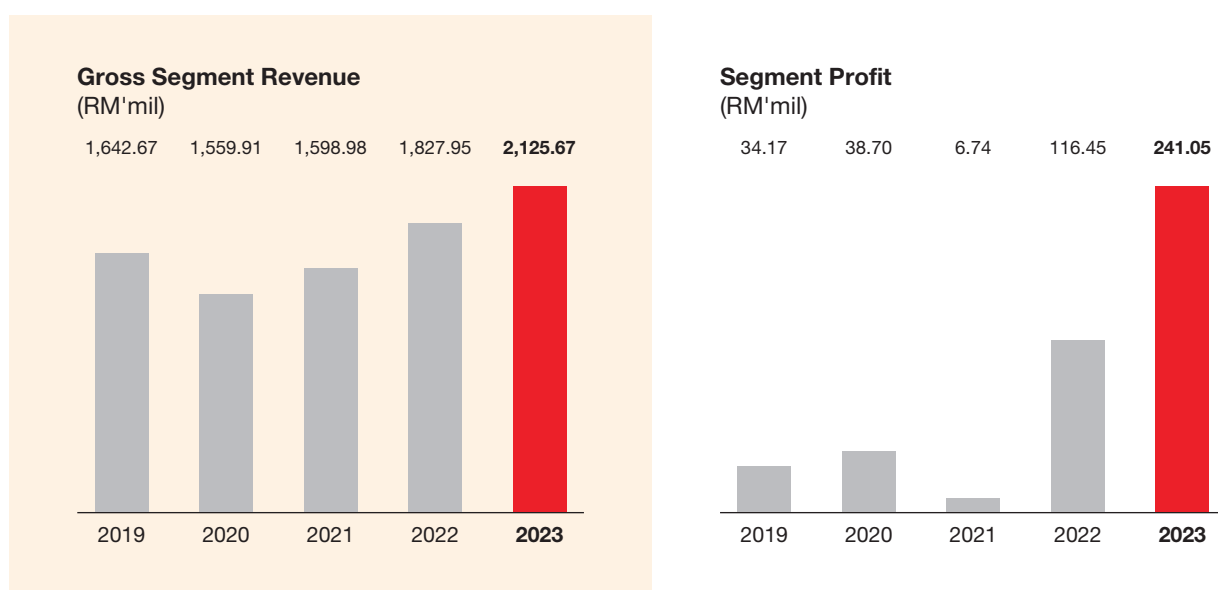
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Integrated Poultry Division (Cont'd)

HIGHLIGHTS OF THE GROUP'S INTEGRATED POULTRY DIVISION GROSS SEGMENT REVENUE AND PROFIT FOR THE PAST 5 FINANCIAL YEARS

	2019 (RM'mil)	2020 (RM'mil)	2021 (RM'mil)	2022 (RM'mil)	2023 (RM'mil)
Gross Segment Revenue	1,642.67	1,559.91	1,598.98	1,827.95	2,125.67
Segment Profit	34.17	38.70	6.74	116.45	241.05



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 RM46.49 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 a decrease in revenue of 2.59% to RM141.69 million in FY2023 as compared to RM145.45 million in FY2022 despite taken into account the sales from the two additional outlets opened during the financial year under review. This was primarily due to the decrease in revenue generated by all outlets in FY2023. In tandem with the lower revenue, and increased distribution costs, this division recorded a segment loss of RM0.02 million in FY2023 as compared with prior year's segment profit of RM2.22 million.

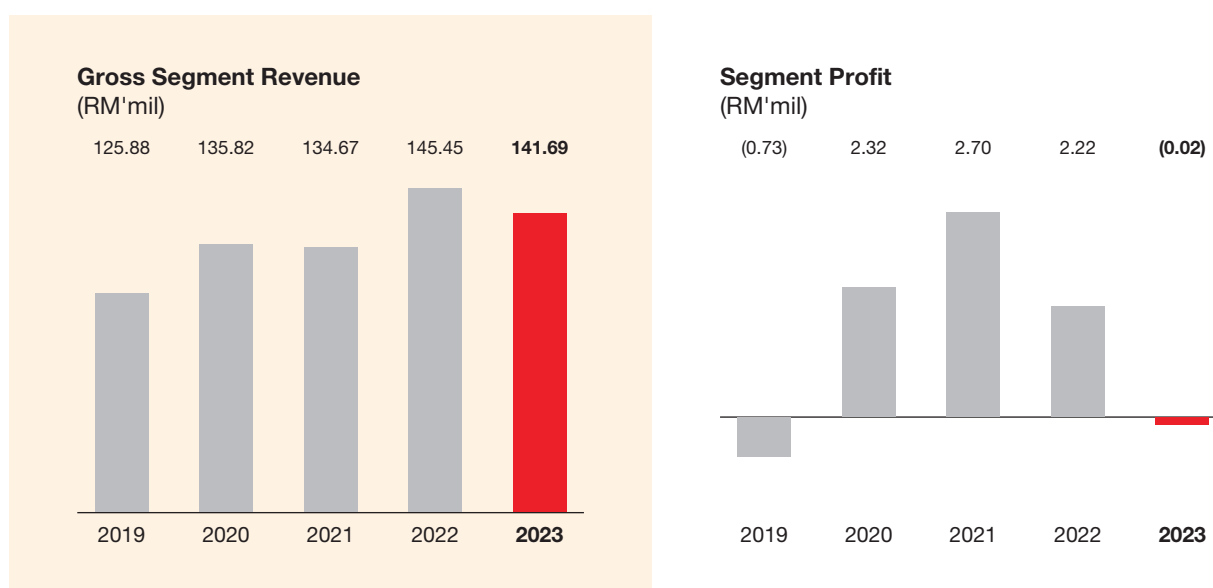
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Supermarket Division (Cont'd)

HIGHLIGHTS OF THE GROUP'S SUPERMARKET DIVISION GROSS SEGMENT REVENUE AND PROFIT FOR THE PAST 5 FINANCIAL YEARS

	2019 (RM'mil)	2020 (RM'mil)	2021 (RM'mil)	2022 (RM'mil)	2023 (RM'mil)
Gross Segment Revenue	125.88	135.82	134.67	145.45	141.69
Segment Profit/(Loss)	(0.73)	2.32	2.70	2.22	(0.02)



During the year under review, the Group opened two (2) new outlets in Kedah and Pahang. Moving forward, the Group is planning to open three (3) more outlets in FY2024.

Drone Division

The Group has diversified its business into the provision of drone related services for the oil palm sector in FY2022. This division contributed a revenue of RM0.54 million in FY2023 and recorded a loss from operation of RM0.72 million due to lower revenue. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

KEY BUSINESS RISK AND MITIGATION STRATEGIES (CONT'D)

• **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 in the domestic market, the government decided to ban the export of chicken resulting in drastic drop in the export volume in FY2022. With the recent lifting of the export ban, the Group will continue to explore for more export markets for its poultry products.

• **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. In addition to trying to export more of our products overseas, it is very likely that the joint venture with the Salim Group to kick off an integrated poultry business in Indonesia in the first half of 2024.

• **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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

KEY BUSINESS RISK AND MITIGATION STRATEGIES (CONT'D)

• 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.

AWARD

In the 10th Malaysian Livestock Industry Award 2023, the Group was the winner of the “Outstanding Meat Processor”. Our Group’s outstanding achievement reflects our dedication and remarkable contributions to the livestock industry.



DIVIDEND

After considering the following factors, the Board of Directors is pleased to recommend a final single-tier dividend of 0.5 sen per share for the financial year ended 30 September 2023 for the shareholders’ approval at the forthcoming 22nd Annual General Meeting:

- (i) The financial results of the Group for the financial year;
- (ii) The required and expected interest expenses, tax payment, cash flow, and retained earnings;
- (iii) The Group projected levels of capital expenditure and other investments plans, if any;
- (iv) The prevailing interest rate;
- (v) The debt / equity ratio of the Group; and
- (vi) Maintaining of adequate reserves for the further growth of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORWARD LOOKING STATEMENT

With the economic activities back to almost pre-pandemic level, the world is now grasping with a slower growth rate compounded with high inflationary pressure and high interest rate. The on-going war in Ukraine and the latest Israeli-Hamas war in Gaza are creating more uncertainties to the world supply chain.

Malaysia's GDP grew by 3.3% in third quarter of 2023 from a 2-year low of 2.9% in the previous period driven mainly by private consumption and government spending. For the full year of 2023, GDP growth is expected at 4.2%. The Malaysian economy is projected to grow by 4.7% in 2024. This optimistic outlook is underpinned by an expected resurgence in international trade, the 12th Malaysian Plan and the on-going recovery of China's economy. However, there could be downside risks such as the possibility of a US economic recession and escalating geopolitical conflicts.

The good news for the poultry industry is that the price of feed has been trending downward over the past few months which helped to ease the pressure on the high cost of production experienced previously. This has encouraged the production of more broilers resulting in adequate supply of chicken in the market. With the removal of subsidies and retail ceiling price for chicken, the poultry companies will have more flexibility to adjust the selling price based on supply and demand dynamics.

The current adequate supply of chicken in the market has resulted in lower selling price of broiler and this trend is expected to continue into the next financial year. However, with the price of feed trending downward as well, the management is confident of maintaining a reasonable profit margin.

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.

Premised on the above and barring any unforeseen circumstances, the Board is optimistic about the prospect of the Group over the next financial year.

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



SUSTAINABILITY STATEMENT

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 2023 (“FY2023”). This Statement reports on the sustainability practices and performance pertaining to the Group’s integrated poultry business in Malaysia and Singapore which significantly represents the revenue of the Group. This statement does not include the operations of 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:



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

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 STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

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:



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.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Sustainability Governance (Cont'd)

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 FY2023, 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.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Stakeholder Engagement (Cont'd)

The following table below summarises our key stakeholders, engagement methods, and key focus areas during FY2023.

Key Stakeholders	Engagement Methods	Frequency of Engagement	Key Focus Areas
Shareholders/ investors	Annual General Meeting	Annually	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Occupational health and safety working environment Employee, Engagement and Development Work-life balance and employee welfare Competitive compensation and benefit and remuneration packages
	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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Materiality Assessment

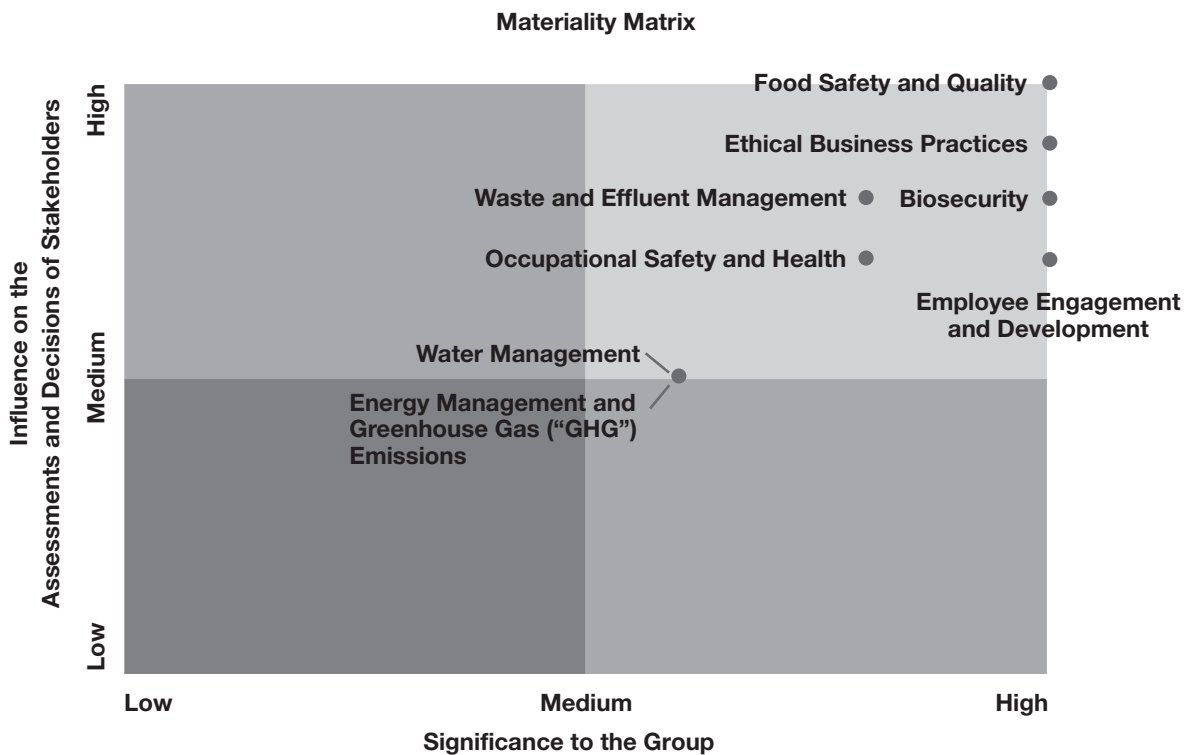
At CAB Group, we assess and determine the Group's MSMs via a materiality assessment process, which defines MSMs in accordance with the MMLR, whereby a material sustainability matter is one that:

- 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 FY2023, 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. There were no new MSM has been identified this year. CAB Group's MSMs are illustrated in its materiality matrix as follows:

MATERIAL SUSTAINABILITY MATTERS



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (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 applied to some of CAB Group's subsidiaries 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.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (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 Training;
- Food Packaging and Labelling;
- Food Safety and Hygiene;
- Food Safety Culture;
- Food Security;
- Food Fraud and Food Defence;
- Measurement Uncertainty in Calibration and Interpretation of Calibration Certificate;
- Adoption of Technologies for Pathogen Detection;
- Good Manufacturing Practice in Food Industry;
- Understanding the ISO Standard Internal Auditing;
- Key Changes in FSSC 22000; and
- ISO 9001:2015 Audit.

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.

	FY2022	FY2023
Recalled product cases	0	0
Major food safety and quality issues	0	0

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (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.

	FY2022	FY2023
Major disease outbreaks in CAB's poultry farms	0	0

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (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 1,507,305 m³ 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 FY2023, the Group received zero major non-compliance on wastewater treatment/ compound.

During the financial year under review, the Group generated an estimated amount of 798,919 m³ of wastewater, mainly from our chicken slaughtering plants.

During the financial year under review, there were no significant penalties levied by authorities (2022: 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.

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.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

2. Environmental (Cont'd)

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 FY2023, the Group continue applying the following approaches 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 approximately 62,498,222 kWh of electricity across its operations of which 1,834,859 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 FY2023, the Group has identified certain sites for installing the similar PV System to generate the renewable energy for own use. The projects would be completed and reported in the annual report FY2024.

In FY2023, the Group generated a total of 1,834,859 kWh of renewable energy from our solar panels.

Renewable Energy	FY2022	FY2023
Solar panels (kWh)	1,445,081	1,834,859

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.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

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 FY2023.

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 FY2023, 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.

Training on Anti-Corruption	FY2022		FY2023	
	Communication	Training	Communication	Training
Directors	100%	100%	100%	0
Key Senior Management (including Executive Directors)	100%	100%	100%	0
Managerial	100%	0	100%	0
Executive & Supervisory	100%	0	100%	0
Non-Executive	100%	0	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.

	FY2022	FY2023
Operations assessed for corruption-related risks	100%	100%

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

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.

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.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.2 Occupational Safety and Health (Cont'd)

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

	FY2022	FY2023
Total hours worked (hours)	7,292,656	7,345,104
Work-related fatalities (cases)	0	0
Total accidents reported/ resulted in lost workdays (cases)	17	30
Lost time injury frequency rate* (per million hours)	2.33	4.08
Lost day rate**	6.03	11.76

* 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.

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 Spill Control Training;
- First Aid Course;
- Occupational Safety And Health (Amendment) Act 2022;
- Hazard Identification, Risk Assessment And Risk Control;
- Emergency Response;
- Fire Safety Course;
- Safety Induction Training;
- OSH Performance Indicator; and
- Behavior Based Safe Driving Techniques For Truck Drivers.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

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	FY2023
Male		2,293 (73%)	2,874 (81%)
Female		867 (27%)	694 (19%)
Total		3,160 (100%)	3,568 (100%)

Number of employee by gender and nationality:		FY2022	FY2023
Male	Local	1,294 (56%)	1,129 (39%)
	Foreign	999 (44%)	1,745 (61%)
Female	Local	858 (99%)	680 (98%)
	Foreign	9 (1%)	14 (2%)

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.

The minimum salary threshold of all employees have 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 2023, the Group employed 1,759 foreign employees and we ensure that proper documentation and complete legal permits are in place together with the contract of employment.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

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.

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 Storage Training;
- Occupational Safety and Health Training;
- Chemical Safety Management & Emergency Spill Control;
- ISO Standard Requirements;
- Employment Act 1955 & Industrial Relation Act 1967 (Amendment 2022);
- Labour Act;
- Sales and Tax Related Trainings;
- Training or Webinar Related To The Operation Of The Group;
- Training Subject Of Halal Compliance; and
- Environmental Quality Act 1974 And Regulations.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.4 Employee Engagement and Development (Cont'd)

Training and Development (Cont'd)

During the FY2023, the total hours of training by employee is as below:

	FY2022	FY2023
Total hours of training	11,088	12,568
Average hours of training per employee	3.51	3.68

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 trainings in the Group's poultry breeder farming.

In FY2023, the Group sponsored the activities organised by Malaysian Veterinary Medical Association named as 22nd Federation of Aisan Veterinary Associations (FAVA) Congress 2023, "Kelab Sukan Dan Rekreasi Veterinar Pulau Pinang (KESUVEP)" and Veterinary Services Department of Kedah.

In addition, we also supported in terms of financially as well as in kind to Society of Families of Persons With Learning Difficulties, Schools, Universities in respect of Faculty of Veterinary Medicine and Kuantan Farmers Association.

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 FY2023.

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

	FY2022	FY2023
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 2023.

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 2023 (“FY2023”) 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
<ul style="list-style-type: none"> • Board responsibilities • Board composition • Remuneration 	<ul style="list-style-type: none"> • Audit Committee • Risk management and internal control 	<ul style="list-style-type: none"> • 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 FY2023, 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

- (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.

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, MCGG 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

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.

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 MCGG, 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 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

Board Charter (Cont'd)

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.

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. Five (5) Board Meetings were held during the financial year ended 30 September 2023. 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 appraisal 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 FY2023, 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 FY2023 were as follows:

Name of Directors	Date	Programmes
Chew Chee Khong	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Chuah Ah Bee	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Chuah Hoon Phong	22 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Loo Choo Gee	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Wijanti Tjendera	19 September 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Datuk Sr. Zakaria Bin Hashim	5-7 December 2022	Mandatory Accreditation Programme
	19 September 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Lim Ghim Chai	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti	5-7 December 2022	Mandatory Accreditation Programme
	17 August 2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

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 FY2023.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. Board Composition (Cont'd)

For the FY2023, 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. Chuah Ah Bee
2. Chuah Hoon Phong
3. Loo Choo Gee

Mr. Loo Choo Gee who retired pursuant to Clause 165 of the Company's Constitution has notified the Company that he does not wish to seek for re-election at the forthcoming AGM so that the Company can comply with the MCCG whereby at least half of the Board comprises independent directors.

In view of the foregoing, the Board and Senior Management hereby record their appreciation and gratitude to Mr. Loo Choo Gee for his valuable and long-serving contributions to the Board and to the Group as a whole.

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 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)	-	2 (Male)	1 (Male)
Foreigner	-	-	1 (Female)	-

The Group adopted a Gender Diversity Policy in the selection of new Board candidates and 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. Board Composition (Cont'd)

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.

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)	Chairman
Lim Ghim Chai (Independent Non-Executive Director)	Member
Professor Dato' Dr Mohd Fakhruddin Bin Abdul Mukti (Independent Non-Executive Director)	Member

The Nomination Committee held two (2) meetings during the financial year ended 30 September 2023. 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 2023

The Nomination Committee of Directors had carried out its activities in discharge of its duties for the FY2023 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 2023 (Cont'd)

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

(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; (Cont'd)

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 and 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.

(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 the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 2023 (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)

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 2023 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 FY2023, 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 assessed the character, experience, integrity and competency of the Group Finance Director;
- (5) reviewed and assessed the performance of Key Senior Management;
- (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;
- (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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. Board Composition (Cont'd)

Halal Committee

The Halal Committee of the Company currently comprises the following:

Name	Position
Professor Dato' Dr. Mohd Fakhruddin Bin Abdul Mukti (Independent Non-Executive Director)	Patron & Syariah Advisor
Haji Ahmad Fazil Bin Haji Hashim	Chairman
Encik 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.

3. Remuneration Committee

The Remuneration Committee of the Company comprises 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
Datuk Sr. Haji Zakaria Bin Hashim (Independent Non-Executive Director)	Member
Professor Dato' Dr. Mohd Fakhruddin Bin Abdul Mukti (Independent Non-Executive Director)	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 RC 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3. Remuneration Committee (Cont'd)

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 FY2023 ended 30 September 2023 are as follow:

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

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							
Datuk Sr. Haji Zakaria Bin Hashim	50	3	-	-	-	-	53
Lim Ghim Chai	54	3	-	-	-	Negligible	57
Professor Dato' Dr. Mohd Fakhrudin Bin Abdul Mukti	56	3	-	-	-	Negligible	59
Total ('000)	226	13	-	-	-	Negligible	239

The Group

Executive Directors

Chew Chee Khong	-	-	480	81	10	23	594
Chuah Ah Bee	146	-	1,419	201	10	68	1,844
Chuah Hoon Phong	146	-	963	132	15	135	1,391
Loo Choo Gee	-	-	405	54	9	57	525

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3. Remuneration Committee (Cont'd)

Aggregate remuneration of Directors categorised into appropriate components are as follows: (Cont'd)

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
Non-Executive Non-Independent Director							
Wijanti Tjendera	96	5	-	-	-	-	101
Independent Directors							
Datuk Sr. Haji Zakaria Bin Hashim	50	3	-	-	-	-	53
Lim Ghim Chai	54	3	-	-	-	Negligible	57
Professor Dato' Dr. Mohd Fakhruddin Bin Abdul Mukti	56	3	-	-	-	Negligible	59
Total ('000)	548	14	3,267	468	44	283	4,624

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 FY2023, 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.

The External Auditors of the Company attended three (3) meetings with the Audit Committee for the FY2023 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 MCGG, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

4. Audit Committee (Cont'd)

Appointment Criteria for External Auditors (Cont'd)

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 2023. 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 FY2023, 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.

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 comprise majority of Independent Directors as follows:

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

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 60 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.

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 60 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

6. 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.

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, Ms Koay Lay Ean 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.

7. 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 21st AGM were 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 2023.

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 has established the mechanisms 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, including the process of enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. 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; and
- (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 2023 was as follows:

Name	Position
Loo Choo Gee (Executive Director)	Chairman
Datuk Sr. Hj. Zakaria Bin Hashim (Independent Non-Executive Director)	Member
Lim Ghim Chai (Independent Non-Executive Director)	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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Enterprise Risk Management ("ERM") Framework (Cont'd)

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

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; and
- 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:

Disease Challenge and Bio-Security

Outbreak of avian influenza in the poultry industry causes devastating economic effects, arising from the need to extensively cull infected chicks. The Group puts in place programs to vaccinate chicks, as prescribed by the qualified veterinarians. When any particular farm has high mortality rate, proper post-mortem is performed to identify root causes. Last but not least, stringent bio-security measures are in force on several aspects such as restricted entry into breeder farms, compulsory shower and sanitization pre-entry into breeding area, washing of boots and tyres pre-vehicle entry into farms etc.

Anti-Bribery and Corruption

Corruption can lead to financial loss, damage to employee morale and corporate reputation as well as resources being diverted away from delivering core business. The Group has established and maintained policies and procedures on anti-corruption, as guided by the Guidelines on Adequate Procedures issued pursuant to the Malaysian Anti-Corruption Commission Act 2009 provisions. The policies and procedures are reviewed periodically, at least once every three years. Corruption risk is also included in annual risk assessment of the Group.

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, who was formerly a Senior Independent Non-Executive Director of CAB Cakaran Corporation Bhd. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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;
- (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.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 2023 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 2023.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee (“AC”) membership composition is as follows:-

Name	Position
Lim Ghim Chai (Independent Non-Executive Director)	Chairman
Datuk Sr. Hj. Zakaria Bin Hashim (Independent Non-Executive Director)	Member
Professor Dato’ Dr Mohd Fakhrudin Bin Abdul Mukti (Independent Non-Executive Director)	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 2023.

Details of attendance of each member at the Committee meetings during financial year 2023 were as follows:-

	No. of Meetings Attended
Lim Ghim Chai	4/5
Datuk Sr. Haji Zakaria Bin Hashim	5/5
Professor Dato’ Dr. Mohd Fakhrudin Bin Abdul Mukti	4/5

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 three (3) 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.

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.

AUDIT COMMITTEE REPORT (CONT'D)

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 2022 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 2022, 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 2022 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 2022, 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 2022.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

During the financial year under review, the AC carried out the following activities in the discharge of its functions and duties:- (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 2022, 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 2022, 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 2023, the external auditors, Grant Thornton Malaysia PLT briefed the AC on their audit plan for the financial year ended 30 September 2023, encompassing:

- Audit objective and scope;
- Audit process;
- Audit approach;
- Important enquiries to the members of Audit Committee;
- Identified risks and planned audit procedures;
- Other audit report on Group Reporting and review of information technology general controls relevant to the audit;
- Key audit matters;
- Other matters on pronouncement of Malaysian Financial Reporting Standards, Malaysian Code on Corporate Governance, change in overnight policy rate, international standard on quality management as well as Environment, Social and Governance ("ESG");
- Proposed audit timeline and reporting schedule; and
- Proposed audit fees.

The AC had three (3) private sessions with the external auditors in the absence of Management staff and executive Board members on 29 November 2022, 28 December 2022 and 29 August 2023. 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.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

During the financial year under review, the AC carried out the following activities in the discharge of its functions and duties:- (Cont'd)

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.

The AC reviewed the Circular to Shareholders in relation to –

- Proposed renewal of existing shareholders' mandate for recurrent related party transactions; and
- Proposed new shareholders' mandate for additional recurrent related party transactions.

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 2022 of CAB Cakaran Corporation Berhad.

F. Statement on Employees' Share Option Scheme ("ESOS")

There was no such scheme in place during the financial year ended 30 September 2023.

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 2023 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;
- In conjunction with Bursa Securities issuance of *Guidance on Conflict of Interest* (ICN 1/2023) dated 26 May 2023, Internal Audit has participated actively in the process to revise and modify the previous Conflict of Interest Policy as well as re-shuffle mechanisms related to data collection, identification and assessment of conflict of interest, resolving counteracting measures, reporting to AC etc.; 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 RM273,442.64.

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	363	45
Prior Year	3	-
Non-Audit Fees	19	3
Other Auditors	189	-

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

At the Extraordinary General Meeting of the Company held on 12 May 2023, the shareholders of the Company had approved the Bonus issue of up to 233,964,247 warrants on the basis of one (1) warrant for every three (3) existing ordinary shares of in the Company.

A total of 233,781,206 free warrants ("Warrants 2023/2028") were issued on 1 June 2023 and listed on the Main Market of Bursa Malaysia Securities Berhad on 7 June 2023 with a 5 years' exercise period from 1 June 2023 to 31 May 2028. Each warrant carries the entitlement to subscribe for one (1) new CAB Share at the exercise price of RM0.63 each for cash subject to adjustments in accordance with the provisions of the Deed Poll.

During the financial year ended 30 September 2023, no warrants were exercised and the balance of unexercised warrants is 233,781,206.

Saved as disclosed above, there were no options, warrants or convertible securities exercised during the financial year ended 30 September 2023.

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 Twenty-First Annual General Meeting held on 24 March 2023. 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 2024.

UTILISATION OF PROCEEDS

There were no funds raised by the Company through any corporate proposal during the financial year ended 30 September 2023.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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 Standards, International Financial Reporting Standards, 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 2023

- 68** Directors' Report
- 74** Independent Auditors' Report
- 78** Statements of Profit or Loss and Other Comprehensive Income
- 80** Statements of Financial Position
- 82** Statements of Changes in Equity
- 85** Statements of Cash Flows
- 89** Notes to the Financial Statements
- 197** Statement by Directors
- 197** Declaration by the Director Primarily Responsible for the Financial Management of the Company

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 2023.

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	<u>141,378,550</u>	<u>26,342,896</u>
Profit attributable to:		
Owners of the Company	107,130,652	26,342,896
Non-controlling interests	<u>34,247,898</u>	<u>-</u>
	<u>141,378,550</u>	<u>26,342,896</u>

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

Subsequent to 30 September 2023, the Company proposed a final single tier dividend of RM0.005 per ordinary share in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 September 2024.

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' REPORT (CONT'D)

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
Datuk Sr. Hj Zakaria Bin Hashim
Lim Ghim Chai
Loo Choo Gee
Prof Dato' Dr Mohd Fakhrudin Bin Abdul Mukti
Wijanti Tjendera

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:

Alex Tan Kuan Hon
Aman Tan Ho Peng
Chan Kim Keow
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
Randall Low Jun Hoe
Shafiqurrahman Bin Haji Shamsuddin
Sia Hui Chen
Tan Ah Baa @ Tan Chye Khoon
Tan Chee Hee
Tan Chin Tee
Tan Swee Seong
Tan Wen Lee
Toh Chye Lam
Toh Eng Say
Vincent Leong Weng Fai
Wan Azrain Bin Wan Adnan
Wan Noor Ashikin Binti Wan Azizan
Winston Yap Eng Chin

DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

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 (cont'd):

Yap Kim Gee	(appointed on 29 November 2022)
Yap Soon Chyuan	(appointed on 29 November 2022)
Lin Wai Jet	(appointed on 6 July 2023)
Maheran Binti Manan	(appointed on 1 November 2023)
Mohd. Johar Bin Jahaya	(appointed on 1 November 2023)
Abdul Rahman Bin Abdullah	(resigned on 1 November 2023)
Syed Yussof Bin Syed Othman	(resigned on 1 November 2023)

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 under Section 59 of the Companies Act, 2016, are as follows:

Shares in the Company	As at 1.10.2022	Number of ordinary shares		As at 30.9.2023
		Acquired	Disposed	
Direct interest:				
Chuah Ah Bee	197,832,079	200,000	-	198,032,079
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	209,500	(5,584,670)	5,201,000
Indirect interest:				
Chuah Ah Bee	137,259,684	10,000	-	137,269,684
Chuah Hoon Phong	170,312	-	-	170,312

Warrants in the Company	As at 1.10.2022	Number of Warrant over ordinary shares			As at 30.9.2023
		Entitled	Exercised	Disposed	
Direct interest:					
Chuah Ah Bee	-	65,944,026	-	(10,000,000)	55,944,026
Chuah Hoon Phong	-	4,781,353	-	-	4,781,353
Datuk Sr. Hj Zakaria Bin Hashim	-	333	-	-	333
Loo Choo Gee	-	2,192,056	-	(852,200)	1,339,856
Indirect interest:					
Chuah Ah Bee	-	45,756,559	-	-	45,756,559
Chuah Hoon Phong	-	56,770	-	-	56,770

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' REPORT (CONT'D)

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 2023 RM	The Company 2023 RM
Directors of the Company:		
Executive Directors:		
Fee	291,842	-
Contribution to employees provident fund	267,509	-
Other emoluments	3,750,467	-
Non-executive Directors:		
Fee	255,565	225,565
Contribution to employees provident fund	522	522
Other emoluments	14,300	13,300
Directors of subsidiaries:		
Executive Directors:		
Fee	315,080	-
Contribution to employees provident fund	428,279	-
Other emoluments	4,089,452	-
	<u>9,413,016</u>	<u>239,387</u>
Benefits-in-kind (based on estimated monetary value) (Note 41)	<u>138,319</u>	<u>-</u>

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 RM3,950,795 and RM31,769 respectively.

DIRECTORS' REPORT (CONT'D)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS (CONT'D)

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 RM200,000 and RM1,746 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

There were no changes on the issued and paid-up capital of the Company during the financial year.

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.

WARRANTS

At the Extraordinary General Meeting of the Company held on 12 May 2023, the shareholders of the Company had approved the bonus issue of up to 233,964,247 warrants on the basis of one warrant for every three existing ordinary shares in the Company.

A total of 233,781,206 free warrants were issued on 1 June 2023 and listed on the Main Market of Bursa Malaysia Securities Berhad on 7 June 2023 with a five years' exercise periods and each warrant carries the entitlement to subscribe for one new CAB Share at the exercise price of RM0.63 per warrant. The maturity date for the warrants is on the 31 May 2028. The salient features and terms of the Warrants are set out in Note 30 to the financial statements.

As at 30 September 2023 no warrants have been converted into shares and the number of outstanding unexercised warrants are 233,781,206.

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances: (Cont'd)

- (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.

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.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 44 to the financial statements.

AUDITORS

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

The amount of audit and other fees paid or payable to the Auditors by the Group and the Company for the financial year ended 31 December 2023 amounted to RM381,000 and RM47,500 respectively. Further details are disclosed in Note 11 to the financial statements.

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

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 2023

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 2023 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 78 to 196.

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 2023, 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 2023, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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 livestock held as biological assets of the Group was RM115,020,866. The fair value of livestock was subject to poultry fluctuation. In addition, there was a high volume of livestock held at year end. We have identified the valuation of livestock as a key audit matter because of the significant judgement and estimates involved in applying the valuation method on the livestock. 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 RM137,075,021 in investment in subsidiaries, which comprises 90% 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 adjusted net assets and value in use, using cash flow projections, covering a three to five years 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 adjusted net assets and 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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 2023

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	5	2,245,995,448	1,954,278,678	16,064,873	8,762,814
Cost of sales		(1,983,381,235)	(1,778,705,245)	-	-
Gross profit		262,614,213	175,573,433	16,064,873	8,762,814
Investment revenue	6	362,425	409,024	-	-
Other income		75,234,644	44,241,580	1,037	-
Marketing and selling expenses		(75,961,849)	(61,864,341)	-	-
Administrative expenses		(52,219,585)	(55,498,678)	(1,718,912)	(1,708,191)
Other expenses		(2,210,552)	(1,041,045)	-	(182,953)
Operating profit		207,819,296	101,819,973	14,346,998	6,871,670
Other gains and losses	7	2,104,339	5,791,552	12,236,227	(5,380,602)
Net remeasurement of expected credit loss		(2,449,603)	(1,984,107)	-	-
Share of result in an associate		14,672	4,960	-	-
Share of result in a joint venture		(59,978)	(3,671,702)	-	-
Profit before interest and taxation		207,428,726	101,960,676	26,583,225	1,491,068
Interest income	8	1,880,623	746,105	676,619	588,114
Finance costs	9	(20,001,423)	(17,093,202)	(765,817)	(1,153,232)
Profit before tax		189,307,926	85,613,579	26,494,027	925,950
Tax expense	10	(47,929,376)	(29,285,792)	(151,131)	(639,624)
Profit for the financial year	11	141,378,550	56,327,787	26,342,896	286,326
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		3,468,747	2,906,295	-	-
Other comprehensive income for the financial year, net of tax		3,468,747	2,906,295	-	-
Total comprehensive income for the financial year		144,847,297	59,234,082	26,342,896	286,326

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
Profit/(Loss) attributable to:					
Owners of the Company		107,130,652	57,719,803	26,342,896	286,326
Non-controlling interests		34,247,898	(1,392,016)	-	-
		<u>141,378,550</u>	<u>56,327,787</u>	<u>26,342,896</u>	<u>286,326</u>
Total comprehensive income attributable to:					
Owners of the Company		108,529,067	58,906,449	26,342,896	286,326
Non-controlling interests		36,318,230	327,633	-	-
		<u>144,847,297</u>	<u>59,234,082</u>	<u>26,342,896</u>	<u>286,326</u>
Earnings per share:					
Basic/Diluted (sen per share)	12	<u>15.28</u>	<u>8.26</u>		

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

STATEMENTS OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	13	658,119,788	661,658,039	1,603	3,295
Right-of-use assets	14	87,638,443	89,970,722	-	-
Investment properties	15	115,524,000	114,033,500	-	-
Bearer plants	16	571,131	526,899	-	-
Other intangible assets	17	7,268,690	9,392,302	-	-
Goodwill	18	6,218,940	6,218,940	-	-
Interest in subsidiaries	19	-	-	137,075,021	123,838,794
Investment in an associate	20	289,125	274,453	-	-
Investment in a joint venture	21	-	57,868	-	-
Other financial assets	22	1,609,308	374,619	-	-
Deferred tax assets	23	104,000	4,475,300	-	-
Total non-current assets		877,343,425	886,982,642	137,076,624	123,842,089
Current assets					
Biological assets	24	115,020,866	108,450,322	-	-
Inventories	25	100,684,220	79,814,121	-	-
Trade and other receivables	26	248,656,814	202,083,144	14,884,639	15,543,611
Other assets	27	21,491,801	20,496,841	1,000	1,000
Other financial assets	22	29,260	4,466,369	-	-
Current tax assets		2,218,109	1,788,405	-	-
Short-term deposits with licensed banks	28	76,640,917	43,350,481	-	-
Cash and bank balances	29	95,679,194	76,525,971	288,526	337,013
Total current assets		660,421,181	536,975,654	15,174,165	15,881,624
Total assets		1,537,764,606	1,423,958,296	152,250,789	139,723,713

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS OF 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Equity and liabilities					
Capital and reserves					
Share capital	30	145,979,553	145,979,553	145,979,553	145,979,553
Treasury shares		(69,304)	(69,304)	(69,304)	(69,304)
Reserves	31	4,180,480	2,782,065	-	-
Retained earnings/ (Accumulated losses)		462,645,401	355,514,749	4,834,494	(21,508,402)
Equity attributable to owners of the Company		612,736,130	504,207,063	150,744,743	124,401,847
Non-controlling interests	32	163,963,771	127,991,896	-	-
Total equity		776,699,901	632,198,959	150,744,743	124,401,847
Non-current liabilities					
Provisions	33	1,121,720	1,121,720	-	-
Borrowings	34	174,504,757	207,554,526	-	-
Lease liabilities	35	8,991,129	10,736,599	-	-
Deferred tax liabilities	23	58,742,914	47,630,283	-	-
Deferred revenue	36	145,150	173,354	-	-
Total non-current liabilities		243,505,670	267,216,482	-	-
Current liabilities					
Trade and other payables	37	268,218,149	238,979,437	1,464,921	15,309,366
Provisions	33	3,816,612	1,764,242	-	-
Borrowings	34	234,850,605	272,903,243	-	-
Lease liabilities	35	2,823,631	4,058,820	-	-
Deferred revenue	36	139,209	105,674	-	-
Current tax liabilities		7,710,829	6,731,439	41,125	12,500
Total current liabilities		517,559,035	524,542,855	1,506,046	15,321,866
Total liabilities		761,064,705	791,759,337	1,506,046	15,321,866
Total equity and liabilities		1,537,764,606	1,423,958,296	152,250,789	139,723,713

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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 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	32	-	-	-	-	-	-	(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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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 2022		145,979,553	(69,304)	2,700,125	81,940	355,514,749	504,207,063	127,991,896	632,198,959
Profit for the financial year		-	-	-	-	107,130,652	107,130,652	34,247,898	141,378,550
Other comprehensive income		-	-	1,398,415	-	-	1,398,415	2,070,332	3,468,747
Total comprehensive income for the financial year		-	-	1,398,415	-	107,130,652	108,529,067	36,318,230	144,847,297
Transactions with owners of the Company:									
Subscription of ordinary shares by non-controlling interests in a subsidiary		-	-	-	-	-	-	25	25
Dividend paid to non-controlling interests of subsidiaries	32	-	-	-	-	-	-	(346,380)	(346,380)
As at 30 September 2023		145,979,553	(69,304)	4,098,540	81,940	462,645,401	612,736,130	163,963,771	776,699,901

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Company	Note	Share capital RM	Treasury shares RM	(Accumulated losses)/ Retained earnings RM	Total RM
As at 1 October 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
<i>Transactions with owners of the Company:</i>					
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
Profit for the financial year		-	-	26,342,896	26,342,896
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		-	-	26,342,896	26,342,896
As at 30 September 2023		145,979,553	(69,304)	4,834,494	150,744,743

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		189,307,926	85,613,579	26,494,027	925,950
Depreciation and amortisation of non-current assets		56,265,646	50,976,775	1,692	2,878
Interest expense		18,781,716	15,801,192	765,817	1,153,232
Net fair value loss/(gain) on other financial asset		3,202,420	(2,968,607)	-	-
Net remeasurement for expected credit loss		2,449,603	1,984,107	-	-
Amortisation of intangible assets		1,401,616	1,179,961	-	-
Intangible assets written off		753,364	-	-	-
Bad debts written off		349,424	2,844,628	-	-
Impairment loss recognised on receivables		215,967	4,013,082	-	-
Property, plant and equipment written off		133,518	849,502	-	-
Deposit written off		95,268	103,912	-	-
Share of result in a joint venture		59,978	3,671,702	-	-
Inventories written off		20,375	-	-	-
Unrealised (gain)/loss on foreign exchange		(4,446,148)	2,427,160	-	-
(Gain)/Loss on disposal of property, plant and equipment		(2,046,759)	19,080	-	-
Interest income		(1,880,623)	(746,105)	(676,619)	(588,114)
Gain on fair value adjustment of investment properties		(1,136,300)	(3,184,300)	-	-
Gain on fair value adjustment of biological assets		(347,012)	(9,444,935)	-	-
Amortisation of deferred revenue on government grant		(164,868)	(121,355)	-	-
Reversal of impairment loss recognised on receivables		(51,658)	(278,901)	-	-
Gain on lease termination		(42,045)	(67,375)	-	-
Gain on forgiven lease payments		(41,425)	(110,547)	-	-
Reversal of inventories written down		(21,071)	(41,517)	-	-
Share of result in an associate		(14,672)	(4,960)	-	-
Gain on remeasurement of right-of-use assets		(6,387)	(242,938)	-	-
Realisation of deferred revenue on franchise fee income		(3,125)	(9,375)	-	-

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from operating activities (Cont'd)					
Gain for bargain purchase		-	(1,310,525)	-	-
Gross dividend income from available-for-sale investment		-	(6,001)	-	-
Bad debts recovered		-	(566)	-	-
Impairment loss recognised on investment in subsidiaries		-	-	11,055,971	13,807,891
Gross dividend received from subsidiaries		-	-	(15,700,000)	(8,400,000)
Reversal of impairment loss for investment in subsidiaries		-	-	(23,292,198)	(8,002,585)
Gain from waiver of debts		-	-	-	(424,704)
Operating profit/(loss) before changes in working capital		262,834,728	150,946,673	(1,351,310)	(1,525,452)
Movements in working capital:					
Increase in biological assets		(6,223,532)	(13,573,457)	-	-
Increase in inventories		(20,173,368)	(4,398,265)	-	-
Increase in trade and other receivables		(47,785,476)	(4,722,727)	-	-
Decrease/(Increase) in other assets		59,391	(4,393,961)	-	5,000
Increase/(Decrease) in trade and other payables		27,168,877	25,508,425	28,134	(26,698)
Increase in provisions		2,052,370	697,193	-	-
Increase in deferred revenue		158,144	97,272	-	-
Cash generated from/(used in) operations		218,091,134	150,161,153	(1,323,176)	(1,547,150)
Interest received		1,420,720	439,433	-	-
Taxes refunded		519,873	35,022	13,869	-
Taxes paid		(32,458,164)	(19,749,755)	(136,375)	(550,104)
Net cash from/(used in) operating activities		187,573,563	130,885,853	(1,445,682)	(2,097,254)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		8,891,444	552,672	-	-
Repayment from/(Advances granted to) a joint venture		783,115	(3,996,660)	-	-
Interest received		425,367	300,681	676,619	588,114
Payments for property, plant and equipment	38(b)	(40,791,187)	(24,690,454)	-	-
(Increase)/Decrease in other assets for acquisition of property, plant and equipment		(941,768)	788,018	-	-
Payments for investment properties	15	(354,200)	-	-	-
Payments for bearer plants	16	(44,232)	(228,758)	-	-
Payments for right-of-use assets	14	(30,727)	-	-	-
Net cash inflow on acquisition of a subsidiary	19	-	2,436,249	-	-
Dividend received		-	6,001	15,700,000	8,400,000
Payments for purchase of additional shares in subsidiaries		-	-	(1,000,000)	(2,918,000)
Repayment from/(Advances granted to) subsidiaries		-	-	658,972	(1,103,744)
Payments for acquisition of a subsidiary		-	-	-	(154,020)
Net cash (used in)/from investing activities		(32,062,188)	(24,832,251)	16,035,591	4,812,350

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

		The Group		The Company	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from financing activities					
Proceeds from long-term loans		4,366,330	10,593,832	-	-
Short-term deposits withdrawn/ (pledged) as securities		894,979	(278,812)	-	-
Advances granted from a joint venture		498,465	1,101,230	-	-
Advances granted from a director of a subsidiary		268,360	-	-	-
Proceeds from hire-purchase		155,000	-	-	-
Advances granted from non-controlling interests of a subsidiary		134,735	138,155	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling interests		25	347,980	-	-
Repayment of long-term loans		(40,158,066)	(37,148,265)	-	-
Repayment of short-term borrowings		(34,152,535)	(1,231,059)	-	-
Interest paid		(18,866,545)	(15,972,115)	(765,817)	(1,153,232)
Repayment of hire-purchase payables		(10,066,291)	(10,168,326)	-	-
Repayment of lease liabilities	38(c)	(4,195,677)	(3,484,817)	-	-
Dividend paid to non-controlling interests of subsidiaries		(346,380)	(347,306)	-	-
Repayment to a Director		(94,848)	-	-	-
Proceeds from issuance of ordinary shares pursuant to private placement		-	2,000,260	-	2,000,260
Repayment to subsidiaries		-	-	(13,872,579)	(3,389,043)
Net cash used in financing activities		(101,562,448)	(54,449,243)	(14,638,396)	(2,542,015)
Net increase/(decrease) in cash and cash equivalents		53,948,927	51,604,359	(48,487)	173,081
Cash and cash equivalents at beginning of financial year		107,677,099	54,978,534	337,013	163,932
Effects of exchange rates changes on the balances of cash held in foreign currencies		1,426,994	1,094,206	-	-
Cash and cash equivalents at end of financial year	38(a)	163,053,020	107,677,099	288,526	337,013

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

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

The financial statements of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the Directors on 28 December 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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

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 2022, 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 2022.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 Business Combinations - 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 Malaysia Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9 Financial Instruments	1 January 2022
- Amendments to MFRS 141 Agriculture	1 January 2022

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 16 Leases	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to 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 Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112 Income Taxes - International Tax Reform: Pillar Two Model Rules	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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

2.2 Standards, Amendments to MFRS and IC Interpretations Issued But Not Yet Effective (Cont'd)

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. (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 Disclosures of Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of exchangeability	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred, and yet to be announced

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 Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if and only if the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in Note 3 to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

Transactions with non-controlling interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment in subsidiaries

A subsidiary is an entity over which the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in an Associate and a Joint Venture (Cont'd)

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:

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair Value Measurement (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

(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.

(h) Interest income

Revenue is recognised as the interest income accrues, taking into account the effective yield on the assets.

(i) 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. Borrowings costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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 payable to, the tax authority is included as part of payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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 straight-line 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Tangible and Intangible Assets other than Goodwill (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Biological Assets (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions (Cont'd)

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

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred as the SPPI test and is performed at an instrument level. The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

(i) Financial assets at amortised cost (debts instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, refundable deposits, short-term deposits and cash and bank balances.

(ii) Financial assets at designated at FVOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statements when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Subsequent measurement (Cont'd)

(iii) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the Statements of Financial Position at fair value with net changes in fair value recognised in the profit or loss.

This category includes derivative instruments and equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on equity investments are also recognised as other income in the Income Statements when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 210 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ("FVTPL") or at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, borrowings and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(b) Financial Liabilities (Cont'd)

Subsequent measurement (Cont'd)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statements.

(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.

Derivative 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 derivative financial instruments during the financial year are recognised in profit or loss.

(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) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(e) Hedge Accounting (Cont'd)

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.

(f) 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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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)

(ii) Significant increase in credit risk (Cont'd)

- Stage 3 assets are financial assets that have objective evidence of impairment.

(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 2023. 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 2023 was RM6,218,940 (2022: RM6,218,940). Further details are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

5. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Major goods and services:				
Sale of goods	2,245,291,995	1,953,861,192	-	-
Drone spraying services	544,328	252,111	-	-
Rental of poultry farm	156,000	156,000	-	-
Franchise fee	3,125	9,375	-	-
Gross dividend income from subsidiaries	-	-	15,700,000	8,400,000
Management fee	-	-	340,000	340,600
Internal audit charges	-	-	24,873	22,214
	<u>2,245,995,448</u>	<u>1,954,278,678</u>	<u>16,064,873</u>	<u>8,762,814</u>
Timing of revenue recognition:				
At a point in time	2,245,451,120	1,954,026,567	16,064,873	8,762,814
Over time	544,328	252,111	-	-
	<u>2,245,995,448</u>	<u>1,954,278,678</u>	<u>16,064,873</u>	<u>8,762,814</u>

6. INVESTMENT REVENUE

	The Group	
	2023	2022
	RM	RM
Rental revenue from:		
Premises	362,425	379,023
Vegetable farm	-	24,000
Gross dividend income from available-for-sale investment	-	6,001
	<u>362,425</u>	<u>409,024</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unrealised gain/(loss) on foreign exchange	4,446,148	(2,427,160)	-	-
Gain/(Loss) on disposal of property, plant and equipment	2,046,759	(19,080)	-	-
Gain on fair value adjustment of investment properties (Note 15)	1,136,300	3,184,300	-	-
Gain on fair value adjustment of biological assets (Note 24)	347,012	9,444,935	-	-
Amortisation of deferred revenue on government grant	164,868	121,355	-	-
Reversal of impairment loss recognised on receivables (Note 26)	51,658	278,901	-	-
Gain on lease termination	42,045	67,375	-	-
Gain on forgiven lease payments	41,425	110,547	-	-
Reversal of inventories written down	21,071	41,517	-	-
Gain on remeasurement of right-of-use assets	6,387	242,938	-	-
Net fair value (loss)/gain on other financial asset	(3,202,420)	2,968,607	-	-
Amortisation of intangible assets (Note 17)	(1,401,616)	(1,179,961)	-	-
Intangible assets written off	(753,364)	-	-	-
Bad debts written off	(349,424)	(2,844,628)	-	-
Impairment loss recognised on receivables (Note 26)	(215,967)	(4,013,082)	-	-
Property, plant and equipment written off	(133,518)	(849,502)	-	-
Deposit written off	(95,268)	(103,912)	-	-
Realised loss on foreign exchange	(47,757)	(542,689)	-	-
Gain for bargain purchase (Note 19)	-	1,310,525	-	-
Bad debts recovered	-	566	-	-
Reversal of impairment loss for investment in subsidiaries	-	-	23,292,198	8,002,585
Impairment loss recognised on investment in subsidiaries	-	-	(11,055,971)	(13,807,891)
Gain from waiver of debts	-	-	-	424,704
	<u>2,104,339</u>	<u>5,791,552</u>	<u>12,236,227</u>	<u>(5,380,602)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

8. INTEREST INCOME

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income on:				
Bank balances	1,566,467	452,669	-	-
Short-term deposits	225,852	185,787	-	-
Trade receivables	88,304	107,649	-	-
Amount owing by subsidiaries	-	-	676,619	588,114
	<u>1,880,623</u>	<u>746,105</u>	<u>676,619</u>	<u>588,114</u>

9. FINANCE COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest expenses for financial liabilities not classified as fair value through profit or loss:				
Long-terms loans	9,711,681	8,797,677	-	-
Short-term borrowings	7,367,885	5,002,603	-	-
Hire-purchase	977,146	1,199,196	-	-
Lease liabilities	725,004	801,716	-	-
Amount owing to subsidiaries	-	-	765,817	1,153,232
Bank commission	1,049,087	1,182,334	-	-
Bank charges	170,620	109,676	-	-
Total finance costs	<u>20,001,423</u>	<u>17,093,202</u>	<u>765,817</u>	<u>1,153,232</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

10. TAX EXPENSE

Tax expense recognised in profit or loss

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Malaysia				
Estimated current tax payable:				
Current financial year	32,314,427	23,619,481	158,000	143,000
(Over)/Under provision in prior financial years	(594,130)	514,517	(6,869)	496,624
Deferred tax:				
Current financial year	15,708,638	5,597,632	-	-
Under/(Over) provision in prior financial years	69,800	(35,192)	-	-
	47,498,735	29,696,438	151,131	639,624
Foreign				
Estimated current tax payable:				
Current financial year	721,552	443,444	-	-
Under provision in prior financial years	10,755	75,731	-	-
Deferred tax:				
Current financial year	(301,666)	(977,325)	-	-
Under provision in prior financial years	-	47,504	-	-
	430,641	(410,646)	-	-
Total tax expense	47,929,376	29,285,792	151,131	639,624

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

10. TAX EXPENSE (CONT'D)

Tax expense recognised in profit or loss (Cont'd)

A reconciliation of tax expense applicable to profit 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit before tax	189,307,926	85,613,579	26,494,027	925,950
Tax credit calculated using the Malaysian income tax rate of 24%	45,434,000	20,547,000	6,359,000	222,000
Tax effects of:				
- different tax rate of subsidiaries operating in other jurisdiction	(87,000)	871,000	-	-
- expenses that are not deductible in determining taxable profit	10,076,951	10,063,232	504,000	2,039,000
- income not taxable in determining taxable profit	(5,163,000)	(3,944,000)	(6,705,000)	(2,118,000)
- change in the unrecognised deferred tax assets	2,918,000	5,292,000	-	-
- deferred real property gains tax on fair value adjustment of investment properties	94,000	4,215,000	-	-
- utilisation of unused tax credits not previously recognised	(4,840,000)	(9,241,000)	-	-
- share of result in an associate	(4,000)	(1,000)	-	-
- share of result in a joint venture	14,000	881,000	-	-
- (over)/under provision of tax payable in prior financial years	(583,375)	590,248	(6,869)	496,624
- under provision of deferred tax in prior financial years	69,800	12,312	-	-
Tax expense recognised in profit or loss	47,929,376	29,285,792	151,131	639,624

Taxation of other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

10. TAX EXPENSE (CONT'D)

As of 30 September 2023, 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	
	2023 RM	2022 RM
Unused tax losses:		
Disregarded in year of assessment 2029	14,656,000	41,880,000
Disregarded in year of assessment 2030	7,481,000	7,492,000
Disregarded in year of assessment 2031	17,190,000	19,489,000
Disregarded in year of assessment 2032	16,028,000	30,967,000
Disregarded in year of assessment 2033	6,771,000	11,108,000
Disregarded in year of assessment 2034	4,974,000	-
With no expiry period	3,038,000	9,040,000
Unused tax capital allowances	41,403,000	63,459,000
Unused allowance for increased export	1,155,000	1,155,000

11. PROFIT FOR THE FINANCIAL YEAR

Profit for the financial year has been arrived at:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
After charging:				
Provision for profit sharing	2,052,370	697,193	-	-
Auditors' remuneration:				
Grant Thornton Malaysia PLT:				
Statutory audit fee:				
Current year	362,500	330,000	45,000	38,000
Prior years	3,500	1,454	-	-
Non-audit fee	18,500	10,550	2,500	2,500
Other Auditors:				
Statutory audit fee:				
Current year	188,876	177,956	-	-
Inventories written off	20,375	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

11. PROFIT FOR THE FINANCIAL YEAR (CONT'D)

Employee benefits recognised as expenses during the financial year are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Contribution to employees provident fund	10,142,327	9,422,593	69,305	70,158
Other emoluments	168,585,358	146,021,928	888,442	839,119
	<u>178,727,685</u>	<u>155,444,521</u>	<u>957,747</u>	<u>909,277</u>

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 for the year are as follows:

	The Group	
	2023	2022
	RM	RM
Directors of the Company:		
Fee	547,407	387,511
Contribution to employees provident fund	268,031	255,014
Other emoluments	3,764,767	3,594,150
Directors of subsidiaries:		
Fee	315,080	304,349
Contribution to employees provident fund	428,279	353,783
Other emoluments	<u>4,089,452</u>	<u>3,519,887</u>
	<u>9,413,016</u>	<u>8,414,694</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

11. PROFIT FOR THE FINANCIAL YEAR (CONT'D)

Details of remuneration of Non-Executive Directors included in profit for the financial year are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors of the Company:				
Fee	255,565	270,000	225,565	240,000
Contribution to employees provident fund	522	1,086	522	1,086
Other emoluments	14,300	15,400	13,300	14,900
	<u>270,387</u>	<u>286,486</u>	<u>239,387</u>	<u>255,986</u>

12. EARNINGS PER SHARE

Basic earnings per share

The net profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	The Group	
	2023	2022
Profit for the financial year attributable to owners of the Company (RM)	107,130,652	57,719,803
Weighted average number of ordinary shares for the purpose of basic earnings per share	701,347,242	698,732,842
Basic earnings per share (sen)	<u>15.28</u>	<u>8.26</u>

Diluted earnings per share

The effect of the assumed exercised of the outstanding Warrants of 233,781,206 units (2022: Nil) to ordinary shares would be anti-dilutive due to the market price of the ordinary shares is currently lower than the exercise price.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost	Beginning of financial year RM	Additions RM	Disposals/ Write-off RM	Transfers RM	Effect of foreign currency exchange differences RM	End of financial year RM
2023:						
Freehold land	44,000,000	-	(5,370,303)	-	-	38,629,697
Freehold land and buildings	463,751,390	7,493,437	-	11,290,153	-	482,534,980
Buildings	79,168,992	345,641	(5,200,954)	1,037,149	259,505	75,610,333
Farm houses under hire purchase	2,800,000	-	-	-	-	2,800,000
Plant, machinery and equipment	223,098,378	11,779,657	(11,137,267)	10,847,781	1,100,759	235,689,308
Plant, machinery and equipment under hire purchase	26,867,184	7,506,638	-	(8,229,373)	-	26,144,449
Electrical installation	3,007,692	152,155	-	90,020	-	3,249,867
Office equipment	7,907,357	528,226	(30,178)	154,354	29,130	8,588,889
Office equipment under hire purchase	209,000	-	-	-	-	209,000
Furniture, fixtures and fittings	14,577,330	666,599	(3,037,854)	105,637	663,853	12,975,565
Motor vehicles	46,097,506	1,935,008	(3,915,966)	5,724,921	598,536	50,440,005
Motor vehicles under hire purchase	14,110,173	2,446,582	-	(5,695,021)	147,210	11,008,944
Renovation	13,449,460	482,714	(46,630)	186,368	353,706	14,425,618
Renovation under hire purchase	114,863	-	-	-	-	114,863
Supermarket equipment	6,945,194	446,858	-	181,011	-	7,573,063
Supermarket equipment under hire purchase	34,640	-	-	272,508	-	307,148
Warehouse	97,590	-	-	-	-	97,590
Workshop	58,000	-	-	-	-	58,000
Construction-in-progress	35,070,184	16,453,259	-	(15,646,533)	-	35,876,910
Construction-in-progress under hire purchase	318,975	890,000	-	(318,975)	-	890,000
	981,683,908	51,126,774	(28,739,152)	-	3,152,699	1,007,224,229

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023:						
Freehold land	-	-	-	-	-	-
Freehold land and buildings	66,627,861	15,237,904	-	-	-	81,865,765
Buildings	22,010,950	3,656,201	(5,200,920)	-	259,503	20,725,734
Farm houses under hire purchase	980,000	280,000	-	-	-	1,260,000
Plant, machinery and equipment	149,745,960	18,379,426	(10,601,707)	3,837,354	608,074	161,969,107
Plant, machinery and equipment under hire purchase	8,106,472	2,354,632	-	(3,837,354)	-	6,623,750
Electrical installation	2,291,679	219,871	-	-	-	2,511,550
Office equipment	6,429,798	463,717	(29,508)	-	27,698	6,891,705
Office equipment under hire purchase	69,667	20,900	-	-	-	90,567
Furniture, fixtures and fittings	8,051,320	1,447,871	(3,023,416)	(24,275)	313,363	6,764,863
Motor vehicles	37,380,899	3,003,456	(2,858,801)	3,347,326	370,249	41,243,129
Motor vehicles under hire purchase	5,023,682	1,865,760	-	(3,347,326)	39,607	3,581,723
Renovation	5,783,475	1,737,957	(46,597)	-	100,486	7,575,321
Renovation under hire purchase	20,100	5,743	-	-	-	25,843
Supermarket equipment	5,317,387	429,414	-	41,595	-	5,788,396
Supermarket equipment under hire purchase	15,588	14,725	-	(17,320)	-	12,993
Warehouse	90,969	1,224	-	-	-	92,193
Workshop	9,860	1,740	-	-	-	11,600
Construction-in-progress	-	-	-	-	-	-
Construction-in-progress under hire purchase	-	-	-	-	-	-
	317,955,667	49,120,541	(21,760,949)	-	1,718,980	347,034,239

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023:				
Plant, machinery and equipment	2,061,660	-	-	2,061,660
Office equipment	5,768	-	-	5,768
Furniture, fixtures and fittings	2,774	-	-	2,774
	<u>2,070,202</u>	<u>-</u>	<u>-</u>	<u>2,070,202</u>
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
	<u>2,079,800</u>	<u>-</u>	<u>(9,598)</u>	<u>2,070,202</u>

The Company

Cost	Beginning of financial year RM	Additions RM	Disposal/ Write-off RM	End of financial year RM
2023:				
Office equipment	<u>18,472</u>	<u>-</u>	<u>-</u>	<u>18,472</u>
2022:				
Office equipment	<u>18,472</u>	<u>-</u>	<u>-</u>	<u>18,472</u>
Accumulated depreciation	Beginning of financial year RM	Charge for the financial year RM	Disposal/ Write-off RM	End of financial year RM
2023:				
Office equipment	<u>15,177</u>	<u>1,692</u>	<u>-</u>	<u>16,869</u>
2022:				
Office equipment	<u>12,299</u>	<u>2,878</u>	<u>-</u>	<u>15,177</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net book value:				
Freehold land	38,629,697	44,000,000	-	-
Freehold land and buildings	400,669,215	397,123,529	-	-
Buildings	54,884,599	57,158,042	-	-
Farm houses under hire purchase	1,540,000	1,820,000	-	-
Plant, machinery and equipment	71,658,541	71,290,758	-	-
Plant, machinery and equipment under hire purchase	19,520,699	18,760,712	-	-
Electrical installation	738,317	716,013	-	-
Electrical installation under hire purchase	-	-	-	-
Office equipment	1,691,416	1,471,791	1,603	3,295
Office equipment under hire purchase	118,433	139,333	-	-
Furniture, fixtures and fittings	6,207,928	6,523,236	-	-
Motor vehicles	9,196,876	8,716,607	-	-
Motor vehicles under hire purchase	7,427,221	9,086,491	-	-
Renovation	6,850,297	7,665,985	-	-
Renovation under hire purchase	89,020	94,763	-	-
Supermarket equipment	1,784,667	1,627,807	-	-
Supermarket equipment under hire purchase	294,155	19,052	-	-
Warehouse	5,397	6,621	-	-
Workshop	46,400	48,140	-	-
Construction-in-progress	35,876,910	35,070,184	-	-
Construction-in-progress under hire purchase	890,000	318,975	-	-
	<u>658,119,788</u>	<u>661,658,039</u>	<u>1,603</u>	<u>3,295</u>

As of 30 September 2023, certain property, plant and equipment of the Group with a total carrying value of RM429,740,567 (2022: RM417,013,305) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023:									
Buildings	60,006,377	281,144	-	71,770	(44,685)	-	(3,965,093)	3,589,149	59,938,662
Prepaid lease payments on leasehold land	17,213,499	-	-	-	-	-	(589,755)	-	16,623,744
Lands and buildings	9,163,568	234,976	-	1,427	(352,044)	-	(1,223,967)	-	7,823,960
Lands	2,186,547	-	-	-	-	-	(280,873)	93,758	1,999,432
Market stalls	1,206,945	845,451	-	-	-	-	(946,170)	72,225	1,178,451
Outlets	147,837	-	-	-	-	-	(126,718)	-	21,119
Office equipment	45,949	16,709	-	-	-	-	(12,529)	2,946	53,075
	<u>89,970,722</u>	<u>1,378,280</u>	<u>-</u>	<u>73,197</u>	<u>(396,729)</u>	<u>-</u>	<u>(7,145,105)</u>	<u>3,758,078</u>	<u>87,638,443</u>
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
	<u>85,684,805</u>	<u>6,366,957</u>	<u>176,349</u>	<u>1,092,482</u>	<u>(650,478)</u>	<u>159,585</u>	<u>(5,900,697)</u>	<u>3,041,719</u>	<u>89,970,722</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022
	RM	RM
Future lease payment included in lease liabilities	1,347,553	6,346,957
Cash payments	30,727	-
Accrued expenses	-	20,000
Addition of right-of-use assets	1,378,280	6,366,957

As of 30 September 2023, certain right-of-use assets of the Group with a total carrying value of RM71,264,409 (2022: RM70,312,198) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 34.

15. INVESTMENT PROPERTIES

	The Group	
	2023	2022
	RM	RM
At fair value:		
At beginning of financial year	114,033,500	110,849,200
Additions during the year	354,200	-
Gain on fair value adjustment at end of financial year (Note 7)	1,136,300	3,184,300
At end of financial year	115,524,000	114,033,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

15. INVESTMENT PROPERTIES (CONT'D)

The investment properties are as follows:

	The Group	
	2023	2022
	RM	RM
Freehold land	58,308,000	58,005,000
Freehold land and buildings	55,776,000	54,578,500
Long leasehold land and buildings	1,080,000	1,090,000
Short leasehold land	360,000	360,000
	<u>115,524,000</u>	<u>114,033,500</u>
Vacant	61,194,000	62,875,000
Leased out under operating lease	54,330,000	51,158,500
	<u>115,524,000</u>	<u>114,033,500</u>

The fair values of certain buildings included under investment properties of the Group as of 30 September 2023 with a total carrying value of RM6,000 (2022: RM15,500) 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 2023 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.

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 RM366 per square meter (2022: RM347 per square meter) for a farm house and worker quarter, RM275 per square meter to RM653 per square meter (2022: 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% (2022: 15% to 99%) after taking into consideration the building condition and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

15. INVESTMENT PROPERTIES (CONT'D)

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
2023				
Freehold land	-	58,308,000	-	58,308,000
Freehold land and buildings	-	6,770,000	49,006,000	55,776,000
Long leasehold land and buildings	-	-	1,080,000	1,080,000
Short leasehold land	-	-	360,000	360,000
	-	65,078,000	50,446,000	115,524,000
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

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 RM518,425 (2022: RM559,023). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2023 RM	2022 RM
Leased out under operating lease	62,862	70,812
Vacant	30,132	14,214
	92,994	85,026

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

15. INVESTMENT PROPERTIES (CONT'D)

The operating lease payments to be received are as follows:

	The Group	
	2023	2022
	RM	RM
Less than 1 year	353,805	413,933
Between 1 and 5 years	24,000	273,805
Total undiscounted lease payments	377,805	687,738

As of 30 September 2023, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 23, 76 and 870 years (2022: 24, 77 and 871 years).

As of 30 September 2023, certain investment properties of the Group with a total carrying value of RM58,803,000 (2022: RM90,359,000) 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	
	2023	2022
	RM	RM
Cost		
At beginning of financial year	526,899	298,141
Additions during the year	44,232	228,758
At end of financial year	571,131	526,899

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

17. OTHER INTANGIBLE ASSETS

The Group

Cost	Beginning of financial year RM	Additions RM	Write-off RM	Effect of foreign currency exchange differences RM	End of financial year RM
2023:					
Distribution network	13,183,956	-	-	-	13,183,956
Technical services agreement	1,921,569	-	-	-	1,921,569
Customer lists	1,780,075	-	(1,844,975)	64,900	-
	<u>16,885,600</u>	<u>-</u>	<u>(1,844,975)</u>	<u>64,900</u>	<u>15,105,525</u>
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
	<u>14,876,306</u>	<u>1,921,569</u>	<u>-</u>	<u>87,725</u>	<u>16,885,600</u>
Accumulated amortisation	Beginning of financial year RM	Amortisation during the year (Note 7) RM	Write-off RM	Effect of foreign currency exchange differences RM	End of financial year RM
2023:					
Distribution network	6,445,487	878,930	-	-	7,324,417
Technical services agreement	128,105	384,313	-	-	512,418
Customer lists	919,706	138,373	(1,091,611)	33,532	-
	<u>7,493,298</u>	<u>1,401,616</u>	<u>(1,091,611)</u>	<u>33,532</u>	<u>7,836,835</u>
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
	<u>6,271,704</u>	<u>1,179,961</u>	<u>-</u>	<u>41,633</u>	<u>7,493,298</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

17. OTHER INTANGIBLE ASSETS (CONT'D)

	The Group	
	2023	2022
	RM	RM
Net book value:		
Distribution network	5,859,539	6,738,469
Technical services agreement	1,409,151	1,793,464
Customer lists	-	860,369
	<u>7,268,690</u>	<u>9,392,302</u>

18. GOODWILL

	The Group	
	2023	2022
	RM	RM

At beginning and at end of financial year	<u>6,218,940</u>	<u>6,218,940</u>
---	------------------	------------------

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	
	2023	2022
	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.	<u>1,670,128</u>	<u>1,670,128</u>
	<u>6,218,940</u>	<u>6,218,940</u>

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 (2022: 3 to 5 years) with an estimated growth rates range between 0% to 4% (2022: 0% to 7%) and a weighted average cost of capital of 8.26% and 9.04% (2022: 5.43% and 13.50%).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

19. INTEREST IN SUBSIDIARIES

The subsidiaries are as follows:

Direct subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership		Principal activities
		2023	2022	
Benarlab Sdn. Bhd.	Malaysia	51%	51%	Wholesaler of poultry feed, 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%	51%	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%	Supplier of slaughtered poultry and frozen poultry products, providers of other related services and investment holding.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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		Principal activities
		2023	2022	
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%	60.07%	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%	Importer of frozen poultry and meat products.
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 and trading in 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.
Kyros Kebab Sdn. Bhd.	Malaysia	100%	100%	Fast food restaurants operators and trading.
Kyros Trademark Sdn. Bhd.#	Malaysia	75%	N/A	Dormant.
OTK Farm Equipment Sdn. Bhd.	Malaysia	55%	55%	Manufacturers and trading of farm equipment and poultry feeds.
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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

19. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows (Cont'd):

* The financial statements of these subsidiaries were audited by auditors other than Grant Thornton Malaysia PLT.

The financial statements of this subsidiary were not available as it was just incorporated on 6 July 2023.

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	
	2023	2022
	RM	RM
Unquoted shares, at cost	189,800,482	188,800,482
Less: Impairment losses	(52,725,461)	(64,961,688)
	<u>137,075,021</u>	<u>123,838,794</u>

Movements of the allowance for impairment losses on interest in subsidiaries are as follow:

	The Company	
	2023	2022
	RM	RM
At beginning of financial year	64,961,688	59,156,382
Impairment loss recognised during financial year	11,055,971	13,807,891
Reversal of impairment loss for investment in subsidiaries	(23,292,198)	(8,002,585)
At end of financial year	<u>52,725,461</u>	<u>64,961,688</u>

During the current financial year, an impairment loss of RM 11,055,971 (2022: RM13,807,891) was recognised as the recoverable amounts of certain investments in subsidiary companies are assessed to be lower than their carrying amount. The recoverable amounts were determined based on fair value less costs of disposal and value in use of these subsidiary companies.

Fair value less costs of disposal

The fair value less costs of disposal of the assets and liabilities is determined based on the adjusted net assets of these subsidiary companies.

The fair value measurement for the fair value less costs of disposal is categorised as a Level 3 fair value based on the management best estimates.

Description of valuation technique and input used	Significant unobservable assets and liabilities	Relationship between significant unobservable inputs and fair value measurements
Adjusted net asset method which derives the fair value of the assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

19. INTEREST IN SUBSIDIARIES (CONT'D)

Value in use

The impairment assessment involve comparison of its carrying amount against its recoverable amount which was determined based on the value in use calculation.

Sensitivity analysis has been performed around the base assumptions with the conclusions that no reasonably changes in key assumptions would cause the recoverable amount to be less than carrying amount. Based on the sensitivity analysis performed, if the weighted average cost of capital decreased by 1% (2022: 1%), its recoverable amount will be more than its carrying amount. The cash flow forecasts are based discounted net cash projections based on financial budgets approved by management covering a period of 3 to 5 years (2022: 3 to 5 years) are disclosed in Note 18 to the financial statements.

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 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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

19. INTEREST IN SUBSIDIARIES (CONT'D)

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)
	<u>(2,436,249)</u>

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	<u>2,043,122</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

19. INTEREST IN SUBSIDIARIES (CONT'D)

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.

On 6 July 2023, the wholly-owned subsidiary, Kyros International Sdn. Bhd. has incorporated a new subsidiary Company, Kyros Trademark Sdn. Bhd. in Malaysia. The initial issued share capital of Kyros Trademark Sdn. Bhd. was RM100 divided into 100 ordinary shares. Kyros International Sdn. Bhd. subscribed for the 75 ordinary shares by way of cash. Consequently, Kyros Trademark Sdn. Bhd. became a 75% owned subsidiary of the Group.

On 24 August 2023, the wholly-owned subsidiary, CAB Marine Resources Sdn. Bhd. has submitted application to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the Companies Act 2016.

On 30 August 2023, the wholly-owned subsidiary, Home Mart Fresh & Frozen Sdn. Bhd. increased its issued share capital from RM4,000,000 to RM5,000,000 by issuance of 1,000,000 new ordinary shares. The Company subscribed for the entire additional shares by way of cash. Accordingly, the Company's equity interest in Home Mart Fresh & Frozen Sdn. Bhd. remains unchanged.

On 1 September 2023, Jimat Jaya Sdn. Bhd., a wholly-owned subsidiary of the Group increased its issued share capital from RM20,000,000 to RM26,500,000 by issuance of 6,500,000 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 RM6,500,000 into equity shares. Accordingly, the Group's equity interest in Jimat Jaya Sdn. Bhd. remains unchanged.

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	
	2023	2022
Integrated poultry	11	11
Operator of fast food restaurants	2	2
Supermarket	1	1
	<u>14</u>	<u>14</u>

Principal Activities	Number of non wholly-owned subsidiaries	
	2023	2022
Integrated poultry	17	17
Drone	1	1
Operator of fast food restaurants	1	-
Supermarket	1	1
	<u>20</u>	<u>19</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

20. INVESTMENT IN AN ASSOCIATE

	The Group	
	2023	2022
	RM	RM
At beginning of financial year	274,453	269,493
Share of results during financial year	14,672	4,960
At end of financial year	289,125	274,453

Details of the associate are as follows:

Associate	Principal place of business/ Country of incorporation	Effective percentage of ownership		Principal activities
		2023	2022	
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	
	2023	2022
	RM	RM
At beginning of financial year	57,868	186,734
Additional investment during the financial year	-	3,537,113
Share of results during the financial year	(59,978)	(3,671,702)
Effect of foreign currency exchange differences	2,110	5,723
At end of financial year	-	57,868

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

21. INVESTMENT IN A JOINT VENTURE (CONT'D)

Details of the joint venture are as follows:

Joint Venture	Principal place of business/ Country of incorporation	Effective percentage of ownership		Principal activities
		2023	2022	
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:

	2023 RM	2022 RM
Total assets	153,269,557	138,705,528
Total liabilities	(154,837,539)	(138,474,057)
Total revenue	48,113,543	11,857,256
Total loss for financial year	(1,770,344)	(14,686,808)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

	2023	2022
Net assets of the joint venture (RM)	(1,567,982)	231,471
Proportion of the Group's ownership interest (%)	25	25
Carrying amount of the Group's interest (RM)	-	57,868

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

21. INVESTMENT IN A JOINT VENTURE (CONT'D)

Unrecognised share of losses of a joint venture

	2023 RM	2022 RM
The unrecognised share of loss of a joint venture for the year	382,608	-
Cumulative share of loss of a joint venture	382,608	-

The Group has not recognised the cumulative loss of Singapore Poultry Hub Pte. Ltd., where its share of loss exceeds the Group's cost of investment. The Group has no obligation in respect of this loss.

22. OTHER FINANCIAL ASSETS

	The Group	
	2023 RM	2022 RM

Financial asset carried at fair value through profit or loss:

Derivative financial instrument:

Cross-currency interest rate swap	1,638,568	4,840,988
-----------------------------------	-----------	-----------

Analysed as:

Current portion	29,260	4,466,369
Non-current portion	1,609,308	374,619
	1,638,568	4,840,988

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 6 November 2023 to 12 April 2028 (2022: 1 November 2022 to 3 March 2025).

The cross-currency interest rate swap is used hedge cash flow interest rate risk arising from a floating rate bank loan amounting to RM29,397,541 (2022: RM39,773,423). The notional/contract amount of the cross-currency interest rate swap as of 30 September 2023 is USD6,270,628 (2022: USD8,600,870).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

23. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	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
2023:				
Deferred tax assets				
Receivables	5,229,000	524,000	-	5,753,000
Lease liabilities	2,961,000	(727,800)	47,800	2,281,000
Unused tax capital allowances	6,515,000	(4,832,901)	9,901	1,692,000
Unused tax losses	11,682,000	(10,066,908)	14,908	1,630,000
Provisions	692,000	492,000	-	1,184,000
Others	1,357,017	292,763	5,306	1,655,086
	<u>28,436,017</u>	<u>(14,318,846)</u>	<u>77,915</u>	<u>14,195,086</u>
Deferred tax liabilities				
Property, plant and equipment	(32,089,000)	89,527	(38,527)	(32,038,000)
Gain on revaluation of properties	(14,442,000)	(2,301,000)	-	(16,743,000)
Biological assets	(12,238,000)	157,000	-	(12,081,000)
Real property gains tax on investment property	(8,053,000)	(94,000)	-	(8,147,000)
Right-of-use-assets	(3,152,000)	779,547	(46,547)	(2,419,000)
Intangible assets	(1,617,000)	211,000	-	(1,406,000)
	<u>(71,591,000)</u>	<u>(1,157,926)</u>	<u>(85,074)</u>	<u>(72,834,000)</u>
Net	<u>(43,154,983)</u>	<u>(15,476,772)</u>	<u>(7,159)</u>	<u>(58,638,914)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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					
Receivables	4,074,000	111,416	1,043,584	-	5,229,000
Lease liabilities	-	43,914	2,892,011	25,075	2,961,000
Unused tax capital allowances	12,892,000	-	(6,378,665)	1,665	6,515,000
Unused tax losses	2,379,000	-	9,290,395	12,605	11,682,000
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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

23. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax balances are presented in the statement of financial position after appropriate offsetting as follows:

	The Group	
	2023	2022
	RM	RM
Deferred tax assets	104,000	4,475,300
Deferred tax liabilities	(58,742,914)	(47,630,283)
	<u>(58,638,914)</u>	<u>(43,154,983)</u>

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 2023, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group	
	2023	2022
	RM	RM
Unused tax losses	35,536,000	45,996,000
Unused tax capital allowances	19,778,000	24,314,000
Temporary differences arising from:		
Receivables	1,396,000	1,426,000
Property, plant and equipment	16,000	22,000
Lease liabilities	-	4,000
Others	56,000	23,000
Allowance for increased export	<u>1,155,000</u>	<u>1,155,000</u>
	<u>57,937,000</u>	<u>72,940,000</u>

24. BIOLOGICAL ASSETS

	The Group	
	2023	2022
	RM	RM
Breeders (grandparent and parent stock)	83,099,966	78,173,250
Hatching eggs	17,537,259	16,430,072
Breeder of colour birds and colour birds	9,778,000	9,410,000
Broilers	<u>4,605,641</u>	<u>4,437,000</u>
	<u>115,020,866</u>	<u>108,450,322</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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 gain/(loss) recorded in profit or loss (Note 7) RM	End of financial year RM
2023:					
Breeders (grandparent and parent stock)	78,173,250	167,621,484	(163,654,560)	959,792	83,099,966
Hatching eggs	16,430,072	175,940,614	(174,307,064)	(526,363)	17,537,259
Breeder of colour birds and colour birds	9,410,000	87,510,679	(87,114,545)	(28,134)	9,778,000
Broilers	4,437,000	69,957,849	(69,730,925)	(58,283)	4,605,641
	<u>108,450,322</u>	<u>501,030,626</u>	<u>(494,807,094)</u>	<u>347,012</u>	<u>115,020,866</u>
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
	<u>85,431,930</u>	<u>405,768,528</u>	<u>(392,195,071)</u>	<u>9,444,935</u>	<u>108,450,322</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.	<ul style="list-style-type: none"> • Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements; • Management's estimate of feed and other variable cost expected to incur throughout the life cycle. 	<p>The higher the projected selling price, the higher the fair value.</p> <p>The higher the costs, the lower the fair value.</p>
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.	<ul style="list-style-type: none"> • Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements; • Management's estimate of hatchery and other variable cost expected to incur throughout the hatching process. 	<p>The higher the projected selling price, the higher the fair value.</p> <p>The higher the costs, the lower the fair value.</p>
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.	<ul style="list-style-type: none"> • Projected selling prices of broilers and colour birds based on management's estimate by reference to historical selling price adjusted for abnormal market movements; • Management's estimate of feed and other variable cost expected to incur throughout the life cycle. 	<p>The higher the projected selling price, the higher the fair value.</p> <p>The higher the costs, the lower the fair value.</p>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

24. BIOLOGICAL ASSETS (CONT'D)

The key assumptions used in the fair value calculation are as follows:

	The Group	
	2023	2022
	RM	RM
Breeders and hatching eggs:		
Projected selling price of		
- Day-old-chick (parent stocks)	15.00 - 16.30	13.80 - 14.10
- Day-old-chick (colour birds)	1.70 - 3.50	1.70 - 2.60
- Day-old-chick (broilers)	2.10 - 2.31	2.00 - 2.49
Feed cost per kg for		
- Grandparent stocks	2.47 - 2.50	2.66 - 2.76
- Parent stocks (colour birds)	1.57 - 1.76	1.78 - 2.00
- Parent stocks (broilers)	2.39 - 2.64	2.57 - 2.79
Colour birds and broilers		
Projected selling price per kg for		
- Colour birds	9.44 - 11.90	9.16 - 12.38
- Broilers	5.18 - 6.30	6.00
Feed cost per kg for		
- Colour birds	2.51 - 2.54	2.64 - 2.67
- Broilers	2.39 - 2.53	2.20

Sensitivity analysis of biological assets fair value to be possible changes in the key assumptions are disclosed in the table below:

	The Group	
	2023	2022
	RM	RM
Projected selling price of		
Day-old-chick/hatching eggs/broilers		
- Increased by 10%	39,087,000	39,156,000
- Decreased by 10%	(39,087,000)	(39,156,000)
Number of hatching eggs/day-old-chick/being produced		
- Increased by 10%	32,575,000	30,649,000
- Decreased by 10%	(32,575,000)	(30,649,000)
Feed cost per kg		
- Increased by 10%	(20,226,000)	(21,759,000)
- Decreased by 10%	20,226,000	21,759,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

25. INVENTORIES

	The Group	
	2023	2022
	RM	RM
At costs:		
Raw materials:		
Meats and dressings	10,543,771	8,917,563
Feeds and consumables	4,607,909	4,636,629
Ingredient	2,313,046	2,056,879
Packing materials	2,106,029	1,548,435
Medicine and chemicals	1,661,496	1,520,396
Others	74,321	39,560
	<u>21,306,572</u>	<u>18,719,462</u>
Work-in-progress:		
Frozen food	171,305	94,730
Farm equipment	-	15,811
	<u>171,305</u>	<u>110,541</u>
Finished goods:		
Processed chicken	41,705,216	36,738,998
Trading products	13,460,524	9,226,124
Frozen food	12,377,925	4,904,435
Supermarket products	11,490,474	9,981,213
Farm equipment	172,204	133,348
	<u>79,206,343</u>	<u>60,984,118</u>
	<u>100,684,220</u>	<u>79,814,121</u>

The following are the amounts recognised in profit or loss:

	The Group	
	2023	2022
	RM	RM
Inventories recognised as cost of sales	1,983,381,235	1,778,705,245
Reversal of inventories written down	21,071	41,517
Inventories written off	<u>20,375</u>	<u>-</u>

The reversal of inventories written down was made during the year when the related inventories were sold above their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

26. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	249,082,351	198,924,302	-	-
Amount owing by related parties	10,255,725	12,142,526	-	-
Loss allowance	(28,270,863)	(25,785,288)	-	-
	<u>231,067,213</u>	<u>185,281,540</u>	<u>-</u>	<u>-</u>
Amount owing by subsidiaries	-	-	14,884,639	15,543,611
Amount owing by a joint venture	215,522	958,528	-	-
Goods and Services Tax receivable	326,214	120,447	-	-
	<u>541,736</u>	<u>1,078,975</u>	<u>14,884,639</u>	<u>15,543,611</u>
Other receivables	17,962,161	16,597,227	-	-
Amount owing by related parties	23,513	9,446	-	-
Loss allowance	(937,809)	(884,044)	-	-
	<u>17,047,865</u>	<u>15,722,629</u>	<u>-</u>	<u>-</u>
	<u>248,656,814</u>	<u>202,083,144</u>	<u>14,884,639</u>	<u>15,543,611</u>

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 7 to 180 days (2022: 3 to 180 days).

The currency profile of trade and other receivables are as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	202,167,299	162,523,207	14,884,639	15,543,611
Singapore Dollar	45,802,731	39,109,373	-	-
United States Dollar	677,992	450,564	-	-
Euro	8,792	-	-	-
	<u>248,656,814</u>	<u>202,083,144</u>	<u>14,884,639</u>	<u>15,543,611</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023			
Not past due	174,727,259	(492,660)	174,234,599
Past due 1 - 30 days	26,168,384	(142,205)	26,026,179
Past due 31 - 60 days	10,453,714	(230,125)	10,223,589
Past due 61 - 90 days	4,724,884	(284,544)	4,440,340
Past due more than 90 days	28,337,494	(12,223,507)	16,113,987
	244,411,735	(13,373,041)	231,038,694
Credit impaired			
Individually impaired	14,926,341	(14,897,822)	28,519
At end of financial year	259,338,076	(28,270,863)	231,067,213
2022			
Not past due	140,048,891	(315,160)	139,733,731
Past due 1 - 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023			
At beginning of financial year	14,922,992	10,862,296	25,785,288
Loss allowance during financial year	215,967	2,449,603	2,665,570
Loss allowance no longer required	(51,658)	-	(51,658)
Amounts written off	(197,219)	-	(197,219)
Effect of foreign currency exchange differences	7,740	61,142	68,882
	<u>14,897,822</u>	<u>13,373,041</u>	<u>28,270,863</u>
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
	<u>14,922,992</u>	<u>10,862,296</u>	<u>25,785,288</u>

The amount owing by subsidiaries arose mainly from payment made on behalf and management fee receivables are unsecured, interest free and repayable on demand except for an unsecured advance of RM14,863,868 (2022: RM15,532,511) which bear interest at a rate of 4.62% (2022: 4.32%) per annum.

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 RM6,840,692 (2022: RM6,765,661) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023			
At beginning of financial year	868,758	15,286	884,044
Effect of foreign currency exchange differences	53,765	-	53,765
At end of financial year	922,523	15,286	937,809
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

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Prepayments	10,615,247	11,820,642	-	-
Deposits	7,215,607	5,872,577	1,000	1,000
Deposits for acquisition of property, plant and equipment	2,821,643	2,078,267	-	-
Advance payment for acquisition of property, plant and equipment	839,304	725,355	-	-
	21,491,801	20,496,841	1,000	1,000

28. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Short-term deposits with licensed banks of the Group are maturing within October 2023 to September 2024 (2022: October 2022 to September 2023) and earn interests at rates ranging from 2% to 3.35% (2022: 0.5% to 2.55%) per annum.

Short-term deposits with licensed banks of the Group with a total carrying value of RM9,226,540 (2022: RM10,121,519) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 34.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

29. CASH AND BANK BALANCES

The currency profile of cash and bank balances are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	63,122,331	57,908,507	288,526	337,013
Singapore Dollar	31,715,774	18,041,953	-	-
United States Dollar	841,089	575,511	-	-
	<u>95,679,194</u>	<u>76,525,971</u>	<u>288,526</u>	<u>337,013</u>

30. SHARE CAPITAL

	The Group and The Company			
	2023		2022	
	No. of shares	RM	No. of shares	RM
Issued and fully paid with no par value:				
Ordinary shares:				
At beginning of financial year	701,892,742	145,979,553	690,508,742	140,679,293
Acquisition of a subsidiary	-	-	7,500,000	3,300,000
Private placement	-	-	3,884,000	2,000,260
	<u>701,892,742</u>	<u>145,979,553</u>	<u>701,892,742</u>	<u>145,979,553</u>
At end of financial year	701,892,742	145,979,553	701,892,742	145,979,553

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

As of 30 September 2023, out of the total number of 701,892,742 (2022: 701,892,742) ordinary shares issued and paid-up, 545,500 shares (2022: 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 (2022: 701,347,242) shares.

WARRANTS

On 1 June 2023, the Company issued a total of 233,781,206 free Warrants to the shareholders pursuant to the Bonus issue of one (1) warrant for every three (3) existing ordinary shares in the Company. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 7 June 2023.

The Warrants are constituted by a Deed Poll dated 12 May 2023 ("Deed Poll").

The silent features of the Warrants are as follows:

- The issue date of the Warrants is 1 June 2023 and the expiry date is 31 May 2028. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share at any time during the exercise period at the exercise price, subject to the adjustments in accordance with the provisions of the Deed Poll;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

30. SHARE CAPITAL (CONT'D)

WARRANTS (CONT'D)

The silent features of the Warrants are as follows: (Cont'd)

- (c) RM0.63, being the amount payable in respect of each new ordinary share to which a registered holder is entitled to subscribe for upon exercise of the exercise rights represented by the Warrant involving such new ordinary share, or such exercise price as may be adjusted under the provisions of the Deed Poll;
- (d) The Warrant holders will not be entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution other than on winding up, compromise or arrangement of the Company and/or offer of further securities in the Company until and unless the Warrant holders exercise their Warrants into new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotment or other distributions except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

As at 30 September 2023 no warrants have been converted into shares and the number of outstanding unexercised warrants are 233,781,206.

31. RESERVES

	The Group	
	2023	2022
	RM	RM
Non-distributable:		
Translation reserve	4,098,540	2,700,125
Property revaluation reserve	81,940	81,940
Total reserves	<u>4,180,480</u>	<u>2,782,065</u>

Translation Reserve

	The Group	
	2023	2022
	RM	RM
At beginning of financial year	2,700,125	1,513,479
Exchange differences relating to translating the net assets of foreign operations	1,601,645	1,307,919
Exchange differences relating to share of result in a joint venture	<u>(203,230)</u>	<u>(121,273)</u>
At end of financial year	<u>4,098,540</u>	<u>2,700,125</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

31. RESERVES (CONT'D)

Property Revaluation Reserve

	The Group	
	2023	2022
	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	
	2023	2022
	RM	RM

At beginning of financial year	127,991,896	119,966,351
Share of total comprehensive loss for the financial year	36,318,230	327,633
Additional non-controlling interest arising on the acquisition of a subsidiary	25	4,429,721
Dividend paid to non-controlling interests of subsidiaries	(346,380)	(347,306)
Subscription of ordinary shares by non-controlling interests in subsidiaries	-	3,079,549
Arising from increase in equity interest in subsidiaries	-	535,948
At end of financial year	163,963,771	127,991,896

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		Principal place of business/ Country of incorporation
	2023	2022	

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

32. NON-CONTROLLING INTERESTS (CONT'D)

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		Tong Huat		CAB Cakaran		Shin Hong		Others		Total
		Food		Poultry		Southern		Breeding Farm				RM
		Sdn. Bhd.		Pte. Ltd.		Sdn. Bhd.		Sdn. Bhd.				RM
		RM		RM		RM		RM				RM
2023												
Revenue		666,269,217		238,752,962		343,930,021		468,000		585,098,683		1,834,518,883
Profit for the financial year		46,243,233		1,872,190		15,294,457		129,772		8,937,636		72,477,288
Total comprehensive income for the financial year		46,243,233		3,509,475		15,294,457		129,772		11,102,179		76,279,116
Attributable to non-controlling interest:												
Profit for the financial year		21,715,822		917,373		7,494,284		64,886		4,055,533		34,247,898
Total comprehensive income for the financial year		21,715,822		1,719,643		7,494,284		64,886		5,323,595		36,318,230
Additional non-controlling interest arising on the acquisition of a subsidiary		-		-		-		-		25		25
Dividends paid to non-controlling interests		-		-		-		(100,000)		(246,380)		(346,380)
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)
Total comprehensive income/(loss)		22,102,625		(16,950,527)		(8,619,684)		(2,566,885)		7,328,551		1,294,080
Attributable to non-controlling interest:												
Profit/(Loss) for the financial year		10,379,393		(9,029,142)		(4,223,645)		(1,283,443)		2,764,821		(1,392,016)
Total comprehensive income/(loss) for the financial year		10,379,393		(8,305,758)		(4,223,645)		(1,283,443)		3,761,086		327,633
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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.		Tong Huat Poultry Processing Factory Pte. Ltd.		CAB Cakaran Southern Sdn. Bhd.		Shin Hong Breeding Farm Sdn. Bhd.		Others		Total
	RM		RM		RM		RM		RM		RM
2023											
Non-current assets	185,560,487		99,283,369		84,173,746		61,966,750		87,956,164		518,940,516
Current asset	165,780,929		67,841,167		97,970,578		1,857,830		153,462,930		486,913,434
Non-current liabilities	(68,246,081)		(52,249,883)		(9,302,368)		(7,053,589)		(28,608,667)		(165,460,588)
Current liabilities	(150,091,176)		(78,223,299)		(133,795,860)		(776,291)		(122,611,980)		(485,498,606)
Net assets	133,004,159		36,651,354		39,046,096		55,994,700		90,198,447		354,894,756
Attributable to:											
Owners of the Company	72,736,686		18,692,191		19,913,509		27,997,350		51,591,249		190,930,985
Non-controlling interests	60,267,473		17,959,163		19,132,587		27,997,350		38,607,198		163,963,771
	133,004,159		36,651,354		39,046,096		55,994,700		90,198,447		354,894,756
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
Attributable to:											
Owners of the Company	48,209,275		16,902,357		12,113,336		28,032,464		46,251,658		151,509,090
Non-controlling interests	38,551,651		16,239,520		11,638,303		28,032,464		33,529,958		127,991,896
	86,760,926		33,141,877		23,751,639		56,064,928		79,781,616		279,500,986

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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. RM	Tong Huat Poultry Processing Factory Pte. Ltd. RM	CAB Cakaran Southern Sdn. Bhd. RM	Shin Hong Breeding Farm Sdn. Bhd. RM
2023				
Net cash from operating activities	38,612,971	21,024,640	1,878,326	117,835
Net cash used in investing activities	(9,034,486)	(762)	(370,433)	(331,993)
Net cash (used in)/from financing activities	(18,547,938)	(15,272,542)	(2,206,244)	183,411
Net increase/(decrease) in cash and cash equivalents	11,030,547	5,751,336	(698,351)	(30,747)
Cash and cash equivalents at beginning of financial year	8,572,023	13,525,787	2,408,444	1,759,964
Effects of exchange rates changes on the balances of cash held in foreign currencies	47,139	948,280	-	-
Cash and cash equivalents at end of financial year	19,649,709	20,225,403	1,710,093	1,729,217
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

33. PROVISIONS

	The Group	
	2023	2022
	RM	RM
Profit sharing ⁽ⁱ⁾	3,816,612	1,764,242
Restoration cost ⁽ⁱⁱ⁾	1,121,720	1,121,720
	<hr/>	<hr/>
	4,938,332	2,885,962
Less: current portion	(3,816,612)	(1,764,242)
	<hr/>	<hr/>
Non-current portion	1,121,720	1,121,720
	<hr/>	<hr/>

⁽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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS

	The Group	
	2023	2022
	RM	RM
Current		
Secured:		
Bankers' acceptances	160,184,136	166,570,108
Long-term loans	33,579,069	33,735,469
Hire-purchase payables	6,888,463	9,004,479
Fixed advance facility	3,436,800	3,236,500
Bank overdrafts	40,551	2,077,834
Unsecured:		
Bankers' acceptances	26,369,058	54,261,095
Long-term loans	4,352,528	4,017,758
	<u>234,850,605</u>	<u>272,903,243</u>
Non-current		
Secured:		
Long-term loans	161,693,264	193,466,253
Hire-purchase payables	9,116,479	6,509,643
Unsecured:		
Long-term loans	<u>3,695,014</u>	<u>7,578,630</u>
	<u>174,504,757</u>	<u>207,554,526</u>
Total borrowings	<u><u>409,355,362</u></u>	<u><u>480,457,769</u></u>

The currency profile of borrowings are as follows:

	The Group	
	2023	2022
	RM	RM
Ringgit Malaysia	320,018,820	377,169,791
Singapore Dollar	59,939,001	63,514,555
United States Dollar	29,397,541	39,773,423
	<u><u>409,355,362</u></u>	<u><u>480,457,769</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS (CONT'D)

The maturity period of borrowings are as follows:

	The Group	
	2023	2022
	RM	RM
Not later than 1 year	234,850,605	272,903,243
Later than 1 year and not later than 2 years	39,430,971	42,079,221
Later than 2 years and not later than 5 years	78,429,968	90,389,341
Later than 5 years	56,643,818	75,085,964
	<u>409,355,362</u>	<u>480,457,769</u>

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	
	2023	2022
	%	%
Long-term loans	2.00 - 7.89	2.00 - 7.39
Bankers' acceptances	3.20 - 4.67	2.38 - 4.06
Hire-purchase payables	4.20 - 7.14	4.20 - 7.14
Fixed advance facility	5.41	5.60
Bank overdrafts	<u>7.89</u>	<u>7.35 - 7.40</u>

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 RM4 million repayable by 240 monthly instalments after the first drawdown in March 2012;
- (v) A floating-rate term-loan amounting to RM1,020,000 repayable by 180 monthly instalments after the first drawdown in January 2013;
- (vi) A floating-rate term-loan amounting to RM29,270,062 repayable by 153 monthly instalments after the first drawdown in July 2014;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (Cont'd):

Secured (Cont'd)

- (vii) A floating-rate term-loan amounting to RM1,620,000 repayable by 300 monthly instalments after the first drawdown in July 2014;
- (viii) A floating-rate term-loan amounting to RM702,000 repayable by 300 monthly instalments after the first drawdown in July 2014;
- (ix) A floating-rate term-loan amounting to RM585,000 repayable by 300 monthly instalments after the first drawdown in July 2014;
- (x) A floating-rate term-loan amounting to RM558,000 repayable by 300 monthly instalments after the first drawdown in July 2014;
- (xi) A floating-rate term-loan amounting to RM6 million repayable by 120 monthly instalments after the first drawdown date in November 2014;
- (xii) A floating-rate term-loan amounting to RM9 million repayable by 120 monthly instalments after the first drawdown date in December 2014;
- (xiii) A floating-rate term-loan amounting to RM27.5 million repayable by 120 monthly instalments after the first drawdown date in April 2015;
- (xiv) A floating-rate term-loan amounting to RM8,152,000 repayable by 180 monthly instalments after the first drawdown date in May 2015;
- (xv) A floating-rate term-loan amounting to RM1.5 million repayable by 120 monthly instalments after the first drawdown date in May 2015;
- (xvi) A floating-rate term-loan amounting to RM500,000 repayable by 120 monthly instalments after the first drawdown date in May 2015;
- (xvii) A floating-rate term-loan amounting to RM1 million repayable by 120 monthly instalments after the first drawdown date in June 2015;
- (xviii) A floating-rate term-loan amounting to RM32.8 million repayable by 180 monthly instalments after the first drawdown in September 2016;
- (xix) A floating-rate term-loan amounting to RM585,000 repayable by 180 monthly instalments after the first drawdown date in October 2016;
- (xx) A floating-rate term-loan amounting to RM585,000 repayable by 120 monthly instalments after the first drawdown date in October 2016;
- (xxi) A floating-rate term-loan amounting to RM9 million repayable by 84 monthly instalments after the first drawdown date in December 2016. This term-loan has been fully paid during the financial year;
- (xxii) A floating-rate term-loan amounting to RM2.2 million repayable by 180 monthly instalments after the first drawdown in September 2017;
- (xxiii) A floating-rate term-loan amounting to RM1,360,000 repayable by 180 monthly instalments after the first drawdown date in September 2017;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (Cont'd):

Secured (Cont'd)

- (xxiv) A floating-rate term-loan amounting to RM4,796,035 repayable by 84 monthly instalments after the first drawdown date in March 2018;
- (xxv) A floating-rate term-loan amounting to USD9.6 million (equivalent to RM44 million) repayable by 54 monthly instalments after 7 months from the first drawdown in April 2018. The bank has extended the repayment tenure of this term-loan for another five years during the financial year;
- (xxvi) A floating-rate term-loan amounting to RM24,037,500 repayable by 120 monthly instalments after first drawdown in April 2018;
- (xxvii) A floating-rate term-loan amounting to RM14 million repayable by 120 monthly instalments after first drawdown in April 2018;
- (xxviii) A floating-rate term-loan amounting to RM3,397,500 repayable by 120 monthly instalments after first drawdown in April 2018;
- (xxix) A floating-rate term-loan amounting to RM500,000 repayable by 120 monthly instalments after the first drawdown in April 2018;
- (xxx) A floating-rate term-loan amounting to RM6,525,000 repayable by 120 monthly instalments after first drawdown in May 2018;
- (xxxi) 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. The bank has extended the repayment tenure of this term-loan for another five years during the financial year;
- (xxxii) 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;
- (xxxiii) A floating-rate term-loan amounting to RM6 million repayable by 120 monthly instalments after the first drawdown date in August 2018;
- (xxxiv) A floating-rate term-loan amounting to RM22,160,000 repayable by 180 monthly instalments after the first drawdown date in January 2019;
- (xxxv) 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;
- (xxxvi) A floating-rate term-loan amounting to RM750,000 repayable by 120 monthly instalments after the first drawdown in September 2019;
- (xxxvii) A floating-rate term-loan amounting to RM450,000 repayable by 120 monthly instalments after the first drawdown in September 2019;
- (xxxviii) A floating-rate term-loan amounting to RM1,113,200 repayable by 240 monthly instalments after the first drawdown date in November 2019;
- (xxxix) A floating-rate term-loan amounting to RM700,000 repayable by 180 monthly instalments after the first drawdown date in January 2020;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (Cont'd):

Secured (Cont'd)

- (xl) A floating-rate term-loan amounting to RM3,150,000 repayable by 60 monthly instalments after the first drawdown date in February 2020;
- (xli) 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;
- (xlii) 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. This term-loan has been fully paid during the financial year;
- (xlili) 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. This term-loan has been fully paid during the financial year;
- (xliv) 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;
- (xlv) A floating-rate term-loan amounting to RM17 million repayable by 120 monthly instalments after the first drawdown date in November 2020;
- (xlvi) A floating-rate term-loan amounting to RM3,148,238 repayable by 120 monthly instalments after the first drawdown date in November 2020;
- (xlvii) A floating-rate term-loan amounting to RM10 million repayable by 120 monthly instalments after the first drawdown date in December 2020.
- (xlviii) 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;
- (xlix) A floating-rate term-loan amounting to RM1 million repayable by 120 monthly instalments after the first drawdown date in January 2022;
- (l) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;
- (li) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;
- (lii) A floating-rate term-loan amounting to RM528,000 repayable by 180 monthly instalments after the first drawdown date in September 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 RM792,000 repayable by 180 monthly instalments after the first drawdown date in September 2022;
- (lv) A floating-rate term loan amounting to RM785,000 repayable by 180 monthly instalments after the first drawdown date in December 2022; and
- (lvi) A floating-rate term-loan amounting to RM8 million repayable by 96 monthly instalments after the first drawdown date in June 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

34. BORROWINGS (CONT'D)

The term loans of the Group include the following (Cont'd):

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	
	2023	2022
	RM	RM
At beginning of financial year	14,795,419	11,522,537
Additions	1,347,553	6,346,957
Finance costs	725,004	801,716
Remeasurement	66,810	849,544
Payments	(4,920,681)	(4,286,533)
Termination	(438,774)	(717,853)
Gain on forgiven lease payments	(41,425)	(110,547)
Arising from a subsidiary acquired	-	182,975
Effect of foreign currency exchange differences	280,854	206,623
	<u>11,814,760</u>	<u>14,795,419</u>
At end of financial year	11,814,760	14,795,419
Analysed as:		
Current portion	2,823,631	4,058,820
Non-current portion	8,991,129	10,736,599
	<u>11,814,760</u>	<u>14,795,419</u>

The maturity period of lease liabilities are as follows:

	The Group	
	2023	2022
	RM	RM
Not later than 1 year	2,823,631	4,058,820
Later than 1 year and not later than 2 years	1,146,141	2,256,324
Later than 2 years and not later than 5 years	1,917,784	1,931,344
Later than 5 years	5,927,204	6,548,931
	<u>11,814,760</u>	<u>14,795,419</u>

The Group discounted the lease liabilities by using the Group's incremental borrowings rates which ranges from 3.22% to 6.89% (2022: 3.22% to 6.89%).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

35. LEASE LIABILITIES (CONT'D)

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.

The following are the amounts recognised in profit or loss:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Depreciation of right-of-use assets	7,145,105	5,900,697	-	-
Lease expenses - variable lease payments	4,291,810	3,641,637	-	-
Lease expenses - short-term leases	2,865,566	2,477,194	24,000	24,000
Lease expenses - lease of low-value assets	754,089	432,132	-	-
Interest expense on lease liabilities	725,004	801,716	-	-
	<u>15,781,574</u>	<u>13,253,376</u>	<u>24,000</u>	<u>24,000</u>

36. DEFERRED REVENUE

	The Group	
	2023	2022
	RM	RM
Asset related government grants ⁽ⁱ⁾	240,541	258,373
Income related government grants ⁽ⁱⁱ⁾	40,953	14,665
Franchise fee ⁽ⁱⁱⁱ⁾	2,865	5,990
	<u>284,359</u>	<u>279,028</u>
Less: current portion	<u>(139,209)</u>	<u>(105,674)</u>
Non-current portion	<u>145,150</u>	<u>173,354</u>

⁽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 government grant to carry out energy audit in order to manage and reduce energy consumption which is amortised over period of 38 months.

⁽ⁱⁱⁱ⁾ 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

37. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	203,751,339	188,079,916	-	-
Amount owing to subsidiaries	-	-	1,308,261	15,180,840
Amount owing to a joint venture	1,757,748	1,174,374	-	-
Amount owing to a Director	-	91,512	-	-
Amount owing to a Director of a subsidiary	274,944	-	-	-
Amount owing to non-controlling interests of a subsidiary	279,400	144,665	-	-
Amount owing to related parties	4,536,292	1,318,686	-	-
Sales and Services Tax payables	1,608,859	1,527,203	-	-
Goods and Services Tax payables	1,034,978	396,442	-	-
Other payables	36,590,722	30,184,712	9,040	3,274
Accrued expenses	18,383,867	16,061,927	147,620	125,252
	<u>268,218,149</u>	<u>238,979,437</u>	<u>1,464,921</u>	<u>15,309,366</u>

The currency profile of trade and other payables are as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	245,853,812	218,102,671	1,464,921	15,309,366
Singapore Dollar	20,214,930	20,876,766	-	-
United States Dollar	1,935,453	-	-	-
Euro	213,954	-	-	-
	<u>268,218,149</u>	<u>238,979,437</u>	<u>1,464,921</u>	<u>15,309,366</u>

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 (2022: 7 to 120 days).

Certain of the Group's trade payables are guaranteed by the Company for RM145,430,000 (2022: RM132,020,000). 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 (2022: 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 unsecured advance of RM1,296,982 (2022: RM15,177,640) which bear interest at rates of 6.65% and 6.89% (2022: 6.15% and 6.39%) 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 a Director arose mainly from director fee payable to the Director of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

37. TRADE AND OTHER PAYABLES (CONT'D)

The amount owing to a Director of a subsidiary arose mainly from unsecured advances which is interest free and repayable on demand.

The amount owing to non-controlling interests of a subsidiary 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	
	2023	2022
	RM	RM
Trade	4,025,213	1,013,738
Non-trade	511,079	304,948
	<u>4,536,292</u>	<u>1,318,686</u>

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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term deposits with licensed banks	76,640,917	43,350,481	-	-
Cash and bank balances (Note 29)	95,679,194	76,525,971	288,526	337,013
Bank overdrafts (Note 34)	<u>(40,551)</u>	<u>(2,077,834)</u>	<u>-</u>	<u>-</u>
	172,279,560	117,798,618	288,526	337,013
Less: Short-term deposits pledged as security (Note 28)	<u>(9,226,540)</u>	<u>(10,121,519)</u>	<u>-</u>	<u>-</u>
	<u>163,053,020</u>	<u>107,677,099</u>	<u>288,526</u>	<u>337,013</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

38. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) The additions to property, plant and equipment consist of:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Payment by cash in current year	40,791,187	24,690,454	-	-
Financed by means of hire-purchase	10,335,587	2,661,177	-	-
Total (Note 13)	51,126,774	27,351,631	-	-

(c) Cash outflows for leases as a lessee:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Included in net cash from operating activities:				
Payment relating to variable lease payments not include in the measurement of lease liabilities	4,291,810	3,641,637	-	-
Payment relating to short-term leases	2,865,566	2,477,194	24,000	24,000
Payment relating to leases of low-value assets	754,089	432,132	-	-
Included in net cash from financing activities:				
Repayment of lease liabilities	4,195,677	3,484,817	-	-
Interest paid in relation to lease liabilities	725,004	801,716	-	-
Total cash outflows for leases	12,832,146	10,837,496	24,000	24,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022
	RM	RM
Debts ⁽ⁱ⁾	409,355,362	480,457,769
Lease liabilities (Note 35)	11,814,760	14,795,419
Fixed deposits, cash and bank balances	(172,320,111)	(119,876,452)
Net debts	248,850,011	375,376,736
Equity ⁽ⁱⁱ⁾	776,699,901	632,198,959
Net debt to equity ratio	32%	59%

⁽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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets				
Amortised cost:				
Trade and other receivables	248,330,600	201,962,697	14,884,639	15,543,611
Refundable deposits	10,037,250	7,950,844	1,000	1,000
Short-term deposits	76,640,917	43,350,481	-	-
Cash and bank balances	95,679,194	76,525,971	288,526	337,013
Derivative other financial asset				
Fair value through profit or loss:				
Cross-currency interest rate swap	1,638,568	4,840,988	-	-
	<u>432,326,529</u>	<u>334,630,981</u>	<u>15,174,165</u>	<u>15,881,624</u>
Financial liabilities				
Amortised cost:				
Trade and other payables	265,574,312	237,055,792	1,464,921	15,309,366
Borrowings	409,355,362	480,457,769	-	-
Lease liabilities	11,814,760	14,795,419	-	-
	<u>686,744,434</u>	<u>732,308,980</u>	<u>1,464,921</u>	<u>15,309,366</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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 11% (2022: 9%) 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 11% (2022: 9%) against the relevant currency. For a 11% (2022: 9%) 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	
	2023	2022
	RM	RM
Impact on profit or loss and equity		
United States Dollar	2,492,000	2,650,000
Singapore Dollar	221,000	1,863,000
Euro	17,000	-

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022
	RM	RM
Floating rate instruments		
Long-term loans	194,930,805	226,108,311
Bankers' acceptances	186,553,194	220,831,203
Fixed advance facility	3,436,800	3,236,500
Bank overdrafts	40,551	2,077,834
Hire-purchase payables	162,188	216,421
	<u>385,123,538</u>	<u>452,470,269</u>
Fixed rate instruments		
Hire-purchase payables	15,842,754	15,297,701
Long-term loans	8,389,070	12,689,799
	<u>24,231,824</u>	<u>27,987,500</u>
	<u>409,355,362</u>	<u>480,457,769</u>

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 RM3,180,000 (2022: RM3,505,000). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022
	RM	RM
Malaysia	193,016,514	154,777,663
Others	38,050,699	30,503,877
	<u>231,067,213</u>	<u>185,281,540</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

39. FINANCIAL INSTRUMENTS (CONT'D)

d. Financial Risk Management (Cont'd)

iv. Credit Risk Management (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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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 RM902,179,901 (2022: RM863,063,222) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	Contractual interest rates per annum		Contractual cash flows	On demand or within 1 year	2 to 5 years	More than 5 years	Total
	Carrying value	RM					
2023:							
Financial liabilities							
Trade and other payables	268,218,149	-	268,218,149	268,218,149	-	-	268,218,149
Borrowings	409,355,362	2.00 - 7.89	446,551,055	243,447,183	137,547,105	65,556,767	446,551,055
Lease liabilities	11,814,760	3.22 - 6.89	14,894,043	3,464,484	4,694,240	6,735,319	14,894,043
	<u>689,388,271</u>		<u>729,663,247</u>	<u>515,129,816</u>	<u>142,241,345</u>	<u>72,292,086</u>	<u>729,663,247</u>
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
	<u>734,232,625</u>		<u>779,410,912</u>	<u>529,771,788</u>	<u>156,754,787</u>	<u>92,884,337</u>	<u>779,410,912</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	
	2023	2022
	RM	RM
Secured	119,104,000	86,173,000
Unsecured	88,102,000	60,164,000
	<u>207,206,000</u>	<u>146,337,000</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

39. FINANCIAL INSTRUMENTS (CONT'D)

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.

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
2023:				
Purchase United States Dollar				
Less than one year	4.6880	426,974	1,974,100	29,260
More than one year	4.6880	5,843,654	28,698,190	1,609,308
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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

39. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair Value (Cont'd)

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: (Cont'd)

- **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.

- **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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023				
Financial asset				
Derivative				
Cross currency interest rate swap contract	-	1,638,568	-	1,638,568
2022				
Financial asset				
Derivative				
Cross currency interest rate swap contract	-	4,840,988	-	4,840,988

There were no transfers between Levels 1 and 2 in 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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	2023 RM	2022 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	1,638,568	4,840,988	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023				
Borrowings (excluding bank overdrafts)	478,379,935	(79,855,562)	10,790,438	409,314,811
Lease liabilities	14,795,419	(4,195,677)	1,215,018	11,814,760
Amount owing to a joint venture	1,174,374	498,465	84,909	1,757,748
Amount owing to non-controlling interests of a subsidiary	144,665	134,735	-	279,400
Amount owing to a Director of a subsidiary	-	268,360	6,584	274,944
Amount owing to a Director	91,512	(94,848)	3,336	-
Total liabilities arising from financing activities	494,585,905	(83,244,527)	12,100,285	423,441,663
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 non-controlling interests of a subsidiary	816,510	138,155	(810,000)	144,665
Amount owing to a Director	87,002	-	4,510	91,512
Total liabilities arising from financing activities	518,366,427	(40,199,250)	16,418,728	494,585,905

⁽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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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
2023				
Amount owing to subsidiaries	15,180,840	(13,872,579)	-	1,308,261
2022				
Amount owing to subsidiaries	18,994,587	(3,389,043)	(424,704)	15,180,840

40. FINANCIAL GUARANTEES

	The Company	
	2023	2022
	RM	RM

Unsecured

Corporate guarantee given to third parties in respect of provision for services to subsidiaries

902,179,901 863,063,222

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	
	2023	2022
	RM	RM

Estimated cash value of benefits-in-kind provided to Directors 138,319 107,313

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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.	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.	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

42. RELATED PARTY TRANSACTIONS (CONT'D)

Significant Related Parties Transactions

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Subsidiaries:				
Dividend received	-	-	15,700,000	8,400,000
Interest paid	-	-	765,817	1,153,232
Interest received	-	-	676,619	588,114
Management fee received	-	-	340,000	340,600
Internal audit charges received	-	-	24,873	22,214
Management fee paid	-	-	24,000	24,000
Short-term leases paid	-	-	24,000	24,000
Sundry purchases	-	-	4,936	2,407
Waiver of debts	-	-	-	424,704
An associate:				
Short-term leases paid	249,600	237,200	-	-
A joint venture:				
Slaughtering charges paid	14,830,452	1,682,263	-	-
Labour and other charges received	3,006,669	215,126	-	-
Management fee paid	640,096	444,293	-	-
Labour and other charges paid	421,882	113,166	-	-
A director of the Company:				
Short-term leases paid	93,000	105,000	-	-
Directors of subsidiaries:				
Lease liabilities paid	105,667	132,052	-	-
Short-term leases paid	12,400	-	-	-
Other related parties:				
Purchases	95,239,548	72,673,450	-	-
Sales	87,910,710	84,536,618	-	-
Rental received	1,841,489	1,902,401	-	-
Short-term leases paid	366,000	366,000	-	-
Management fee paid	240,000	88,667	-	-
Labour charges paid	228,992	81,634	-	-
Transportation charges paid	112,452	326,604	-	-
Sundry purchases	112,394	-	-	-
Scrap sales	36,000	34,500	-	-
Sales commission paid	11,735	2,693	-	-
Upkeep paid	150	950	-	-
Training charges paid	-	106,000	-	-
Labour charges received	-	1,182	-	-
Transportation charges received	-	135	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

43. CAPITAL COMMITMENTS

The Group has the following commitments in respect of capital expenditure:

	The Group	
	2023	2022
	RM	RM
Approved and contracted for	36,649,341	26,225,918
Approved but not contracted for	72,755,678	39,788,331

44. SUBSEQUENT EVENTS

Significant events subsequent to the financial year

- On 13 October 2023, the Company has incorporated a new subsidiary company, Home Mart Southern Fresh & Frozen Sdn. Bhd. in Malaysia. The initial issued share capital of Home Mart Southern Fresh & Frozen Sdn. Bhd. was RM10 divided into 10 ordinary shares. The Company subscribed for the 5 ordinary shares by way of cash. The Company considers Home Mart Southern Fresh & Frozen Sdn. Bhd. as a 50% owned subsidiary as the Company 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 subsidiary;
- On 30 November 2023, the Company proposed a final single tier dividend of RM0.005 per ordinary share in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 September 2024; and
- The wholly-owned subsidiary, CAB Marine Resources Sdn. Bhd. has been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette on 13 December 2023.

45. 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:

- investment holding;
- integrated poultry;
- fast food business;
- supermarket; and
- drone service.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. 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
2023:							
Revenue							
External revenue	-	2,102,240,565	1,531,435	141,679,120	544,328	-	2,245,995,448
Inter-segment revenue	16,064,873	23,433,367	598,152	8,553	-	(40,104,945)	-
Total revenue	16,064,873	2,125,673,932	2,129,587	141,687,673	544,328	(40,104,945)	2,245,995,448
Results							
Segment results	14,339,259	241,052,756	(460,976)	(23,552)	(720,342)	(46,367,849)	207,819,296
Other gains and losses							2,104,339
Net remeasurement of expected credit loss							(2,449,603)
Share of result of an associate							14,672
Share of result of a joint venture							(59,978)
Profit before interest and taxation							207,428,726
Interest income							1,880,623
Finance costs							(20,001,423)
Profit before tax							189,307,926
Tax expense							(47,929,376)
Profit for the financial year							141,378,550

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. 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	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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. 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
2023:							
Assets							
Segment assets	137,366,152	1,394,210,586	1,150,590	36,526,862	2,980,912	(113,433,522)	1,458,801,580
Interest revenue producing assets							76,640,917
Tax assets							2,322,109
Consolidated total assets							1,537,764,606
Liabilities							
Segment liabilities	158,660	267,570,787	255,504	16,926,805	349,344	(5,500)	285,255,600
Borrowings							409,355,362
Tax liabilities							66,453,743
Consolidated total liabilities							761,064,705

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. 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	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							<u>1,423,958,296</u>
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							<u>791,759,337</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than short-term deposits, and current and deferred tax assets. Goodwill is allocated to reportable segments.
- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. SEGMENT INFORMATION (CONT'D)

Other Segment Information

The Group	Investment holding	Integrated poultry	Fast food business	Supermarket	Drone service	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM	RM
2023:							
Other information							
Depreciation and amortisation expenses	1,692	48,683,643	222,583	1,753,703	578,149	6,427,492	57,667,262
Additions to non-current assets	-	48,347,309	4,825	4,279,532	355,820	(84,000)	52,903,486
Net remeasurement of expected credit loss	-	2,443,167	-	-	6,436	-	2,449,603
Impairment loss recognised on receivables	-	215,967	-	-	-	-	215,967
Impairment loss recognised on investment in subsidiaries	11,055,971	2,482,330	-	-	-	(13,538,301)	-
Other non-cash expenses	-	4,638,358	-	1	-	(83,990)	4,554,369
2022:							
Other information							
Depreciation and amortisation expenses	2,878	43,259,090	224,311	1,681,802	182,629	6,806,026	52,156,736
Additions to non-current assets	-	27,415,939	253,435	5,502,089	2,774,452	(77,000)	35,868,915
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 SEPTEMBER 2023

45. 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	
	2023	2022
	RM	RM
Malaysia	1,965,928,966	1,740,360,544
Republic of Singapore	280,066,482	213,918,134
	<u>2,245,995,448</u>	<u>1,954,278,678</u>

The Group's revenue from external customers attributed to countries from which the Company and its subsidiaries derive revenue are detailed below:

	The Group	
	2023	2022
	RM	RM
Malaysia	1,959,027,883	1,706,943,413
Singapore	280,663,892	234,561,384
Brunei	3,459,041	2,050,659
Japan	2,202,596	5,987,372
Myanmar	192,033	1,098,305
Bangladesh	-	2,725,588
Others	450,003	911,957
	<u>2,245,995,448</u>	<u>1,954,278,678</u>

Information about the Group's non-current assets by locations are detailed below:

	The Group	
	2023	2022
	RM	RM
Malaysia	785,443,792	788,818,605
Republic of Singapore	90,186,325	93,314,118
	<u>875,630,117</u>	<u>882,132,723</u>

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 2023 and 2022.

STATEMENT BY DIRECTORS

The Directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the financial statements set out on pages 78 to 196 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 at 30 September 2023 and of their financial performance and their cash flows for the financial 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 2023

DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHUAH AH BEE**, being 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 78 to 196 are 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 2023

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, 2023 (RM)	Date of Valuation/ Purchase
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	5	Leahold 30 years commencing 1 June 2019	38,881,591	17.05.2019
Lot 47, Geran No. 85373, Tempat Padang Bongor, Bandar Gurun, Daerah Kuala Muda, Kedah.	A parcel of agricultural land/ vacant	414,401.282/-	-	Grant in perpetuity	38,629,697	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	33 - 38	Grant in perpetuity	38,496,750	30.09.2017
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	21 - 28	Grant in perpetuity	29,169,709	30.09.2017
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	33 - 38	Grant in perpetuity	23,470,000	30.09.2022
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	11	Grant in perpetuity	21,674,877	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, 2023 (RM)	Date of Valuation/ Purchase
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	31	Grant in perpetuity	21,303,895	23.05.2018
24, Senoko Crescent, Singapore 758276	A JTC "Type T6" 2-storey intermediate terrace factory/food factory	1,470.3/ 1,983.6	32	Leasehold 30 years + 30 years commencing 1 March 1991	21,251,659	29.11.2017
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	15	Grant in perpetuity	15,070,816	31.07.2019
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	8 - 9	Sub-lease for 30 years expiring on August 29, 2040	14,336,440	30.09.2017

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 8 JANUARY 2024

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	357	10.884	14,074	0.002
100 - 1,000	340	10.365	168,044	0.023
1,001 - 10,000	1,241	37.835	7,198,084	1.026
10,001 - 100,000	1,025	31.250	37,639,367	5.366
100,001 - 35,067,361 (*)	314	9.573	253,894,659	36.200
35,067,362 and above (**)	3	0.091	402,433,014	57.379
Total	3,280	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 <i>Exempt AN for OCBC Securities Private Limited (Client A/C-NR)</i>	107,284,687	15.296
2	Chuah Ah Bee	101,992,940	14.542
3	Chuah Ah Bee	96,039,139	13.693
4	Chan Kim Keow	94,631,405	13.492
5	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Soon Hui (E-SJA)</i>	15,244,075	2.173
6	Chuah Hoon Hong	12,996,875	1.853
7	Chuah Hoon Teng	12,812,500	1.826
8	Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn Bhd (2)</i>	9,705,400	1.383
9	Chuah Hoon Phong	7,814,609	1.114
10	Chuah Hoon Phong	6,529,452	0.930
11	Lee Yew Aun	6,483,075	0.924
12	Aman Tan Ho Peng	6,101,000	0.869
13	Yeo Boon Leong	5,342,400	0.761
14	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)</i>	5,260,727	0.750
15	Public Invest Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Phillip Securities Pte Ltd (Clients)</i>	5,248,000	0.748
16	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Loo Choo Gee</i>	5,201,000	0.741
17	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yeo Boon Leong</i>	5,052,500	0.720
18	Tang Kuang Heng	4,569,700	0.651

ANALYSIS OF SHAREHOLDINGS (CONT'D)

ANALYSIS OF SHAREHOLDINGS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder)

LIST OF TOP THIRTY (30) HOLDERS (CONT'D)

	Name	Shareholdings	%
19	Chu Kum Weng	4,289,700	0.611
20	HSBC Nominees (Asing) Sdn Bhd <i>J.P. Morgan Securities PLC</i>	4,251,300	0.606
21	Amanahraya Trustees Berhad PMB Shariah Aggressive Fund	4,000,000	0.570
22	Tan Chin Tee	3,731,700	0.532
23	Lim Poh Choo	3,700,075	0.527
24	Cheah Bok Chuan	3,314,200	0.472
25	Yang Yang Poultry Farming Sdn Bhd	2,913,000	0.415
26	Cheng Mooh Tat	2,857,175	0.407
27	Ng Yee Xin	2,649,600	0.377
28	Ong Chuan Seng	2,648,000	0.377
29	Chan Kim Keow	2,484,843	0.354
30	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Chin Tee</i>	2,423,800	0.345

SUBSTANTIAL SHAREHOLDERS

	Name	Shareholdings			
		Direct	%	Indirect	%
1	Chuah Ah Bee	198,032,079	28.236	123,089,923 [#]	17.550
2	Chan Kim Keow	97,116,248	13.847	25,973,675 [@]	3.703
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	198,032,079	28.236	123,089,923 [#]	17.550
2	Chuah Hoon Phong	14,344,061	2.045	334,612 ^{**}	0.048
3	Loo Choo Gee	5,201,000	0.742	-	-
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 ("the Act") and his shareholding in CAB Family Holdings Sdn Bhd by virtue of Section 8 of the Act.

[#] Interest of spouse and children and his shareholding in CAB Family Holdings Sdn Bhd by virtue of Section 8 of the Act.

[@] Interest of children and her shareholding in CAB Family Holdings Sdn Bhd by virtue of Section 8 of the Act.

^{##} Deemed interested under Section 8 of the Companies Act 2016 by virtue of Plant Wealth Holdings Limited's shareholdings in CAB

ANALYSIS OF WARRANT HOLDINGS

AS AT 8 JANUARY 2024

WARRANTS 2023/2028

No. of outstanding Warrants : 233,781,206
 Exercise/Conversion Price : RM0.63
 Exercise/Conversion Ratio : 1 warrant for 1 ordinary share
 Maturity Date : 31 May 2028

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	741	25.093	23,514	0.010
100 - 1,000	431	14.595	221,557	0.094
1,001 - 10,000	1,140	38.604	4,354,250	1.862
10,001 - 100,000	509	17.236	16,417,818	7.022
100,001 - 11,689,059 (*)	128	4.334	88,160,705	37.710
11,689,060 and above (**)	4	0.135	124,603,362	53.299
Total	2,953	100.000	233,781,206	100.000

* Less than 5% of issued warrants

** 5% and above of issued warrants

LIST OF TOP THIRTY (30) HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Warrant holdings	%
1	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN for OCBC Securities Private Limited (Client A/C-NR)</i>	35,591,354	15.224
2	Chuah Ah Bee	32,013,046	13.693
3	Chan Kim Keow	31,543,801	13.492
4	Chuah Ah Bee	10,930,980	4.675
5	Kong Goon Khing	9,696,900	4.147
6	Ong Chuan Seng	8,400,000	3.593
7	Tan Wai Heng	8,320,100	3.558
8	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Kim Seah (Penang-CL)</i>	5,709,183	2.442
9	Chuah Hoon Hong	4,332,291	1.853
10	Chuah Hoon Teng	4,270,833	1.826
11	Kong Goon Khing	3,999,000	1.710
12	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Soon Hui (E-SJA)</i>	3,518,325	1.504
13	Yeo Boon Leong	3,015,000	1.289
14	Lim Tai Soon	2,719,100	1.163
15	Chuah Hoon Phong	2,604,869	1.114
16	Chuah Hoon Phong	2,176,484	0.930
17	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yeo Boon Leong</i>	1,956,066	0.836
18	Lee Yew Aun	1,926,025	0.823

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 8 JANUARY 2024

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

LIST OF TOP THIRTY (30) HOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder)

	Name	Warrant holdings	%
19	Public Invest Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Phillip Securities Pte Ltd (Clients)</i>	1,855,999	0.793
20	Chu Kum Weng	1,763,233	0.754
21	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)</i>	1,701,909	0.727
22	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Loo Choo Gee</i>	1,339,856	0.573
23	Cheah Book Chuan	1,324,733	0.566
24	Lim Poh Choo	1,233,358	0.527
25	Lee Chi Shong @ Lee Ah Mat	1,000,000	0.427
26	Cheng Mooh Tat	952,391	0.407
27	Yong Soi Lee	852,300	0.364
28	Chan Kim Keow	828,281	0.354
29	Yang Yang Poultry Farming Sdn Bhd	818,000	0.349
30	Goh Chye Heang	700,000	0.299

DIRECTORS' WARRANT HOLDINGS

	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1	Chuah Ah Bee	42,944,026	18.369	40,975,206 [#]	17.527
2	Chuah Hoon Phong	4,781,353	2.045	56,770 ^{**}	0.024
3	Loo Choo Gee	1,339,856	0.573	-	-
4	Chew Chee Khong	-	-	-	-
5	Lim Ghim Chai	-	-	-	-
6	Wijanti Tjendera	-	-	-	-
7	Datuk Sr. Haji Zakaria Bin Hashim	333	*	-	-
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 8 of the Companies Act 2016

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second 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 Monday, 25 March 2024 at 10.30 a.m.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2023 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**
2. To declare a final single tier dividend of 0.5 sen per share for the financial year ended 30 September 2023. **Ordinary Resolution 1**
3. 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:
 - (i) Mr Chuah Ah Bee **Ordinary Resolution 2**
 - (ii) Mr Chuah Hoon Phong **Ordinary Resolution 3**
4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 4**
5. To approve the Directors' fees up to an amount of RM751,200.00 and the payment of such fees to the Directors of the Company for the financial year ending 30 September 2024. **Ordinary Resolution 5**
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 25 March 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 6**

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.

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 7 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act."

Special Resolution

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

8. **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:

- (i) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- (ii) 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
- (iii) 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."

Ordinary Resolution 7

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

9. 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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

9. **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)**

- (ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or
- (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."

Ordinary Resolution 8

10. **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 2024 ("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:

- (i) 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
- (ii) 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
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS (CONT'D)

10. **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."

Ordinary Resolution 9

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 2024

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. Mr Loo Choo Gee who retires in accordance with Clause 165 of the Constitution of the Company, has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the Twenty-Second Annual General Meeting ("AGM"). The Board of Directors of the Company has on 29 December 2023 announced the decision of Mr Loo Choo Gee to retire in accordance with Clause 165 of the Constitution of the Company at the forthcoming AGM.
2. **Proxy**
 - 2.1 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 18 March 2024. 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.
 - 2.2 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Note A (Cont'd)

NOTES: (CONT'D)

2. Proxy (Cont'd)

- 2.3 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.
- 2.4 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.
- 2.5 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.
- 2.6 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.
- 2.7 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.
- 2.8 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 TIIH Online at <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 for 22nd AGM.
- 2.9 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.
- 2.10 Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 2.11 Last date and time for lodging the proxy form is Saturday, 23 March 2024 at 10.30 a.m.
- 2.12 Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- 2.13 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES

1. Re-election of Directors

The details and profiles of the Directors, Mr Chuah Ah Bee and Mr Chuah Hoon Phong who are standing for re-election at the 22nd AGM are set out in the Directors' profile of the Annual Report 2023.

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 2023 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.

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 Chuah Ah Bee and Mr Chuah Hoon Phong as Directors of the Company.

2. Directors' Fees

The proposed Ordinary Resolution 5, if passed, will authorise the payment of the Directors' fees up to the amount of RM751,200.00 for the financial year ending 30 September 2024.

3. Directors' Benefits

The proposed Ordinary Resolution 6, 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 25 March 2024 until the next Annual General Meeting of the Company.

4. 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. Resolution Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). Subject to the passing of the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Companies Act 2016, the proposed Ordinary Resolution 7, 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").

6. Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, 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 2024 for more information.

7. 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 proposed Ordinary Resolution 9, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. 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 2024 for more information.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 0.5 sen per share for the financial year ended 30 September 2023, if approved, will be paid on 19 April 2024 to Depositors registered in the Record of Depositors at the close of business on 4 April 2024.

A Depositor shall qualify for entitlement to the Dividend in respect of: -

- a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 4 April 2024 in respect of transfers;
- b) shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

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 2024

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-Second 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 25 March 2024. A renewal of this authority is being sought at the Twenty-Second AGM.

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 2023 AND DETAILS OF DIRECTORS’ ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended 30 September 2023 are as follows:-

Name	Meetings attended
Chew Chee Khong	5/5
Chuah Ah Bee	5/5
Chuah Hoon Phong	5/5
Loo Choo Gee	5/5
Wijanti Tjendera	5/5
Datuk Sr Haji Zakaria Bin Hashim	5/5
Lim Ghim Chai	4/5
Professor Dato’ Dr Mohd Fakhrudin Bin Abdul Mukti	4/5



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-Second 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 **Monday, 25 March 2024 at 10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

ORDINARY BUSINESS	Resolution	For	Against
Declaration of Final Single Tier Dividend of 0.5 sen per share for the financial year ended 30 September 2023	Ordinary Resolution 1		
Re-election of Mr Chuah Ah Bee	Ordinary Resolution 2		
Re-election of Mr Chuah Hoon Phong	Ordinary Resolution 3		
Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company	Ordinary Resolution 4		
Approval of Directors' fees	Ordinary Resolution 5		
Approval of Directors' benefits	Ordinary Resolution 6		
SPECIAL BUSINESS			
Waiver of Pre-emptive Rights	Special Resolution		
Authority to issue and allot shares	Ordinary Resolution 7		
Renewal of share buy-back authority	Ordinary Resolution 8		
Renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature	Ordinary Resolution 9		

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 18 March 2024. 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.

1st fold here

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

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 TIH Online at <https://tih.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 for the 22nd AGM.
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 Saturday, 23 March 2024 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.

This page is intentionally left blank.

This page is intentionally left blank.



CAB CAKARAN CORPORATION BERHAD
(200201015998) (583661 W)

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

Tel : 604-398 2233
Fax : 604-398 0137 / 398 0370
Email : cab@cab.com.my

www.cab.com.my