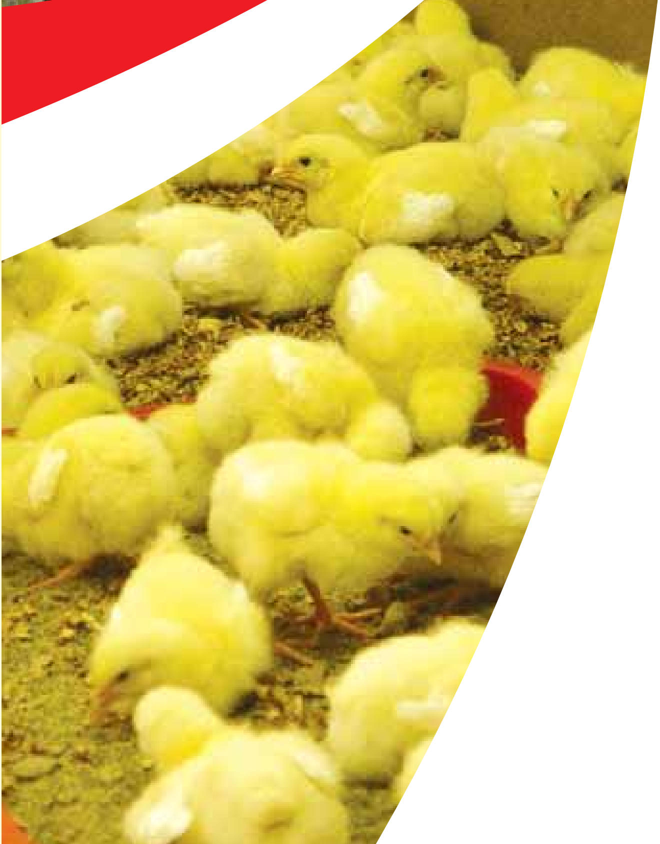
CAB CAKARAN CORPORATION BERHAD

(200201015998) (583661 W)

(Incorporated in Malaysia)



SUSTAINABLE GROWTH FOR THE FUTURE

Annual Report 2019

CONTENT

ABOUT US

"Growth Through Sustainable Development"

The Group is mindful of its social responsibility in carrying out its business activities by ensuring a balance and sustainable development. The goal is to meet the needs of the present without compromising the well-being of the future generation.

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

CHAN KIM KEOW
Executive Director

CHEW CHEE KHONG
Executive Director

LOO CHOO GEE
Executive Director

HAJI AHMAD FAZIL BIN HAJI HASHIM
Senior Independent Non-Executive Director

GOH CHOON AIK
Independent Non-Executive Director

LIM GHIM CHAI
Independent Non-Executive Director

WIJANTI TJENDERA
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Goh Choon Aik
Members

NOMINATION COMMITTEE

Haji Ahmad Fazil Bin Haji Hashim
Chairman

Goh Choon Aik
Lim Ghim Chai
Members

REMUNERATION COMMITTEE

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Goh Choon Aik
Members

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chuah Hoon Phong
Chairman

Goh Choon Aik
Lim Ghim Chai
Members

HALAL COMMITTEE

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

Haji Ahmad Fazil Bin Haji Hashim
Chairman

Dato' Raja Zulkepley Bin Dahalan
Deputy Chairman

Haji Abdul Malek Bin Haji Abdul Karim
Abdul Rahman Bin Din
Brigadier General Dato' Azizon Bin Ariffin
Members

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

COMPANY SECRETARIES

Chew Siew Cheng
(MAICSA 7019191)

Lim Choo Tan
(LS 0008888)

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

STOCK EXCHANGE LISTING

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

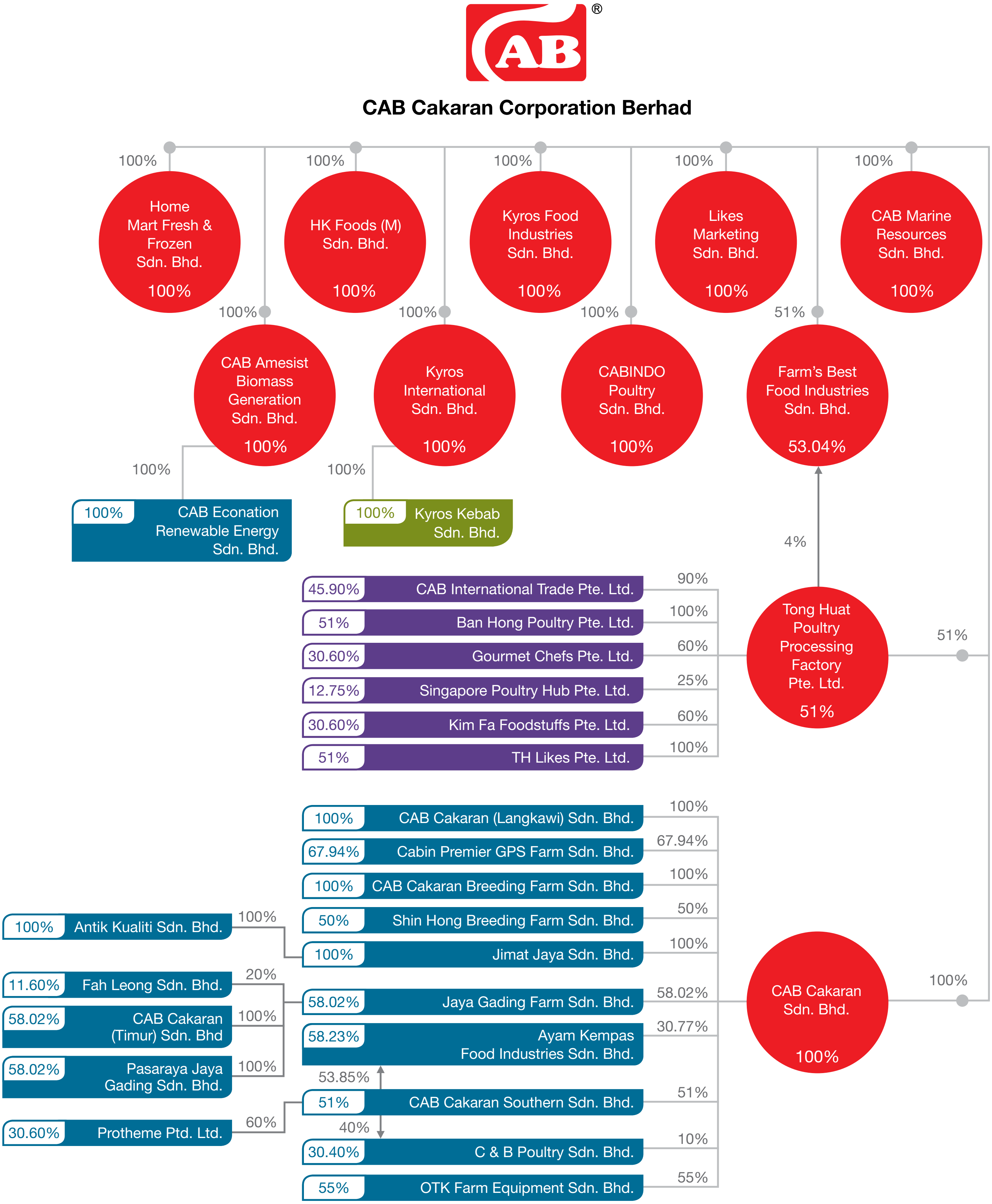
AUDITORS

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

PRINCIPAL BANKERS

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

CORPORATE **STRUCTURE**
as at 31 December 2019



PROFILE OF BOARD OF DIRECTORS

CHUAH AH BEE

Executive Chairman
69, Male, Malaysian

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

Mr. Chuah is the founder of CAB Group and has more than 40 years of experience in the poultry industry. 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.

CHUAH HOON PHONG

Group Managing Director
41, Male, Malaysian

Mr. Chuah was appointed to the Board of CAB on 29 May 2007. He was later appointed as the Group Managing Director of CAB on 17 February 2011. He is the Chairman of the Risk Management and Sustainability Committee.

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.

CHAN KIM KEOW

Executive Director
62, Female, Malaysian

She was appointed to the Board of CAB on 11 August 2003 as an Executive Director. She is one of the founding members of CAB Group and plays an active role in assisting her husband, Chuah Ah Bee in the day-to-day operations of the Group.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

CHEW CHEE KHONG

Executive Director
63, Male, Malaysian

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

Mr. Chew began his career in the banking industry and has held various positions in both commercial and merchant banks over a period of 15 years. Prior to joining Denko Industrial Corporation Berhad as the Group General Manager in 1994, he was a Senior Manager of Corporate Banking in Utama Merchant Bank Berhad. In 1996, he ventured into business and is one of the founding members of Kyros Kebab fast food chain.

LOO CHOO GEE

Executive Director
56, Male, Malaysian

Mr. Loo was appointed to the Board of CAB on 11 August 2003 as an Executive Director. 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 the Chairman from 2013 to 2016. Currently, Mr. Loo is a Honorable Advisor to the said Province Wellesley Farmers' Association.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

HAJI AHMAD FAZIL BIN HAJI HASHIM

Senior Independent Non-Executive Director
64, Male, Malaysian

Tuan Haji Ahmad Fazil was appointed to the Board of CAB on 1 September 2004 as an Independent Non-Executive Director. He was re-designated as the Senior Independent Non-Executive Director on 26 August 2011. He is the Chairman of Nomination Committee and Halal Committee. He is also a member of the Audit Committee and Remuneration Committee.

Tuan Haji Ahmad Fazil holds a Diploma in Technical Teaching and served in the Ministry of Education from 1978 to 1992. After a distinguished career in various positions in the Ministry of Education, he ventured to set up his own business. He served as the President of PERDASAMA (Association of Malay Entrepreneurs of Malaysia) Kedah Chapter from 2000 to 2004. He diversified his business internationally to eventually having a strong presence in the Middle East (centred in Dubai) and ASEAN, especially in Indonesia (centred in Jakarta). Sales and marketing are his distinctive forte. He has an extensive network of contacts both locally and internationally and has interest in several core businesses operate under the aegis of IBF International Network Sdn. Bhd.

GOH CHOON AIK

Independent Non-Executive Director,
46, Male, Malaysian

Y.B. Goh was appointed to the Board of CAB on 29 March 2011 as an Independent Non-Executive Director. He is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management and Sustainability Committee. He obtained his Bachelor of Urban & Regional Planning from Universiti Teknologi Malaysia. He is a Registered Town Planner and a corporate member of the Malaysia Institute of Planners.

Y.B. Goh began his career with Penang Development Corporation as Town & Country Planning Officer in 1998, before joining GCA Planning Consultants & GCA Planning Sdn. Bhd. in 2005, where he was the Principal. He also served as Municipal Councillor in Majlis Perbandaran Seberang Perai from 2008 to 2010 and 2016. He has accumulated 21 years of experience in the town planning.

At present, he is a member of Penang State Legislative Assembly for Bukit Tambun. He is a Non-Executive Director of Invest-in-Penang Berhad. He also holds directorships in several private limited companies.

PROFILE OF
BOARD OF DIRECTORS
(CONT'D)

LIM GHIM CHAI

Independent
Non-Executive Director
45, Male, Malaysian

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

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

At present, he is an Executive Director of Heng Huat Resources Group Berhad. He also holds directorships in other private limited companies.

WIJANTI TJENDERA

Non-Independent
Non-Executive Director
61, Female, Indonesian

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

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

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

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Notes:

(1) Family Relationships and Major Shareholders

Directors	Relationship	Major Shareholder
Chuah Ah Bee	Husband of Chan Kim Keow and father of Chuah Hoon Phong	Yes
Chan Kim Keow	Wife of Chuah Ah Bee and mother of Chuah Hoon Phong	Yes
Chuah Hoon Phong	Son of Chuah Ah Bee and Chan Kim Keow	No

Save as disclosed, none of the Directors has family relationship with any other Directors or Major Shareholders of the Company.

(2) Directors' Shareholdings

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

(3) No Conflict of Interest

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

(4) Non-Conviction of Offences

All the Directors have not been convicted with any offences other than traffic offences (if any) in the past five (5) years except for the following:-

Mr. Chew Chee Khong, being a Director of Kyros Food Industries Sdn. Bhd. was charged under Section 25(1) of the Environmental Quality Act 1974 at Kuala Lumpur High Court as Kyros Food Industries Sdn. Bhd. had contravened one of the regulations set out under the Environmental Quality (Industrial Effluent) Regulations 2009. Mr Chew has fully served/settled all sentences imposed by the Kuala Lumpur High Court on 27 January 2016.

(5) Attendance at Board Meetings

Please refer to Statement Accompanying Notice of AGM on page 214 of this Annual Report.

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, Madam Chan Kim Keow, Mr. Loo Choo Gee and Mr. Chew Chee Khong and the following key senior management:

KOAY LAY EAN

Director (Group's Finance Division)
46, Female, Malaysian

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

LIM CHIN SENG

Director (Breeding Farm Operation Division)
58, Male, Malaysian

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

CHUAH HOON TENG

Director (Breeding Farm Operation Division)
32, Male, Malaysian

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

VINCENT LEONG WENG FAI

Director (Food Processing Operation Division)
40, Male, Malaysian

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

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

YAP KIM HWAH

Managing Director (East Coast Poultry and Supermarket Division)
66, Male, Malaysian

He is the Managing Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on 20 June 1986. He has completed his secondary education and immediately involved in poultry industries. He joined JGF since the incorporation of JGF in 21 February 1984 and has over 35 years' of experience in poultry industry. He is currently responsible for managing and monitoring the day-to-day operations and management decisions of JGF and its group of companies.

LEONG YOUK LEEN

Director (East Coast Poultry and Supermarket Division)
51, Female, Malaysian

She is a Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on 10 August 1999. She has completed her secondary education and join 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.

TOO SIEW DIN

Managing Director (Singapore's Food Processing Division)
52, Male, Singaporean

He is the Managing Director of Tong Huat Poultry Processing Factory Pte. Ltd. ("THPPF") and was appointed to the Board of Directors of THPPF on 1 June 1998. He holds a Bachelor of Business Administration Degree from the National University of Singapore. Upon graduation in 1993, he joined THPPF as a junior manager and undertook various job responsibilities in THPPF until his current position as the Managing Director of THPPF. He is currently in charge of all day-to-day operations and management decisions of THPPF.

CHUAH HOON HONG

Director (Southern Poultry Division)
34, Male, Malaysian

He is a Director of CAB Cakaran Southern Sdn. Bhd. ("CABS") and was appointed to the Board of Directors of CABS on 31 January 2017. He obtained his Diploma of Commerce from Murdoch Institute of Technology Perth, Australia in the year 2010. He joined the Group as a Manager and was later promoted to be a Director of CABS. He is currently in-charge of the day-to-day operations of CABS.

DR. HUANG LIP CHIN

Senior Group Manager (Poultry Technical Division)
45, Male, Malaysian

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

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

GAN CHIN NAM

General Manager (Southern Poultry Division)
55, Male, Malaysian

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

ABDUL RAHMAN BIN DIN

Senior Business Development Manager (Poultry cum Business Development Division)
38, Male, Malaysian

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

(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.

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2019 ("FY2019").

This MD&A should be read in conjunction with the audited financial statements of the Group for FY2019 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 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 only 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 entails 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. The Group operates six (6) slaughtering and processing factories which are located at Sungai Petani (Kedah), Segambut (Kuala Lumpur), Majlis Tanah (Melaka), Seelong (Johor), Kuantan (Pahang) and Senoko Crescent (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 is away from the bigger competitors. The Group currently has a total of ten (10) outlets with four (4) in Kuantan, two (2) in Kelantan, one (1) in Penang, and three (3) in Kedah. The Group's long-term strategy is to build a big network of such outlets throughout the Peninsular as one of the distribution channels for the Group's products.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

GROUP BUSINESS AND OVERVIEW (CONT'D)

The Group also owns and operates the Kyros Kebab fast food franchise chain in the country. Currently, there are seven (7) Kyros Kebab outlets operating in Malaysia.

The acquisition of the poultry business in Johor, including primary processing factory from Ayam Kempas Sdn. Bhd. in 2019 provides the Group an opportunity to expand further its market present in Johor. In view that broilers are generally essential food item, the Board believes that by being a larger broiler producer, CAB Group can reap economies of scale in its operation as well as achieving more sustainability and consistency in the supply of its poultry products.

The joint venture agreement with the Salim Group which was signed in November 2017 to set up an integrated poultry business in Indonesia is still awaiting approvals from the authorities for conversion of land use and relevant operating licenses.

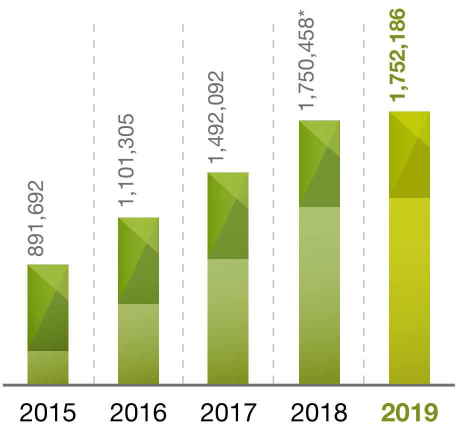
HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS

Financial Years Ended September 30	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000
Revenue	891,692	1,101,305	1,492,092	1,750,458*	**1,752,186**
Earning before interest and taxation	37,593	56,861	96,713	52,986*	**35,535**
Profit before taxation	29,286	46,712	83,068	36,593*	**14,791**
Profit after taxation	20,943	35,957	61,675	27,822*	**4,034**
Net profit attributable to equity holders	16,041	25,998	58,183	24,546*	**12,160**
Total assets	569,754	692,090	1,112,572*	1,293,675*	**1,319,633**
Total borrowings	193,128	222,348	286,498	407,382	**470,619**
Shareholders' equity attributable to equity holders	184,165	246,279	422,729*	447,995*	**453,870**
Debt/Equity (%)	104.87%	90.28%	67.77%*	90.93%*	**103.69%***
Net assets per share	0.39	0.45	0.68*	0.69*	**0.69**
Basis earning per share (sen)	3.69	5.15	10.12	3.89*	**1.87**
Diluted earnings per share (sen)	3.28	4.24	8.76	3.60*	**1.79**
Return On Equity (%)	8.71%	12.08%	17.39%*	5.64%*	**2.70%**
Dividend per share (sen)	N/A	1.00	0.50	0.50	**0.25**

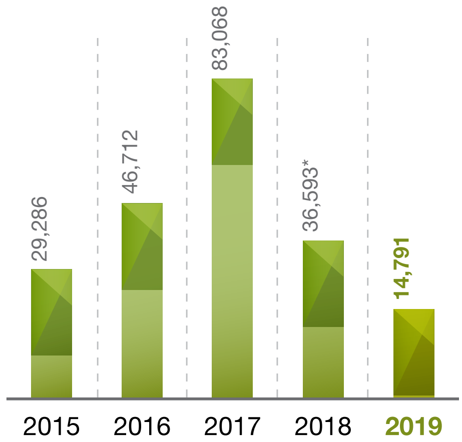
* Restated due to adoption of new Malaysian Financial Reporting Standards (MFRS).

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

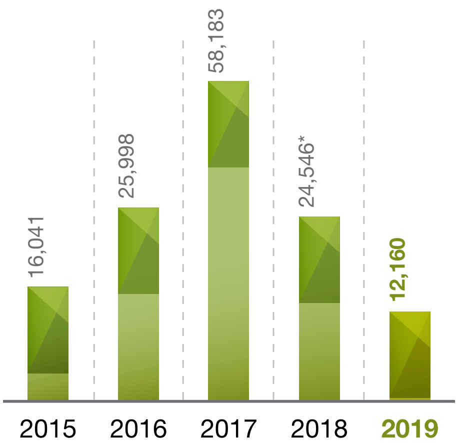
REVENUE
(RM'000)



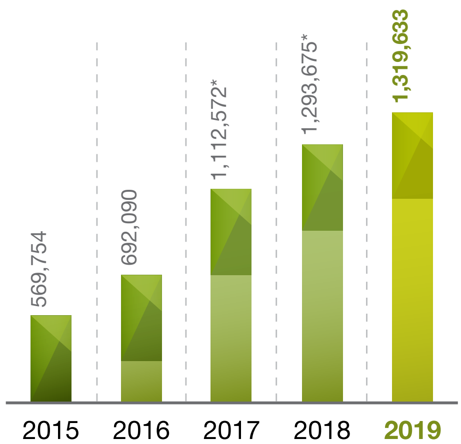
PROFIT BEFORE TAXATION
(RM'000)



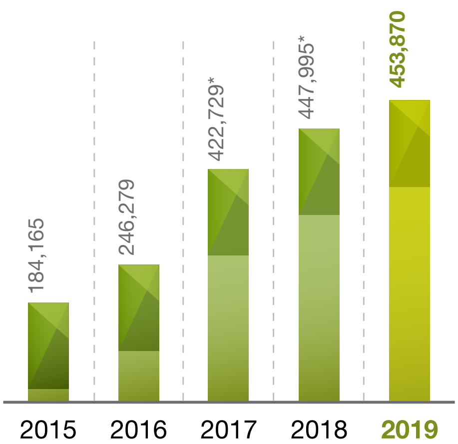
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS
(RM'000)



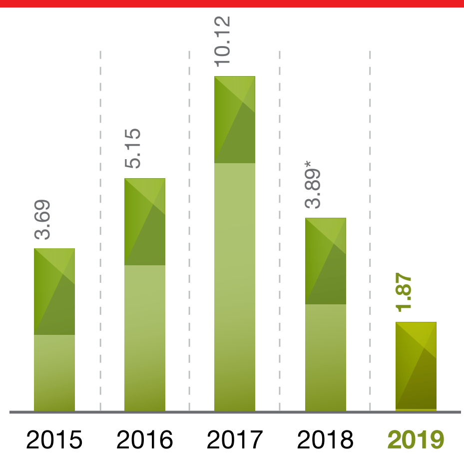
TOTAL ASSETS
(RM'000)



SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS
(RM'000)



BASIC EARNINGS 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 FY2019 as compared with the previous FY2018:

	FY2019 RM'000	FY2018 RM'000	Change %
Revenue	1,752,186	1,750,458*	0.10
Profit from operations	24,846	60,114*	(58.67)
Cost of sales	1,632,829	1,597,101	2.24
Distribution costs	58,240	55,155	5.59
Administrative expenses	54,747	52,833	3.62
Other gains/(losses)	11,840	(6,499)*	282.18
Finance costs	22,188	17,772	24.85
Profit before tax	14,791	36,593*	(59.58)
Net profit attributable to equity holders	12,160	24,546*	(50.46)
Property, plant and equipment	758,503	687,342	10.35
Investment properties	100,498	96,520	4.12
Inventories	48,261	61,196*	(21.14)
Trade and other receivables	190,368	209,373*	(9.08)
Trade and other payables	205,979	238,202	(13.53)
Borrowings	470,619	407,382	15.52

* Restated due to adoption of new Malaysian Financial Reporting Standards (MFRS).

Financial Highlights And Insights

- During the financial year under review, the Group recorded a total revenue of RM1.75 billion which is a slight increase over the previous year's revenue. Despite the sales growth of about 5% in processed chicken and other food products, the Group's revenue did not show a corresponding increase. The main reasons are the decreased in average selling price of broilers from RM4.70 per kilogram in FY2018 to RM4.50 per kilogram in FY 2019 and the lower production volume of chicks.

  The occurrence of Avian Influenza in a number of countries especially in the United States in year 2017 had adversely affected the intake of grandparent stock chick in the world. As a result, the production cycle of parent stock chick of the Group was interrupted in year 2018 which contributed to the decrease in the production of broiler chicks. As a result, the production of broiler chicks in the Group decreased by 18.09% as compared to FY2018.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP FINANCIAL REVIEW (CONT'D)

Financial Highlights And Insights (Cont'd)

- Although the Group was able to maintain its revenue as compared to FY2018, the profit from operation of the Group dropped from RM60.11 million to RM24.85 million in FY2019. This was mainly due to the lower average selling price of broiler in FY2019 coupled with the increased in cost of sales, distribution cost as well as administrative expenses.

- Increased in cost of sales was attributed to higher depreciation charges, labour and overhead cost and additional operating costs on newly acquired broiler farms and slaughtering plant in Johor. Additionally, the low production volume of chicks has also contributed to the increase in the cost of sales.

- Distribution cost and administrative expenses increased by 5.59% and 3.62% respectively in FY2019 are mainly attributed to the newly acquired Ayam Kempas Food Industries Sdn. Bhd.'s ("AKFI") slaughtering plant and Farm's Best Food Industries Sdn. Bhd.'s ("FBFI") broiler farms.

- Other gain and loss increased significantly to RM11.84 million in 2019 mainly due to the gain on partial disposal of an investment properties, fair value gain on investment properties and biological assets of RM3.41 million, RM4.88 million and RM6.67 million respectively. The Group achieved a gain on fair value adjustment of investment properties of RM2.67 million and loss on fair value adjustment on biological assets of RM4.15 million in FY2018.

- Finance cost increased by RM4.42 million to RM22.19 million as compared to FY2018 mainly due to increase of term loan to finance the acquisition of farms and factory in FY2019 as well as increased utilisation of banking facilities for working capital purpose.

- Consequently, the Group recorded a lower profit before tax of RM14.79mil as well as profit attributable to equity holders of RM12.16 million in FY2019.

- The Group's property, plant and equipment increased in FY2019 mostly due to the completion of the acquisitions of the new slaughtering factory and plant and equipment in Johor by AKFI and a factory in Singapore by Tong Huat Poultry Processing Factory Pte. Ltd.

- The Group's inventories decreased by 21.14% mainly due to the decrease in stock of processed chicken as a result of the better than expected demand situation during the month of September which is the end of the financial year.

- Trade and other receivables decreased by 9.08% mainly due to the decrease in sales of broiler and feed. Trade and other payables decreased by 13.53% mainly due to the decrease in the purchase of feed and materials resulting from the decreased in sales of broiler, feed and inventories.

- Cash and cash equivalents decreased to RM53.53 million in FY2019 as compared to RM83.42 million in FY2018. The cash generated from operating and financing activities has been utilised mainly to acquire property, plant and equipment resulting in a decrease of RM29.91 million in cash and cash equivalents.

- The net cash generated from financing activities was mostly from the increase of term loan amounting to RM58.13 million raised to finance the acquisition of slaughtering plant in Johor and factory in Singapore as well as the increased in the utilisation of short-term borrowings by RM16.29 million.

- A final single tier dividend of 0.5 sen per ordinary share amounting to RM3.24 million in respect of the FY2018 was paid on 19 April 2019.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

GROUP BUSINESS OPERATIONS REVIEW

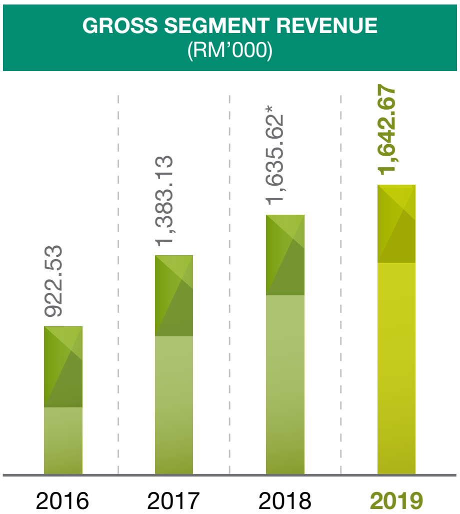
Integrated Poultry Division

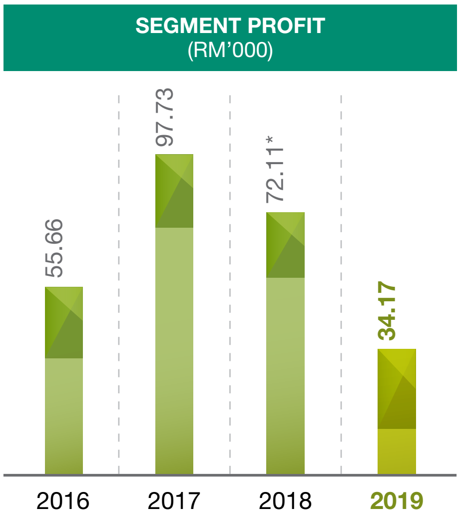
The integrated poultry division remains the core and largest business segment and also the major contributor to the Group's performance in FY2019. Revenue for the division was RM1.64 billion which showed a slight increase of 0.43% over the previous year. In spite of the increase in revenue, this division recorded a segment profit of RM34.17 million which was a decrease of 52.61% over the previous year.

The lower profit generated by this division was largely due to the low average price of broiler prevailing during the year. The instability in the market price of broiler in Malaysia has caused volatility in the financial performance of the division year–on-year. Although feed cost has decreased during the financial year as compared to prior year, the higher production cost resulting from the decreased in production volume of chicks, higher depreciation charges as well as labour and other overhead costs have adversely affected the profitability of the division.

	2019 (RM'000)	2018 (RM'000)	2017 (RM'000)	2016 (RM'000)
Gross Segment Revenue	1,642.67	1,635.62*	1,383.13	922.53
Segment Profit	34.17	72.11*	97.73	55.66

* Restated due to adoption of new Malaysian Financial Reporting Standards (MFRS).





Presently, the Group operates more than 10 breeder farms, including the breeding of black chicken and colour bird, which are located in Kedah, Penang, Negeri Sembilan, Melaka and Johor. We also operate more than 100 broiler farms located throughout the Northern, Southern and Eastern Peninsular region.

During the year under review, the capital expenditure for the segment was RM114.44 million. The capital expenditure was primarily incurred for the following :

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Integrated Poultry Division (Cont'd)

1) Acquisition of a slaughtering factory, plant and equipment in Johor by AKFI. With this acquisition, the overall Group's primary processing capacity has increased by approximately 6%.
2) Construction of a new breeder farm for rearing of parent stock of black chicken and coloured birds. Previously, the Group rented a farm to rear the parent stock of black chicken and coloured bird. With the newly constructed farm, the Group's production capacity of black chicken and coloured birds, would be increased by approximately 20% in the next financial year.
3) Aqusition of properties in Singapore for primary processing operation by Tong Huat Poultry Processing Factory Pte. Ltd. ("THPPF"). The purpose of the acquisition of the properties is to relocate and restructure its existing operation in Senoko Crescent, Woodlands, where the lease term of the existing factory will expire on 15 July 2021. After the relocation and restructuring, this new factory will be able to accommodate not only the existing operations of THPPF but also cater for future business expansion.

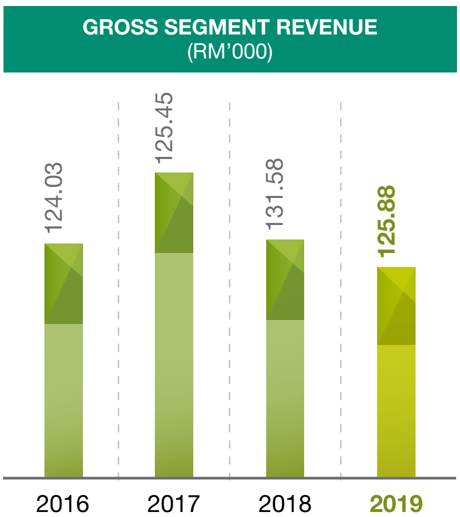
The Group will continue to deploy resources towards ensuring sustainable upsteam sources in order to secure its internal supply chain for its midstream and downstream activities.

Barring unforseen circumstances and following the recovery of the interruption to the production of chick by the end of 2019, the management expects the Group's broiler production capacity to increase by 11% in the next financial year which will contribute positively to the growth of the division in the next financial year.

Supermarket Division

The total revenue for the supermarket division was RM125.88 million, with a segment loss of RM0.73 million as compared with the prior year's revenue of RM131.58 million and segment loss of RM0.80 million. The lower revenue recorded was mainly due to the temporary closure of two outlets for restructuring and renovation during the year under review. Despite the lower revenue, the supermarket division recorded a better performance as a result of more effective cost control on administrative expenses and distribution costs.

	2019 (RM'000)	2018 (RM'000)	2017 (RM'000)	2016 (RM'000)
Gross Segment Revenue	125.88	131.58	125.45	124.03
Segment Profit	(0.73)	(0.80)	(0.38)	0.52



MANAGEMENT DISCUSSION **AND ANALYSIS** (CONT'D)

GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Supermarket Division (Cont'd)

The supermarket division is still operated in small scale. With weak consumer sentiment and competition from online sales coupled with higher labour cost, the supermarket division has delayed the plan to open two new outlets in FY2019 to the next financial year.

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.

- **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 depended 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. 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.

- **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 preserve quality and safety of the Group's products, the relevant operations are certified and accredited with recognized national and international food safety standards, including the Malaysian Good Agricultural Practices ("MyGAP") certification for its breeder and grand-parent stock farms; Veterinary Health Mark ("VHM") and HALAL (by Jabatan Kemajuan Islam Malaysia) certification for chilled/frozen chicken and further processed products; Good Manufacturing Practice and Hazard Analysis and Critical Control Point ("HACCP") certifications for processing and manufacturing facilities; and Food Safety System Certificates ("FSSC") 22000 for its slaughtering facility in Kedah and further processed products factory in Segambut, Kuala Lumpur. The Group also received certification from the Agri-food & Veterinary Authority of Singapore ("AVA") for certain broiler farms in Johor as well as the processing and manufacturing facility in Melaka which enables the Group to export live broilers, frozen dressed birds and parts as well as further processed products to Singapore.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

KEY BUSINESS RISK AND MITIGATION STRATEGIES (CONT'D)

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

  In 2015, the Group expanded into Singapore 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 marinated and fully-cooked meat products in the Island republic. The Group had in November 2017 signed a joint venture agreement with the Salim Group to set up an integrated poultry business in Indonesia. However, the implementation of the project was delayed due to the longer than expected time in getting relevant regulatory approvals from the authorities for conversion of land use and relevant operating licenses.

- **Regulation and Policy Risk**

  The Group's production is based mainly in Malaysia and Singapore and a valid operating licence and veterinary licence are generally required for the purpose of carrying out poultry farming activities which is subject to yearly renewal. The Group constantly keep 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 operation.

- **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.

FORWARD LOOKING STATEMENT

The Malaysian economy grew at a slower pace of 4.40% in Q3 2019 due to sluggish global demand and softer investment and trade activities. However for the full year of 2019, the economy is expected to grow at the rate of 4.70%. Taking into consideration of the subdued global economic conditions in 2020, the World Bank has projected a lower growth rate of 4.50% for Malaysia. The growth in the Malaysian economy will be supported by relatively strong private consumption, public infrastructure investments and a diversified economic base.

The global economy is experiencing a broad-based slowdown and is expected to grow at the rate of 2.60% in 2019, down from earlier prediction of 3.20%. For 2020, the World Bank has projected a growth rate of 2.70% for the global economy which will be driven by the better growth rate in the emerging markets. China and USA, being the world's two largest economies, are expected to expand at a slower pace of 5.80% and 1.70% respectively in 2020. Global growth prospects are expected to be hindered by continued escalation of trade dispute between China and USA, prolonged uncertainties of Brexit, unfavourable financial conditions and increased protectionist tendencies among major economies.

MANAGEMENT DISCUSSION **AND ANALYSIS**
(CONT'D)

FORWARD LOOKING STATEMENT (CONT'D)

The Management is aware of the uncertainties and challenges posed by both the internal and external environments in the coming year. Operational wise, the Group will focus on improving its competitiveness by investing in better system and equipment to enhance efficiency and reduce cost and wastages. In order to ensure sustainability in the Group's poultry operation, the Management will continue to progressively upgrade and modernise all our open house farms to closed house farms. Closed house farms have better hygienic and safety standards including higher production capacity. The Management has set a target of three (3) years to fully convert all farms into closed house system.

The project of upgrading the slaughtering plant in Sungai Petani from the current capacity of 4,000 birds per hour to 10,000 birds per hour is in progress and expected to be completed by June 2020. Investment is also made in automating most of the processes for cutting and deboning of chicken into parts. Upon the completion of this project, the plant will more than double its current production capacity and there will be improvement in overall product quality. The new equipment will help to reduce the use of manual manpower and also less water is needed in running the operation. Overall there will be more efficiency in production and cost savings.

In view of the weak market sentiment, the Management will proceed with caution by investing in only two (2) supermarket outlets in 2020. However, the Group is committed to expand the number of supermarket outlets over the long term as one of the strategies to have a more efficient distributing channel for the Group's products.

Considering the challenging economic environments, both domestic and internationally, the Management is cautiously optimistic that with the investments made over the past year in upgrading the equipment and processes in the factories and farms, the Group should improve on its financial performance in the next financial year.

SUSTAINABILITY STATEMENT

Sustainability is recognised as a fundamental component in the preservation of the future of CAB Cakaran Corporation Berhad ("CAB" or "the Company") and its subsidiaries (the "Group" or "CAB Group"), and has always been entrenched in the core of the Group's business. In addressing this initiative, the Group prioritises its development and management of the Economic, Environmental and Social ("EES") elements in its strategy to remain vibrant and profitable. This Sustainability Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and has considered the Sustainability Reporting Guide – 2nd Edition, including its accompanying toolkits, issued by Bursa.

SCOPE & METHODOLOGY

This Sustainability Statement ("Statement") underlines the Group's commitment towards ensuring that its business undertakings are conducted sustainably and responsibly through the Group's Economic, Environmental and Social ("EES") performance. The Group is confident that this can be accomplished through the implementation of the sustainability initiatives it develops.

The implementation of CAB's sustainability initiatives focuses on the Group's integrated poultry farming division as it is the Group's core business segment and major revenue contributor. The scope of this Statement excludes Ayam Kempas Food Industries Sdn. Bhd. ("AKFI"), which had completed the acquisition of the assets and facilities of Ayam Kempas Sdn. Bhd. ("AKSB") in Johor, including a primary processing factory, during the financial year, and is currently in the transition process of gradual implementation of the Group's standards and best practices. The Group will include this asset in the scope of the Sustainability Statement for the next financial year. Unless otherwise stated, the scope of this Statement does not include CAB's contract farms.

APPROACH TO SUSTAINABILITY

Sustainability Governance

The Group's approach to sustainability is formulated based on its core values and principles around its Mission and Vision 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.

SUSTAINABILITY **STATEMENT** (CONT'D)

APPROACH TO SUSTAINABILITY (CONT'D)

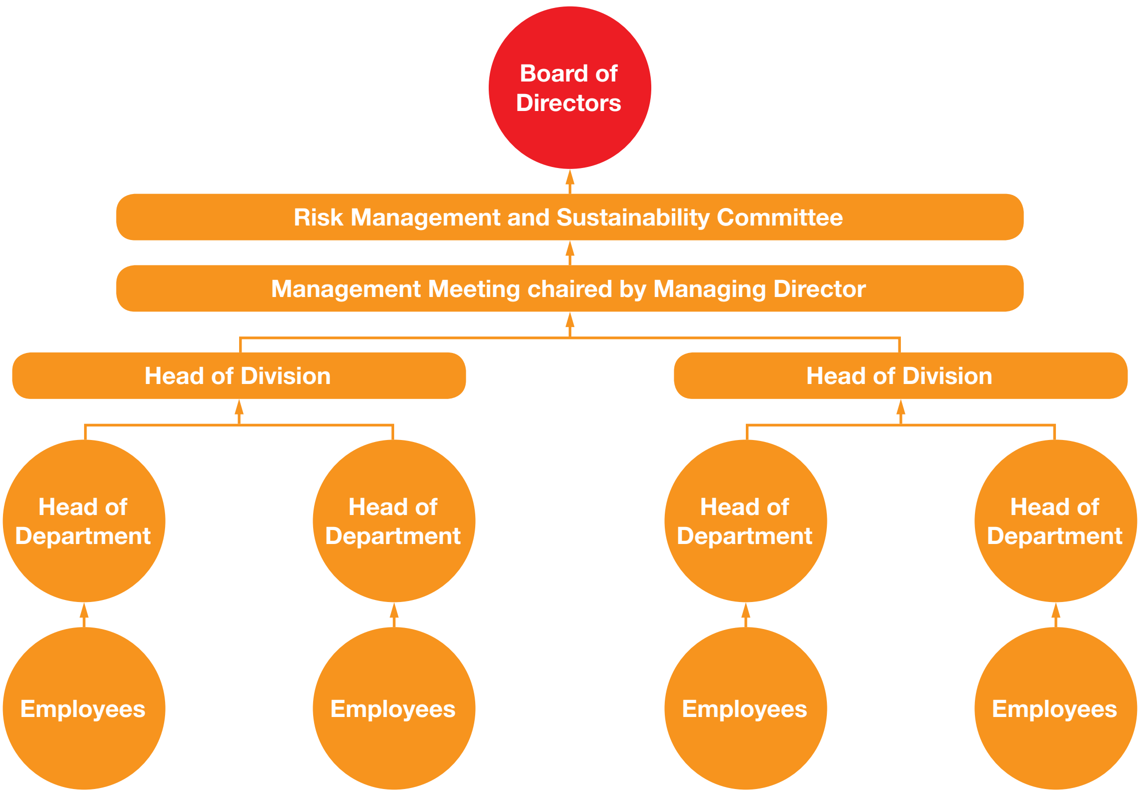
Sustainability Governance (Cont'd)

In integrating sustainability into its business, the Group's sustainability management and performance form an integral part of its risks management system where sustainability is treated as one of the key discussion points at its management meetings.

While the Board takes ultimate responsibility in ensuring that CAB's strategic plan supports long-term value creation and includes strategies on EES considerations underpinning sustainability, the Group's Risk Management and Sustainability Committee ("RMSC") is tasked to assist the Board, with responsibilities that include overseeing the establishment and implementation of a sustainability framework and monitoring and overseeing the management and performance of all sustainability strategies and initiatives of the Group.

Sustainability Framework Structure

The following illustrates the reporting structure of the Group's sustainability framework:



Aim

The aim and ultimate goal are to ensure that sustainability considerations are integrated into the Group's governance framework, in other words, ensuring accountability over the Group's sustainability performance, and that sustainability initiatives and practices become part and parcel of the Group's day-to-day operations.

MATERIAL SUSTAINABILITY CORE FOCUS AREAS

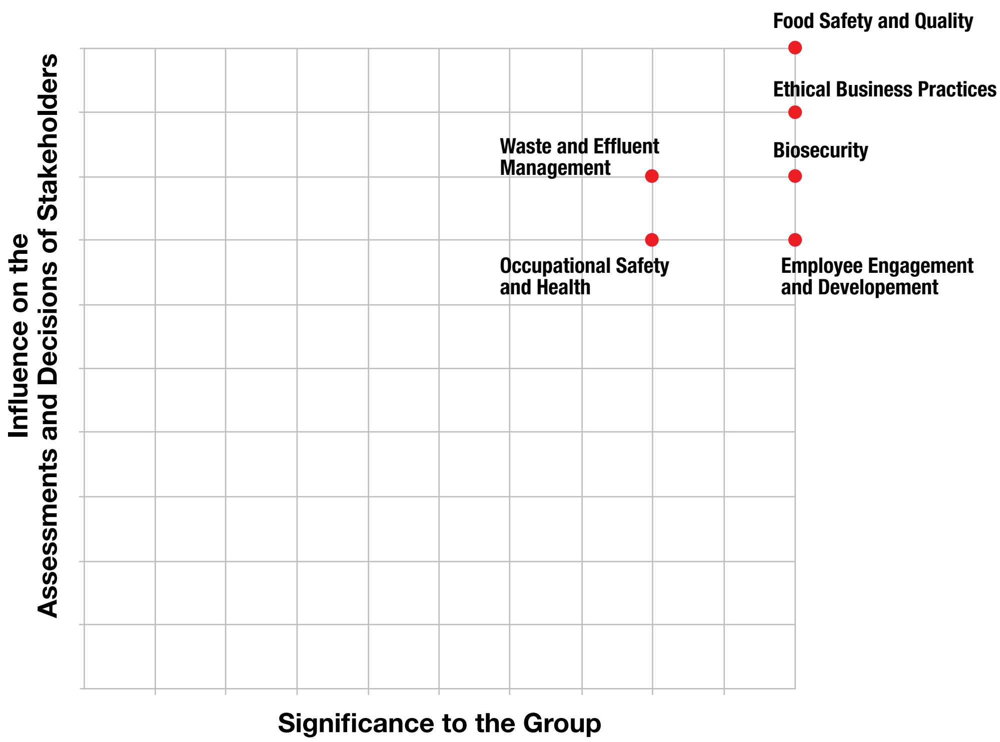
Materiality, in sustainability terms and in so far as CAB is concerned, is not limited to matters that may have financial impact to the Group but includes matters that may impinge on its ability to meet its present and future needs. The Group's definition of materiality is derived from the prescribed guidelines provided by Paragraph 6.3, Practice Note 9 of the MMLR of Bursa, where material issues are defined as those which:

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

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY CORE FOCUS AREAS (CONT'D)

During the financial year, CAB has performed a materiality assessment, participated by the Heads of Departments of the Group's key operations as well as those who manages the Group's key stakeholders, to review the Group's EES matters, which includes an assessment of their significance to the Group's business operations and how they influence the assessments and decisions of our stakeholders, including, but not limited to, our employees, customers, community within the vicinity of our operations, regulators and authorities, etc. Among the various EES matters considered in the materiality assessment process, we have identified the following Core Focus Areas which may have greater direct or indirect impact on our Group's ability to create, preserve or erode EES values.



CORE FOCUS AREAS

Ethical Business Practices

In line with the CAB Group's Vision, Mission and Core Values, the Group believes in upholding integrity and ethics in the conduct of business. A Code of Ethics and Conduct, applicable to the Group's Directors and employees, is established by the Group to clearly set out expectations to display the highest levels of professionalism in the conduct of work and dealings with internal and external stakeholders. The Group's Code of Ethics and Conduct communicates the Group's commitment to practising business ethically towards its 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 CAB's business dealings.

SUSTAINABILITY STATEMENT (CONT'D)

CORE FOCUS AREAS (CONT'D)

Ethical Business Practices (Cont'd)

A whistle-blowing channel has also been established to allow for the reporting of genuine concerns, about unethical behaviour, malpractices, illegal acts, or failure to comply with regulatory requirements, by employees or stakeholders of the Group without fear of reprisal. The whistle-blowing mechanism also provides protection to the whistle-blower where confidentiality of identity is concerned, as well as against retaliation. Apart from direct access to the Group Managing Director, the mechanism also allows for reporting to an alternate independent channel, i.e. the Audit Committee Chairman. Such policies and procedures are formalised in a Whistle-Blowing Policy which is available for public access on the company website at http://www.cab.com.my/investors-relations/.

During the financial year under review, there were no whistle-blowing cases reported.

Biosecurity

Biosecurity and safety of livestock plays an important role to the Group and may be threatened by physical, chemical and microbiological content. Biosecurity is taken seriously at CAB's farms, which are operated in accordance with a Biosecurity Policy, with controls and measures embedded into the Group's operations to prevent, minimise, confine, and control diseases and infection risks at all farms and hatcheries. CAB farms are managed in accordance with the Group's Farm Management Policy and Standard Operating Procedures ("SOPs"). Flock Health Monitoring and Good Animal Husbandry Practice ("GAHP") are also practised at all farms and hatcheries with due consideration given for excellent birds health and welfare.

In order to minimise the impact of cross-infection in the case of a disease outbreak, CAB's poultry farms are distanced from each other, spreading across the entire Peninsula Malaysia, covering Kedah, Melaka, Negeri Sembilan, Johor, Pahang, Terengganu and Kelantan. Employees and/ or visitors who have visited the poultry farms are not allowed to enter the Group's hatcheries within a specified period of time to avoid infection of day-old chicks.

The physical movements of persons in and out of the operation premises are monitored and controlled, and persons entering the premises are required to wear disinfected apparel and gears. Access into farm houses is only allowed for persons wearing designated farm uniform after going through mandatory shower, hand wash and disinfectant boot-dip.

As breeder flocks play a crucial part in reproducing quality livestock, grandparent stocks are kept in a separate farm, where access is strictly controlled to minimise the risk of infection. Likewise, parent stock farms are managed in accordance with the standards required for CAB to be certified by the Department of Veterinary Services ("DVS") as Malaysian Good Agricultural Practices ("MyGAP") certification holder.

External vehicles are not allowed into production and clean areas, whilst all authorised vehicles are required to have vehicle shower and wheel-dip before entering farms and hatcheries.

Further, the Group manages the internal conditions of its operation premises by adopting good practices on a range of matters crucial to hygiene and disease-control, such as for rodent, insect and wild bird control and waste management for farms and hatcheries.

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 visit CAB's farms regularly.

The Group also adopts Evaporative Tunnel Ventilated Closed House System to regulate and enhance consistency of house temperature and air quality to avoid unnecessary stress on poultry in order to deliver excellent performance and also to reduce biosecurity risks. The Group is gradually implementing the conversion all of its open house farms to closed house system to enhance the effectiveness of the Group's effort in managing biosecurity risks.

During the financial year under review, there were no major disease outbreaks in CAB's poultry farms.

SUSTAINABILITY STATEMENT
(CONT'D)

CORE FOCUS AREAS (CONT'D)

Food Safety and Quality

To preserve quality and safety of the Group's food products, the relevant operations are certified and accredited with recognised national and international food safety standards, including MyGAP certification for its breeder and grand-parent stock farms; 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 processing and manufacturing facilities of Kyros Food Industries Sdn. Bhd. and Farm's Best Food Industries Sdn. Bhd.; and Food Safety System Certification ("FSSC") 22000 for Jimat Jaya Sdn. Bhd., Sungai Petani processing factory. The Group also received certification from the Agri-food & Veterinary Authority of Singapore ("AVA") for certain broiler farms in Johor as well as the processing and manufacturing facility in Malacca which enables the Group to export broilers, frozen dressed birds and parts, as well as further processed products to Singapore.

Operations of the Group's processing and manufacturing facilities are guided by a Food Safety Policy which is part of the Group's Quality Assurance Program. Proper segregation and compartmentalisation of processing areas are made between raw, semi-processed, and processed items to avoid cross-contamination, while hygiene practices and sanitation procedures are being implemented and monitored on an ongoing basis. The 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 implementation of automation technology to minimise manual handling. Bar-coding technology is also employed for traceability which does not only help to facilitate effective storage and logistics planning and management, but also enables any issues and their root cause to be swiftly identified and remedial actions to be carried out.

All factory workers are provided education and training on standard operating procedures which includes, amongst others, monitoring and identifying any issues in the processing or manufacturing process, maintaining hygiene at all times, proper handling and storage of materials and products, etc.

Food safety and quality practices are also considered and undertaken in the Group's broiler farms via the observation of a withdrawal period to keep the presence of antibiotic in chicken meats within the regulated levels.

In upholding quality and safety standards for the Group's food processing operations, the Group conducts trainings, evaluation and monitoring on compliance with the Group's standard operating practices and adopted standards to ensure effective implementation of established controls. Trainings are conducted regularly and are customised for employees tasked with different scopes of work. For the financial year under review, trainings conducted for CAB's employees include the following:

- ISO 9001:2015 Awareness;
- Food Handler Training;
- ISO 9001: 2015 Internal Audit;
- 5S Housekeeping Refresher Training;
- Kursus Pemerikasaan Halal;
- HACCP Implementation & Awareness;
- Acceptance Food Sampling;
- Pest Control;
- Spin Chiller Monitoring Training;
- FSSC 22000 version 4.1 Awareness Training;
- CCP Monitoring and Corrective Action;
- Live Bird Handling;
- Post Mortem and Poultry Disease;
- GMP Awareness Training; and
- Checklist and Record-Keeping.

SUSTAINABILITY STATEMENT
(CONT'D)

CORE FOCUS AREAS (CONT'D)

Food Safety and Quality (Cont'd)

CAB's operations are subject to regular internal reviews by its Quality Assurance department, Quality Control department and Internal Auditors. As part of the Group's Quality Assurance Policy, an in-house laboratory has been set up to assess the quality of incoming raw materials to factories, as well as the finished products before they are packed and ready to be sent to customers. CAB's facilities are also regularly audited by regulators as well as customers who impose stringent quality and food safety requirements.

During the financial year under review, there were no product recall cases.

Waste and Effluent Management

The Group maintains its waste management system effectively to prevent environmental contamination from its production effluents, which consists of a mixture of, amongst others, blood, fat, feathers, skins, etc.

CAB manages its effluent discharge via wastewater treatment plant which applies two (2) types of treatments, namely Biological Process and Physical Chemical Process, or a combination of both in some plants. The processes aim to remove contents such as suspended solids, grease and fat, and harmful substances which are subsequently processed into sludge cake for disposal in accordance with environmental laws and regulations, while the treated effluent can be safely be discharged.

The Group's technical officers are well trained and certified by the Department of Environment ("DOE") to maintain its treatment system. Treated effluent is sampled and tested at least on a weekly basis, to examine its acidity, biochemical oxygen demand ("BOD") level, chemical oxygen demand ("COD"), etc., to ensure its quality is maintained within the regulated levels.

Poultry manure, which may cause foul odour and encourage the breeding of pests, is disposed of for recycling into organic fertilisers for use in the agricultural industry as an alternative source for chemical fertilisers, thus creating better and less contaminated environment. The Group has put in continuous serious effort into managing the problem with odour and flies arising from poultry manure, including using effective microorganism spray and gradual implementation of conversion of all the Group's farms into Closed House System.

Furthermore, the Group's major production operations are guided by environmental policies which aim to prevent pollution and be environmentally responsible in its operations and practices. At each facility, management committees have been established to undertake the responsibility to oversee and monitor the environmental compliance and performance of the operations.

During the financial year under review, there were no fines or penalties levied by authorities for any non-compliances pertaining to regulations in relation to the environment.

Employee Engagement and Development

CAB Group is an equal opportunity employer and prides itself with its high level of employee engagement and excellent workplace culture where employees of different backgrounds, gender, age, creed, ethnicity, and cultural affiliations are given equal opportunity for career development and progression.

In line with the merits-based principle it adopts in its employment, the Group has also put in place an employee reward system which is fair and substantive, linking rewards to individual contribution and performance. On an annual basis, employee performance assessment is carried out to determine the appropriate reward which may be in the form of bonus distribution, salary revision and/or promotion. The employee reward system is participated by the employee under assessment, the employee's superior, and the Group Human Resource Department (acting as verifier), providing sufficient and appropriate check and balance in rewarding employees in a transparent manner.

The Group maintains close engagement with its employees by practising open and transparent communication with all its employees. Managers are encouraged to maintain ongoing engagement with team members, including workers, to understand and resolve challenges faced at work. Employees are also encouraged to discuss and propose ideas for business improvement so employees can contribute to business success and to realise their personal potential.

Continuous skill development and knowledge improvement remain as one of the Group's key focus areas and this can be seen in the training and development programs which CAB has implemented for its employees. The Group's employee training and development program aim to help

SUSTAINABILITY STATEMENT (CONT'D)

CORE FOCUS AREAS (CONT'D)

Employee Engagement and Development (Cont'd)

employees elevate themselves at a personal level as well as professional level. Not only does the Group's training and development program help to provide employees with opportunities towards a progressive career path, it also creates opportunity for the Group to identify personnel with high potential to be considered in its succession planning.

For the financial year under review, skills and development programs conducted for the Group's employees include separate team building sessions for the Group's executive team and non-executive team. The programs are intended to be conducted on an annual basis to nurture a culture of team-work and skills and knowledge improvement. Furthermore, the Group has also provided trainings to management personnel and employees, on subjects including professional skills, management skills, safety and health, environmental management, etc., such as on accounting, update to laws and regulations, safety and health, environmental management, halal requirements, etc.

Occupational Safety and Health

The Group commits to provide employees and workers with a safe and conducive working environment which in turn encourages productivity. Working in a farm environment exposes a person to various occupational safety and health risks, such as industrial accidents, occupational diseases (such as musculoskeletal diseases and biological hazards), occupational poisoning (such as from chemical gases, ammonia, pesticides, etc), while working in a processing and manufacturing factory exposes a person to physical injuries from activities like working with sharp tools, machinery, high temperature, etc.

The Group's operations are guided by a Group Safety and Health Policy established with an aim to ensure the safety and health of workers and managing workplace hazards. Working committees on occupational safety and health are established for the production operations to oversee the management of occupational safety and health matters.

CAB Group has in place risk assessment processes, such as Hazard Identification Risk Assessment and Risk Control ("HIRARC"), Chemical Health Risk Assessment ("CHRA") and assessment on Noise Monitoring, to identify workplace hazards. In managing these hazards, the Group ensures safety measures are implemented, such as standard operating procedures, provision of suitable and adequate personal protective equipment ("PPE"), trainings, safe work instructions and the use of equipment with enhanced safety features.

The Group has also employed a registered competent Safety and Health Officer to monitor and ensure occupational safety and health matters are kept in check. The Safety and Health Officer conducts regular safety trainings and safety audit at the Group's hatcheries, farms, processing, and production sites to inculcate a mindset on safety awareness and practices amongst employees, workers, and contractors. Safety information, improvement opportunities and non-compliances are communicated and reported through Notice Boards and regular management briefings.

The Group measures its safety records based on Lost Time Injury Frequency Rate ("LTIFR"), which is defined at the number of lost-time injury cases at the workplace per 1 million hours worked. For the financial year under review, the LTIFR of the Group is recorded at 6.69 and there were no fatalities recorded.

SUSTAINABILITY **STATEMENT**
(CONT'D)

CORE FOCUS AREAS (CONT'D)

Occupational Safety and Health (Cont'd)

The Group has established processes for the continual review and improvement of the Group's internal control system, including on occupational safety and health matters. This process includes enquiries or investigations into every accident case to determine the causes of accidents for the Group to address any weaknesses in controls and to prevent recurrence of similar incidents.

Aside from established governance oversight structure and policies and procedures guiding occupational safety and health practices, the CAB Group constantly provides safety and health-related trainings to its workers to instil strong safety awareness and develop safety and health management skills within the workforce.

During the financial year under review, trainings on occupational safety and health provided to employees and workers include, but not limited to, the following subjects or areas:

- safety induction (for new staff);
- fire safety, emergency, and escape;
- safe handling of machine and tools;
- safety for chemical handling and spillage;
- Scheduled Waste management;
- first aid and cardiopulmonary resuscitation ("CPR");
- forklift operation and maintenance;
- manual handling at workplace (for logistics, store, and packaging facilities);
- knife and blade sharpening;
- HIRARC and Aspect Impact Workshop;
- ergonomic sitting for office workstations;
- basic road safety for freight drivers;
- Train the Trainer (NIOSH) for Safety and Health Personnel;
- safety audit training; and
- emergency response preparedness.

BUILDING A SUSTAINABLE FUTURE

The Group upholds sustainability practices and in all that it does, it strives to embed and integrate such initiatives into its work culture. CAB Group remains unwavering and steadfast in its efforts to harness a balance between enhancing business prosperity and discharging its corporate responsibility in sustainability.

The Board will continue to monitor and assess the sustainability performance of the Group's operations on an ongoing basis and to improve and enhance its existing practices, as appropriate, to enable the sustainable creation and preservation of long-term value to the Group's stakeholders.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("the Board") of CAB Cakaran Corporation Berhad ("the Company") recognises the importance of practicing and maintaining good corporate governance towards the success of the Company and its subsidiaries ("the Group") whilst pursuing its corporate objectives. The Board is fully committed in ensuring that the high standards of corporate governance is being practiced throughout the Group as a fundamental part of discharging its responsibilities to protect the interest of all its stakeholders, enhance shareholders' value and for long-term sustainable business growth.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

The Board is pleased to outline below the manner in which the Group has adopted and applied the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("the Code" or "MCCG 2017") which took effect on 26 April 2017 and the governance standards prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") throughout the year under review. This Corporate Governance ("CG") Overview Statement is to be read together with the CG Report 2019 of the Company which is available on the Company's website at www.cab.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, managing the business and affairs of the Group including ensuring achieving its strategic goals and realizing long-term shareholders' values.

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

(a) Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
(b) Overseeing the conduct of the Group's businesses and evaluating whether or not its businesses are being properly managed;
(c) Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
(d) Ensuring that all candidates appointed to Senior Management positions are of sufficient calibre, including the orderly succession of Senior Management personnel;
(e) Overseeing the development and implementation of a shareholder communications policy, including an investor relations programme for the Company;
(f) Reviewing the adequacy and integrity of the Group's internal control and management information systems;
(g) Carrying out periodic review of the Group's financial performance and operating results and major capital commitments; and
(h) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group.

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 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"). 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 latest developments in the Listing Requirements, MCCG 2017 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

I Board Responsibilities (Cont'd)

The Chairman of each Board Committee will report to the Board the outcome of the Board Committee meeting 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 result. The Board receives updates on financial, operational, corporate, regulatory, business development and audit matters for the decisions to be made on an informed basis to effectively discharge the Board's responsibilities.

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

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

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

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

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

The Board, via RMSC, also discusses and resolves risk management and sustainability-related issues, in particular, the establishment of a sustainability framework, the review of 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

I Board Responsibilities (Cont'd)

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) ensuring that the Board functions effectively, cohesively and acting in results-orientated manner;

(b) leading the Board, with good corporate governance practices in place across the whole Group;

(c) leading the Board, including presiding over Board meetings and Company meetings and providing strategic leadership in directing the Board's agenda and putting priorities to effectively address the critical issues faced by the Group;

(d) ensuring that all relevant issues and quality information to facilitate decision making and effective running of the Group's business are included in the meeting agenda;

(e) encouraging active participation and discussion to ensure no individual member dominates discussion and that dissenting views can be freely expressed and discussed before a Board decision is made;

(f) promoting constructive and respectful relationship between board members and between board members and management; and

(g) ensuring that there is effective communication between the Company and/or the Group and its shareholders and relevant stakeholders.

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

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

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

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

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 and 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

I Board Responsibilities (Cont'd)

Access to Information and Confirmation of Minutes

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The notice of Board meetings are send 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 three (3) to ten (10) 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. 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 Secretary.

In line with the MCCG 2017, the Company would work towards providing the relevant meeting papers 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, Code of Ethics and Conduct and Whistle-blowing Policy

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 and Managements 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 20 December 2019.

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 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 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

I Board Responsibilities (Cont'd)

Board Charter, Code of Ethics and Conduct and Whistle-blowing Policy (Cont'd)

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 are available for reference at the Company's website at www.cab.com.my.

The Board has put in place a Whistle-blowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behavior, 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 or the Audit Committee Chairman by e-mail.

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.

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. The attendance records of the Directors at the Company's Board Meetings held during the financial year ended 30 September 2019 are as follows:

Name	Meetings attended
Chan Kim Keow	5/5
Chew Chee Khong	5/5
Chuah Ah Bee	5/5
Chuah Hoon Phong	5/5
Goh Choon Aik	5/5
Haji Ahmad Fazil Bin Haji Hashim	5/5
Lim Ghim Chai	4/5
Loo Choo Gee	5/5
Wijanti Tjendera	5/5

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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

I Board Responsibilities (Cont'd)

Time Commitment, Board Meetings and Directors' Training (Cont'd)

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast of various issues facing the changing business environment within which the Group operates. The Directors are also encouraged to evaluate their own training needs on a continuous basis and recommend to the Board for the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board by actively participate in Board deliberation and effectively discharge their duties.

During the financial year under review, the Directors had participated in the following training programmes:

Name of Directors	Date	Programmes
Chuah Ah Bee	21 March 2019 22 August 2019	Common Breaches of The Listing Requirements With Case Studies Training on Corporate Liability Provision-An amendment to the MACC Act 2009
Chuah Hoon Phong	21 March 2019 22 August 2019	Common Breaches of The Listing Requirements With Case Studies Training on Corporate Liability Provision-An amendment to the MACC Act 2009
Chan Kim Keow	21 March 2019 22 August 2019	Common Breaches of The Listing Requirements With Case Studies Training on Corporate Liability Provision-An amendment to the MACC Act 2009
Chew Chee Khong	21 March 2019 22 August 2019	Common Breaches of The Listing Requirements With Case Studies Training on Corporate Liability Provision-An amendment to the MACC Act 2009
Loo Choo Gee	21 March 2019 22 August 2019	Common Breaches of The Listing Requirements With Case Studies Training on Corporate Liability Provision-An amendment to the MACC Act 2009
Haji Ahmad Fazil Bin Haji Hashim	21 March 2019 27 June 2019	Common Breaches of The Listing Requirements With Case Studies Independent Directors Programme: The Essence of Independence
Goh Choon Aik	21 March 2019	Common Breaches of The Listing Requirements With Case Studies
Lim Ghim Chai	21 March 2019	Common Breaches of The Listing Requirements With Case Studies
Wijanti Tjendera	21 March 2018	Common Breaches of The Listing Requirements With Case Studies

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II Board Composition

Composition of Board

The Board consists of nine (9) members; comprising one (1) Executive Chairman, one (1) Group Managing Director, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, fulfilling the Listing Requirements' provision for at least one-third of the board of directors or two directors, whichever is higher, being Independent Directors. If the number of directors is not three (3) or a multiple of three (3), then the number nearest one third (1/3) will be used. In the event of any vacancy in the board of directors, resulting in non-compliance of the minimum number of independent directors, the vacancy shall be filled within three (3) months.

All Directors of the Company do not hold more than five (5) directorships under paragraph 15.06 of the Main Market Listing Requirements.

The Group is led and managed by an experienced Board, many of whom have vast knowledge of the business. The Board, through 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 in Practice 4.1 of 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, which does not accede to Practice 4.1 of the Code, does not jeopardize the position of the Board to make independent deliberations and decisions in the best interest of the Company.

The Independent Directors are independent of the Management and free from any significant business or other relationship with the Company or Group. Hence, they are able to provide an unfettered and unbiased independent judgment and to promote good corporate governance in their roles as Independent Directors.

The Independent Directors take their roles and responsibilities to shareholders and other stakeholders seriously, and hold constant discussions and deliberations during the Board and Board Committee meetings. They are also open to raise ideas and offer different views in deliberations during the Board or Board Committee meetings. They do not shy away from asking hard and uncomfortable questions during deliberations and are willing to challenge Management if the answers provided are not to their satisfactory. Hence, this accumulation of expertise and experience as well as the nurturing of an open and transparent discussion environment during the Board meetings, have helped to ensure healthy discussion and deliberation on Company matters.

The current size and composition of the Board reflect the interest of shareholders as the current structure of the Board ensures that no single individual or group dominates the decision making process. The presence of Independent Non-Executive Directors also safeguards the interest of the stakeholders in ensuring that the highest standard of conduct and integrity are maintained.

Ms. Wijanti Tjendera, the nominee director of Plant Wealth Holdings Limited, a major shareholder of the Company, who has been appointed as a Non-Independent Non-Executive Director of the Company provides independent deliberation, review and decision-making to the Board.

The Board will take steps to ensure their compliance with the Code requirements to have at least half of the board comprises of Independent Directors. The Nomination Committee and the Board will continue seeking new Independent Directors who meet the required criteria and merit with due regard for diversity in skills, experience, age and cultural background that suits the Company's strategic goals to join the Company. At this juncture, the Board had not ascertained a timeframe for achieving this target but will endeavour to appoint new Independent Non-Executive Director.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II Board Composition (Cont'd)

Tenure of Independent Directors

The MCCG 2017 recommends that the tenure of an Independent Director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director. In the event such Director is to be retained as an Independent Director, the Board must first justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth year, annual shareholders' approval must be sought through a two-tier voting process to retain the said Director as an Independent Director.

Presently, there is an Independent Non-Executive Director of the Company, namely Tuan Haji Ahmad Fazil Bin Haji Hashim whose tenure has exceeded a cumulative term of twelve (12) years and another Independent Director of the Company, namely Y.B. Goh Choon Aik who has served as an Independent Non-Executive Director since 29 March 2011, will reach the nine (9) years limit on 29 March 2020.

Letters of support from the Group Managing Director recommending Tuan Haji Ahmad Fazil Bin Haji Hashim and Y.B. Goh Choon Aik who have served on the Board as Independent Non-Executive Directors of the Company to be retained as Independent Non-Executive Directors of the Company were tabled and noted at the Nomination Committee Meeting held on 20 December 2019. The Nomination Committee members reviewed the letters of support and were satisfied that Tuan Haji Ahmad Fazil Bin Haji Hashim and Y.B. Goh Choon Aik still maintained independency despite their long services extended to the Company and recommended to the Board to seek for shareholders' approval at the forthcoming Eighteenth (18th) Annual General Meeting.

The Board believes that despite their long services extended to the Company, both Tuan Haji Ahmad Fazil Bin Haji Hashim and Y.B. Goh Choon Aik still remain unbiased, objective and independent in expressing their opinions and in participating in decision making of the Board. The length of their services on the Board has not in any way interfered with their objectives and independent judgements in carrying out their role as members of the Board and its Committees.

As recommended by the MCCG 2017, the Board has recommended Tuan Haji Ahmad Fazil Bin Haji Hashim who has served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Directors of the Company subject to the shareholders' approval through a two-tier voting process at the Eighteenth (18th) Annual General Meeting of 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 Group does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workforce. 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 the person in meeting the needs of the Group, regardless of gender, ethnicity and age.

The Board is supportive of the gender diversity in the boardroom as recommended by MCCG 2017. The Board currently has two (2) female directors which the Board is of the view, is in line with the gender diversity recommended by MCCG 2017.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

II Board Composition (Cont'd)

Diversity of Board and Senior Management (Cont'd)

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

	40 to 49	50 to 59	60 to 69
Bumiputra	–	–	1 (Male)
Chinese	3 (Male)	1 (Male)	2 (Male); 1 (Female)
Foreigner	–	–	1 (Female)

The Board will take into consideration gender, ethnicity and age diversity factors in nominating and selecting new Directors to be appointed to the Board. The board does not have any target or measure to meet the 30% women directors.

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.

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 ("NC"). The NC engages the guideline provided by the regulatory bodies for use during evaluation.

The NC of the Company comprises exclusively Independent Non-Executive Directors and its composition is as follows:

Name	Position
Haji Ahmad Fazil Bin Haji Hashim *(Independent Non-Executive Director)*	Chairman
Lim Ghim Chai *(Independent Non-Executive Director)*	Member
Goh Choon Aik *(Independent Non-Executive Director)*	Member

The NC held one (1) meeting during the financial year ended 30 September 2019. The details of the terms of reference of NC are available for reference at the Company's website at www.cab.com.my.

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

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

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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II Board Composition (Cont'd)

Nomination Committee (Cont'd)

These result of the assessments and comments are summarized and discussed at the NC meeting which are then reported to the Board at the Board Meeting held thereafter. The results of the assessment form part of the basis for the NC's recommendation to the Board for the re-election/re-appointment of Directors at the Annual General Meeting ("AGM").

The NC carried out the assessment at the NC Meeting held on 20 December 2019 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Directors.

The NC has identified that to be in line with the MCCG 2017, the meeting materials should be sent to the directors via emails at least five (5) business days prior to the meeting.

The NC 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 NC will recommend relevant training needs to upskill and equip the Directors on the latest developments in the Listing Requirements and the MCCG 2017 as well as the latest developments of International Accounting Standards.

The Board appoints its members through a formal and transparent selection process, which is consistent with the Company's Constitution. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that legal and regulatory requirements are met.

The appointment process of a new Director is summarized as follows:

(a) The candidate identified upon the recommendations from the Directors and Management or their contacts in the related industries, finance accounting, legal professions and/or major shareholders;

(b) In evaluating the suitability of candidates to the Board, the NC considers, inter-alia, the required mix of skills, expertise, experience, time commitment and contribution of the candidates can bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independency will be considered;

(c) Recommendation to be made by NC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and

(d) Decision to be made by the Board on the proposed new appointment including appointment to the various Board committees.

The Company's Constitution provides that all Directors of the Company are subject to retirement. At least one third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. Newly appointed directors shall hold office only until the next annual general meeting and shall be eligible for re-election.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II Board Composition (Cont'd)

Nomination Committee (Cont'd)

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and their shareholdings in the Group of each Director standing for election are furnished in the Statement Accompanying the Notice of Annual General Meeting.

The NC is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment. During the year, the NC assessed and was satisfied and made recommendations to the Board for re-election/re-appointments of the following Directors at the forthcoming AGM:

(a) The re-election of the three (3) Directors, namely Mr. Chew Chee Khong, Mr. Lim Ghim Chai and Ms Wijanti Tjendera who are subject to retirement but shall be eligible for re-election pursuant to Clause 165 of the Company's Constitution;

(b) Re-appointment of Tuan Haji Ahmad Fazil Bin Haji Hashim whose tenure of service as an Independent Non-Executive Director that has exceeded a cumulative term of twelve (12) years, via a two (2) tier voting process by the shareholders based on the attributes necessary in discharging his role and functions as an Independent Director; and

(c) Re-appointment of Y.B. Goh Choon Aik whose tenure of service as an Independent Non-Executive Director that will be exceeding a cumulative term of nine (9) years in March 2020.

The profiles of these Directors are set out on pages 5 to 9 of the Annual Report.

There are no changes to the composition of the Board during the financial year under review.

During the financial year under review, the NC has carried out the following assessments and satisfied with the results of the assessments:

(a) 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;

(b) 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;

(c) reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Company's Constitution;

(d) reviewed and recommended to the Board for re-appointment of Director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and to seek shareholders' approval at the forthcoming Annual General Meeting;

(e) reviewed and assessed the character, experience, integrity and competency of the Group Finance Director;

(f) 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;

(g) assessed the independence of each of the existing Independent Directors with each Director abstaining from deliberation on his own assessment; and

(h) reviewed the Terms of Reference of NC.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II Board Composition (Cont'd)

Independent Directors

The Board recognizes the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interests of the Group. The Independent Directors of the Company fulfill the criteria of "Independence". They act independently of management and are not involved in any other relationship with the Group that may impair their independent judgment and decision making. Each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest in relation to any material transactions.

The Director is required to immediately disclose to the Board and to abstain from participating in discussions, deliberations and decisions of the Board on the respective matters.

The Board, via Nomination Committee, has developed the criteria to assess independence and formalized the current independence assessment practice.

Each Independent Director completed his/her own independent director checklist. The Nomination Committee carried out the assessment of the Independent Directors at its meeting held on 20 December 2019. Each Independent Director abstained from deliberation on his/her own assessment. The Nomination Committee was satisfied that the Independent Directors still maintain their independence.

The Nomination Committee has based on the guidelines set out in the Corporate Governance Guide of listing requirements to assess the independence of candidate for directors and existing directors. The directors are also required to confirm their independence by completing the independence checklist on an annual basis.

Halal Committee

The Halal Committee of the Company currently comprises of the following:

Name	Position
Professor Datuk Dr Mohd Fakhrudin bin Abdul Mukti	Patron & Syariah Advisor
Haji Ahmad Fazil Bin Haji Hashim *(Independent Non-Executive Director)*	Chairman
Dato' Raja Zulkepley Bin Dahalan	Deputy Chairman
Haji Abdul Malek Bin Haji Abdul Karim	Member
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 in accordance with the Syariah Law in ensuring that products produced are halal, clean and safe for consumption. Through the setting up of the Halal Committee, the Group has established and implemented a Halal Assurance Management System which provides clear guidelines on Halal standard for employees.

The details of the terms of reference of Halal Committee 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)

III Remuneration

Remuneration Committee

The Remuneration Committee ("RC") of the Company comprises all Independent Non-Executive Directors and its composition is as follows:

Name	Position
Lim Ghim Chai *(Independent Non-Executive Director)*	Chairman
Haji Ahmad Fazil Bin Haji Hashim *(Independent Non-Executive Director)*	Member
Goh Choon Aik *(Independent Non-Executive Director)*	Member

The RC 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 RC 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, the skills, level of responsibilities, experience and performance of the Directors and senior management.

The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC 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.

The RC 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 AGM.

The details of the Directors' remuneration comprising remuneration received/ receivable from the Company and subsidiaries respectively in financial year ended 30 September 2019 are as follows:

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

III Remuneration (Cont'd)

Remuneration Committee (Cont'd)

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

Company	Salaries RM'000	Fees RM'000	Bonus RM'000	Other Emoluments RM'000	Benefits in-kind RM'000	Total RM'000
Executive Directors	–	–	–	–	–	–
Non-Independent Non-Executive Director						
Wijanti Tjendera	–	66	–	4	–	70
Independent Non-Executive Directors						
Haji Ahmad Fazil Bin Haji Hashim	–	57	–	4	–	61
Goh Choon Aik	–	54	–	4	–	58
Lim Ghim Chai	–	48	–	4	–	52
Total	**–**	**225**	**–**	**16**	**–**	**241**
The Group						
Executive Directors						
Chuah Ah Bee	1,188	132	67	61	47	1,495
Chan Kim Keow	228	–	10	11	17	266
Chuah Hoon Phong	828	132	57	113	57	1,187
Chew Chee Khong	319	110	40	17	15	501
Loo Choo Gee	396	–	8	54	10	468
Non-Independent Non-Executive Director						
Wijanti Tjendera	–	96	–	4	–	100
Independent Non-Executive Directors						
Haji Ahmad Fazil Bin Haji Hashim	–	57	–	4	–	61
Goh Choon Aik	–	54	–	4	–	58
Lim Ghim Chai	–	48	–	4	–	52
Total	**2,959**	**629**	**182**	**272**	**146**	**4,188**

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

III Remuneration (Cont'd)

Remuneration Committee (Cont'd)

The Company has not disclosed on a named basis the top five (5) 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.

The aggregate remuneration paid to the staff including the senior management are disclosed in note 10 to the Financial Statements.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

The Board is committed to ensure that the interim financial statements and annual financial statements of the Company present a balanced, clear and meaningful assessment of the financial performance and prospects of the Group.

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.

The Audit Committee comprises three independent directors. The Chairman of the Audit Committee is not the Chairman of the Board.

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. To date, the Company has not appointed a former audit partner to be a member of the Audit Committee.

The Audit Committee assesses the suitability and independence of the external auditors on an annual basis. The Audit Committee assesses the external auditors from the perspectives of the external audit firm's calibre/reputation, competency of audit team, independence and objectivity, audit scope and planning, communication, reporting and partners involvement. 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.

The External Auditors, in supporting their independence, will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such declaration in their annual audit plan presented to the Audit Committee of the Company during the financial year.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

I Audit Committee (Cont'd)

The External Auditors have an obligation to bring to the attention of the Board of Directors, the Audit Committee and Company management any significant defects in the Group's systems of reporting, internal control and compliance with Applicable Approved Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The External Auditors of the Company are invited to attend at least two (2) meetings with the Audit Committee each financial year to discuss their audit plan and audit findings on the Company's yearly financial statements. In addition, the Audit Committee will also have private sessions with the external auditors without the presence of the management to enable exchange of views on issues requiring attention.

During the financial year, the amount of audit fee and non-audit fee payable to the External Auditors of the Company and the Group for the financial year ended 30 September 2019 were as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	298	34
Non-Audit Fees	176	10

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

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.

The Audit Committee and the Board are satisfied with the performance, competence and independence of the external auditors and the Board has recommended their re-appointment for shareholders' approval at the forthcoming Annual General Meeting.

II Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

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 comprises majority of Independent Directors and the composition is as follows:

Name	Position
Chuah Hoon Phong *(Group Managing Director)*	Chairman
Lim Ghim Chai *(Independent Non-Executive Director)*	Member
Goh Choon Aik *(Independent Non-Executive Director)*	Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II Risk Management and Internal Control Framework (Cont'd)

The RMSC is headed by the Group Managing Director, assisted by Independent Directors and members of key management team of the respective divisions. The responsibilities and purposes of the RMSC are:

(1) 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 Unit; and

(2) 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 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 49 of this Annual Report.

Internal Audit Function

The Board has established an internal audit function within the Company which is led by the Head of Internal Audit who reports directly to the Audit Committee.

The Statement on Risk Management and Internal Control furnished on pages 49 to 52 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.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

The Company recognizes the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

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.

As an initiative to promote environmental sustainability and efficiencies, the mailing of printed copy of the Annual Report has been discontinued from this year onwards. However, 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.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(CONT'D)

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

II 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 CG Overview Statement was approved by the Board of Directors of the Company on 20 December 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2017 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.

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 or loss. The system of internal control covers, inter-alia, financial, budgetary, risk management, organizational, operational, regulatory and compliance matters.

RISK MANAGEMENT FRAMEWORK

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

The risk management 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 and Sustainability Committee ("RMSC")

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

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

The members of the RMSC are as follows:

1.	Chuah Hoon Phong (Group Managing Director)	Chairman
2.	Lim Ghim Chai (Independent Non-Executive Director)	Member
3.	Goh Choon Aik (Independent Non-Executive Director)	Member

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

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

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 Risk Management and Sustainability Committee, the Risk Management and Sustainability Working Committee and others in relation to risk management.

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

Identify:	Identify risk from internal/external sources, which may affect achievement of the Group's objectives, on on-going basis
Assess:	Risks are assessed on both inherent and residual basis considering its likelihood of occurrence and impact
Plan:	Mitigating action plan is to be 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, can be controllable or inherent. Each risk is graded. The business unit heads and/or risk owners are responsible for generating action plan to manage, minimize and mitigate the risks. Existing controls are also included as part of the action plan. The Management's perceived strength of the internal control is obtained. The department or person in-charge to realize the action plan is prescribed, for reinforcing accountability.

All the above-mentioned are recorded and updated in the Risk Register which serves:
- To develop risk profile for each company;
- To ensure a well-structured and systematic process in place for identification, assessment and management of risks.

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

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

Halal Accreditation

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

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

Corporate Exercise

The Board recognizes the importance of thorough assessment in investment activities, that due diligence test and/or feasibility study, whichever relevant, should be engaged in due course, to enhance success rate. During the financial year ended 30 September 2019, the Group entrusted the in-house Internal Audit team to conduct a corporate review for the take-over of assets and business operations of an entity.

The principal responsibility of the Group Internal Audit Department is to conduct periodic audits on internal control matters to ensure their compliance with the systems and standard operating procedures within each of the Group's operations. 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 Group Internal Audit Department. Whilst, the Audit Committee reviews the scope, functions, resources and competency of the internal audit function on yearly basis. Whenever needed, the Internal Audit Department helps to review the content of Standard Operating Procedures and advise accordingly, in attempt to exert comprehensive controls and minimize loophole risk in process flows.

INTERNAL CONTROL SYSTEM

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

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

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

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

(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 to 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;
   - 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.

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

INTERNAL CONTROL SYSTEM (CONT'D)

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

(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;

(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 for the conduct of feasibility study or due diligence review, whichever relevant, for new investment venture and corporate acquisition; and

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

INTERNAL AUDIT FUNCTION

The Group Internal Audit Department 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 Group 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 the Group 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.

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 all 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. 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.

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 2019 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 20 December 2019.

AUDIT COMMITTEE **REPORT**

COMPOSITION

The Audit Committee ("AC") currently comprises the following:-

Name	Position
Lim Ghim Chai *(Independent Non-Executive Director)*	Chairman
Haji Ahmad Fazil Bin Haji Hashim *(Senior Independent Non-Executive Director)*	Member
Goh Choon Aik *(Independent Non-Executive Director)*	Member

SECRETARY

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

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 six (6) times during the financial year ended 30 September 2019.

Details of attendance of each member at the Committee meetings are as follows:-

	No. of Meetings Attended
Lim Ghim Chai	5/6
Haji Ahmad Fazil Bin Haji Hashim	6/6
Goh Choon Aik	5/6

In the financial year, the Audit Committee held two (2) meetings with the external auditors without the presence of the executive Board members and the Management, to provide a platform for the external auditors to discuss any issues arising from their auditing process or any other matters warranting the Audit Committee's attention and actions.

The Audit Committee 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 Audit Committee Chairman reported to the Board the matters discussed and made recommendations for the Board's consideration and resolution.

AUDIT COMMITTEE **REPORT**
(CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

A. Financial Reporting

The Audit Committee reviewed the quarterly financial results during the quarterly Audit Committee meetings. During the review process, the Audit Committee 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 Audit Committee recommended to the Board for approval and subsequent release to Bursa Malaysia Securities Berhad ("Bursa Securities") accordingly.

Apart from the review on quarterly financial results, the Audit Committee held a meeting in December 2018 to review the audited financial statements and the Management Letter issued by the external auditors. The Audit Committee 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 Audit Committee 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.

The Audit Committee reviewed the internal audit reports, recommendations made by the internal auditors and Management's response to the audit issues. The Audit Committee also noted the corrective actions on outstanding audit issues, to ensure that control weaknesses and non-compliances have been addressed and rectified.

During the financial year under review, the Group Internal Audit Department had presented internal audit reports in quarterly Audit Committee Meetings for review.

In December 2018, the Audit Committee carried out a Quality Assessment Review which encompassed reviews on the adequacy of the scope, functions, resources and competency of the internal audit function.

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

C. External Audit

The Audit Committee 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 2018 with the external auditors.

The Audit Committee 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 2018, the Audit Committee 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 2018. The Audit Committee was also briefed on the following significant risks and areas of audit focus:

AUDIT COMMITTEE **REPORT**
(CONT'D)

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

C. External Audit (Cont'd)

Significant risks on management override of controls

<u>Key audit areas</u>
(i) Property, plant and equipment
(ii) Investments in subsidiaries and associates
(iii) Investment properties
(iv) Other intangible assets & goodwill on consolidation
(v) Trade, other receivables and other assets
(vi) Inventories
(vii) Cash and cash equivalent
(viii) Trade and other payables
(ix) Borrowings
(x) Finance lease
(xi) Deferred taxation
(xii) Revenue and recognition of revenue, related cost and profit
(xiii) Consolidated financial statements
(xiv) Going concern
(xv) Critical accounting estimates and judgments
(xvi) Related party relationship, transactions and balances
(xvii) Revenue recognition

During the course of external audit of the Group's financial statements for the year ended 30 September 2018, 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 procedures performed, Messrs Grant Thornton Malaysia was not aware of any non-compliance of laws and regulations. Based on the discussion held with the Audit Committee on 29 November 2018, the Audit Committee 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; and
- Nevertheless, Messrs Grant Thornton Malaysia highlighted some internal control issues at key business units for the Management to look into and the Management has responded accordingly.

On 30 August 2019, the external auditors, Messrs Grant Thornton Malaysia briefed the Audit Committee on their Audit Planning Memorandum for the financial year ended 30 September 2019, encompassing:

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

The Audit Committee had two (2) private sessions with the external auditors in the absence of Management staffs and executive Board members on 29 November 2018 and 30 August 2019. There was no area of concern raised by the external auditors, for which escalation to the Board was necessitated.

AUDIT COMMITTEE **REPORT**
(CONT'D)

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

D. Related Party Transactions

The Audit Committee 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 Audit Committee meetings.

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

E. Other Matters

The Audit Committee 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 Audit Committee reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for additional Recurrent Related Party Transactions.

The Audit Committee reviewed the Audit Committee 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 2018 of CAB Cakaran Corporation Berhad.

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

There was no such scheme in place during the financial year ended 30 September 2019.

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 Audit Committee.

The activities carried out by the internal auditors during the financial year ended 30 September 2019 were as follows:

- Conducted internal audit sessions according to the approved internal audit plan and presented the reports to the Audit Committee at the quarterly meetings;
- Followed up on the implementation of audit recommendations and management action plans and reported to the Audit Committee on the status of their implementation of significant matters at the quarterly meetings of the Audit Committee;
- Performed various ad hoc reviews as requested by the Management; and
- Carried out corporate review on proposed corporate exercise as assigned by the Management.

The total costs incurred for the internal audit function for the financial year under review were approximately RM227,000.

OTHER INFORMATION **REQUIRED**

By Bursa Malaysia Securities Berhad Main Market Listing Requirements

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 ended 30 September 2019, the total audit and non-audit fees paid by Company and the Group to the external auditors are as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	298	34
Non-Audit Fees	176	10

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

At the Extraordinary General Meeting of the Company held on 14 January 2015, the shareholders of the Company had approved the Bonus issue of up to 65,889,550 warrants on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.50 each in the Company.

A total of 65,780,450 free warrants ("Warrants 2015/2020") were issued on 9 February 2015 and listed on the Main Market of Bursa Malaysia Securities Berhad on 13 February 2015 with a 5 years' exercise period from 9 February 2015 to 8 February 2020. Each warrant carries the entitlement to subscribe for one (1) new CAB Share at the exercise price of RM0.55 each for cash subject to adjustments in accordance with the provisions of the Deed Poll.

On 4 August 2017 ("Entitlement Date"), the exercise price for the Warrants 2015/2020 was revised from RM0.55 to RM0.17 per warrant, and an additional 56,131,731 Warrants 2015/2020 ("Additional Warrants") were issued pursuant to the adjustment in consequence to the following Share Split and Bonus Issue exercises, and in accordance with the provisions of the Deed poll governing the Warrants 2015/2020. The said adjustment to the exercise price and number of outstanding warrants took effect on 7 August 2017:

i. 195,423,411 ordinary shares in the Company had been subdivided into 488,558,518 subdivided ordinary shares ("Split Share(s)") pursuant to share split involving the subdivision of every 2 existing ordinary shares in the Company into every 5 ordinary shares in the Company held on the Entitlement Date ("Share Split"); and

ii. 122,003,016 new Split Shares ("Bonus Share(s)") had been issued on the basis of 1 Bonus Share for every 4 Split Shares held on the Entitlement Date ("Bonus Issue").

The abovementioned Split Shares, Bonus Shares and Additional Warrants had been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 7 August 2017, being the next market day immediately after the Entitlement Date.

As at 30 September 2019, 87,496,159 warrants were exercised and the balance of unexercised warrants was 34,416,022.

Saved as disclosed above, there were no options, warrants or convertible securities exercised during the financial year ended 30 September 2019.

OTHER INFORMATION REQUIRED (CONT'D)

By Bursa Malaysia Securities Berhad Main Market Listing Requirements

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 Annual General Meeting held on 22 March 2019. Details of such transactions during the financial year are disclosed in Note 40 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 22 January 2020.

UTILISATION OF PROCEEDS

No proceeds were raised by the company from any corporate proposal during the financial year.

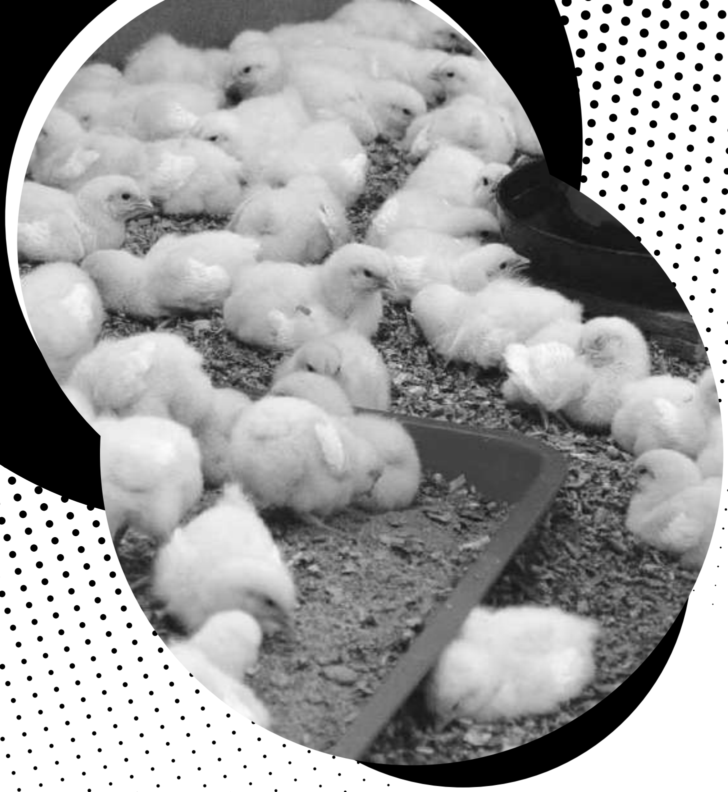
DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

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 Applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 2016 and the Listing Requirements of the Bursa Securities have been applied.

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

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

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



FINANCIAL **STATEMENTS** 2019

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 2019.

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 17 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 year	4,034,184	2,680,487
Profit/(Loss) attributable to:		
Owners of the Company	12,160,297	2,680,487
Non-controlling interests	(8,126,113)	–
	4,034,184	2,680,487

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

A final single tier divided of RM0.005 per ordinary share amounting to RM3,237,526 in respect of the financial year ended 30 September 2018 was approved by the shareholders during the Annual General Meeting held on 22 March 2019 and subsequently paid on 19 April 2019.

Subsequent to 30 September 2019, the Company proposed a final single tier dividend of RM0.0025 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 2020.

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:

Chan Kim Keow
Chew Chee Khong
Chuah Ah Bee
Chuah Hoon Phong
Goh Choon Aik
Haji Ahmad Fazil Bin Haji Hashim
Lim Ghim Chai
Loo Choo Gee
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:

Abdul Rahman Bin Abdullah	
Chiew Kin Huat	
Ching Chin Huat	
Chuah Hoon Hong	
Chuah Hoon Teng	
Ho Kheng Chew	
Jozef Franciscus Maria Bonang	
Khor Yu Beng	
Leong Youk Leen	
Lim Chin Seng	
Ong Chuan Seng	
Ong Khoon Chuah	
Sia Hui Chen	
Shafiqurrahman Bin Haji Shamsuddin	
Syed Yussof Bin Syed Othman	
Tan Ah Baa @ Tan Chye Khoon	
Tan Chee Hee	
Tan Swee Seong	
Toh Chye Lam	
Too Siew Din	
Vincent Leong Weng Fai	
Yap Kim Hwah	
Zolkefli Bin Mohamad	
Alex Tan Kuan Hon	(appointed on 1 October 2019)
Chiew Hock You	(appointed on 20 March 2019)
Goh Sing Ling	(appointed on 18 September 2019)
Winston Yap Eng Chin	(appointed on 3 April 2019)
Yap Soon Chyuan	(resigned on 3 June 2019)

DIRECTORS' **REPORT**
(CONT'D)

DIRECTORS' INTERESTS

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

	Number of ordinary shares		
Shares in the Company	**Balance as of 1.10.2018**	**Bought**	**Balance as of 30.9.2019**
Direct interest:			
Chan Kim Keow	95,780,349	1,325,899	97,106,248
Chuah Ah Bee	177,136,768	6,701,064	183,837,832
Chuah Hoon Phong	12,443,227	365,977	12,809,204
Goh Choon Aik	1,718	–	1,718
Haji Ahmad Fazil Bin Haji Hashim	15,625	–	15,625
Loo Choo Gee	10,576,170	–	10,576,170
Indirect interest:			
Chan Kim Keow	214,466,449	7,433,018	221,899,467
Chuah Ah Bee	133,110,030	2,057,853	135,167,883
Chuah Hoon Phong	15,625	–	15,625

	Number of Warrants over ordinary shares		
Warrants in the Company	**Balance as of 1.10.2018**	**Exercised**	**Balance as of 30.9.2019**
Direct interest:			
Chan Kim Keow	1,325,899	(1,325,899)	–
Chuah Ah Bee	15,441,796	(6,701,064)	8,740,732
Chuah Hoon Phong	1,900,834	(365,977)	1,534,857
Goh Choon Aik	859	–	859
Haji Ahmad Fazil Bin Haji Hashim	7,812	–	7,812
Indirect interest:			
Chan Kim Keow	18,265,551	(7,433,018)	10,832,533
Chuah Ah Bee	4,149,654	(2,057,853)	2,091,801
Chuah Hoon Phong	154,687	–	154,687

By virtue of their interests in the shares of the Company, Mr. Chuah Ah Bee and Madam Chan Kim Keow are 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 2019 RM	The Company 2019 RM
Directors of the Company:		
Executive Directors:		
Fee	373,817	–
Contribution to employees provident fund	244,513	–
Other emoluments	3,153,087	–
Non-executive Directors:		
Fee	255,267	225,267
Contribution to employees provident fund	1,094	1,094
Other emoluments	14,400	14,400
Directors of subsidiaries:		
Executive Directors:		
Fee	187,584	–
Contribution to employees provident fund	261,778	–
Other emoluments	2,411,983	–
	6,903,523	240,761
Benefits-in-kind (based on estimated monetary value) (Note 39)	229,369	–

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 RM38,250 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Group during the financial year are amounted to RM2,500,000 and RM31,501 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company, which was borne by the Company during the financial year are amounted to RM600,000 and RM6,426 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.

DIRECTORS' **REPORT**
(CONT'D)

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM133,015,343 to RM135,270,498 during the financial year by way of issuance of 13,265,617 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant to the exercise of Warrants. The new shares rank pari passu with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any share or debenture.

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

On 9 February 2015, the Company issued a total of 65,780,450 free Warrants to the shareholders pursuant to the Bonus Issue of one (1) Warrant for every two (2) existing ordinary shares in the Company. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 13 February 2015.

The Warrants are constituted by a Deed Poll dated 16 January 2015 ("Deed Poll").

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 9 February 2015 and the expiry date is 8 February 2020. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM0.55 per ordinary share;

(c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new Warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for 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, allotments 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.

DIRECTORS' REPORT (CONT'D)

WARRANTS (CONT'D)

56,131,731 additional Warrants 2015/2020 arising from the adjustment consequential to the Share Split and the Bonus Issue approved by shareholders' approval at its Extraordinary General Meeting on 19 July 2017.

The exercise price for the Warrants 2015/2020 has been revised from RM0.55 to RM0.17 per Warrant, and additional Warrants 2015/2020 have been issued pursuant to the adjustment in consequence to the Share Split and Bonus Issue exercises, and in accordance with the Company's deed poll dated 16 January 2015 governing the Warrants.

The said adjustment to the exercise price and number of outstanding Warrants have taken effect on 7 August 2017, being the next market day immediately after the entitlement date of 4 August 2017 for the Share Split and Bonus Issue exercises.

The movements in the Company's Warrants are as follows:

	Number of Warrants (Unit)		
	Balance as of 1.10.2018	Exercised	Balance as of 30.9.2019
Number of unexercised Warrants	47,681,639	(13,265,617)	34,416,022

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

DIRECTORS' REPORT
(CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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 42 to the financial statements.

AUDITORS

Details of auditors' remuneration are set out in Note 10 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

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

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

____
CHUAH AH BEE

____
CHUAH HOON PHONG

Penang

20 December 2019

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company 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 2019, 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 73 to 197.

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 2019, 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company No.: 200201015998 (583661 W) (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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
Valuation of investment properties and impairment of property, plant and equipment	
As at 30 September 2019, the Group measured its investment properties using the fair value model on land and building. The Group's investment properties carried at fair value amounted to RM100,498,000. Management uses independent external professional valuers to determine the fair values of its investment properties. We noted that valuation were based on comparison methods and cost replacement methods of valuation and depreciated replacement cost method by transactions of comparable location, terrain, size, other relevant characteristics and factors related to the properties condition in arriving at the fair value. Significant judgement required for the determination of fair values of these investment properties.	We have assessed the competence, capabilities and objectivity of the independent external valuer by verifying their qualification to respective registration board. We also evaluated the valuation methodologies and the appropriateness of the assumptions used by the valuation expert and evaluating the adequacy of the disclosures in the financial statements.
The Group's property, plant and equipment amounted to approximately RM758,502,829. In determining the impairment of property, plant and equipment, significant judgement is involved by the management about future results of the business and assessment of future plans for the Group's property portfolio. In accessing impairment of assets, external factors such as weather conditions is taken into consideration. An impairment loss is recognised to the extent that the carrying amount is more than the recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal.	Our procedures in relation to management's impairment assessment includes physical inspection of a sample of property, plant and equipment to ensure proper conditions of assets in use. Other procedures includes evaluating whether the model used by management to calculate the value in use of each cash-generating unit complies with MFRS 136 Impairment of Assets. Besides that, we also tested and recalculated the depreciation and amortisation rates are appropriately applied and compared with similar industries.
Goodwill on consolidation	
As at 30 September 2019, 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 have 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 have comparing 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 understand the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessing the adequacy of disclosures in the financial statements.

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company No.: 200201015998 (583661 W) (CONT'D)

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
Investment in subsidiaries	
As disclosed in Note 17 to the financial statements, the Company holds RM146,353,798 in investment in subsidiaries, which comprises 97% of the total assets of the Company. Judgement is required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries. This is based on the value in use, using cash flow projections, covering a three-year period for each cash generating unit. The assumptions with the most significant judgement on the cash flow projections are growth rates and discount rate.	We have tested the design and implementation of the key controls around the impairment review process, and challenge management's key assumptions used in the cash flow projections which included impairment model for investments in subsidiaries with reference to historical performance. We also performed substantive procedure and challenged the key assumptions include forecast future 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.
Fair value on biological assets	
The value of livestocks held as biological assets of the Group was approximately RM86,657,104. The fair value of livestocks was subject to poultry fluctuation. In addition, there was a high volume of livestock held at year end. We have identified the valuation of livestocks as a key audit matter because of the significant judgement and estimates involved in applying the valuation method on the livestocks. Specifically, we focused our audit efforts to determine whether the capitalisation of costs and standard in accordance with the Group's policy and ensure consistency with that of prior year.	We have obtained an understanding and test the internal controls in respect of recording of purchase of broiler breeders, feed and other consumables. We also have testing 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 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 assess the reasonableness of discount rate used to reflect the time value of money and the risk. Besides, we assess the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprise 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 TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company No.: 200201015998 (583661 W) (CONT'D)

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.

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company No.: 200201015998 (583661 W) (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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 (Cont'd):

- 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 Company or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the Directors, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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 17 to the financial statements.

Other Matters

1. As disclosed in Note 2.1.1, the Group and the Company adopted Malaysian Financial Reporting Standards ("MFRS") on 1 October 2018 with a transition date of 1 October 2017. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 30 September 2018 and 1 October 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 September 2018 and related disclosures. We were not engaged to report on the MFRS transition comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 September 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 October 2018 do not contain misstatements that materially affect the financial position as of 30 September 2019 and financial performance and cash flows for the financial year then ended.

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**

CAB Cakaran Corporation Berhad (Incorporated In Malaysia) Company No.: 200201015998 (583661 W) (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Matters (Cont'd)

2. 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
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

ANTONY LEONG WEE LOK
(NO: 03381/06/2020 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
20 December 2019

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Financial Year Ended 30 September 2019

	Note	The Group		The Company	
			Restated		
		2019 RM	2018 RM	2019 RM	2018 RM
Revenue	5	1,752,186,200	1,750,457,587	4,871,529	5,866,243
Cost of sales		(1,632,829,507)	(1,597,100,996)	–	–
Gross profit		119,356,693	153,356,591	4,871,529	5,866,243
Investment revenue	6	776,805	795,929	57,269	411,212
Other income		18,551,173	15,274,740	–	–
Other gains and losses	7	11,840,172	(6,499,155)	(18,871)	1,957,450
Distribution costs		(58,239,789)	(55,154,484)	–	–
Administrative expenses		(54,746,699)	(52,833,190)	(1,564,007)	(2,378,452)
Finance costs	8	(22,187,559)	(17,772,001)	(635,133)	(913,817)
Share of result in an associate		4,606	–	–	–
Share of result in a joint venture		(488,974)	(46,003)	–	–
Other expenses		(74,989)	(529,921)	–	–
Profit before tax		14,791,439	36,592,506	2,710,787	4,942,636
Tax (expense)/income	9	(10,757,255)	(8,770,402)	(30,300)	96,000
Profit for the year	10	4,034,184	27,822,104	2,680,487	5,038,636
Other comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		36,929	(1,346,811)	–	–
Other comprehensive income/(loss) for the year, net of tax		36,929	(1,346,811)	–	–
Total comprehensive income for the year		4,071,113	26,475,293	2,680,487	5,038,636

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

For the Financial Year Ended 30 September 2019 (CONT'D)

	Note	The Group 2019 RM	The Group Restated 2018 RM	The Company 2019 RM	The Company 2018 RM
Profit/(Loss) attributable to:					
Owners of the Company		12,160,297	24,546,406	2,680,487	5,038,636
Non-controlling interests		(8,126,113)	3,275,698	–	–
		4,034,184	27,822,104	2,680,487	5,038,636
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		12,176,563	23,867,006	2,680,487	5,038,636
Non-controlling interests		(8,105,450)	2,608,287	–	–
		4,071,113	26,475,293	2,680,487	5,038,636
Earnings per share:					
Basic (sen per share)	11	1.87	3.89		
Diluted (sen per share)	11	1.79	3.60		

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

STATEMENTS OF **FINANCIAL POSITION**

As of 30 September 2019

		The Group			The Company		
			Restated	Restated			
	Note	30.9.2019	30.9.2018	1.10.2017	30.9.2019	30.9.2018	1.10.2017
		RM	RM	RM	RM	RM	RM
Assets							
Non-current assets							
Property, plant and equipment	12	758,502,829	687,341,903	532,724,223	4,594	2,046	4,664
Investment properties	13	100,498,000	96,520,000	86,038,000	–	–	–
Prepaid lease payments on leasehold land	14	18,864,378	19,205,759	13,341,972	–	–	–
Other intangible assets	15	10,794,884	11,963,349	11,504,699	–	–	–
Goodwill	16	6,218,940	6,218,940	6,218,940	–	–	–
Interest in subsidiaries	17	–	–	–	146,353,798	146,372,519	120,431,176
Interest in an associate	18	264,696	–	–	–	–	–
Investment in a joint venture	19	1,937,186	2,424,092	204,395	–	–	–
Other financial assets	20	2,359,928	2,304,231	260,094	–	–	–
Agricultural development expenditures	21	–	33,413	33,413	–	–	–
Deferred tax assets	22	38,000	40,654	17,000	–	–	–
Total non-current assets		899,478,841	826,052,341	650,342,736	146,358,392	146,374,565	120,435,840
Current assets							
Biological assets	23	86,657,104	75,604,012	82,656,235	–	–	–
Inventories	24	48,261,001	61,196,393	51,066,524	–	–	–
Trade and other receivables	25	190,368,108	209,372,707	179,253,420	4,387,399	7,921,360	14,751,910
Other assets	26	23,315,730	21,579,338	46,232,565	1,000	1,000	101,702
Current tax assets		3,308,889	3,841,683	840,118	120,513	138,826	37,214
Short-term deposits with licensed banks	27	24,521,601	31,406,624	50,293,859	–	–	–
Cash and bank balances	28	43,721,777	64,497,296	51,761,546	217,351	441,433	677,882
		420,154,210	467,498,053	462,104,267	4,726,263	8,502,619	15,568,708
Non-current assets classified as held for sale	29	–	125,000	125,000	–	–	–
Total current assets		420,154,210	467,623,053	462,229,267	4,726,263	8,502,619	15,568,708
Total assets		1,319,633,051	1,293,675,394	1,112,572,003	151,084,655	154,877,184	136,004,548

STATEMENTS OF **FINANCIAL POSITION**

As of 30 September 2019 (CONT'D)

		The Group			The Company		
	Note	30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Equity and liabilities							
Capital and reserves							
Share capital	30	135,270,498	133,015,343	128,320,545	135,270,498	133,015,343	128,320,545
Treasury shares	30	(69,304)	(69,304)	(69,304)	(69,304)	(69,304)	(69,304)
Reserves	31	1,184,807	1,168,541	1,766,001	–	–	–
Retained earnings		317,484,166	313,880,460	292,711,452	8,881,042	9,438,081	7,559,406
Equity attributable to owners of the Company		453,870,167	447,995,040	422,728,694	144,082,236	142,384,120	135,810,647
Non-controlling interests	32	139,832,856	149,763,652	145,522,485	–	–	–
Total equity		593,703,023	597,758,692	568,251,179	144,082,236	142,384,120	135,810,647
Non-current liabilities							
Borrowings	33	255,940,002	215,622,120	127,295,668	–	–	–
Deferred tax liabilities	22	47,055,811	47,270,717	49,518,549	–	–	–
Deferred revenue	34	25,283	37,626	64,039	–	–	–
Total non-current liabilities		303,021,096	262,930,463	176,878,256	–	–	–
Current liabilities							
Trade and other payables	35	205,978,852	238,201,776	201,031,224	7,002,419	12,493,064	193,901
Borrowings	33	214,679,297	191,760,238	159,201,987	–	–	–
Other financial liability	20	1,261	9,252	5,921	–	–	–
Deferred revenue	34	12,348	31,753	43,273	–	–	–
Current tax liabilities		2,237,174	2,983,220	7,160,163	–	–	–
Total current liabilities		422,908,932	432,986,239	367,442,568	7,002,419	12,493,064	193,901
Total liabilities		725,930,028	695,916,702	544,320,824	7,002,419	12,493,064	193,901
Total equity and liabilities		1,319,633,051	1,293,675,394	1,112,572,003	151,084,655	154,877,184	136,004,548

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 September 2019

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
Balance as of 1 October 2017, as previously stated		128,320,545	(69,304)	1,766,001	110,660,804	149,126,361	389,804,407	140,890,658	530,695,065
Effects of transition to MFRSs	44	–	–	–	(110,660,804)	143,585,091	32,924,287	4,631,827	37,556,114
Balance as of 1 October 2017, as restated		128,320,545	(69,304)	1,766,001	–	292,711,452	422,728,694	145,522,485	568,251,179
Profit for the year		–	–	–	–	24,546,406	24,546,406	3,275,698	27,822,104
Other comprehensive loss		–	–	(679,400)	–	–	(679,400)	(667,411)	(1,346,811)
Total comprehensive (loss)/income for the year		–	–	(679,400)	–	24,546,406	23,867,006	2,608,287	26,475,293
Recognised of revaluation surplus upon transfer of property, plant and equipment to investment properties	13	–	–	–	81,940	–	81,940	–	81,940
Transactions with owners of the Company:									
Issuance of ordinary shares pursuant to exercise of Warrants	30	4,694,798	–	–	–	–	4,694,798	–	4,694,798
Subscription of ordinary shares by non-controlling interests in subsidiaries		–	–	–	–	–	–	2,615,558	2,615,558
Dividend paid	36	–	–	–		(3,159,961)	(3,159,961)	–	(3,159,961)
Dividend paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	(1,018,762)	(1,018,762)
Additional non-controlling interest arising on the acquisition of a subsidiary		–	–	–	–	–	–	(181,232)	(181,232)
Arising from increase in equity interest in a subsidiary			–	–	–	(218,059)	(218,059)	217,938	(121)
Disposal of partial interest in a subsidiary		–	–	–	–	622	622	(622)	–
Balance as of 30 September 2018		133,015,343	(69,304)	1,086,601	81,940	313,880,460	447,995,040	149,763,652	597,758,692

STATEMENTS OF **CHANGES IN EQUITY**

For the Financial Year Ended 30 September 2019 (CONT'D)

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
Balance as of 1 October 2018		133,015,343	(69,304)	1,086,601	81,940	313,880,460	447,995,040	149,763,652	597,758,692
Adjustment on initial application of MFRS 9, net of tax	44	–	–	–	–	(5,388,414)	(5,388,414)	(2,217,387)	(7,605,801)
Balance as of 1 October 2018, as restated		133,015,343	(69,304)	1,086,601	81,940	308,492,046	442,606,626	147,546,265	590,152,891
Profit/(Loss) for the year		–	–	–	–	12,160,297	12,160,297	(8,126,113)	4,034,184
Other comprehensive income		–	–	16,266	–	–	16,266	20,663	36,929
Total comprehensive income/(loss) for the year		–	–	16,266	–	12,160,297	12,176,563	(8,105,450)	4,071,113
Transactions with owners of the Company:									
Issuance of ordinary shares pursuant to exercise of Warrants	30	2,255,155	–	–	–	–	2,255,155	–	2,255,155
Subscription of ordinary shares by non-controlling interests in subsidiaries		–	–	–	–	–	–	800,030	800,030
Dividend paid	36	–	–	–	–	(3,237,526)	(3,237,526)	–	(3,237,526)
Dividend paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	(338,640)	(338,640)
Arising from decrease in equity interest in a subsidiary		–	–	–	–	69,349	69,349	(69,349)	–
Balance as of 30 September 2019		135,270,498	(69,304)	1,102,867	81,940	317,484,166	453,870,167	139,832,856	593,703,023

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 September 2019 (CONT'D)

The Company

	Note	Share Capital RM	Treasury shares RM	Retained earnings RM	Total RM
Balance as of 1 October 2017		128,320,545	(69,304)	7,559,406	135,810,647
Profit for the year		–	–	5,038,636	5,038,636
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year		–	–	5,038,636	5,038,636
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to exercise of Warrants	30	4,694,798	–	–	4,694,798
Dividend paid	36	–	–	(3,159,961)	(3,159,961)
Balance as of 30 September 2018		133,015,343	(69,304)	9,438,081	142,384,120
Profit for the year		–	–	2,680,487	2,680,487
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year		–	–	2,680,487	2,680,487
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to exercise of Warrants	30	2,255,155	–	–	2,255,155
Dividend paid	36	–	–	(3,237,526)	(3,237,526)
Balance as of 30 September 2019		135,270,498	(69,304)	8,881,042	144,082,236

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

STATEMENTS OF **CASH FLOWS**

For the Financial Year Ended 30 September 2019

	The Group		The Company	
		Restated		
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	14,791,439	36,592,506	2,710,787	4,942,636
Depreciation and amortisation of non-current assets	45,133,984	38,977,763	2,060	2,618
Interest expense	20,743,077	16,393,199	635,133	913,817
Allowance for expected credit loss recognised on receivables	1,296,944	–	–	–
Amortisation of intangible assets	1,169,889	1,166,467	–	–
Share of result in a joint venture	488,974	46,003	–	–
Impairment loss recognised on receivables	371,380	393,189	–	–
Impairment loss recognised on property, plant and equipment	318,949	1,997,465	–	–
Bad debts written off	314,641	512,697	–	–
Inventories written off	266,686	325,372	–	–
Property, plant and equipment written off	222,357	433,048	–	–
Unrealised loss on foreign exchange	168,867	2,559,281	–	–
Agricultural development expenditures written off	33,413	–	–	–
(Gain)/Loss on fair value adjustment of biological assets	(6,669,899)	4,154,250	–	–
Gain on fair value adjustment of investment properties	(4,876,303)	(2,668,057)	–	–
Gain on disposal of investment properties	(3,406,727)	–	–	–
Interest income	(792,930)	(1,347,423)	(57,269)	(411,212)
Reversal of impairment loss recognised on receivables	(359,504)	(342,534)	–	(1,957,450)
Net fair value gain on other financial assets/(liability)	(287,407)	(2,040,812)	–	–
Reversal of inventories written down	(99,404)	–	–	–
Gain on disposal of property, plant and equipment	(36,118)	(32,238)	–	–
Amortisation of deferred revenue on government grant	(22,405)	(34,751)	–	–
Realisation of deferred revenue on franchise fee income	(9,375)	(9,375)	–	–
Share of result in an associate	(4,606)	–	–	–
Goodwill written off	–	80,096	–	–
Inventories written down	–	26,699	–	–
Net impairment loss recognised on investment in subsidiaries	–	–	18,799	–
Gross dividend received from subsidiaries	–	–	(4,500,000)	(5,500,000)
	68,755,922	97,182,845	(1,190,490)	(2,009,591)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 September 2019 (CONT'D)

	Note	The Group 2019 RM	The Group Restated 2018 RM	The Company 2019 RM	The Company 2018 RM
Cash flows from operating activities (Cont'd)					
Movements in working capital:					
Increase in biological assets		(4,383,193)	(2,897,973)	–	–
Decrease/(Increase) in inventories		12,769,478	(4,523,350)	–	–
Decrease/(Increase) in trade and other receivables		9,527,512	(30,692,610)	–	–
Decrease/(Increase) in other assets		654,495	(4,334,817)	–	100,702
(Decrease)/Increase in trade and other payables		(32,578,678)	33,668,919	(16,443)	(37,627)
Increase in deferred revenue		–	7,937	–	–
Cash generated from/(used in) operations		54,745,536	88,410,951	(1,206,933)	(1,946,516)
Taxes refunded		2,664,145	533,010	135,100	200,000
Interest received		332,600	859,660	–	–
Taxes paid		(13,167,526)	(18,655,715)	(147,087)	(205,612)
Net cash from/(used in) operating activities		44,574,755	71,147,906	(1,218,920)	(1,952,128)
Cash flows from investing activities					
Proceeds from disposal of investment properties		4,350,511	–	–	–
Interest received		484,891	473,222	57,269	411,212
Proceeds from disposal of non-current assets classified as held for sale		125,000	–	–	–
Proceeds from disposal of property, plant and equipment		99,263	431,317	–	–
Payments for property, plant and equipment	37(b)	(95,522,370)	(191,662,584)	(4,608)	–
(Increase)/Decrease in other assets for acquisition of property, plant and equipment		(2,412,813)	29,021,917	–	–
Advances granted to a joint venture		(435,478)	(19,243)	–	–
Payments for prepaid lease payments on leasehold land	14	(244,575)	(6,285,632)	–	–
Payments for investment properties	13	(45,481)	(436,943)	–	–
Payments for investment in other financial assets		(36,305)	–	–	–
Payments for purchase of additional shares in an associate		(90)	–	–	
Net cash inflow on acquisition of a subsidiary	17	–	479,648	–	–
Payments for purchase of additional shares in a joint venture		–	(2,247,975)	–	–
Dividend received from a subsidiary		–	–	4,500,000	5,500,000
Repayment from/(Advances granted to) subsidiaries		–	–	3,533,961	(17,153,341)
Payments for purchase of additional shares in a subsidiary		–	–	(78)	–
Payments for acquisition of a subsidiary		–	–	–	(2)
Net cash (used in)/from investing activities		(93,637,447)	(170,246,273)	8,086,544	(11,242,131)

STATEMENTS OF **CASH FLOWS**

For the Financial Year Ended 30 September 2019 (CONT'D)

		The Group		The Company	
			Restated		
	Note	2019	2018	2019	2018
		RM	RM	RM	RM
Cash flows from financing activities					
Proceeds from long-term loans		58,130,686	110,769,732	–	–
Increase in short-term borrowings		16,286,315	18,509,029	–	–
Proceeds from hire-purchase		3,809,380	1,275,498	–	–
Proceeds from Warrants exercise		2,255,155	4,694,798	2,255,155	4,694,798
Proceeds from issuance of shares by subsidiaries to non-controlling interests		800,030	2,615,558	–	–
Short-term deposits pledged as securities		138,537	(401,358)	–	–
Repayment of long-term loans		(26,606,962)	(15,207,698)	–	–
Interest paid		(20,367,264)	(16,377,797)	(635,133)	(913,817)
Repayment of hire-purchase payables		(11,720,525)	(10,326,621)	–	–
Dividend paid		(3,237,526)	(3,159,961)	(3,237,526)	(3,159,961)
Dividend paid to non-controlling interests of subsidiaries		(338,640)	(1,018,762)	–	–
(Repayment to)/Advances from subsidiaries		–	–	(5,474,202)	12,336,790
Net cash from/(used in) financing activities		19,149,186	91,372,418	(7,091,706)	12,957,810
Net decrease in cash and cash equivalents		(29,913,506)	(7,725,949)	(224,082)	(236,449)
Cash and cash equivalents at the beginning of the year		83,419,754	91,802,799	441,433	677,882
Effects of exchange rates changes on the balances of cash held in foreign currencies		24,259	(657,096)	–	–
Cash and cash equivalents at the end of the year	37(a)	53,530,507	83,419,754	217,351	441,433

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

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019

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 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 17 to the financial statements.

The registered office of the Company is located at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia.

The principal place of business of the Company is located at Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Malaysia.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the Directors on 20 December 2019.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

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 ("IFRS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 2016 in Malaysia.

2.1.1 First-time Adoption of MFRS

In the previous years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standard ("FRS") issued by MASB.

This is the Group's and the Company's first financial statements prepared in accordance with MFRS and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The financial impact of transition to MFRSs are disclosed in Note 44.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for investment properties, biological assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as indicated in the summary of significant accounting policies.

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

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

2.2 Basis of measurement (Cont'd)

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.

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 market 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 uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available 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 their 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines 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 has 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.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

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

2.4 Standards Issued But Not Yet Effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the MASB but are not yet effective, and have not been adopted early by the Group and the Company.

Management anticipates that all relevant pronouncement will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of pronouncement. Information on new standards, amendments and interpretations that are expected to have impact on the Group's and the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's and the Company's financial statements, save as below:-

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MRFS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 October 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

2.4 Standards Issued But Not Yet Effective (Cont'd)

MFRS 16 Leases (Cont'd)

During 2019, the Group performed a preliminary assessment of MFRS 16. In summary, the impact of MFRS 16 adoption is expected to be as follows:

Impact on the statements of financial position as of 1 October 2019

The Group	**Increase RM**
Asset	
Property, plant and equipment (right-of-use assets)	9,168,812
Liability	
Lease liabilities	9,168,812
Net impact on equity	–

Impact on the statements of profit or loss and other comprehensive income for the financial year ended 30 September 2020

The Group	**Increase/ (Decrease) RM**
Profit or Loss	
Depreciation expense	1,370,443
Finance costs	353,881
Profit for the year	(1,724,324)

The quantitative information disclosed in this note may be subjected to further changes in the financial year of 2020 when the Group adopts MFRS 16.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company applied the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

Subsidiaries and Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

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

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

Business Combinations

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

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

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

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and

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

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (Cont'd)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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 above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefits from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is 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 its carrying amount, 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 assets in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in an Associate and a Joint Venture

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

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

The results and assets and liabilities of and associate or a joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

Under the equity method, an investment in and associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds 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 joint venture), the Group discontinues recognising its shares of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in and associate or a joint venture any excess of the costs of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognisd as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustments) when the equity method is discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interest.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Non-current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or a joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with FRS 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 contracts 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 services 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.

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.

Sales of poultry feed

Revenue from sales of poultry feed 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. Revenue for sales of feed by bag packing 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.

(b) 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.

(c) 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.

(d) Dividend and interest revenue

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

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

(e) Other income

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

Borrowing Costs

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

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

Taxation

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

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's 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.

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.

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

(b) Deferred tax (Cont'd)

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 its current tax assets and liabilities on a net basis.

(c) Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income 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 current or deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

Goods and Services Tax and Sales and Services Tax

Goods and Services Tax is a consumption tax based on value-added concept. Goods and Services Tax is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input Goods and Services Tax that the Company paid on purchases of business inputs can be deducted from output Goods and Services Tax.

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax except:

(a) Where the amount of Goods and Services Tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the Goods and Services Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) Receivables and payables that are stated with the amount of Goods and Services Tax included.

The net amount of Goods and Services Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The Malaysia Government has zero rated the Goods and Services Tax effective from 1 June 2018. This means the Goods and Services Tax rate on supplying of goods or services or on the importation of goods has been revised from 6% to 0%.

The Goods and Services Tax was replaced with the Sales and Services Tax effective from 1 September 2018. The rate for sales tax is fixed at 5% or 10%, while the rate for service tax is fixed at 6%.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goods and Services Tax and Sales and Services Tax (Cont'd)

Expenses and assets are recognised net of the amount of Sales and Services Tax, except:

(a) when the Sales and Services Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the Sales and Services Tax 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 Sales and Services Tax included.

The net amount of Sales and Services Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) The Group and the Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) The Group and the Company as lessee

Assets held under finance leases are initially recognised as assets of the Group and of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to archive a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's and the Company's general policy on borrowing costs.

Leasehold land that normally has an indefinite economic life and where the title is not expected to pass to the lessee by the end of the lease term is treated as operating lease. Payments made on entering into or acquiring leasehold land are accounted as prepaid lease payments on leasehold land and amortised over the remaining lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO **THE FINANCIAL STATEMENTS**
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies

The individual financial statements of each group entity are presented in Ringgit Malaysia, the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in Ringgit Malaysia at the rates of exchange prevailing on the dates of the transactions.

When an entity pays or receives consideration in advance in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration. When the prepayment or income received in advance, liability was recognised. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated into Ringgit Malaysia at the exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise except for exchange differences arising on the retranslation on non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated in Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange dates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Short-term Employee Benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Retirement Benefit Costs and Termination Benefits

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group and the Company have no further payment obligations once these contributions have been paid.

Termination benefits are recognised as expenses in the income statement when the Group and the Company are demonstrably committed to terminate the employment of an employee or group of employees before the normal retirement date.

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 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.

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 statement 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.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

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%
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%
Pasaraya 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 finance leases 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible Assets (Cont'd)

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

Distribution network	15 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) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Agricultural Development Expenditures

Agricultural development expenditures represents pre-cropping costs incurred on land preparation, construction of drains, roads and irrigation, fertilisation, plant and planting, labour and any general overheads directly attributable to the development of the oil palm and banana. Such expenditure is capitalised and is amortised at maturity of the crop at the following rates which are deemed as the economic lives of the crop:

Cropping expenditure - Oil palm	5%
Cropping expenditure - Banana	50%

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.

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

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Classification and subsequent measurement of financial assets

(i) Accounting policies applied from 1 October 2018:

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost ("AC")
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVTOCI")

The Group and the Company carries AC, FVTPL and FVTOCI on their statements of financial position.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented in the 'other gains and losses' line item.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

(i) it has been acquired principally for the purpose of repurchasing it in the near term; or
(ii) on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manages together and has a recent actual pattern of short-term profit-taking; or
(iii) it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(i) Accounting policies applied from 1 October 2018: (Cont'd)

Financial assets at fair value through profit or loss (Cont'd)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

(i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
(ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
(iii) it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in "other gains and losses" line item. Fair value is determined in the manner described in Note 38.

Financial assets at fair value through other comprehensive income

Financial assets at FVTOCI comprise:

- Equity securities which are not held for trading, and for which the Group and the Company have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss; and
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's and the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) Accounting policies applied until 30 September 2018:

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:-

(a) financial assets at fair value through profit or loss;
(b) held-to-maturity investments;
(c) loans and receivables; and
(d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each end of the reporting period. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(ii) Accounting policies applied until 30 September 2018: (Cont'd)

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

As at reporting date, the Group and the Company only carry loans and receivables on their statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's and Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss. Available-for-sale assets are measured at fair value through profit or loss. Available-for-sale assets are measured at fair value at the end of the reporting period. Gain or losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Available-for-sale equity investments that do not have a quoted market price in active market and whose fair values cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's and the Company's right to receive the dividend is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial assets - impairment

(i) Accounting policies applied from 1 October 2018:

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss ("ECL") model'. This replaces MFRS 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables, contract assets recognised and measured under MFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group and the Company first identifying a credit loss event. Instead, the Group and the Company consider a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12 months expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group and the Company make use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group and the Company use their historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group and the Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Overall, the impact of the impairment was immaterial.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial assets - impairment (Cont'd)

(ii) Accounting policies applied until 30 September 2018:

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

Financial liabilities - classification and measurement

As the accounting for financial liabilities remains largely the same under MFRS 9 compared to MFRS 139, the Company's financial liabilities were not impacted by the adoption of MFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's and Company's financial liabilities include trade and other payables, amount due to an associate, finance lease liabilities, bank borrowings and dividend payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Financial liabilities - classification and measurement (Cont'd)

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 38.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only 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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at the fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with MFRS 137 "Provision, contingent liabilities and contingent assets'; and
- the amount initially recognized less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market process or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as how they are measured are provided in Note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

Derivative financial instruments

The Group and the Company enters into derivative financial instruments to manage its exposure to foreign exchange rate.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Cash and Cash Equivalents

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.

Related Parties

A related party is a person or entity that is related to the Company. A related party transaction is a transfer of resources, services or obligations between the Company and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Company if that person:

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group.
  (ii) The entity is an associate or joint venture of the other entity.
  (iii) Both entities are joint ventures of the same third party.
  (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefits of employees of either the Company or an entity related to the Company.
  (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
  (vii) A person identified in (a)(i) above has significant influence over the Company or is a member of the key management personnel of the Company.
  (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Company or to the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(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.

(b) Key sources of estimation uncertainty

The following are 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 amounts of assets and liabilities within the next financial year:

(i) Impairment of property, plant and equipment and intangible assets

The Group and the Company assesses whether there are any indicators of impairment for its property, plant and equipment at the end of each reporting period.

If there are indicators of impairment in property, plant and equipment and intangible assets, the Group and the Company carries out the impairment test based on a variety of estimation including the value in use of the cash-generating units to which the property, plant and equipment and intangible assets are allocated. Estimating the value in use requires the Group and the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of property, plant and equipment of the Group as of 30 September 2019 was RM758,502,829 (30.9.2018: RM687,341,903; 1.10.2017: RM532,724,223) after impairment losses recognised of RM2,435,710 (30.9.2018: RM2,121,602; 1.10.2017: RM169,375) and the carrying amounts of other intangible assets of the Group is RM10,794,884 (30.9.2018: RM11,963,349; 1.10.2017: RM11,504,699).

The Company assessed and determined that no additional impairment was required of the property, plant and equipment with carrying amount of RM4,594 (30.9.2018: RM2,046; 1.10.2017: RM4,664) as of 30 September 2019.

(ii) Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires the Company assesses whether there are any indications of impairment as of the end of the reporting period, If such indications exists, an estimation of the value in use of the cash-generating units is carried out. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate of 10% and estimated growth rate of 1% in order to calculate present value. The carrying amount of investments in subsidiaries as of 30 September 2019 was RM146,353,798 (30.9.2018: RM146,372,519; 1.10.2017: RM120,431,176) after impairment losses recognised of RM20,774,664 (30.9.2018: RM20,755,865; 1.10.2017: RM20,755,865).

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) 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 Company engaged an independent professional qualified valuer to determine its fair value as at 30 September 2019. The relevant valuation bases, are disclosed in Note 13 to the financial statements.

(iv) 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.

(v) Impairment of receivables

The carrying amount of trade and other receivables of the Group and the Company as of 30 September 2019 were RM190,368,108 and RM4,387,399 (30.9.2018: RM209,372,707 and RM7,921,360; 1.10.2017: RM179,253,420 and RM14,751,910) respectively.

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, an allowance is established and the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Where the expectation is different from the original estimate, such difference will impact the carrying values of the receivables in the period in which such estimate has been changed.

(vi) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and plantation sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

5. REVENUE

	The Group		The Company	
		Restated		
	2019	2018	2019	2018
	RM	RM	RM	RM
At point in time:-				
Sale of goods	1,752,020,825	1,750,292,212	–	–
Rental of poultry farm	156,000	156,000	–	–
Franchise fee	9,375	9,375	–	–
Gross dividend income from investment in a subsidiary	–	–	4,500,000	5,500,000
Management fee	–	–	341,200	340,000
Internal audit charges	–	–	30,329	26,243
	1,752,186,200	1,750,457,587	4,871,529	5,866,243

Contract revenue from customers

The performance obligation satisfied upon delivery of the equipment and payment is generally due within 7 to 90 days from delivery. Contract from customers provide with a discount of feed and mortality rate of poultry chicken which give rise to variable consideration subject to constraint.

In addition, the Group estimated its discount of feed and mortality rate that will be redeemed until the point of sale.

6. INVESTMENT REVENUE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Interest revenue on:				
Short-term deposits	428,139	435,507	–	–
Bank balances	31,197	50,004	–	–
Amount owing by a subsidiary	–	–	57,269	411,212
Rental revenue from:				
Premises	269,469	262,418	–	–
Vegetable farm	48,000	48,000	–	–
	776,805	795,929	57,269	411,212

The following is an analysis of investment revenue earned by category of assets:

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Interest revenue for financial assets not designated as at fair value through profit or loss:				
Amortised cost/Loan and receivables (including cash and bank balances)	459,336	485,511	57,269	411,212
Rental revenue on investment properties	317,469	310,418	–	–
	776,805	795,929	57,269	411,212

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Gain/(Loss) on fair value adjustment of biological assets (Note 23)	6,669,899	(4,154,250)	–	–
Gain on fair value adjustment of investment properties (Note 13)	4,876,303	2,668,057	–	–
Gain on disposal of investment properties	3,406,727	–	–	–
Reversal of impairment loss recognised on receivables	359,504	342,534	–	1,957,450
Net fair value gain on other financial assets/(liability)	287,407	2,040,812	–	–
Reversal of inventories written down	99,404	–	–	–
Gain on disposal of property, plant and equipment	36,118	32,238	–	–
Amortisation of deferred revenue on government grant	22,405	34,751	–	–
Net remeasurement of allowance for expected credit loss	(1,296,944)	–	–	–
Amortisation of other intangible assets (Note 15)	(1,169,889)	(1,166,467)	–	–
Impairment loss recognised on receivables	(371,380)	(393,189)	–	–
Impairment loss recognised on property, plant and equipment	(318,949)	(1,997,465)	–	–
Bad debt written off	(314,641)	(512,697)	–	–
Property, plant and equipment written off	(222,357)	(433,048)	–	–
Unrealised loss on foreign exchange	(168,867)	(2,559,281)	–	–
Agricultural development expenditure written off	(33,413)	–	–	–
Realised loss on foreign exchange	(21,155)	(294,355)	(72)	–
Goodwill written off	–	(80,096)	–	–
Inventories written down	–	(26,699)	–	–
Net impairment loss recognised on investment in subsidiaries	–	–	(18,799)	–
	11,840,172	(6,499,155)	(18,871)	1,957,450

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

8. FINANCE COSTS

	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Interest expenses for financial liabilities not classified as fair value through profit or loss:				
Long-terms loans	12,527,885	9,417,639	–	–
Short-term borrowings	6,406,127	5,618,820	–	–
Hire-purchase	1,809,065	1,356,740	–	–
Amount owing to subsidiaries	–	–	635,133	913,817
Bank commission	1,333,421	1,121,284	–	–
Bank charges	111,061	257,518	–	–
	22,187,559	17,772,001	635,133	913,817

9. TAX (EXPENSE)/INCOME

Tax (expense)/income recognised in profit or loss

Tax (expense)/income comprises:

	The Group 2019 RM	The Group Restated 2018 RM	The Company 2019 RM	The Company 2018 RM
Current year:				
Current tax expense:				
Malaysian	(9,440,084)	(10,998,518)	(12,400)	(17,000)
Foreign	(962,765)	(1,524,128)	–	–
Deferred tax (expense)/income:				
Relating to the origination and reversal of temporary differences:				
Reversal upon disposal/write-off of revalued properties	–	37,552	–	–
Other temporary differences	(274,751)	2,216,249	–	–
Recognition of deferred real property gains tax on fair value adjustment of investment properties	(199,855)	(97,951)	–	–
	(10,877,455)	(10,366,796)	(12,400)	(17,000)
Adjustments recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	8,497	1,488,658	(17,900)	113,000
Foreign	105,800	780	–	–
Deferred tax:				
Malaysian	27,449	220,548	–	–
Foreign	(21,546)	(113,592)	–	–
Total tax (expense)/income	(10,757,255)	(8,770,402)	(30,300)	96,000

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

9. TAX (EXPENSE)/INCOME (CONT'D)

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

The estimated amounts of tax benefits arising from previously unused tax losses is used to reduce current tax expense of the Group is as follows:

	The Group	
	2019 RM	2018 RM
Unused tax losses	44,000	–

The total tax expense/(income) for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2019 RM	Restated 2018 RM	2019 RM	2018 RM
Profit before tax	14,791,439	36,592,506	2,710,787	4,942,636
Tax expense calculated using the Malaysian income tax rate of 24% (2018: 24%)	3,550,000	8,782,000	651,000	1,186,000
Effect of expenses that are not deductible in determining taxable profit	8,788,600	5,833,397	441,400	621,000
Effect of revenue that is not taxable	(4,328,000)	(3,261,000)	(1,080,000)	(1,790,000)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	3,245,000	989,000	–	–
Deferred real property gains tax on fair value adjustment of investment properties	199,855	97,951	–	–
Effect of different tax rate of subsidiaries operating in other jurisdiction	(419,000)	(711,000)	–	–
Effect of previously unrecognised deductible temporary differences now recognised as deferred tax assets	(159,000)	(1,326,000)	–	–
Reversal of deferred tax liabilities upon disposal of revalued properties	–	(37,552)	–	–
	10,877,455	10,366,796	12,400	17,000
Adjustments recognised in the current year in relation to prior years:				
Current tax	(114,297)	(1,489,438)	17,900	(113,000)
Deferred tax	(5,903)	(106,956)	–	–
Tax expense/(income) recognised in profit or loss	10,757,255	8,770,402	30,300	(96,000)

The Group is operating in the jurisdictions of Malaysia and Republic of Singapore. The applicable domestic statutory income tax rates are 24% (2018: 24%) for Malaysia and 17% (2018: 17%) for Republic of Singapore. The applicable tax rate of 24% (2018: 24%) used in the above numerical reconciliation of tax of the Group and of the Company is determined based on the statutory income tax rate prevailing for the Company.

9. TAX (EXPENSE)/INCOME (CONT'D)

As of 30 September 2019, the approximate amounts of unused tax losses, unused tax capital allowances, unused allowance for increased export, unused reinvestment allowances and unused agricultural allowances of the Group, which are available for set off against future taxable income are as follows:

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Unused tax losses	46,144,000	45,141,000	49,144,000
Unused tax capital allowances	44,267,000	23,649,000	27,402,000
Unused allowance for increased export	1,155,000	1,155,000	1,155,000
Unused reinvestment allowances	368,000	368,000	736,000
Unused agricultural allowances	35,000	35,000	35,000

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at:

	The Group		The Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
After charging:				
Rental of:				
Premises	4,468,990	4,419,949	–	–
Fowl house and equipment	2,270,278	2,496,203	–	–
Stall	1,520,370	1,567,009	–	–
Cold room and storage	1,416,117	683,443	–	–
Room	351,221	541,108	–	–
Machinery and equipment	132,305	97,360	–	–
Office and office equipment	23,553	25,046	24,000	24,000
Motor vehicles	22,019	111,861	–	–
Auditors' remuneration:				
Grant Thornton Malaysia:				
Statutory audit fee	297,500	292,500	33,500	33,500
Non-audit fee	175,600	33,000	9,500	–
Other Auditors:				
Statutory audit fee:				
Current year	154,083	148,667	–	–
Prior years	(4,853)	18,001	–	6,600
Late payment charges paid to Competition Consumer Commission of Singapore	417,038	–	–	–
Competition Consumer Commission of Singapore penalty	–	10,731,578	–	–
And crediting:				
Late payment claims on Competition Consumer Commission of Singapore	417,038	–	–	–
Interest revenue on:				
Bank balances	333,594	839,246	–	–
Others	–	22,666	–	–
Competition Consumer Commission of Singapore penalty claims	–	10,731,578	–	–

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

10. PROFIT FOR THE YEAR (CONT'D)

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

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Contribution to employees provident fund	8,360,961	7,936,405	65,869	58,708
Other emoluments	126,462,300	131,263,491	800,642	715,452
	134,823,261	139,199,896	866,511	774,160

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	
	2019 RM	2018 RM
Directors of the Company:		
Fee	373,817	325,956
Contribution to employees provident fund	244,513	273,959
Other emoluments	3,153,087	3,353,303
Directors of subsidiaries:		
Fee	187,584	173,870
Contribution to employees provident fund	261,778	299,457
Other emoluments	2,411,983	2,686,769
	6,632,762	7,113,314

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

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company:				
Fee	255,267	231,600	225,267	201,600
Contribution to employees provident fund	1,094	1,164	1,094	1,164
Other emoluments	14,400	14,400	14,400	14,400
	270,761	247,164	240,761	217,164

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

11. 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 2019	The Group Restated 2018
Profit for the year attributable to owners of the Company (RM)	12,160,297	24,546,406
Weighted average number of ordinary shares for the purpose of basic earnings per share	650,871,342	631,617,924
Basic earnings per share (sen)	1.87	3.89

Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares that would have been in issue assuming exercise of the remaining warrants, adjusted for the number of such ordinary shares that would have been issued at fair value:

	The Group 2019	The Group Restated 2018
Profit for the year attributable to owners of the Company (RM)	12,160,297	24,546,406
Weighted average number of ordinary shares for the purpose of basic earnings per share	650,871,342	631,617,924
Warrant shares deemed to be issued for no consideration	28,941,326	49,788,238
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	679,812,668	681,406,162
Diluted earnings per share (sen)	1.79	3.60

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

12. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ Write-off RM	Transfers RM	Transfer to investment properties (Note 13) RM	Acquisition of a subsidiary RM	Currency translation differences RM	End of year RM
30.9.2019:								
Freehold land	44,000,000	–	–	–	–	–	–	44,000,000
Freehold land and buildings	415,766,854	23,946,020	–	3,345,201	–	–	–	443,058,075
Buildings	75,015,788	541,945	–	81,127	–	–	4,838	75,643,698
Plant, machinery and equipment	189,142,975	31,165,350	(871,432)	5,105,928	–	–	7,198	224,550,019
Electrical installation	2,599,925	167,677	–	8,785	–	–	–	2,776,387
Office equipment	6,066,313	749,817	(64,746)	141,311	–	–	65	6,892,760
Furniture, fixtures and fittings	8,135,271	1,107,726	(36,365)	16,472	–	–	2,891	9,225,995
Motor vehicles	45,729,199	6,990,005	(507,406)	–	–	–	6,358	52,218,156
Renovation	6,799,234	477,688	(299,027)	280,512	–	–	432	7,258,839
Supermarket equipment	6,382,142	385,809	(337,258)	(53,886)	–	–	–	6,376,807
Warehouse	96,540	–	–	–	–	–	–	96,540
Workshop	58,000	–	–	–	–	–	–	58,000
Construction-in-progress	30,748,776	50,785,175	(3,496)	(8,925,450)	–	–	(11,711)	72,593,294
	830,541,017	116,317,212	(2,119,730)	–	–	–	10,071	944,748,570
30.9.2018:								
Freehold land	44,000,000	–	–	–	–	–	–	44,000,000
Freehold land and buildings	276,632,000	117,922,874	(307,374)	28,896,354	(7,377,000)	–	–	415,766,854
Buildings	67,491,750	3,782,522	–	3,925,368	–	–	(183,852)	75,015,788
Plant, machinery and equipment	166,904,187	22,263,571	(2,337,624)	2,588,943	–	–	(276,102)	189,142,975
Electrical installation	2,378,771	28,630	–	192,524	–	–	–	2,599,925
Office equipment	5,544,812	707,965	(333,976)	148,663	–	–	(1,151)	6,066,313
Furniture, fixtures and fittings	7,125,163	1,141,443	(83,389)	48,272	–	–	(96,218)	8,135,271
Motor vehicles	40,192,252	5,517,079	(902,826)	–	–	1,287,685	(364,991)	45,729,199
Renovation	5,440,079	914,193	(35,824)	497,171	–	–	(16,385)	6,799,234
Supermarket equipment	5,925,756	357,397	(34,760)	133,749	–	–	–	6,382,142
Warehouse	83,097	13,443	–	–	–	–	–	96,540
Workshop	58,000	–	–	–	–	–	–	58,000
Construction-in-progress	17,475,605	49,506,761	(300)	(36,431,044)	–	–	197,754	30,748,776
	639,251,472	202,155,878	(4,036,073)	–	(7,377,000)	1,287,685	(740,945)	830,541,017

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

The Group

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ Write-off RM	Transfer to investment properties (Note 13) RM	Acquisition of a subsidiary RM	Currency translation differences RM	End of year RM
30.9.2019:							
Freehold land	–	–	–	–	–	–	–
Freehold land and buildings	10,796,283	13,530,539	–	–	–	–	24,326,822
Buildings	4,228,761	4,725,167	–	–	–	3,957	8,957,885
Plant, machinery and equipment	85,447,788	17,965,601	(811,716)	–	–	5,455	102,607,128
Electrical installation	1,483,823	209,987	–	–	–	–	1,693,810
Office equipment	4,067,205	650,238	(64,731)	–	–	35	4,652,747
Furniture, fixtures and fittings	4,974,535	717,535	(32,456)	–	–	1,754	5,661,368
Motor vehicles	23,215,919	5,632,174	(484,971)	–	–	2,386	28,365,508
Renovation	2,786,316	604,860	(166,255)	–	–	291	3,225,212
Supermarket equipment	4,001,119	500,522	(269,258)	–	–	–	4,232,383
Warehouse	72,863	9,665	–	–	–	–	82,528
Workshop	2,900	1,740	–	–	–	–	4,640
Construction-in-progress	–	–	–	–	–	–	–
	141,077,512	44,548,028	(1,829,387)	–	–	13,878	183,810,031
30.9.2018:							
Freehold land	–	–	–	–	–	–	–
Freehold land and buildings	–	10,950,862	(72,639)	(81,940)	–	–	10,796,283
Buildings	–	4,373,351	–	–	–	(144,590)	4,228,761
Plant, machinery and equipment	72,220,152	15,745,955	(2,326,118)	–	–	(192,201)	85,447,788
Electrical installation	1,281,232	202,591	–	–	–	–	1,483,823
Office equipment	3,937,009	457,674	(326,372)	–	–	(1,106)	4,067,205
Furniture, fixtures and fittings	4,462,988	626,052	(52,168)	–	–	(62,337)	4,974,535
Motor vehicles	18,658,572	5,079,482	(336,729)	–	18,034	(203,440)	23,215,919
Renovation	2,235,806	575,519	(15,017)	–	–	(9,992)	2,786,316
Supermarket equipment	3,497,948	532,836	(29,665)	–	–	–	4,001,119
Warehouse	63,007	9,856	–	–	–	–	72,863
Workshop	1,160	1,740	–	–	–	–	2,900
Construction-in-progress	–	–	–	–	–	–	–
	106,357,874	38,555,918	(3,158,708)	(81,940)	18,034	(613,666)	141,077,512

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

The Group

Accumulated impairment losses	Beginning of year RM	Charge for the year RM	Disposal/ Write-off RM	End of year RM
30.9.2019:				
Freehold land and buildings	–	318,949	–	318,949
Plant, machinery and equipment	2,099,226	–	(4,841)	2,094,385
Office equipment	18,307	–	–	18,307
Furniture, fixtures and fittings	4,069	–	–	4,069
	2,121,602	318,949	(4,841)	2,435,710
30.9.2018:				
Freehold land and buildings	–	–	–	–
Plant, machinery and equipment	108,723	1,997,465	(6,962)	2,099,226
Office equipment	25,856	–	(7,549)	18,307
Furniture, fixtures and fittings	34,796	–	(30,727)	4,069
	169,375	1,997,465	(45,238)	2,121,602

The Company

Cost	Beginning of year RM	Additions RM	Disposal/ Write-off RM	End of year RM
30.9.2019:				
Office equipment	8,736	4,608	–	13,344
30.9.2018:				
Office equipment	8,736	–	–	8,736

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposal/ Write-off RM	End of year RM
30.9.2019:				
Office equipment	6,690	2,060	–	8,750
30.9.2018:				
Office equipment	4,072	2,618	–	6,690

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

	The Group			The Company		
		Restated	Restated			
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Net book value:						
Freehold land	44,000,000	44,000,000	44,000,000	–	–	–
Freehold land and buildings	418,412,304	404,970,571	276,632,000	–	–	–
Buildings	66,685,813	70,787,027	67,491,750	–	–	–
Plant, machinery and equipment	119,848,506	101,595,961	94,575,312	–	–	–
Electrical installation	1,082,577	1,116,102	1,097,539	–	–	–
Office equipment	2,221,706	1,980,801	1,581,947	4,594	2,046	4,664
Furniture, fixtures and fittings	3,560,558	3,156,667	2,627,379	–	–	–
Motor vehicles	23,852,648	22,513,280	21,533,680	–	–	–
Renovation	4,033,627	4,012,918	3,204,273	–	–	–
Supermarket equipment	2,144,424	2,381,023	2,427,808	–	–	–
Warehouse	14,012	23,677	20,090	–	–	–
Workshop	53,360	55,100	56,840	–	–	–
Construction-in-progress	72,593,294	30,748,776	17,475,605	–	–	–
	758,502,829	687,341,903	532,724,223	4,594	2,046	4,664

As of 30 September 2019, certain property, plant and equipment of the Group with a total carrying value of RM462,244,215 (30.9.2018: RM415,223,889; 1.10.2017: RM240,081,224) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 33.

As of 30 September 2019, the net carrying amounts of property, plant and equipment of the Group acquired under hire-purchase arrangements of which instalments are still outstanding are as follows:

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Plant, machinery and equipment	29,727,243	16,486,869	12,852,643
Motor vehicles	12,093,234	11,897,718	12,946,841
Freehold land and buildings	2,660,000	740,533	846,323
Buildings	1,956,992	5,931,870	6,244,073
Office equipment	202,033	–	4,778
Supermarket equipment	167,782	189,096	174,038
Electrical installation	63,975	72,321	108,929
Renovation	31,379	35,428	39,474
Construction-in-progress	–	2,000,000	–
	46,902,638	37,353,835	33,217,099

Additional impairment losses recognised in respect of property, plant and equipment in the year amounted to RM318,949 (2018: RM1,997,465). These losses are attributable to greater than anticipated wear and tear. Those assets have been impaired in full and they belong to the Group's agricultural/poultry farming/food processing/trading/value added products manufacturing reportable segment.

NOTES TO **THE FINANCIAL STATEMENTS**

30 September 2019 (CONT'D)

13. INVESTMENT PROPERTIES

	The Group 30.9.2019 RM	30.9.2018 RM
At fair value:		
At beginning of year	96,520,000	86,038,000
Additions during the year	45,481	436,943
Disposal during the year	(943,784)	–
Net transfer from/(to) property, plant and equipment during the year (Note 12)	–	7,295,060
Revaluation surplus recognised upon transfer from property, plant and equipment	–	81,940
Gain on fair value adjustment at end of year (Note 7)	4,876,303	2,668,057
At end of year	100,498,000	96,520,000

The investment properties are as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Freehold land	54,499,000	52,614,000	59,662,000
Freehold land and buildings	44,539,000	42,466,000	25,006,000
Long leasehold land and buildings	1,110,000	1,090,000	1,060,000
Short leasehold land	350,000	350,000	310,000
	100,498,000	96,520,000	86,038,000
Leased out under operating lease	44,742,000	37,466,000	30,481,000
Vacant	55,756,000	59,054,000	55,557,000
	100,498,000	96,520,000	86,038,000

The fair values of certain buildings included under investment properties of the Group as of 30 September 2019 with a total carrying value of RM72,000 (30.9.2018: RM92,000; 1.10.2017: RM112,000) 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 2019 have been arrived at on the basis of valuation carried out by Intra Harta Consultant Sdn. Bhd. and Intra Harta Consultant (North) Sdn. Bhd., which are 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 are estimated based on comparable transactions. This method is categorised as Level 2 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

13. INVESTMENT PROPERTIES (CONT'D)

The comparison/cost 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 RM346 per square meter (30.9.2018: RM346 per square meter; 1.10.2017: RM346 per square meter) for a farm house and worker quarter, RM255 per square meter to RM564 per square meter (30.9.2018: RM255 per square meter to RM564 per square meter; 1.10.2017: RM255 per square meter to RM564 per square meter) for shop houses, office buildings, warehouses and workshops. It is further depreciated at about 20% to 80% (30.9.2018: 20% to 80%; 1.10.2017: 20% to 80%) after taking into consideration the building condition and other relevant factors.

Detail of the Group's investment properties and information about their categorisation in the fair value hierarchy are as follows:

The Group	Fair value as of 30 September 2019			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Freehold land	–	54,499,000	–	54,499,000
Freehold land and buildings	–	–	44,539,000	44,539,000
Long leasehold land and buildings	–	–	1,110,000	1,110,000
Short leasehold land	–	–	350,000	350,000
	–	54,499,000	45,999,000	100,498,000

The Group	Fair value as of 30 September 2018			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Freehold land	–	52,614,000	–	52,614,000
Freehold land and buildings	–	–	42,466,000	42,466,000
Long leasehold land and buildings	–	–	1,090,000	1,090,000
Short leasehold land	–	–	350,000	350,000
	–	52,614,000	43,906,000	96,520,000

The Group	Fair value as of 30 September 2017			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Freehold land	–	59,662,000	–	59,662,000
Freehold land and buildings	–	–	25,006,000	25,006,000
Long leasehold land and buildings	–	–	1,060,000	1,060,000
Short leasehold land	–	–	310,000	310,000
	–	59,662,000	26,376,000	86,038,000

There were no transfers between Level 1 and 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

13. INVESTMENT PROPERTIES (CONT'D)

The rental income earned by the Group from investment properties during the financial year is RM473,469 (2018: RM466,418). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2019 RM	2018 RM
Leased out under operating lease	6,474	6,387
Vacant	6,419	6,344
	12,893	12,731

As of 30 September 2019, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 27, 80 and 874 years (30.9.2018: 28, 81 and 875 years; 1.10.2017: 29, 82 and 876 years).

As of 30 September 2019, certain investment properties of the Group with a total carrying value of RM81,475,000 (30.9.2018: RM79,489,000; 1.10.2017: RM67,707,000) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 33.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	30.9.2019 RM	30.9.2018 RM
At beginning of year	19,205,759	13,341,972
Additions during the year	244,575	6,285,632
Amortisation during the year	(585,956)	(421,845)
At end of year	18,864,378	19,205,759

The prepaid lease payments on leasehold land are as follows:

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Long leasehold land	11,453,279	11,383,710	9,275,463
Short leasehold land	7,411,099	7,822,049	4,066,509
	18,864,378	19,205,759	13,341,972

As of 30 September 2019, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 11, 17, 31, 32, 35, 47, 48, 65, 79, 82, 87 and 94 years (30.9.2018: 12, 18, 32, 33, 36, 48, 49, 66, 80, 83, 88 and 95 years; 1.10.2017: 33, 34, 37, 49, 50, 81, 84 and 96 years).

As of 30 September 2019, certain leasehold land of the Group with a total carrying value of RM14,560,955 (30.9.2018: RM11,164,517; 1.10.2017: RM9,094,531) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

15. OTHER INTANGIBLE ASSETS

The Group

Cost	Beginning of year RM	Addition from acquisition of business during the year RM	Currency translation differences RM	End of year RM
30.9.2019:				
Distribution network	13,183,956	–	–	13,183,956
Customer lists	2,258,015	–	29,426	2,287,441
	15,441,971	–	29,426	15,471,397
30.9.2018:				
Distribution network	13,183,956	–	–	13,183,956
Customer lists	636,995	1,683,343	(62,323)	2,258,015
	13,820,951	1,683,343	(62,323)	15,441,971

Accumulated amortisation	Beginning of year RM	Amortisation during the year (Note 7) RM	Currency translation differences RM	End of year RM
30.9.2019:				
Distribution network	2,929,767	878,930	–	3,808,697
Customer lists	548,855	290,959	28,002	867,816
	3,478,622	1,169,889	28,002	4,676,513
30.9.2018:				
Distribution network	2,050,837	878,930	–	2,929,767
Customer lists	265,415	287,537	(4,097)	548,855
	2,316,252	1,166,467	(4,097)	3,478,622

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Net book value:			
Distribution network	9,375,259	10,254,189	11,133,119
Customer lists	1,419,625	1,709,160	371,580
	10,794,884	11,963,349	11,504,699

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

16. GOODWILL

	The Group	
	30.9.2019 RM	30.9.2018 RM
At beginning of year	6,218,940	6,218,940
Acquired through business combination (Note 17)	–	80,096
Written off during the year	–	(80,096)
At end of year	6,218,940	6,218,940

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit that is expected to benefit from that business combination. The carrying amounts of goodwill have been allocated to the following business segments as independent cash-generating units:

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 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	4,548,812
Poultry farming, trading in poultry and other related business under Jaya Gading Farm Sdn. Bhd.	1,670,128	1,670,128	1,670,128
	6,218,940	6,218,940	6,218,940

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash-generating unit is determined based on the value in use. The value in use calculations are based on the discounted net cash projections based on financial budgets approved by management covering a period of 1 to 3 years with an estimated growth rate of 5% (30.9.2018: 3% to 5%; 1.10.2017: 1% to 2%) and a discount rate of 8% (30.9.2018: 8%; 1.10.2017: 10%), reflecting the effective interest rate on borrowings.

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
30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Unquoted shares, at cost	167,128,462	167,128,384	116,328,382
Less: Impairment losses	(20,774,664)	(20,755,865)	(20,755,865)
	146,353,798	146,372,519	95,572,517
Amount owing by a subsidiary	–	–	24,858,659
	146,353,798	146,372,519	120,431,176

The impairment loss on interest in subsidiaries was provided due to significant losses incurred by the subsidiaries and/or there is a deficit in net shareholders' fund.

The subsidiaries are as follows:

Direct subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership			Principal activities
		30.9.2019	30.9.2018	1.10.2017	
CAB Amesist Biomass Generation Sdn. Bhd.	Malaysia	100%	100%	100%	Dormant.
CAB Cakaran Sdn. Bhd.	Malaysia	100%	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%	100%	Processing of fresh and frozen fishes, prawns and other marine products and distribution of marine products in the international and domestic market. Became dormant during the year.
CABINDO Poultry Sdn. Bhd.	Malaysia	100%	100%	100%	Dormant.
Farm's Best Food Industries Sdn. Bhd.	Malaysia	53.04%	53.04%	53.04%	Poultry hatcheries, contract farming, poultry processing, marketing and distribution of poultry products.
HK Foods (M) Sdn. Bhd.	Malaysia	100%	100%	100%	Processing, exporting, wholesaling and distributing of frozen marine and value added products.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows (Cont'd):

Direct subsidiaries	Principal place of business/ Country of incorporation	Effective percentage of ownership			Principal activities
		30.9.2019	30.9.2018	1.10.2017	
Home Mart Fresh & Frozen Sdn. Bhd.	Malaysia	100%	100%	100%	Trading of supermarket products.
Kyros Food Industries Sdn. Bhd.	Malaysia	100%	100%	100%	Processing of meat products and trading.
Kyros International Sdn. Bhd.	Malaysia	100%	100%	100%	Investment holding and fast food franchising business.
Likes Marketing Sdn. Bhd.	Malaysia	100%	100%	100%	Distributing and marketing of food products.
Tong Huat Poultry Processing Factory Pte. Ltd.*	Republic of Singapore	51%	51%	51%	Investment holding and operating of poultry slaughter house and supplier of slaughtered poultry and provision of marinating and other services.
Indirect subsidiaries					
Antik Kualiti Sdn. Bhd.	Malaysia	100%	100%	100%	Processing and marketing of chicken.
Ayam Kempas Food Industries Sdn. Bhd.	Malaysia	58.23%	58.23%	–	Processing and marketing of chicken, trading of poultry feed and other farm consumables.
Ban Hong Poultry Pte. Ltd.*	Republic of Singapore	51%	51%	51%	Importing and marketing of poultry products.
C&B Poultry Sdn. Bhd.	Malaysia	30.40%	30.40%	100%	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%	100%	Breeding of parent stocks to produce broiler eggs and chicks.
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	100%	100%	100%	Marketing of chicken and frozen foods.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

17. 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
		30.9.2019	30.9.2018	1.10.2017	
CAB Cakaran Southern Sdn. Bhd.	Malaysia	51%	51%	51%	Breeding of black chickens and colour birds and trading of chicken, poultry feeds and other farm consumables.
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	58.02%	58.02%	58.02%	Trading of poultry and other related products with poultry contract farmers.
CAB Econation Renewable Energy Sdn. Bhd.	Malaysia	100%	100%	100%	Dormant.
CAB International Trade Pte. Ltd.*	Republic of Singapore	45.90%	–	–	Dormant
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	67.94%	67.94%	67.94%	Breeding of grand parent stocks to produce breeder chicks.
Gourmet Chefs Pte. Ltd.*	Republic of Singapore	30.60%	30.60%	30.60%	Manufacturing of value added food products.
Jaya Gading Farm Sdn. Bhd.	Malaysia	58.02%	58.02%	58.02%	Poultry farming, trading in poultry and other related business.
Jimat Jaya Sdn. Bhd.	Malaysia	100%	100%	100%	Processing and marketing of chicken.
Kim Fa Foodstuffs Pte. Ltd.*	Republic of Singapore	30.60%	30.60%	–	Supply and distribution of all kinds of sauces and foodstuffs.
Kyros Kebab Sdn. Bhd.	Malaysia	100%	100%	100%	Fast food restaurants operators and trading.
OTK Farm Equipment Sdn. Bhd.	Malaysia	55%	55%	55%	Manufacturers and trading of farm equipment.
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	58.02%	58.02%	58.02%	Trading of supermarket products
Protheme Pte. Ltd.*	Republic of Singapore	30.60%	30.60%	30.60%	Wholesale of livestock, meat and poultry products.

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17. 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 30.9.2019	30.9.2018	1.10.2017	Principal activities
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	50%	50%	50%	Renting of property, plant and equipment to generate rental income.
TH Likes Pte. Ltd.*	Republic of Singapore	51%	55.90%	35.50%	Wholesaler of food products.

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

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.

2018:

On 2 October 2017, Kyros International Sdn. Bhd., a wholly-owned subsidiary of the Company disposed of its 100% equity interest in Home Mart Fresh & Frozen Sdn. Bhd. for a cash consideration of RM2 to the Company. Accordingly, Home Mart Fresh & Frozen Sdn. Bhd. remained as a wholly-owned subsidiary of the Company. On 3 October 2017, Home Mart Fresh & Frozen Sdn. Bhd. increased its issued and fully paid-up share capital from 500,000 ordinary shares of RM1 each to 4,000,000 of RM1 each. The Company subscribed for the entire additional 3,500,000 ordinary shares of RM1 each in Home Mart Fresh & Frozen Sdn. Bhd., by way of converting the amount owing by Home Mart Fresh & Frozen Sdn. Bhd. of RM3,500,000 into equity shares. Accordingly, the Company's equity interest in Home Mart Fresh & Frozen Sdn. Bhd. remains unchanged.

On 24 October 2017, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company acquired 60 ordinary shares of SGD1 each in Kim Fa Foodstuffs Pte. Ltd., representing 60% of the issued and paid-up share capital of Kim Fa Foodstuffs Pte. Ltd. for a total purchase consideration of SGD60. Consequently, Kim Fa Foodstuffs Pte. Ltd. became a 30.6% owned subsidiary of the Group. Subsequently on 29 December 2017, Kim Fa Foodstuffs Pte. Ltd. increased its issued and fully paid up share capital from SGD100 to SGD1,000,000 by the issuance of 999,900 new ordinary shares. Tong Huat Poultry Processing Factory Pte. Ltd. has subscribed for the additional 599,940 ordinary shares in Kim Fa Foodstuffs Pte. Ltd. by way of cash injection. Accordingly, the Group's equity interest in Kim Fa Foodstuffs Pte. Ltd. remains unchanged.

On acquisition, the Group was required to determine the fair value of identifiable assets acquired and liabilities assumed in the acquiree. The determination of the fair value of these assets and liabilities requires the exercise of significant management judgement, in particular, where their values differ significantly from prior book value, to ensure the completeness of assets and liabilities identified and in relation to the fair value adjustments applied to the book values of other assets acquired. Management did not engage external valuation specialists to assist in relation to the acquisition accounting process.

Consideration transferred

	The Group 30.9.2018 RM
Cash	187

17. INTEREST IN SUBSIDIARIES (CONT'D)

Assets acquired and liabilities recognised at the date of acquisition of Kim Fa Foodstuffs Pte. Ltd.

	30.9.2018 RM
Non-current assets	
Property, plant and equipment	1,269,651
Other intangible assets	1,683,343
Total non-current assets	2,952,994
Current assets	
Inventories	249,096
Trade and other receivables	485,615
Other assets	21,918
Cash and bank balances	479,835
Total current assets	1,236,464
Total assets	4,189,458
Non-current liability	
Borrowing	622,102
Current liabilities	
Trade and other payables	3,681,550
Borrowing	146,947
Total current liabilities	3,828,497
Total liabilities	4,450,599
Net liabilities acquired	(261,141)

Goodwill arising on acquisition of Kim Fa Foodstuffs Pte. Ltd.

	The Group 30.9.2018 RM
Consideration transferred	187
Add: Fair values of identifiable net liabilities acquired	261,141
Less: Non-controlling interests	(181,232)
Goodwill	80,096

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THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Impact of acquisitions on the results of the Group

Included in the loss for the year 2018 is RM123,344 attributable to the additional business generated by Kim Fa Foodstuffs Pte. Ltd.. Revenue for the year 2018 included RM6,784,559 in respect of Kim Fa Foodstuffs Pte. Ltd..

Net cash inflow on acquisition of Kim Fa Foodstuffs Pte. Ltd.

	The Group 30.9.2018 RM
Consideration paid in cash	187
Less: Cash and cash equivalent balances acquired	(479,835)
	(479,648)

On 24 November 2017, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company, acquired 40 ordinary shares of SGD1 each, representing 20.4% equity interest in TH Likes Pte. Ltd., a 35.5% owned subsidiary of the Group, from a non-controlling interest for a total purchase consideration of SGD40. Accordingly, TH Likes Pte. Ltd. became a 55.9% owned subsidiary of the Group.

On 21 February 2018 and 29 August 2018, Farm's Best Food Industries Sdn. Bhd., a 53.04% owned subsidiary, increased its issued and fully paid up share capital from RM50,000,000 to RM130,000,000 by the issuance of 60,000,000 and 20,000,000 new ordinary shares respectively. The Company subscribed for the 40,800,000 ordinary shares and Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company, subscribed for the 3,200,000 ordinary shares. Accordingly, the Company's equity interest in Farm's Best Food Industries Sdn. Bhd. remains unchanged.

On 27 June 2018, Jimat Jaya Sdn. Bhd., a wholly-owned subsidiary company of the Group, entered into a Share Sale Agreement with CAB Cakaran Southern Sdn. Bhd., a 51% owned subsidiary of the Group to dispose of 2 ordinary shares, representing 100% of the total share capital of C&B Poultry Sdn. Bhd. (formerly known as Jimat Jaya Pemasaran Sdn. Bhd.) to CAB Cakaran Southern Sdn. Bhd. for a total cash consideration of RM2. Accordingly, C&B Poultry Sdn. Bhd. became a 51% owned subsidiary of the Group. Subsequently on 5 July 2018 and 25 September 2018, C&B Poultry Sdn. Bhd. increased its issued share capital from RM2 to RM800,000 by way of allotment and issuance of 399,998 and 400,000 new ordinary shares respectively for a total cash consideration of RM799,998. CAB Cakaran Southern Sdn. Bhd. subscribed for the 319,998 ordinary shares and CAB Cakaran Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed for the 80,000 ordinary shares. Accordingly, the Group's equity interest in C&B Poultry Sdn. Bhd. diluted from 51% to 30.4% and consequently, C&B Poultry Sdn. Bhd. became a 30.4% subsidiary of the Group.

On 9 July 2018, the Group had incorporated a new subsidiary, namely Ayam Kempas Food Industries Sdn. Bhd. in Malaysia. The initial issued and paid-up capital of Ayam Kempas Food Industries Sdn. Bhd. is RM65 divided into 65 ordinary shares which is 53.85% owned by CAB Cakaran Southern Sdn. Bhd., a 51% owned subsidiary of the Group and 30.77% owned by CAB Cakaran Sdn. Bhd., a wholly-owned subsidiary of the Company. Accordingly, Ayam Kempas Food Industries Sdn. Bhd. became a 58.23% subsidiary of the Group. Subsequently on 21 September 2018, Ayam Kempas Food Industries Sdn. Bhd. increased its issued and fully paid up share capital from RM65 to RM6,500,000 by the issuance of 6,499,935 new ordinary shares. CAB Cakaran Southern Sdn. Bhd. and CAB Cakaran Sdn. Bhd. have subscribed for the additional 3,499,965 and 1,999,980 ordinary shares respectively in Ayam Kempas Food Industries Sdn. Bhd. by way of cash injection. Accordingly, the Group's equity interest in Ayam Kempas Food Industries Sdn. Bhd. remains unchanged.

17. INTEREST IN SUBSIDIARIES (CONT'D)

On 28 September 2018, CAB Amesist Biomass Generation Sdn. Bhd., a wholly-owned subsidiary of the Company increased its issued and fully paid-up share capital from 8,300,000 ordinary shares or RM1 each to 14,800,000 or RM1 each. The Company subscribed for the entire additional 6,500,000 ordinary shares of RM1 each in CAB Amesist Biomass Generation Sdn. Bhd., by way of converting the amount owing by CAB Amesist Biomass Generation Sdn. Bhd. of RM6,500,000 into equity shares. Accordingly, the Company's equity interest in CAB Amesist Biomass Generation Sdn. Bhd. remains unchanged.

2019:

On 3 April 2019, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company had incorporated a new subsidiary, namely CAB International Trade Pte. Ltd. in Republic of Singapore. The initial issued and paid up capital of CAB International Trade Pte. Ltd. is SGD100 divided into 100 ordinary shares , of which 90% is held by Tong Huat Poultry Processing Factory Pte. Ltd.. Consequently, CAB International Trade Pte. Ltd. became a 45.90% subsidiary of the Group.

On 29 May 2019, Likes Marketing Sdn. Bhd., a wholly-owned subsidiary of the Company disposed of its 10% equity interest in TH Likes Pte. Ltd. for a cash consideration of SGD10 to Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company. Accordingly, TH Likes Pte. Ltd. became a 51% owned subsidiary of the Group.

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

	Number of wholly-owned subsidiaries		
Principal Activities	**30.9.2019**	**30.9.2018**	**1.10.2017**
Agricultural/poultry farming/food processing/trading/ manufacturing of value added products	11	11	12
Operator of fast food restaurants	2	2	2
Processing and distribution of marine products	1	1	1
Supermarket	1	1	1
	15	15	16

	Number of Non wholly-owned subsidiaries		
Principal Activities	**30.9.2019**	**30.9.2018**	**1.10.2017**
Agricultural/poultry farming/food processing/trading/ manufacturing of value added products	16	15	12
Supermarket	1	1	1
	17	16	13

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30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Details on non-wholly-owned subsidiaries that have material non-controlling interests to the Group are as disclosed below:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests			Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests (Note 32)		
	30.9.2019	30.9.2018	1.10.2017	2019 RM	Restated 2018 RM	30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Direct subsidiaries:								
Farm's Best Food Industries Sdn. Bhd.	46.96%	46.96%	46.96%	(6,915,242)	(2,220,413)	34,849,153	41,955,929	44,176,342
Tong Huat Poultry Processing Factory Pte. Ltd.	49%	49%	49%	(190,183)	2,266,363	26,106,498	26,373,908	24,561,920
Indirect subsidiaries:								
CAB Cakaran Southern Sdn. Bhd.	49%	49%	49%	(2,887,322)	(98,605)	25,671,123	28,500,682	29,005,087
Shin Hong Breeding Farm Sdn. Bhd.	50%	50%	50%	1,057,176	806,506	28,897,952	27,990,776	27,484,270
				(8,935,571)	753,851	115,524,726	124,821,295	125,227,619
Others				809,458	2,521,847	24,308,130	24,942,357	20,294,866
				(8,126,113)	3,275,698	139,832,856	149,763,652	145,522,485

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Summarised financial information in respect of non-wholly-owned subsidiaries that have material non-controlling interests to the Group are set out below. The summarised financial information below represents amounts before intragroup eliminations.

Farm's Best Food Industries Sdn. Bhd.

	30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Current assets	96,387,435	95,922,390	110,849,173
Non-current assets	211,547,843	206,793,422	69,883,327
Current liabilities	(126,683,123)	(105,293,981)	(96,455,083)
Non-current liabilities	(103,702,850)	(104,738,847)	(30,866,127)
Equity attributable to owners of the Company	(42,700,152)	(50,727,055)	(9,234,948)
Non-controlling interests	(34,849,153)	(41,955,929)	(44,176,342)

	2019 RM	Restated 2018 RM
Revenue	467,219,982	387,214,218
Other income	5,289,715	1,216,622
Other gains and losses	98,186	(399,003)
Expenses (including tax expense)	(487,333,696)	(392,760,143)
Loss for the year	(14,725,813)	(4,728,306)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss for the year	(14,725,813)	(4,728,306)
Loss attributable to:		
Owners of the Company	(7,810,571)	(2,507,893)
Non-controlling interests	(6,915,242)	(2,220,413)
Loss for the year	(14,725,813)	(4,728,306)
Total comprehensive loss attributable to:		
Owners of the Company	(7,810,571)	(2,507,893)
Non-controlling interests	(6,915,242)	(2,220,413)
Total comprehensive loss for the year	(14,725,813)	(4,728,306)
Net cash inflow from operating activities	14,624,490	17,222,613
Net cash outflow from investing activities	(10,472,603)	(108,809,448)
Net cash (outflow)/inflow from financing activities	(9,170,298)	94,792,512
Net cash (outflow)/inflow	(5,018,411)	3,205,677

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Tong Huat Poultry Processing Factory Pte. Ltd.

	30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Current assets	33,558,632	42,769,528	40,145,905
Non-current assets	86,402,806	47,801,656	27,400,427
Current liabilities	(20,690,344)	(19,460,979)	(13,693,586)
Non-current liabilities	(45,992,526)	(17,285,906)	(3,726,379)
Equity attributable to owners of the Company	(27,172,070)	(27,450,391)	(25,564,447)
Non-controlling interests	(26,106,498)	(26,373,908)	(24,561,920)

	2019 RM	2018 RM
Revenue	132,517,420	133,658,527
Other income	1,414,904	1,919,120
Other gains and losses	(1,167,769)	(933,415)
Share of result of a joint venture	(488,974)	(46,003)
Expenses (including tax expense)	(132,663,710)	(129,972,999)
(Loss)/Profit for the year	(388,129)	4,625,230
Other comprehensive income/(loss) for the year, net of tax	28,531	(927,295)
Total comprehensive (loss)/income for the year	(359,598)	3,697,935
(Loss)/Profit attributable to:		
Owners of the Company	(197,946)	2,358,867
Non-controlling interests	(190,183)	2,266,363
(Loss)/ Profit for the year	(388,129)	4,625,230
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(183,395)	1,885,947
Non-controlling interests	(176,203)	1,811,988
Total comprehensive (loss)/income for the year	(359,598)	3,697,935
Net cash inflow from operating activities	1,312,809	7,929,393
Net cash outflow from investing activities	(40,104,288)	(23,262,270)
Net cash inflow from financing activities	30,139,312	12,803,830
Net cash outflow	(8,652,167)	(2,529,047)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

CAB Cakaran Southern Sdn. Bhd.

	30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Current assets	62,842,419	64,124,334	48,165,979
Non-current assets	98,254,288	101,943,169	99,759,679
Current liabilities	(81,543,893)	(76,268,221)	(52,932,639)
Non-current liabilities	(27,162,768)	(31,634,624)	(35,878,330)
Equity attributable to owners of the Company	(26,718,923)	(29,663,976)	(30,109,602)
Non-controlling interests	(25,671,123)	(28,500,682)	(29,005,087)

	2019 RM	Restated 2018 RM
Revenue	413,297,845	470,603,382
Other income	3,297,668	3,398,743
Other gains and losses	(1,265,680)	1,126,055
Expenses (including tax expense)	(421,222,328)	(475,329,415)
Loss for the year	(5,892,495)	(201,235)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss for the year	(5,892,495)	(201,235)
Loss attributable to:		
Owners of the Company	(3,005,173)	(102,630)
Non-controlling interests	(2,887,322)	(98,605)
Loss for the year	(5,892,495)	(201,235)
Total comprehensive loss attributable to:		
Owners of the Company	(3,005,173)	(102,630)
Non-controlling interests	(2,887,322)	(98,605)
Total comprehensive loss for the year	(5,892,495)	(201,235)
Dividend paid to non-controlling interests	–	(493,920)
Net cash inflow from operating activities	6,467,168	10,866,026
Net cash outflow from investing activities	(2,209,470)	(7,706,712)
Net cash outflow from financing activities	(3,156,980)	(7,310,445)
Net cash inflow/(outflow)	1,100,718	(4,151,131)

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Shin Hong Breeding Farm Sdn. Bhd.

	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Current assets	1,552,775	1,647,831	1,843,294
Non-current assets	61,975,580	59,993,290	57,963,791
Current liabilities	(34,630)	(23,097)	(11,666)
Non-current liabilities	(5,697,821)	(5,636,472)	(4,826,879)
Equity attributable to owners of the Company	(28,897,952)	(27,990,776)	(27,484,270)
Non-controlling interests	(28,897,952)	(27,990,776)	(27,484,270)

	2019 RM	2018 RM
Revenue	468,000	468,000
Investment revenue	41,102	38,965
Other gains and losses	3,086,550	2,319,950
Expenses (including tax expense)	(1,481,300)	(1,213,903)
Profit for the year	2,114,352	1,613,012
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year	2,114,352	1,613,012
Profit attributable to:		
Owners of the Company	1,057,176	806,506
Non-controlling interests	1,057,176	806,506
Profit for the year	2,114,352	1,613,012
Total comprehensive income attributable to:		
Owners of the Company	1,057,176	806,506
Non-controlling interests	1,057,176	806,506
Total comprehensive income for the year	2,114,352	1,613,012
Dividend paid to non-controlling interests	(150,000)	(300,000)
Net cash inflow from operating activities	165,420	366,144
Net cash inflow from investing activities	40,046	37,193
Net cash outflow from financing activities	(301,110)	(600,057)
Net cash outflow	(95,644)	(196,720)

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

18. INVESTMENT IN AN ASSOCIATE

Details of the associate are as follows:

Associate	Principal place of business/Country of incorporation	Effective percentage of ownership			Principal activities
		30.9.2019 %	30.9.2018 %	1.10.2017 %	
Fah Leong Sdn. Bhd. *	Malaysia	11.60%	-	-	Renting of property to generate rental income.

* The financial statements of this associate was audited by auditors other than Grant Thornton Malaysia.

Jaya Gading Farm Sdn. Bhd., a 58.02% owned subsidiary, has significant influence, as defined in MFRS 128: Investment in Associate, over Fah Leong Sdn. Bhd. on 9 July 2019. Consequently, Fah Leong Sdn. Bhd. is treated as an associate of the Group.

None of the Group's associate is material to the Group. Therefore, the summarised financial information is not presented.

19. INVESTMENT IN A JOINT VENTURE

Details of the joint venture are as follows:

Joint Venture	Principal place of business/Country of incorporation	Effective percentage of ownership			Principal activities
		30.9.2019 %	30.9.2018 %	1.10.2017 %	
Singapore Poultry Hub Pte. Ltd. *	Republic of Singapore	12.75	12.75	12.75	Dormant.

* The financial statements of this joint venture was audited by auditors other than Grant Thornton Malaysia.

On 5 September 2018, Singapore Poultry Hub Pte. Ltd., increased its issued and fully paid-up share capital from SGD500,000 to SGD3,500,000 by the issuance of 3,000,000 new ordinary shares of SGD1 each. Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company subscribed for the 750,000 ordinary shares. Accordingly, the Group's equity interest in Singapore Poultry Hub Pte. Ltd. remains unchanged.

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30 September 2019 (CONT'D)

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

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with MFRSs (adjusted by the Group for equity accounting purposes):

	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Non-current assets	56,669,894	–	–
Current assets	13,422,854	9,703,033	1,360,215
Non-current liabilities	(48,261,046)	–	–
Current liabilities	(14,082,960)	(6,664)	(542,636)

	2019 RM	2018 RM
Revenue	–	–
Expenses (including tax expense)	(1,955,897)	(184,010)
Loss for the year	(1,955,897)	(184,010)
Other comprehensive income	–	–
Total comprehensive loss for the year	(1,955,897)	(184,010)

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

	30.9.2019	30.9.2018	1.10.2017
Net assets of the joint venture (RM)	7,748,742	9,696,369	817,579
Proportion of the Group's ownership interest (%)	25	25	25
Carrying amount of the Group's interest (RM)	1,937,186	2,424,092	204,395

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

20. OTHER FINANCIAL ASSETS/(LIABILITY)

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
At fair value:-			
Unquoted shares	36,369	260,088	260,094
Financial asset carried at fair value through profit or loss:			
Derivative financial instrument:			
Cross-currency interest rate swap	2,323,559	2,044,143	–
Total other financial assets	2,359,928	2,304,231	260,094
Financial liability carried at fair value through profit or loss:			
Derivative financial instrument:			
Foreign currency forward contracts	(1,261)	(9,252)	(5,921)

The Group's cross-currency interest rate swap denominated in United States Dollar is overlaid with monthly maturity interest rate swap and matures in 12 April 2023 and 8 May 2023 respectively.

The cross-currency interest rate swap is used hedge cash flow interest rate risk arising from a floating rate bank loan amounting to RM39,314,198 (30.9.2018: RM43,327,478; 1.10.2017: Nil). This interest rate swap receives a floating rate of interest at 1.25% (30.9.2018: 1.25%; 1.10.2017: Nil) per annum above the London Interbank Offered Rate, pays a floating rate of interest at 1.44% (30.9.2018: 1.44%; 1.10.2017: Nil) per annum above the Kuala Lumpur Interbank Offered Rate and has the same maturity terms as the long-term loans.

The notional/contract amount of the cross-currency interest rate swap as of 30 September 2019 is USD9,389,205 (30.9.2018: USD10,470,000; 1.10.2017: Nil).

The Group uses foreign currency forward contracts to manage some of the transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

21. AGRICULTURAL DEVELOPMENT EXPENDITURES

	The Group	
	30.9.2019 RM	**30.9.2018 RM**
At beginning of year	33,413	33,413
Write off during the year	(33,413)	–
At end of year	–	33,413

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

22. DEFERRED TAX ASSETS/(LIABILITIES)

The Group

	Beginning of year RM	Adjustment on initial application of MFRS 9 RM	Balance as of 1 October 2018, restated RM	Recognised in profit or loss (Note 9) RM	Currency translation RM	End of year RM
30.9.2019:						
Deferred tax assets						
Unused tax capital allowances	4,121,300	–	4,121,300	4,809,300	–	8,930,600
Unused tax losses	7,000	–	7,000	5,967,000	–	5,974,000
Receivables	1,822,215	681,296	2,503,511	536,289	–	3,039,800
Biological assets	167,003	–	167,003	9,760	–	176,763
Unused tax agriculture allowances	9,000	–	9,000	–	–	9,000
Others	564,994	–	564,994	658,438	14	1,223,446
	6,691,512	681,296	7,372,808	11,980,787	14	19,353,609
Deferred tax liabilities						
Property, plant and equipment	(22,746,530)	–	(22,746,530)	(9,846,509)	(355)	(32,593,394)
Gain on revaluation of properties	(16,791,103)	–	(16,791,103)	1,334,211	–	(15,456,892)
Biological assets	(8,334,000)	–	(8,334,000)	(3,956,280)	–	(12,290,280)
Real property gains tax on investment property	(3,580,936)	–	(3,580,936)	(199,855)	–	(3,780,791)
Intangible assets	(2,461,006)	–	(2,461,006)	210,943	–	(2,250,063)
Others	(8,000)	–	(8,000)	8,000	–	–
	(53,921,575)	–	(53,921,575)	(12,449,490)	(355)	(66,371,420)
Net	(47,230,063)	681,296	(46,548,767)	(468,703)	(341)	(47,017,811)

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

The Group

	Beginning of year Restated RM	Recognised in profit or loss (Note 9) RM	Currency translation RM	End of year Restated RM
30.9.2018:				
Deferred tax assets				
Unused tax capital allowances	3,959,300	162,000	–	4,121,300
Receivables	1,916,884	(94,669)	–	1,822,215
Biological assets	186,930	(19,927)	–	167,003
Unused tax agriculture allowances	9,000	–	–	9,000
Unused tax losses	7,182,500	(7,175,500)	–	7,000
Others	605,782	(40,868)	80	564,994
	13,860,396	(7,168,964)	80	6,691,512
Deferred tax liabilities				
Property, plant and equipment	(29,243,754)	6,488,624	8,600	(22,746,530)
Gain on revaluation of properties	(17,913,465)	1,122,362	–	(16,791,103)
Biological assets	(9,817,890)	1,483,890	–	(8,334,000)
Real property gains tax on investment property	(3,678,887)	97,951	–	(3,580,936)
Intangible assets	(2,671,949)	210,943	–	(2,461,006)
Others	(36,000)	28,000	–	(8,000)
	(63,361,945)	9,431,770	8,600	(53,921,575)
Net	(49,501,549)	2,262,806	8,680	(47,230,063)

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

	The Group 30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Deferred tax assets	38,000	40,654	17,000
Deferred tax liabilities	(47,055,811)	(47,270,717)	(49,518,549)
	(47,017,811)	(47,230,063)	(49,501,549)

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

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

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 September 2019, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

		Thte Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
Unused tax losses	21,546,000	17,113,000	16,065,000
Unused tax capital allowances	10,427,000	6,455,000	9,138,000
Allowance for increased export	1,155,000	1,155,000	1,155,000
Temporary differences arising from:			
Receivables	396,000	310,000	1,153,000
Property, plant and equipment	–	–	457,000
Others	5,000	426,000	393,000
	33,529,000	25,459,000	28,361,000

23. BIOLOGICAL ASSETS

		The Group	
		Restated	**Restated**
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
Breeders (grandparent and parent stock)	68,128,192	56,631,568	66,499,302
Hatching eggs	11,442,412	8,838,109	11,666,855
Breeder of colour birds and colour birds	5,007,300	8,076,641	1,867,037
Broilers	2,079,200	2,057,694	2,623,041
	86,657,104	75,604,012	82,656,235

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

23. BIOLOGICAL ASSETS (CONT'D)

The movement of biological assets can be analysed as follows:

The Group

	Beginning of year RM	Arising from cost of inputs RM	Decrease due to harvest RM	Fair value gains/(loss) recorded in profit or loss (Note 7) RM	End of year RM
30.9.2019:					
Breeders (grandparent and parent stock)	56,631,568	103,061,158	(100,792,441)	9,227,907	68,128,192
Hatching eggs	8,838,109	87,234,512	(84,928,390)	298,181	11,442,412
Breeder of colour birds and colour birds	8,076,641	26,342,982	(25,924,801)	(3,487,522)	5,007,300
Broilers	2,057,694	33,224,828	(33,834,655)	631,333	2,079,200
	75,604,012	249,863,480	(245,480,287)	6,669,899	86,657,104
30.9.2018:					
Breeders (grandparent and parent stock)	66,499,302	100,857,877	(103,068,357)	(7,657,254)	56,631,568
Hatching eggs	11,666,855	106,454,708	(107,718,506)	(1,564,948)	8,838,109
Breeder of colour birds and colour birds	1,867,037	23,438,978	(22,382,335)	5,152,961	8,076,641
Broilers	2,623,041	47,792,088	(48,272,426)	(85,009)	2,057,694
	82,656,235	278,543,651	(281,441,624)	(4,154,250)	75,604,012

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.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

23. BIOLOGICAL ASSETS (CONT'D)

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation mode.

Description of valuation technique and input used	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurements
Breeders Discounted cash flows: The valuation method considers the projected quantity and price of day-old-chick to be produced over the life of the breeder, taking into account of expected growing cost and the breeder's mortality rate.	• Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of feed and other variable cost expected to incur throughout the life cycle.	The higher the costs, the lower the fair value.
Hatching eggs Discounted cash flows: The valuation method considers price of day-old-chick, taking into account of expected hatchery cost and the hatching eggs' hatchability.	• Projected selling prices of day-old-chick based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of hatchery and other variable cost expected to incur throughout the hatching process.	The higher the costs, the lower the fair value.
Broilers and colour birds Discounted cash flows: The valuation method considers the projected selling price and weight of the broilers and colour birds, taking into account the broilers and colour birds mortality rate.	• Projected selling prices of broilers and colour birds based on management's estimate by reference to historical selling price adjusted for abnormal market movements;	The higher the projected selling price, the higher the fair value.
	• Management's estimate of feed and other variable cost expected to incur throughout the life cycle.	The higher the costs, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

23. BIOLOGICAL ASSETS (CONT'D)

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

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Breeders and hatching eggs:			
Projected selling price of			
- Day-old-chick (parent stocks)	13.60 - 21.00	13.60 - 20.80	12.00 - 24.50
- Day-old-chick (colour birds)	1.60 - 2.00	1.60 - 2.28	N/A
- Day-old-chick (broilers)	1.39 - 1.50	1.43 - 1.47	1.45 - 1.48
Feed cost per kg for			
- Grandparent stocks	1.39 - 1.47	1.44 - 1.46	1.38 - 1.42
- Parent stocks (colour birds)	1.48 - 1.88	1.55 - 1.93	N/A
- Parent stocks (broilers)	1.37 - 1.76	1.43 - 1.80	1.38 - 1.51
Colour birds and broilers			
Projected selling price per kg for			
- Colour birds	6.71 - 8.27	6.56 - 7.86	6.35 - 7.50
- Broilers	4.13	3.65	4.01
Feed cost per kg for			
- Colour birds	1.62 - 1.92	1.61 - 1.94	1.52 - 1.80
- Broilers	1.51	1.61	1.64

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

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Projected selling price of			
Day-old-chick/hatching eggs/broilers			
- Increased by 10%	27,254,000	21,677,000	21,888,000
- Decreased by 10%	(27,254,000)	(21,677,000)	(21,888,000)
Number of hatching eggs/day-old-chick/ being produced			
- Increased by 10%	22,865,000	18,990,000	21,150,000
- Decreased by 10%	(22,865,000)	(18,990,000)	(21,150,000)
Feed cost per kg			
- Increased by 10%	(11,051,000)	(9,027,000)	(9,360,000)
- Decreased by 10%	11,051,000	9,027,000	9,360,000

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

24. INVENTORIES

	The Group 30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
At costs:			
Raw materials:			
Meats and dressings	4,855,453	4,929,260	8,455,130
Feeds and consumables	3,547,171	3,054,620	3,334,361
Packing materials	1,313,840	1,293,260	1,392,780
Medicine and chemicals	1,288,768	1,136,121	1,144,088
Ingredient	1,212,927	1,475,359	–
Unprocessed marine products	–	2,352	17,304
Others	28,140	39,041	5,663
	12,246,299	11,930,013	14,349,326
Work-in-progress:			
Frozen food	142,205	142,965	88,057
Farm equipment	10,721	7,912	–
	152,926	150,877	88,057
Finished goods:			
Processed chicken	20,719,756	32,099,678	18,940,053
Supermarket products	9,266,660	10,377,844	10,499,651
Trading products	2,594,197	2,903,212	3,282,933
Frozen food	2,566,065	3,281,920	3,393,207
Farm equipment	116,551	59,993	–
Processed marine products	–	–	32,947
	35,263,229	48,722,647	36,148,791
Goods-in-transit	598,547	353,174	390,713
At net realisable value:			
Raw materials:			
Unprocessed marine products	–	2,820	8,220
Finished goods:			
Processed marine products	–	36,862	81,417
	48,261,001	61,196,393	51,066,524

	The Group 2019 RM	Restated 2018 RM
Recognised in profit and loss:		
Inventories recognised as cost of sales	1,632,892,507	1,597,100,996
Inventories written-off	266,686	325,372
Reversal of inventories written down	(99,404)	–
Inventories written down	–	26,699

The reversal of inventories written down was made during the year when the related inventories were written off.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES

	The Group			The Company		
		Restated	Restated			
	30.9.2019	30.9.2018	1.10.2017	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM	RM	RM	RM
Trade receivables	194,402,710	201,285,608	193,526,818	–	–	–
Less: Allowance for impairment losses	(19,585,210)	(11,375,980)	(21,810,843)	–	–	–
	174,817,500	189,909,628	171,715,975	–	–	–
Amount owing by subsidiaries	–	–	–	4,387,399	7,921,360	16,709,360
Less: Allowance for impairment losses	–	–	–	–	–	(1,957,450)
	–	–	–	4,387,399	7,921,360	14,751,910
Amount owing by a joint venture	454,665	19,446	–	–	–	–
Goods and Services Tax receivable	1,484,924	3,220,786	1,718,491	–	–	–
Other receivables	14,424,642	16,224,608	5,880,556	–	–	–
Less: Allowance for impairment losses	(813,623)	(1,761)	(61,602)	–	–	–
	13,611,019	16,222,847	5,818,954	–	–	–
	190,368,108	209,372,707	179,253,420	4,387,399	7,921,360	14,751,910

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

	The Group			The Company		
		Restated	Restated			
	30.9.2019	30.9.2018	1.10.2017	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM	RM	RM	RM
Ringgit Malaysia	156,573,597	174,496,145	155,382,382	4,387,399	7,921,360	14,751,910
Singapore Dollar	33,458,885	34,567,819	23,448,385	–	–	–
United States Dollar	335,626	308,743	422,653	–	–	–
	190,368,108	209,372,707	179,253,420	4,387,399	7,921,360	14,751,910

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Included in trade receivables of the Group are amounts owing by related parties as follows:

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
YWT Contract Farming [(a)]	2,211,812	3,658,579	3,411,631
Maju Jaya Farm [(b)]	1,558,483	3,757	–
Aqina Farming Sdn. Bhd. [(c)]	825,560	–	–
Chyuan Heng Farming Sdn. Bhd. [(a)]	571,454	–	212
Sinmah Poultry Processing (S) Pte. Ltd. [(d)]	245,598	499,063	–
Sinmah Food Services (S) Pte. Ltd. [(e)]	126,444	–	–
Jaya Gading Marketing [(f)]	96,040	71,524	63,939
Ayam Kempas Sdn. Bhd. [(d)]	92,140	–	–
Toh York Mue [(g)]	39,817	40,493	–
OTO Agriculture Marketing Sdn. Bhd. [(d)]	34,441	–	–
Hoang Dung Pte. Ltd. [(h)]	27,804	30,265	–
Chuah Ah Chui [(i)]	20,374	21,947	18,141
Wei Heng Maju Farm Sdn. Bhd. [(b)]	2,769	38,178	39,151
Intelmatrix Sdn. Bhd. [(d)]	–	59,760	–

[(a)] A company/an entity which is owned by the son of a Director of a subsidiary.
[(b)] A company/an entity which is owned by the son-in-law of a Director of a subsidiary.
[(c)] A company in which the parent of a Director of a subsidiary is Directors and has interests.
[(d)] A company in which a Director of a subsidiary is also a Director and has interest.
[(e)] A company in which a Director of a subsidiary is also a Director.
[(f)] An entity in which the brother-in-law of a Director of a subsidiary is a Director and has interest.
[(g)] Cousin of a Director and sister of a Director of a subsidiary.
[(h)] A company in which the wife of a shareholder of a subsidiary is also a Director. The shareholder is a cousin of a Director and brother of a Director of a subsidiary.
[(i)] Brother of a Director of the Company.

The average credit periods granted to trade receivables of the Group range from 7 to 90 days (30.9.2018: 3 to 90 days; 1.10.2017: 3 to 90 days). No interest is charged on outstanding trade receivables. Allowance for doubtful debts are recognised against trade receivables on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The allowance for impairment loss on trade receivables are made for individually impaired receivables, relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of trade receivables:

The Group

	Gross amount RM	Loss allowance RM	Carrying value RM
30.9.2019:			
Not past due	125,103,834	(286,119)	124,817,715
Number of days past due:			
1 - 30 days	31,153,396	(116,427)	31,036,969
31 - 60 days	10,002,616	(253,199)	9,749,417
61 - 90 days	2,073,271	(184,422)	1,888,849
Over 90 days	12,772,147	(7,931,241)	4,840,906
	181,105,264	(8,771,408)	172,333,856
Credit impaired			
Individually impaired	13,297,446	(10,813,802)	2,483,644
Total	194,402,710	(19,585,210)	174,817,500

Comparative information under MFRS 139 Financial Instruments: Recognition and Measurement

	Gross amount RM	Individual impairment RM	Carrying value RM
Restated			
30.9.2018:			
Not past due	103,061,220	–	103,061,220
Number of days past due:			
1 - 30 days	58,569,936	–	58,569,936
31 - 60 days	16,067,382	–	16,067,382
61 - 90 days	2,575,240	–	2,575,240
Over 90 days	21,011,830	(11,375,980)	9,635,850
Total	201,285,608	(11,375,980)	189,909,628
Restated			
1.10.2017:			
Not past due	105,338,234	–	105,338,234
Number of days past due:			
1 - 30 days	37,224,418	–	37,224,418
31 - 60 days	15,340,522	–	15,340,522
61 - 90 days	5,136,069	–	5,136,069
Over 90 days	30,487,575	(21,810,843)	8,676,732
Total	193,526,818	(21,810,843)	171,715,975

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for impairment loss on trade receivables are as follows:

The Group

	Credit impaired RM	Lifetime expected credit loss RM	Total RM
30 September 2019:			
Balance at beginning of the year	11,375,980	–	11,375,980
Adjustment on initial application of MFRS 9	–	7,474,065	7,474,065
Balance as at 1 October 2018, restated	11,375,980	7,474,065	18,850,045
Impairment loss recognised during the year	371,380	1,296,944	1,668,324
Amount written off during the year as uncollectible	(575,815)	–	(575,815)
Impairment loss reversed during the year	(357,743)	–	(357,743)
Currency translation differences	–	399	399
Balance at end of the year	10,813,802	8,771,408	19,585,210
30 September 2018:			
Balance at beginning of the year	21,810,843	–	21,810,843
Impairment loss recognised during the year	393,189	–	393,189
Amount written off during the year as uncollectible	(10,099,546)	–	(10,099,546)
Impairment loss reversed during the year	(340,334)	–	(340,334)
Currency translation differences	(388,172)	–	(388,172)
Balance at end of the year	11,375,980	–	11,375,980

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

The amount owing by subsidiaries are as follows:

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
CAB Amesist Biomass Generation Sdn. Bhd.	3,388,046	3,024,016	6,063,166
Farm's Best Food Industries Sdn. Bhd.	927,878	4,849,729	930,824
CAB Econation Renewable Energy Sdn. Bhd.	22,000	12,100	12,100
CABINDO Poultry Sdn. Bhd.	14,953	7,582	5,337
Pasaraya Jaya Gading Sdn. Bhd.	9,192	5,883	10,882
Jaya Gading Farm Sdn. Bhd.	6,389	4,768	5,520
Ayam Kempas Food Industries Sdn. Bhd.	5,349	1,690	–
Tong Huat Poultry Processing Factory Pte. Ltd.	4,479	7,500	10,745
Ban Hong Poultry Pte. Ltd.	3,600	3,600	3,600
Kyros Kebab Sdn. Bhd.	3,168	–	–
Kyros Food Industries Sdn. Bhd.	724	1,400	4,331
Likes Marketing Sdn. Bhd.	606	1,200	3,229
CAB Cakaran (Timur) Sdn. Bhd.	501	749	250
OTK Farm Equipment Sdn. Bhd.	261	–	200
Kyros International Sdn. Bhd.	131	148	310
Home Mart Fresh & Frozen Sdn. Bhd.	120	50	3,500,000
C&B Poultry Sdn. Bhd.	2	–	–
CAB Cakaran Breeding Farm Sdn. Bhd.	–	650	650
Shin Hong Breeding Farm Sdn. Bhd.	–	150	150
CAB Marine Resources Sdn. Bhd.	–	100	5,350,100
HK Foods (M) Sdn. Bhd.	–	45	50
CAB Cakaran Sdn. Bhd.	–	–	797,087
Gourmet Chefs Pte. Ltd.	–	–	5,726
TH Likes Pte. Ltd.	–	–	4,953
Antik Kualiti Sdn. Bhd.	–	–	150
	4,387,399	7,921,360	16,709,360
Less: Allowance for impairment losses	–	–	(1,957,450)
Total	4,387,399	7,921,360	14,751,910

The amount owing by a subsidiary, Farm's Best Food Industries Sdn. Bhd. arose mainly from unsecured advances which bears interest at a rate of 8.04% (30.9.2018: 8.04%; 1.10.2017: Nil) per annum and are repayable on demand.

The amount owing by other subsidiaries arose mainly from unsecured advances and management fee receivables which are interest free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for impairment loss on amount owing by subsidiaries are as follows:

	The Company	
	30.9.2019 RM	30.9.2018 RM
Balance at beginning of the year	–	1,957,450
Impairment loss reversed during the year	–	(1,957,450)
Balance at end of the year	–	–

The Company does not hold any collateral over the above balances.

The amount owing by a joint venture arose mainly from unsecured advances which are interest free and are repayable on demand.

Other receivables of the Group comprise mainly amounts receivable for management of outlet, display income receivable, and payment of expenses made on behalf by the Group which are repayable on demand.

Included also in other receivables are an amount of RM9,768,575 (2018: RM10,844,719) 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.

Included in other receivables of the Group are amounts owing by other related parties as follows:

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Unisetali Sdn. Bhd. [a]	20,570	33,455	25,998
OTO Agriculture Marketing Sdn. Bhd. [a]	1,740	–	–
DES Food Manufacturing Pte. Ltd. [a]	–	–	1,482

[a] A company in which a Director of a subsidiary is also a Director and has interest.

The amount owing by other related parties arose mainly from transport charges receivable, scrap sales receivable and payment of expenses made on behalf by the Group which are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for impairment loss on other receivables are as follows:

	The Group	
	30.9.2019 RM	30.9.2018 RM
Balance at beginning of the year	1,761	61,602
Adjustment on initial application of MFRS 9	813,032	–
Balance as at 1 October, restated	814,793	61,602
Impairment loss reversed during the year	(1,761)	(2,200)
Amount written off during the year as uncollectible	–	(57,641)
Currency translation differences	591	–
Balance at end of the year	813,623	1,761

The allowance for impairment loss on other receivables are made for individually impaired receivables, relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral over these balances.

26. OTHER ASSETS

	The Group			The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Prepayments	10,698,838	11,708,698	7,241,899	–	–	100,702
Deposits for acquisition of property, plant and equipment	6,769,953	1,414,911	31,977,057	–	–	–
Deposits	4,992,035	4,590,132	4,661,051	1,000	1,000	1,000
Advance payment for acquisition of property, plant and equipment	854,904	3,865,597	2,352,558	–	–	–
	23,315,730	21,579,338	46,232,565	1,000	1,000	101,702

27. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of 30 September 2019, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 1% to 4.05% (30.9.2018: 1% to 4.05%; 1.10.2017: 1% to 3.80%) per annum and are maturing within October 2019 to September 2020 (30.9.2018: October 2018 to September 2019; 1.10.2017: October 2017 to September 2018).

As of 30 September 2019, the short-term deposits with licensed banks of the Group with a total carrying value of RM9,579,660 (30.9.2018: RM9,718,197; 1.10.2017: RM9,316,839) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

28. CASH AND BANK BALANCES

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

	The Group			The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Ringgit Malaysia	29,957,994	40,204,401	27,745,049	217,351	441,433	677,882
Singapore Dollar	13,763,783	24,292,895	23,999,737	–	–	–
United States Dollar	–	–	16,760	–	–	–
	43,721,777	64,497,296	51,761,546	217,351	441,433	677,882

29. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	30.9.2019 RM	30.9.2018 RM
Freehold land and building:		
At beginning of the year	125,000	125,000
Disposal during the year	(125,000)	–
At end of the year	–	125,000

In 2012, Kyros Food Industries Sdn. Bhd. acquired a freehold land and building from a debtor of Kyros International Sdn. Bhd. by way of a debt settlement arrangement for a purchase consideration of RM125,000. Kyros Food Industries Sdn. Bhd. entered into a sale and purchase agreement dispose of the freehold land building for a consideration of RM125,000. The disposal transaction has been completed during the year.

30. SHARE CAPITAL

	The Company			
	30.9.2019		30.9.2018	
	No. of shares	RM	No. of shares	RM
Issued and fully paid:				
Ordinary shares:				
At beginning of the year	645,426,679	133,015,343	617,810,222	128,320,545
Exercise of Warrants	13,265,617	2,255,155	27,616,457	4,694,798
At end of the year	658,692,296	135,270,498	645,426,679	133,015,343

The issued and paid-up ordinary share capital of the Company was increased from RM133,015,343 to RM135,270,498 during the financial year by way of issuance of 13,265,617 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant to the exercise of Warrants.

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

As of 30 September 2019, out of the total number of 658,692,296 (30.9.2018: 645,426,679; 1.10.2017: 617,810,222) ordinary shares issued and paid-up, 545,500 shares are held (adjusted perused through Share Split and Bonus Share Issue) (30.9.2018: 545,500 shares; 1.10.2017: 545,500 shares) as treasury shares. Hence, the number of outstanding ordinary shares in issue shares and fully paid is 658,146,796 (30.9.2018: 644,881,179; 1.10.2017: 617,264,722) shares.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

30. SHARE CAPITAL (CONT'D)

WARRANTS

On 9 February 2015, the Company issued a total of 65,780,450 free Warrants to the shareholders pursuant to the Bonus Issue of one (1) Warrant for every two (2) existing ordinary shares in the Company. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 13 February 2015.

The Warrants are constituted by a Deed Poll dated 16 January 2015 ("Deed Poll").

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 9 February 2016 and the expiry date is 8 February 2020. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.50 in the Company at an exercise price of RM0.55 per ordinary share;

(c) The exercise price and the number of Warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrants to subscribe for 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, allotments 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.

56,131,731 additional Warrants 2015/2020 arising from the adjustment consequential to the Share Split and the Bonus Issue approved by shareholders' approval at its Extraordinary General Meeting on 19 July 2017.

The exercise price for the Warrants 2015/2020 has been revised from RM0.55 to RM0.17 per Warrant, and additional Warrants 2015/2020 have been issued pursuant to the adjustment in consequence to the Share Split and Bonus Issue exercises, and in accordance with the Company's Deed Poll dated 16 January 2015 governing the Warrants.

The said adjustment to the exercise price and number of outstanding Warrants have taken effect on 7 August 2017, being the next market day immediately after the entitlement date of 4 August 2017 for the Share Split and Bonus Issue exercises.

The movements in the Company's Warrants are as follows:

	Number of Warrants (Unit)		
The Company	**Balance at beginning of the year**	**Exercised**	**Balance at end of the year**
30.9.2019			
Number of unexercised Warrants	47,681,639	(13,265,617)	34,416,022
30.9.2018			
Number of unexercised Warrants	75,298,096	(27,616,457)	47,681,639

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

31. RESERVES

	The Group		
		Restated	Restated
	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM
Non-distributable:			
Translation reserve	1,102,867	1,086,601	1,766,001
Property revaluation reserve	81,940	81,940	–
Total reserves	1,184,807	1,168,541	1,766,001

The movement in foreign currency translation reserve is as follows:

	The Group	
	30.9.2019	30.9.2018
	RM	RM
Balance at beginning of the year	1,086,601	1,766,001
Exchange differences arising on translating the net assets of foreign operations	16,195	(681,683)
Exchange differences arising from share of result in a joint venture	71	2,283
Balance at end of the year	1,102,867	1,086,601

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 Ringgit Malaysia are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

The movement in property revaluation reserve is as follows:

	The Group	
		Restated
	30.9.2019	30.9.2018
	RM	RM
Balance at beginning of the year	81,940	–
Revaluation surplus recognised upon transfer of property, plant and equipment to investment properties	–	81,940
Balance at end of the 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 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.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

32. NON-CONTROLLING INTERESTS

	The Group	
		Restated
	30.9.2019 RM	30.9.2018 RM
At beginning of the year	149,763,652	145,522,485
Adjustment on initial application of MFRS 9, net of tax	(2,217,387)	–
At 1 October, restated	147,546,265	145,522,485
Subscription of ordinary shares by non-controlling interests in subsidiaries	800,030	2,615,558
Share of total comprehensive (loss)/income for the year	(8,105,450)	2,608,287
Dividend paid to non-controlling interests of subsidiaries	(338,640)	(1,018,762)
Arising from (decrease)/increase in equity interest in a subsidiary	(69,349)	217,938
Arising on acquisition of a subsidiary	–	(181,232)
Disposal of partial interest in a subsidiary	–	(622)
At end of the year	139,832,856	149,763,652

33. BORROWINGS

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Secured:			
Long-term loans	259,403,154	227,704,488	129,335,288
Bankers' acceptances	105,784,004	83,983,743	75,238,000
Hire-purchase payables	35,643,826	22,759,108	20,582,836
Bank overdrafts	3,100,165	1,171,089	935,767
Unsecured:			
Bankers' acceptances	64,655,104	70,169,050	60,405,764
Bank overdrafts	2,033,046	1,594,880	–
	470,619,299	407,382,358	286,497,655
Less: current portion	(214,679,297)	(191,760,238)	(159,201,987)
Non-current portion	255,940,002	215,622,120	127,295,668

The foreign currency exposure profile of borrowings are as follows:

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Ringgit Malaysia	385,444,194	348,128,877	285,925,259
Singapore Dollar	45,860,907	15,926,003	572,396
United States Dollar	39,314,198	43,327,478	–
	470,619,299	407,382,358	286,497,655

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

33. BORROWINGS (CONT'D)

The long-term loans are as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Amount outstanding	259,403,154	227,704,488	129,335,288
Less: current portion	(28,060,652)	(25,183,672)	(13,790,016)
Non-current portion	231,342,502	202,520,816	115,545,272

The non-current portion of long-term loans are repayable as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Later than one year and not later than two years	27,330,638	25,101,901	14,180,123
Later than two years and not later than five years	98,826,955	93,107,380	39,100,850
Later than five years	105,184,909	84,311,535	62,264,299
	231,342,502	202,520,816	115,545,272

The hire-purchase payables are as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Total outstanding	39,924,791	25,114,739	22,368,153
Less: Interest-in-suspense outstanding	(4,280,965)	(2,355,631)	(1,785,317)
Principal outstanding	35,643,826	22,759,108	20,582,836
Less: Current portion	(11,046,326)	(9,657,804)	(8,832,440)
Non-current portion	24,597,500	13,101,304	11,750,396

The non-current portion of hire-purchase payables are repayable as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Later than one year and not later than two years	8,887,135	6,483,568	6,921,324
Later than two years and not later than five years	15,710,365	6,617,736	4,829,072
	24,597,500	13,101,304	11,750,396

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

33. BORROWINGS (CONT'D)

The long-term loans of the Group bear interests at rates ranging from 2.20% (30.9.2018: 2.20%; 1.10.2017: 2.20%) per annum below the lending banks' base lending rates to 1.25% (30.9.2018: 1.25%; 1.10.2017: 1.25%) per annum above the lending banks' base lending rates, 1.25% and 2.30% (30.9.2018: 1.25% and 2.30%; 1.10.2017: 1.25% and 2.30%) per annum below the lending banks' base financing rates, 1.50% to 2.50% (30.9.2018: 1.35% to 2.50%; 1.10.2017: 1.50% to 2.50%) per annum above the lending banks' cost of funds, 1.25% to 1.60% (30.9.2018: 1.25% and 1.60%; 1.10.2017: 1.50% and 1.60%) per annum above the lending banks' effective cost of funds, 1.44% (30.9.2018: 1.44%; 1.10.2017: N/A) per annum above the Kuala Lumpur interbank offered rate, 1.35% (30.9.2018: N/A; 1.10.2017: N/A) per annum above the Islamic cost of funds rate, 0.85% (30.9.2018: 0.85%; 1.10.2017: N/A) per annum over the prevailing three months Singapore inter bank offer rate for the first two years and thereafter at the bank's commercial financing rate and 2.28% for first two years, 2.48% for third year and thereafter 3.00% per annum over the prevailing three months Singapore inter bank offer rate. The bankers' acceptances of the Group bear interests at rates ranging from 0.50% to 1.50% (30.9.2018: 0.65% to 1.50%; 1.10.2017: 0.65% to 1.50%) per annum above the lending banks' cost of funds. The bank overdrafts of the Group bear interests at rates of 1.00% and 1.25% (30.9.2018: 1.00% to 1.25%; 1.10.2017: 1.00% to 1.50%) per annum above the lending banks' base lending rates.

The effective interest rates per annum for the financial year ended 30 September 2019 are as follows:

		The Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	%	%	%
Long-term loans	2.28 - 7.90	2.37 - 8.15	4.37 - 7.90
Bankers' acceptances	3.13 - 4.62	3.44 - 4.88	3.24 - 4.70
Hire-purchase payables	4.34 - 7.77	4.52 - 7.77	4.51 - 7.77
Bank overdrafts	7.85 - 7.90	7.85 - 8.15	7.22 - 8.10

The bankers' acceptances of the Group are repayable within October 2019 to January 2020 (30.9.2018: October 2018 to January 2019; 1.10.2017: October 2017 to January 2018). The terms for hire-purchase of the Group range from two to five years (30.9.2018: one to five years; 1.10.2017: one to five years).

The short-term borrowings together with the long-term loans of the Group are secured, either singly or collectively as follows:

a. legal charges over certain landed properties of the Group as disclosed in Notes 12, 13 and 14;
b. pledge of short-term deposits of the Group as disclosed in Note 27;
c. specific debentures on certain equipments of the Group;
d. negative pledges over certain assets of the Group;
e. guarantees by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
f. corporate guarantees by the Company for RM452,519,784 (30.9.2018: RM367,599,876; 1.10.2017: RM207,011,000);
g. corporate guarantees by corporate shareholders of the Company for RM91,962,000 (30.9.2018: RM103,737,000; 1.10.2017: Nil);
h. joint guarantees by the Company and non-controlling interests of a subsidiary for RM29,160,000 (30.9.2018: RM29,160,000; 1.10.2017: RM29,160,000);
i. corporate guarantees by certain subsidiaries for RM25,548,400 (30.9.2018: RM25,428,000; 1.10.2017: RM24,070,000);
j. joint guarantees by certain Directors of subsidiaries for RM23,356,000 (30.9.2018: RM1,170,000; 1.10.2017: RM1,170,000);

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

33. BORROWINGS (CONT'D)

The short-term borrowings together with the long-term loans of the Group are secured, either singly or collectively as follows (cont'd):

k. joint guarantees by certain Directors of the Group for RM16,185,000 (30.9.2018: RM16,185,000; 1.10.2017: RM16,185,000);
l. a joint guarantee by the Company, a subsidiary and non-controlling interests of a subsidiary for RM11,992,000 (30.9.2018: RM11,992,000; 1.10.2017: RM11,992,000);
m. a joint guarantee by certain Directors of the Group and certain former Directors of a subsidiary for RM9,793,000 (30.9.2018: RM9,793,000; 1.10.2017: RM9,793,000);
n. joint corporate guarantees by the company and subsidiaries for RM7,200,000 (30.9.2018: RM7,200,000; 1.10.2017: RM7,200,000);
o. joint guarantees by certain Directors of the Group, former directors of a subsidiary and a subsidiary for RM1,500,000 (30.9.2018: RM1,500,000; 1.10.2017: RM1,500,000);
p. a joint guarantee by certain Directors of the Company and certain Director of a subsidiary for RM275,000 (30.9.2018: RM275,000; 1.10.2017: RM275,000); and
q. a guarantee by a shareholder of a corporate shareholder of a subsidiary for Nil (30.9.2018: RM3,404,000; 1.10.2017: Nil).

The unsecured short-term borrowings of the Group are covered by:

a. negative pledge over certain assets of the Group;
b. corporate guarantees by the Company for RM106,000,000 (30.9.2018: RM106,000,000; 1.10.2017: RM106,000,000); and
c. corporate guarantee by a subsidiary for RM6,700,000 (30.9.2018: RM6,700,000; 1.10.2017: RM6,700,000).

The Group's hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase. Certain of the Group's hire-purchase payables are guaranteed by the Company for RM44,262,193 (30.9.2018: RM34,498,513; 1.10.2017: RM27,756,248) and certain Directors of a subsidiary and the Company for RM232,709 (30.9.2018: RM232,709; 1.10.2017: Nil).

34. DEFERRED REVENUE

		The Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
Franchise fee (i)	34,115	43,490	52,865
Government grant (ii)	3,516	25,889	54,447
	37,631	69,379	107,312
Less: current portion	(12,348)	(31,753)	(43,273)
Non-current portion	25,283	37,626	64,039

(i) 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.

(ii) The deferred revenue arose from interest-free government loan received which is amortised over periods from 3 to 8 years.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

35. TRADE AND OTHER PAYABLES

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

	The Group			The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Trade payables:						
Ringgit Malaysia	149,357,459	178,883,097	161,267,148	–	–	–
Singapore Dollar	4,073,129	2,829,560	4,242,502	–	–	–
United States Dollar	746,940	–	–	–	–	–
Euro Dollar	–	–	284,501	–	–	–
Australia Dollar	–	–	46,924	–	–	–
	154,177,528	181,712,657	165,841,075	–	–	–
Amount owing to subsidiaries:						
Ringgit Malaysia	–	–	–	6,863,150	12,337,352	562
Amount owing to non-controlling interests of a subsidiary:						
Ringgit Malaysia	816,510	816,510	816,510	–	–	–
Sales and Services Tax payables:						
Ringgit Malaysia	1,263,789	583,664	–	–	–	–
Goods and Services Tax payables:						
Singapore Dollar	548,347	663,832	659,816	–	–	–
Ringgit Malaysia	–	722	202,938	–	–	–
	548,347	664,554	862,754	–	–	–
Other payables:						
Ringgit Malaysia	28,861,624	29,470,001	22,527,318	131	4,310	36,568
Singapore Dollar	1,799,766	655,327	1,102,525	–	–	–
	30,661,390	30,125,328	23,629,843	131	4,310	36,568
Accrued expenses:						
Ringgit Malaysia	10,179,468	10,688,023	7,318,474	139,138	151,402	156,771
Singapore Dollar	8,331,820	13,611,040	2,562,568	–	–	–
	18,511,288	24,299,063	9,881,042	139,138	151,402	156,771
	205,978,852	238,201,776	201,031,224	7,002,419	12,493,064	193,901

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

35. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases range from 7 to 180 days (30.9.2018: 7 to 120 days; 1.10.2017: 7 to 120 days). No interest is charged on outstanding trade payables.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Certain of the Group's trade payables are guaranteed by the Company for RM97,680,000 (30.9.2018: RM95,580,000; 1.10.2017: RM71,120,000). 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 (30.9.2018: RM33,000,000; 1.10.2017: RM33,000,000).

Included in trade payables of the Group are amounts owing to related parties as follows:

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Maju Jaya Farm [a]	736,929	70,391	29,586
OTO Agriculture Marketing Sdn. Bhd. [b]	352,921	111,283	–
YWT Contract Farming [c]	191,129	787,601	335,486
Unisetali Sdn. Bhd. [b]	103,303	99,430	123,898
Wei Heng Maju Farm Sdn. Bhd. [a]	–	194,958	74,082
Chyuan Heng Farming Sdn. Bhd. [c]	–	181,376	97,687

[a] A company/an entity which is owned by the son-in-law of a Director of a subsidiary.
[b] A company in which a Director of a subsidiary is also a Director and has interest.
[c] A company/an entity which is owned by the son of a Director of a subsidiary.

The amount owing to subsidiaries are as follows:

	The Company		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
CAB Cakaran Breeding Farm Sdn. Bhd.	3,593,109	500,670	–
CAB Cakaran Sdn. Bhd.	2,869,022	11,836,682	562
CAB Marine Resources Sdn. Bhd.	401,019	–	–
	6,863,150	12,337,352	562

The amount owing to subsidiaries arose mainly from unsecured advances which bear interest at rates range from 3.10% to 7.90% (30.9.2018: 8.04% and 8.15%; 1.10.2017: Nil) per annum and are repayable on demand.

The amount owing to non-controlling interests of a subsidiary arose mainly from unsecured advances which interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

35. TRADE AND OTHER PAYABLES (CONT'D)

Other payables of the Group and of the Company comprised mainly amounts outstanding for ongoing costs and deposits received.

Included in other payables of the Group are amounts owing to related parties as follows:

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
OTO Agriculture Marketing Sdn. Bhd. [a]	198,364	–	–
Chuah Ah Bee Sdn. Bhd. [b]	23,700	500	3,710
Intelmatrix Sdn. Bhd. [a]	2,100	2,394	–
DES Food Manufacturing Pte. Ltd. [a]	–	–	144,725
Yi Da Agricultural Food Trading Sdn. Bhd. [a]	–	–	61,478

[a] A company in which a Director of a subsidiary is also a Director and has interests.
[b] A company in which certain Directors of the Company are also Directors and have interests.

Included in accrued expenses are an amount of RM5,418,091 (30.9.2018: RM10,844,719; 1.10.2017: Nil) payable for penalty imposed on the 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.

36. DIVIDEND

	The Group and the Company	
	2019 RM	**2018 RM**
Dividend declared and paid:		
Final single tier dividend of RM0.005 per ordinary share for the financial year ended 30 September 2018	3,237,526	–
Final single tier dividend of RM0.005 per ordinary share for the financial year ended 30 September 2017	–	3,159,961
	3,237,526	3,159,961

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

37. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash and cash equivalents at end of the year comprise the following:

	The Group			The Company		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**	**30.9.2019 RM**	**30.9.2018 RM**	**1.10.2017 RM**
Short-term deposits with licensed banks	24,521,601	31,406,624	50,293,859	–	–	–
Cash and bank balances (Note 28)	43,721,777	64,497,296	51,761,546	217,351	441,433	677,882
Bank overdrafts (Note 33)	(5,133,211)	(2,765,969)	(935,767)	–	–	–
	63,110,167	93,137,951	101,119,638	217,351	44,433	677,832
Less: Short-term deposits pledged as security (Note 27)	(9,579,660)	(9,718,197)	(9,316,839)	–	–	–
	53,530,507	83,419,754	91,802,799	217,351	441,433	677,832

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM116,317,212 (2018: RM202,155,878) of which RM20,794,842 (2018: RM10,493,294) was financed by means of hire-purchase and the balance of RM95,522,370 (2018: RM191,662,584) by cash payment.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM4,608 (2018: Nil) by cash payment.

38. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment and buy back issued shares. Management monitors capital based on ability of the Group to generate sustainable profits and availability of retained earnings for dividend payments to shareholders. The Group's overall strategy remains unchanged from 2018.

The capital structure of the Group and of the Company consist of equity (consist issued capital, reserve and retained earnings) and borrowings.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

a. Capital risk management (Cont'd)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

i. Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	The Group 30.9.2019 RM	Restated 30.9.2018 RM	Restated 1.10.2017 RM
Debts [(i)]	470,619,299	407,382,358	286,497,655
Equity [(ii)]	593,703,023	597,758,692	568,251,179
Debts to equity ratio (%)	79	68	50

[(i)] Debts are defined as long and short-term borrowings as disclosed in Note 33.
[(ii)] Equity includes all capital and reserves of the Group and of the Company that are managed as capital as disclosed in Notes 30, 31 and 32.

b. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

The Group

30.9.2019	Carrying amount RM	Amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM
Financial assets				
Trade and other receivables	188,883,184	188,883,184	–	–
Refundable deposits	11,761,988	11,761,988	–	–
Short-term deposits	24,521,601	24,521,601	–	–
Cash and bank balances	43,721,777	43,721,777	–	–
Unquoted shares	36,369	–	36,369	–
Derivative other financial asset				
Cross-currency interest rate swap	2,323,559	–	–	2,323,559
	271,248,478	268,888,550	36,369	2,323,559

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

b. Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

The Group

30.9.2019	Carrying amount RM	Amortised cost RM	At fair value through profit or loss RM
Financial liabilities			
Trade and other payables	204,166,716	204,166,716	–
Borrowings	470,619,299	470,619,299	–
Derivative other financial asset			
Foreign currency forward contracts	1,261	–	1,261
	674,787,276	674,786,015	1,261

The Company

30.9.2019	Carrying amount RM	Amortised cost RM
Financial assets		
Trade and other receivables	4,387,399	4,387,399
Refundable deposits	1,000	1,000
Cash and bank balances	217,351	217,351
	4,605,750	4,605,750
Financial liability		
Trade and other payables	7,002,419	7,002,419

38. FINANCIAL INSTRUMENTS (CONT'D)

b. Categories of financial instruments (Cont'd)

The financial instrument classifications in the prior financial year are in accordance with FRS139 as follows:-

	The Group		The Company	
	Restated 30.9.2018 RM	Restated 1.10.2017 RM	30.9.2018 RM	1.10.2017 RM
Financial assets				
Loan and receivables:				
Trade and other receivables	206,151,921	177,534,929	7,921,360	14,751,910
Refundable deposits	6,005,043	36,638,108	1,000	1,000
Short-term deposits	31,406,624	50,293,859	–	–
Cash and bank balances	64,497,296	51,761,546	441,433	677,882
Available-for-sale asset:				
Unquoted shares	260,088	260,094	–	–
At fair value though profit or loss:				
Derivative other financial asset:				
Cross-currency interest rate swap	2,044,143	–	–	–
Financial liabilities				
Other financial liabilities:				
Trade and other payables	236,953,558	200,168,470	12,493,064	193,901
Borrowings	407,382,358	286,497,655	–	–
At fair value though profit or loss:				
Derivative other financial liability:				
Foreign currency forward contracts	9,252	5,921	–	–

c. Financial risk management objectives

The operations of the Group are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

i. Market risk management

The Group has in place policies to manage the Group's exposures to fluctuation in the prices of the raw materials used in the operations.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

ii. Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The following table details the Group's sensitivity to a 3% (30.9.2018: 8%; 1.10.2017: 10%) increase and decrease in Ringgit Malaysia against the relevant foreign currencies. 3% (30.9.2018: 8%; 1.10.2017: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% (30.9.2018: 8%; 1.10.2017: 10%) change in foreign currency rates. A positive number below indicates a decrease in profit net of tax and a negative number below indicates an increase in profit net of tax where the Ringgit Malaysia strengthens 3% (30.9.2018: 8%; 1.10.2017: 10%) against the relevant currency. For a 3% (30.9.2018: 8%; 1.10.2017: 10%) weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable reverse impact on the profit net of tax.

		The Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
Impact on profit or loss			
United States Dollar	1,191,765	3,441,499	(43,941)
Singapore Dollar	401,739	(2,013,996)	(3,830,832)
Euro Dollar	–	–	28,450
Australia Dollar	–	–	4,692

iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses its own trading records to rate its major customers. The exposure of the Group and of the Company to credit risk arises principally from their receivables, amount due from subsidiaries and other financial assets. The credit risk exposure of the Company arises from financial guarantees given to licensed banks and credit and leasing company for credit and hire-purchase facilities granted to subsidiary companies. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

38. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

iii. Credit risk management (Cont'd)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position except as follows:

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Financial guarantee contracts			
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries	778,769,148	685,310,026	493,722,553

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation of the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's maximum exposure credit risk is represented by the carrying amount of trade and other receivables in the statements of financial position.

The Company's maximum exposure credit risk is represented by the carrying amount of trade and other receivables including amount due from subsidiaries in the statements of financial position.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the management.

Following are the areas where the Group and the Company are exposed to credit risk:-

Receivables

The Group's exposure to credit risk are influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

iii. Credit risk management (Cont'd)

Receivables (Cont'd)

At the end of the reporting period, the Group does not have significant credit risk exposure to any single counterparty or of any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 6% of gross trade receivables of the Group at the end of the reporting period.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable banks.

The carrying amounts of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

iv. Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

At the end of the reporting period, if interest rates increase/decrease by 100 (30.9.2018; 1.10.2017: 100) basis points with all other variables held constant, the Group's profit net of tax would have been RM3,113,000 (30.9.2018: RM2,470,000; 1.10.2017: RM1,774,000) lower/higher arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date of which the Group and the Company are required to pay. The table includes cash flows for both interest and principal. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Long-term loans			
Not later than one year	40,003,589	36,837,332	21,006,627
Later than one year and not later than two years	38,132,213	35,454,899	20,532,367
Later than two years and not later than five years	122,676,285	116,303,355	53,191,591
Later than five years	128,417,621	100,053,206	73,739,810
	329,229,708	288,648,792	168,470,395
Bankers' acceptances			
Not later than one year	170,439,108	154,152,793	135,643,764
Hire-purchase payables			
Not later than one year	12,631,857	10,519,364	9,661,883
Later than one year and not later than two years	9,858,934	6,733,639	7,143,272
Later than two years and not later than five years	15,469,633	6,583,909	4,464,908
	37,960,424	23,836,912	21,270,063
Bank overdrafts			
Not later than one year	5,133,211	2,765,969	935,767
Trade and other payables			
Not later than one year	205,978,852	238,201,776	201,031,224
Other financial liability			
Not later than one year	1,261	9,252	5,921

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

	The Company		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Trade and other payables			
Not later than one year	7,002,419	12,493,064	193,901
Financial guarantee contracts			
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries:			
Not later than one year	778,769,148	685,310,026	493,722,553

The amounts included above for 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.

All non-derivative financial assets of the Group and of the Company are repayable on demand or due within one year from the end of the reporting period.

Details of additional undrawn financing facilities that the Group has at its disposal to further reduce liquidity risk are set out below:

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Secured	105,311,000	90,979,000	113,859,000
Unsecured	25,385,000	19,838,000	30,265,000
	130,696,000	110,817,000	144,124,000

vi. Cash flow risk management

The Group reviews its cash flow position regularly to manage its exposures to fluctuations in future cash flows associated with its monetary financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

d. 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 gain RM
30.9.2019:				
Purchase United States Dollar				
More than one year	4.18717	9,389,205	41,295,571	279,416
30.9.2018:				
Purchase United States Dollar				
More than one year	4.13825	10,470,000	45,194,549	2,044,143

There is no cross-currency interest rate swap contract in 2017.

e. Forward foreign currency contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated foreign sales and purchase transactions.

The following table details the foreign currency forward contracts outstanding as at the end of the reporting period:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value loss RM
30.9.2019:				
Sell United States Dollar				
Less than three months	4.1869	11,264	45,900	1,261
30.9.2018:				
Sell United States Dollar				
Less than three months	4.1381	43,319	170,007	9,252
1.10.2017:				
Sell United States Dollar				
Less than three months	4.3538	93,784	401,727	5,921

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair value measurements

This note provides financial information about how the Group determines fair values of various financial assets and financial liabilities.

i. Fair value of financial asset/(liability) that is measured at fair value on a recurring basis

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Derivatives other financial asset:			
Fair value:			
Cross-currency interest rate swap contracts	2,323,559	2,044,143	–

Fair value hierarchy	Level 2
Valuation technique and key input	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.
Significant unobservable input	Bankers' interest rate
Relationship of unobservable input to fair value	The higher the interest rate, the higher the fair value.

	The Group		
	30.9.2019 RM	**30.9.2018 RM**	**1.10.2017 RM**
Derivatives other financial liability:			
Fair value:			
Foreign currency forward contracts	(1,261)	(9,252)	(5,921)

Fair value hierarchy	Level 2
Valuation technique and key input	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) discounted at a rate that reflects the counterparties.
Significant unobservable input	Bankers' exchange rate
Relationship of unobservable input to fair value	The lower the exchange rate, the higher the fair value.

There was no transfer between Levels 1 and 2 in the period.

38. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair value measurements (Cont'd)

ii. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The fair values of the available-for-sale investment on unquoted shares are not established as it cannot be measured reliably without incurring excessive cost. Investments in unquoted shares are measured at cost. The Group intends to hold the unquoted investments on a long-term basis and the Directors of the Group believe that the carrying amount of the investment approximate its recoverable value.

The Directors consider that the carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair values of hire-purchase payables and term loans are included in Level 2 category of the fair value hierarchy and have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase and term loans arrangements and approximate their carrying amounts.

g. Reconciliation of liabilities arising from financing activities

The Group

	Beginning of year RM	Net cash flows RM	Others RM	End of year RM
30.9.2019				
Borrowings (Note 33):				
Long-term loans	227,704,488	31,523,724	174,942(i)	259,403,154
Short-term borrowings	154,152,793	16,286,315	–	170,439,108
Hire-purchase payables	22,759,108	(7,911,145)	20,795,863(ii)	35,643,826
Total liabilities arising from financing activities	404,616,389	39,898,894	20,970,805	465,486,088
30.9.2018				
Borrowings (Note 33):				
Long-term loans	129,335,288	95,562,034	2,807,166(i)	227,704,488
Short-term borrowings	135,643,764	18,509,029	–	154,152,793
Hire-purchase payables	20,582,836	(9,051,123)	11,227,395(ii)	22,759,108
Total liabilities arising from financing activities	285,561,888	105,019,940	14,034,561	404,616,389

(i) Being the foreign exchange adjustment for the long-term loans.

(ii) Being the drawdown amounts of hire-purchase payables during the year, acquisition of a subsidiary and the foreign exchange adjustment for the hire-purchase payables.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

g. Reconciliation of liabilities arising from financing activities (Cont'd)

The Company

	Beginning of year RM	Net cash flows RM	End of year RM
30.9.2019			
Amount owing to subsidiaries (Note 35)	12,337,352	(5,474,202)	6,863,150
30.9.2018			
Amount owing to subsidiaries (Note 35)	562	12,336,790	12,337,352

39. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2019 RM	2018 RM
Estimated cash value of benefits-in-kind provided to Directors	229,369	236,227

40. RELATED PARTY TRANSACTIONS

Significant transactions between the Group and the Company and its related parties during the financial year were as follows:

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
With subsidiaries:				
CAB Cakaran Sdn. Bhd.				
Dividend received	–	–	4,500,000	4,500,000
Interest paid	–	–	505,808	913,147
Management fee received	–	–	151,200	151,200
Interest revenue received	–	–	57,269	411,212
Management fee paid	–	–	24,000	24,000
Rental paid	–	–	24,000	24,000
Internal audit charges received	–	–	2,418	–
CAB Cakaran Breeding Farm Sdn. Bhd.				
Interest paid	–	–	125,180	670
Management fee received	–	–	7,800	7,800
Internal audit charges received	–	–	–	3,980

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

40. RELATED PARTY TRANSACTIONS (CONT'D)

Significant transactions between the Group and the Company and its related parties during the financial year were as follows (Cont'd):

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
With subsidiaries (Cont'd):				
Farm's Best Food Industries Sdn. Bhd.				
Interest revenue received	–	–	57,269	–
Management fee received	–	–	30,000	30,000
Internal audit charges received	–	–	4,837	7,712
Jimat Jaya Sdn. Bhd.				
Management fee received	–	–	33,600	33,600
CAB Cakaran Southern Sdn. Bhd.				
Management fee received	–	–	26,400	26,400
Pasaraya Jaya Gading Sdn. Bhd.				
Management fee received	–	–	24,000	24,000
Jaya Gading Farm Sdn. Bhd.				
Management fee received	–	–	19,200	19,200
Internal audit charges received	–	–	3,168	–
Tong Huat Poultry Processing Factory Pte. Ltd.				
Management fee received	–	–	15,000	15,000
Kyros Food Industries Sdn. Bhd.				
Management fee received	–	–	8,400	8,400
Sundry purchases	–	–	2,160	1,728
Internal audit charges received	–	–	–	3,973
Ayam Kempas Food Industries Sdn. Bhd.				
Internal audit charges received	–	–	8,256	4,232
Management fee received	–	–	1,200	–
Ban Hong Poultry Pte. Ltd.				
Management fee received	–	–	7,200	7,200
Internal audit charges received	–	–	–	3,508
Likes Marketing Sdn. Bhd.				
Management fee received	–	–	7,200	7,200
CAB Marine Resources Sdn. Bhd.				
Interest paid	–	–	4,145	–
Management fee received	–	–	600	600
Kyros Kebab Sdn. Bhd.				
Internal audit charges received	–	–	3,168	2,838
Management fee received	–	–	600	600
CAB Cakaran (Langkawi) Sdn. Bhd.				
Internal audit charges received	–	–	2,418	–
Management fee received	–	–	1,200	1,200
CAB Cakaran (Timur) Sdn. Bhd.				
Management fee received	–	–	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

40. RELATED PARTY TRANSACTIONS (CONT'D)

Significant transactions between the Group and the Company and its related parties during the financial year were as follows (Cont'd):

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
With subsidiaries (Cont'd):				
Kim Fa Foodstuffs Pte. Ltd.				
Internal audit charges received	–	–	2,819	–
C&B Poultry Sdn. Bhd.				
Internal audit charges received	–	–	2,540	–
Cabin Premier GPS Farm Sdn. Bhd.				
Management fee received	–	–	1,200	1,200
Home Mart Fresh & Frozen Sdn. Bhd.				
Management fee received	–	–	600	600
Sundry purchases	–	–	600	–
Antik Kualiti Sdn. Bhd.				
Management fee received	–	–	600	600
Sundry purchases	–	–	176	181
TH Likes Pte. Ltd.				
Internal audit charges received	–	–	705	–
HK Foods (M) Sdn. Bhd.				
Management fee received	–	–	600	600
Dividend received	–	–	–	1,000,000
Kyros International Sdn. Bhd.				
Management fee received	–	–	600	–
Shin Hong Breeding Farm Sdn. Bhd.				
Management fee received	–	–	600	600
OTK Farm Equipment Sdn. Bhd.				
Management fee received	–	–	400	400
With an associate:				
Fah Leong Sdn. Bhd.				
Rental paid	228,000	–	–	–
With a joint venture:				
Singapore Poultry Hub Pte. Ltd.				
Service charges received	13,649	43,551	–	–
With Directors of the Company:				
Chuah Ah Bee				
Rental paid	93,000	93,000	–	–
Chan Kim Keow				
Rental paid	11,800	10,800	–	–
With a Director of a subsidiary:				
Ching Chin Huat				
Rental paid	127,386	125,887	–	–

40. RELATED PARTY TRANSACTIONS (CONT'D)

Significant transactions between the Group and the Company and its related parties during the financial year were as follows (Cont'd):

	The Group		The Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
With other related parties:				
YWT Contract Farming [a]				
Purchases	41,347,247	40,788,716	–	–
Sales	33,456,510	34,369,853	–	–
Rental received	1,169,574	1,261,053	–	–
Transportation charges received	3,268	14,703	–	–
Maju Jaya Farm [b]				
Purchases	7,310,332	3,457,284	–	–
Sales	7,050,894	2,950,515	–	–
Rental received	336,612	138,775	–	–
Transportation charges received	799	1,115	–	–
Chyuan Heng Farming Sdn. Bhd. [a]				
Purchases	4,252,394	4,784,498	–	–
Sales	3,941,098	3,962,573	–	–
Transportation charges received	–	14,703	–	–
Aqina Farming Sdn. Bhd. [c]				
Sales	2,102,097	–	–	–
Sinmah Poultry Processing (S) Pte. Ltd. [d]				
Sales	1,789,749	3,752,635	–	–
Wei Heng Maju Farm Sdn. Bhd. [b]				
Sales	954,516	5,167,045	–	–
Purchases	795,020	4,370,097	–	–
Rental received	35,350	206,892	–	–
Transport charges received	–	946	–	–
Unisetali Sdn. Bhd. [d]				
Purchases	1,575,095	1,603,822	–	–
Rental received	48,000	48,000	–	–
Scrap sales	36,000	36,000	–	–
Transportation charges paid	30,200	30,000	–	–
Transportation charges received	8,668	14,299	–	–
Sales	1,211	236	–	–
Toh York Mue [e]				
Sales	1,683,251	1,961,454	–	–
Hoang Dung Pte. Ltd. [f]				
Sales	1,160,071	1,389,219	–	–
OTO Agriculture Marketing Sdn. Bhd. [d]				
Purchases	345,578	256,997	–	–
Sales	148,863	82,425	–	–
Labour charges received	6,199	1,913	–	–
Labour charges paid	5,613	16,720	–	–
Transportation charges paid	4,633	–	–	–
Upkeep of machinery paid	3,631	2,683	–	–
Purchase of property, plant and equipment	–	53,731	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 September 2019 (CONT'D)

40. RELATED PARTY TRANSACTIONS (CONT'D)

Significant transactions between the Group and the Company and its related parties during the financial year were as follows (Cont'd):

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
With other related parties (Cont'd):				
Ayam Kempas Sdn. Bhd. [d]				
Purchases	467,546	–	–	–
Sinmah Food Services (S) Pte. Ltd. [g]				
Sales	375,406	–	–	–
Chuah Ah Chui [h]				
Sales	308,587	330,192	–	–
Jaya Gading Marketing [i]				
Sales	287,469	265,508	–	–
Chuah Ah Bee Sdn. Bhd. [j]				
Rental paid	199,300	418,600	–	–
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd.[k]				
Rental received	156,000	156,000	–	–
Yi Da Agricultural Farming Sdn. Bhd. [d]				
Rental of fowl house paid	60,000	60,000	–	–
Intelmatrix Sdn. Bhd. [d]				
Sales	2,100	59,760	–	–
Transport charges received	–	2,394	–	–
NI-On Marketing Sdn. Bhd. [d]				
Sales	620	6,600	–	–
Purchases	–	105	–	–
Fah Leong Sdn. Bhd. [g]				
Rental paid	–	228,000	–	–
DES Food Manufacturing Pte. Ltd. [d]				
Labour charges paid	–	109,521	–	–
DS Poultry Sdn. Bhd. [d]				
Sales	–	12,545	–	–
Kim Fa Traders [d]				
Labour charges paid	–	7,583	–	–

[a] A company/an entity which is owned by the son of a Director of a subsidiary.
[b] A company/an entity which is owned by the son-in-law of a Director of a subsidiary.
[c] A company in which the parent of a Director of a subsidiary is directors and has interests.
[d] A company/an entity in which a Director of a subsidiary is also a Director and has interest.
[e] Cousin of a Director and sister of a Director of a subsidiary.
[f] A company in which the wife of a shareholder of a subsidiary is also a Director. The shareholder is a cousin of a Director and brother of a Director of a subsidiary.
[g] A company in which a Director of a subsidiary is also a Director.
[h] Brother of a Director of the Company.
[i] An entity in which the brother-in-law of a Director of a subsidiary is a Director and has interest.
[j] A company in which certain Directors of the Company are also Directors and have interests.
[k] A company in which certain Directors of a subsidiary are also Directors and have interests.

41. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

The Group has the following commitments in respect of capital expenditure on property, plant and equipment:

		The Group	
	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM
Approved and contracted for	19,175,229	37,725,749	133,870,754
Approved but not contracted for	50,564,886	35,325,388	2,895,000

The Group has entered into operating lease agreements to lease out certain of its property, plant and equipment and investment properties. The gross amounts of future minimum lease receivable under operating leases contracted for as of the end of the reporting period but not recognised as receivables, are as follows:

		The Group	
	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM
Not later than one year	891,902	618,161	276,895
Later than one year and not later than five years	422,500	677,477	76,395
	1,314,402	1,295,638	353,290

The Group has entered into operating lease agreements for the use of premises, poultry farm equipment, machinery and hostel. The gross amounts of future aggregate minimum lease payments under operating leases contracted for as of the end of the reporting period but not recognised as liabilities are as follows:

		The Group	
	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM
Non-cancellable operating lease commitments:			
Not later than one year	4,791,123	4,828,580	5,432,221
Later than one year and not later than five years	3,130,873	4,130,769	4,271,873
Later than five years	1,439,320	1,360,750	1,500,750
	9,361,316	10,320,099	11,204,844

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

42. SUBSEQUENT EVENTS

Significant events subsequent to the financial year

a. On 3 December 2019, Farm's Best Food Industries Sdn. Bhd., a 53.04% owned subsidiary of the Company, obtained a High Court Order to reduce the existing issue share Capital of RM130,000,000 comprising 130,000,000 Ordinary shares by way of cancellation of the issued share capital of RM50,000,000 comprising 50,000,000 ordinary shares pursuant to Section 116 of the Companies Act, 2016. The share capital reduction will only take effect after lodgement with Companies Commission of Malaysia. The credit arising from this share capital reduction will be utilised to set off against the accumulated losses and accounted for during the financial year ending 30 September 2020.

b. On 20 December 2019, the Company proposed to declare a final single tier dividend of RM0.0025 per ordinary share for the financial year ended 30 September 2019. The proposed 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 2020.

c. Subsequent to 30 September 2019, the Company increased its issued and fully paid up ordinary share capital from RM135,270,498 to RM135,770,143 by the issuance of 2,939,089 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant to the exercise of warrants.

43. SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under MFRS 8 Operating Segments are therefore as follows:

a. investment holding;
b. agricultural/poultry farming/food processing (including cultivation of timber crops and oil palms, breeding of grand parent stocks to produce breeder eggs, breeding of parent stocks to produce broiler eggs, breeding of broilers, black chickens and colour birds, processing and marketing of chicken, trading of poultry feeds and other farm consumables)/trading/value added products manufacturing (including processing, exporting, wholesaling, distributing and marketing of value added products, chicken products, and other food products and trading);
c. marine products manufacturing (including processing of fresh and frozen fishes, prawns and other marine products);
d. fast food business (including fast food restaurants operator, master franchisees and restaurants operators, and retailing of fast food); and
e. supermarket.

43. SEGMENT INFORMATION (CONT'D)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
2019:							
Revenue							
External revenue	–	1,624,061,947	18,317	2,291,980	125,813,956	–	1,752,186,200
Inter-segment revenue	4,871,529	18,604,397	3,260	521,945	69,373	(24,070,504)	–
Total revenue	4,871,529	1,642,666,344	21,577	2,813,925	125,883,329	(24,070,504)	1,752,186,200
Results							
Segment profit/(loss)	3,300,418	34,170,282	(166,506)	(330,033)	(731,233)	(11,396,539)	24,846,389
Investment revenue							776,805
Other gains and losses							11,840,172
Finance costs							(22,187,559)
Share of result of an associate							4,606
Share of result of a joint venture							(488,974)
Profit before tax							14,791,439
Tax expense							(10,757,255)
Profit for the year							4,034,184

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

43. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

The following is an analysis of the Group's revenue and results by reportable segments (Cont'd):

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
Restated 2018:							
Revenue							
External revenue	–	1,616,051,186	56,281	2,866,044	131,484,076	–	1,750,457,587
Inter-segment revenue	5,866,243	19,568,618	14,415	835,359	91,483	(26,376,118)	–
Total revenue	5,866,243	1,635,619,804	70,696	3,701,403	131,575,559	(26,376,118)	1,750,457,587
Results							
Segment profit/(loss)	3,483,491	72,105,655	(139,006)	87,889	(798,022)	(14,626,271)	60,113,736
Investment revenue							795,929
Other gains and losses							(6,499,155)
Finance costs							(17,772,001)
Share of result of a joint venture							(46,003)
Profit before tax							36,592,506
Tax expense							(8,770,402)
Profit for the year							27,822,104

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.

43. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
30.9.2019:							
Assets							
Segment assets	146,576,745	1,210,703,322	12,765	7,827,586	28,181,655	(101,537,512)	1,291,764,561
Interest revenue producing assets							24,521,601
Tax assets							3,346,889
Consolidated total assets							1,319,633,051
Liabilities							
Segment liabilities	141,269	191,625,711	8,570	168,008	14,079,686	(5,500)	206,017,744
Borrowings							470,619,299
Tax liabilities							49,292,985
Consolidated total liabilities							725,930,028

43. **SEGMENT INFORMATION (CONT'D)**

Segment assets and liabilities (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
Restated 30.9.2018:							
Assets							
Segment assets	146,817,000	1,191,604,973	557,670	8,198,613	28,705,928	(117,497,751)	1,258,386,433
Interest revenue producing assets							31,406,624
Tax assets							3,882,337
Consolidated total assets							1,293,675,394
Liabilities							
Segment liabilities	157,979	221,903,797	137,300	199,746	15,887,085	(5,500)	238,280,407
Borrowings							407,382,358
Tax liabilities							50,253,937
Consolidated total liabilities							695,916,702

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

a. All assets are allocated to reportable segments other than short-term deposits, and current and deferred tax assets. Goodwill is allocated to reportable segments.
b. All liabilities are allocated to reportable segments other than borrowings, and current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

43. SEGMENT INFORMATION (CONT'D)

Other segment information

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
2019:							
Other information							
Additions to non-current assets	4,608	114,439,821	–	127,625	3,344,522	(1,309,308)	116,607,268
Depreciation and amortisation expenses	2,060	35,440,021	21,435	180,378	1,951,743	8,708,236	46,303,873
Allowance for expected credit loss recognised on receivables	–	1,296,944	–	–	–	–	1,296,944
Impairment loss recognised on receivables	–	371,380	–	–	–	–	371,380
Impairment loss recognised on property, plant and equipment	–	318,949	–	–	–	–	318,949
Net impairment loss recognised on investment in subsidiaries	18,799	–	–	–	–	(18,799)	–
Other non-cash expenses	–	835,498	143,481	101,720	75,541	(150,276)	1,005,964

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

43. SEGMENT INFORMATION (CONT'D)

Other segment information (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing/ trading/value added products manufacturing RM	Marine products manufacturing RM	Fast food business RM	Supermarket RM	Eliminations RM	Consolidated RM
Restated							
2018:							
Other information							
Additions to non-current assets	–	215,098,385	–	241,668	2,618,743	(7,316,904)	210,641,892
Depreciation and amortisation expenses	2,618	29,220,696	92,702	184,602	1,652,240	8,991,372	40,144,230
Impairment loss recognised on property, plant and equipment	–	1,997,465	–	–	–	–	1,997,465
Impairment loss recognised on receivables	–	393,189	–	–	–	–	393,189
Other non-cash expenses	–	7,672,066	36,884	1,214,284	361,643	(1,193,434)	8,091,443

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.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

43. SEGMENT INFORMATION (CONT'D)

Geographical information

The Group's agricultural/poultry farming/food processing business and trading/value added products manufacturing 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	
		Restated
	2019	2018
	RM	RM
Malaysia	1,570,684,795	1,562,824,667
Republic of Singapore	181,501,405	187 ,632,920
	1,752,186,200	1,750,457,587

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

	The Group	
		Restated
	2019	2018
	RM	RM
Malaysia	1,525,466,860	1,529,196,001
Republic of Singapore	214,821,089	211,399,157
Bangladesh	5,684,354	4,101,507
Brunei	2,682,518	2,429,574
Myanmar	1,866,333	1,921,702
Pakistan	759,853	707,834
Others	905,193	701,812
	1,752,186,200	1,750,457,587

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

	The Group	
		Restated
	30.9.2019	30.9.2018
	RM	RM
Malaysia	812,657,363	786,947,816
Republic of Singapore	84,423,550	36,759,640
	897,080,913	823,707,456

Non-current assets exclude other financial assets and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

43. SEGMENT INFORMATION (CONT'D)

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 2019 and 2018.

44. EFFECTS OF TRANSITION TO MFRSs

As disclosed in Note 2.1 to the financial statements, these are the first financial statements of the Group and of the Company prepared in accordance with the MFRS Framework. The accounting policies set out in Note 3 to the financial statements have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 September 2019, the comparative information presented in these financial statements for the financial year ended 30 September 2018 and the opening statements of financial position at 1 October 2017 (the Group's and the Company's date of transition to MFRS Framework).

The adoption of the MFRS Framework did not have any material impact to the financial statements of the Group and of the Company except as mentioned below:

(a) Property, plant and equipment

The Group elected to apply the optional exemption to use the most recent revaluation of its revalued properties, adjusted for depreciation, if any as deemed cost under MFRS at date of transition.

Arising from this the revaluation reserve of RM110,660,804 at 1 October 2017 and RM107,374,994 at 30 September 2018 was reclassified to retained profits.

The impact on adoption of MFRS 1 is disclosed in note 44(d).

(b) Fair value of biological assets

Under FRS, biological assets were classified as inventories and it applies a cost model whereby growing livestocks are measured at the lower of cost and net realisable value.

Upon transition to MFRS, biological asset whose fair value can be measured reliable without under cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The impact on adoption of MFRS 141 is disclosed in note 44(d).

(c) Change in accounting policy upon application of MFRS 9 and MFRS 15

MFRS 9 "Financial Instruments"

The accounting policies were changed to reflect the application of MFRS 9 from the beginning of the first MFRS reporting period. MFRS 9 replaces the provisions of FRS 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. MFRS 9 also significantly amends other standards dealing with financial instruments such as MFRS 7 "Financial Instuments: Disclosures". The cumulative effects of the changes are recognised in the statement of financial position as at the beginning of the first MFRS reporting period, which is on 1 April 2018.

44. EFFECTS OF TRANSITION TO MFRSs (CONT'D)

(c) Change in accounting policy upon application of MFRS 9 and MFRS 15 (Cont'd)

MFRS 9 "Financial Instruments" (Cont'd)

The nature of adjustments made to the statements of financial position of the Group and the Company as at 1 October 2018 in respect of items within the scope of MFRS 9 are described as follows:

(i) Classification and measurement of financial assets

Until 1 October 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale financial assets.

From 1 October 2018, the Group and the Company applies the MFRS 9's classification approach to all types of financial assets. Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model under which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income.

The Group has made an irrevocable election to classify the Group's other investments previously classified as available-for-sale financial assets as financial assets at fair value through other comprehensive income. Fair value changes on other investments at fair value through other comprehensive income are presented in other comprehensive income and are not subsequently transferred to profit or loss.

Upon sale of other investments at fair value through other comprehensive income, the cumulative gain or loss in other comprehensive income is reclassified to retained profits. The other financial assets held by the Group include:

(a) Debt instruments, previously classified as loans and receivables and measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

(b) Equity investments, previously measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There is no impact on the Group and the Company for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group and the Company do not have such liabilities. The derecognition rules have been transferred from FRS 139 "Financial Instruments: Recognition and Measurement" and have not been changed.

(ii) Impairment of financial assets

Until 30 September 2018, the Group assessed the impairment of loans and receivables based on the incurred impairment loss model. See accounting policy 3 on impairment of financial assets under FRS 139.

From 1 October 2018, the Group applies the expected credit loss model to determine impairment on debt instruments that are measured at amortised cost and financial guarantee contracts. The new accounting policies on MFRS 9 are set out in accounting policy 3.

Upon the adoption of MFRS 9, the Group has revised its impairment methodology to include expected credit losses based on an assessment of any significant increase in credit risk for financial assets measured at amortised cost and financial guarantee contracts at the end of each reporting period.

The impact on adoption of MFRS 9 is disclosed in note 44(d).

NOTES TO THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

44. EFFECTS OF TRANSITION TO MFRSs (CONT'D)

(c) Change in accounting policy upon application of MFRS 9 and MFRS 15 (Cont'd)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group and the Company adopted MFRS 15 using the retrospective method of adoption with the date of initial application of 1 October 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 October 2018.

The impact on adoption of MFRS 15 is disclosed in note 44(d).

44. EFFECTS OF TRANSITION TO MFRSs (CONT'D)

Financial effects of the transition from FRSs to MFRSs

(d) The following tables summarise the impacts arising from the adoption of MFRS on the Group's financial statements.

The Group

	As previously stated under FRSs RM	Effects of adoption of MFRS 1 RM	Effects of adoption of MFRS 141 RM	Effects of adoption of MFRS 15 RM	30 September 2018, as restated (after effects of transition from FRSs to MFRSs) RM	Effects of adoption of MFRS 9 RM	1 October 2018, as restated RM
30.9.2018							
Statements of Financial Position:							
Current assets							
Biological assets	–	–	75,604,012	–	75,604,012	–	75,604,012
Inventories	92,266,334	–	(31,069,941)	–	61,196,393	–	61,196,393
Trade and other receivables	210,913,872	–	–	(1,541,165)	209,372,707	(8,287,097)	201,085,610
Capital and reserves							
Revaluation reserves	107,456,934	(107,374,994)	–	–	81,940	–	81,940
Retained earnings	178,765,818	107,374,994	29,064,448	(1,324,800)	313,880,460	(5,388,414)	308,492,046
Non-controlling interests	142,570,176	–	7,302,626	(109,150)	149,763,652	(2,217,387)	147,546,265
Non-current liability							
Deferred tax liabilities	39,210,935	–	8,166,997	(107,215)	47,270,717	(681,296)	46,589,421

NOTES TO
THE FINANCIAL STATEMENTS
30 September 2019 (CONT'D)

44. EFFECTS OF TRANSITION TO MFRSs (CONT'D)

Financial effects of the transition from FRSs to MFRSs (Cont'd)

(d) The following tables summarise the impacts arising from the adoption of MFRS on the Group's and the Company's financial statements (Cont'd).

The Group

	As previously stated under FRSs RM	Effects of adoption of MFRS 141 RM	Effects of adoption of MFRS 15 RM	As restated under MFRSs 2018 RM
2018:				
Statements of Profit or Loss and Other Comprehensive Income:				
Revenue	1,750,367,621	–	89,966	1,750,457,587
Other gain and losses	(2,344,905)	(4,154,250)	–	(6,499,155)
Tax (expense)/income	(10,211,696)	1,463,963	(22,669)	(8,770,402)
Profit/(Loss) attributable to:				
Owners of the Company	29,731,045	(5,246,956)	62,317	24,546,406
Non-controlling interest	714,049	2,556,669	4,980	3,275,698
Statements of Cash Flows:				
Cash flows from operating activities				
Profit before tax	40,656,790	(4,154,250)	89,966	36,592,506
Loss on fair value adjustment of biological assets	–	4,154,250	–	4,154,250
Movements in working capital				
Biological assets	–	(2,897,973)	–	(2,897,973)
Inventories	(7,421,323)	2,897,973	–	(4,523,350)
Trade and other receivables	(30,602,644)	–	(89,966)	(30,692,610)

44. EFFECTS OF TRANSITION TO MFRSs (CONT'D)

Financial effects of the transition from FRSs to MFRSs (Cont'd)

(d) The following tables summarise the impacts arising from the adoption of MFRS on the Group's financial statements (Cont'd).

The Group

	As previously stated under FRSs RM	Effects of adoption of MFRS 1 RM	Effects of adoption of MFRS 141 RM	Effects of adoption of MFRS 15 RM	1 October 2017, as restated RM
1.10.2017					
Statements of Financial Position					
Current assets					
Biological assets	–	–	82,656,235	–	82,656,235
Inventories	85,034,438	–	(33,967,914)	–	51,066,524
Trade and other receivables	180,884,551	–	–	(1,631,131)	179,253,420
Capital and reserves					
Revaluation reserves	110,660,804	(110,660,804)	–	–	–
Retained earnings	149,126,361	110,660,804	34,311,404	(1,387,117)	292,711,452
Non-controlling interests	140,890,658	–	4,745,957	(114,130)	145,522,485
Non-current liability					
Deferred tax liabilities	40,017,473	–	9,630,960	(129,884)	49,518,549

STATEMENT **BY DIRECTORS**

The Directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the financial statements set out on pages 73 to 197 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2019 and of their financial performance and their cash flows of the Group and of the Company for the year ended on that date.

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

20 December 2019

DECLARATION **BY THE DIRECTOR**

Primarily Responsible for the Financial Management of the Company

I, **CHUAH AH BEE**, the Director primarily responsible for the financial management of **CAB CAKARAN CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 73 to 197 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **CHUAH AH BEE** at
GEORGETOWN in the State of **PENANG**
on 20 December 2019

Before me,

HAJI MOHAMED YUSUFF BIN
MOHD. IBRAHIM
No. P.156
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 30 September 2019 RM	Date of Valuation/ Purchase
Lot 47, Geran No. 85373, Tempat Padang Bongor, Bandar Gurun, Daerah Kuala Muda, Kedah.	A parcel of agricultural land/ vacant	414,401.28/ -	–	Grant in perpetuity	44,000,000	30.09.2017
Lot Nos 1512 & 3037, Title Nos GRN 38752 & GRN 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural lands/ breeder farm	168,264.23/ 24,140.41	29 - 34	Grant in perpetuity	39,707,580	30.09.2017
JTC Space known as Pte Lot A3007536 at JTC Poultry Processing Hub @ Buroh, #03-04, 3 Buroh Lane Singapore 618285	Three (3) units of factories at JTC Poultry Processing Hub	3,964.93	1	Leasehold 30 years commencing 1 June 2019	35,803,816	17.05.2019
Lot No. 1623, Title No. GRN 40215, Mukim 14, District of Seberang Perai Tengah, State of Penang /No. 227, Kampung Nenas, Kuala Tasek, Permatang Tinggi, 14100 Bukit Mertajam, Penang	A parcel of agricultural land/ poultry farm	49,699.44/ Breeder house – 13,804.18/ Other – 1,899.75	17 - 24	Grant in perpetuity	30,174,938	30.09.2017
Lot 2893 to 2899, Title Nos GRN 15721 to 15727 , Mukim of Sungei Baru Ilir, District of Alor Gajah, State of Melaka.	7 parcels of Agriculture lands/ Breeder Farm	286,339/ Breeder house 33,213.21/ Hatchery building 2,011.17/ Others 2,263.77	27	Grant in perpetuity	24,097,814	23.05.2018
Lot No. 26260, Lot No. 26261 and PT92181, Title Nos GRN 95669, GRN 95670 and HSD 109633 respectively, Town of Sungai Petani, District of Kuala Muda, Kedah /Plot 21-24, Bukit Makmur Industrial Estate, Sungai Lalang, 08100 Bedong, Kedah	Three parcels of industrial lands erected upon it a three-storey office cum a single-storey factory/ processing factory	35,008/ 12,314.57	7	Grant in perpetuity	22,083,757	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	29 - 34	Grant in perpetuity	20,497,000	30.09.2019

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 30 September 2019 RM	Date of Valuation/ Purchase
24, Senoko Crescent, Singapore 758276	A JTC "Type T6" 2-storey intermediate terrace factory/ food factory	1,470.3/ 1,983.6	28	Leasehold 30 years + 30 years commencing 1 March 1991	18,968,736	29.11.2017
Lot 1441, Title No. HS(D 57691, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang	Part of the parcel of agricultural land/breeder farm	242,811.4 / Breeder house & Others - 38,024.25	4 - 5	Sub-lease for 30 years expiring on 29 August 2040	17,350,946	30.09.2017
Lot Nos. 799 and 800, Title Nos. GRN 5523 and 5524 respectively, Mukim Sungai Siput, Daerah Alor Gajah Melaka	Two parcels of Agriculture lands/ Breeder Farm	166,176/ Breeder Farm 23,411.57 Others - 3,832.46	1 - 33	Grant in perpetuity	16,865,165	25.11.2016 & 01.04.2019

ANALYSIS OF **SHAREHOLDINGS**

As at 31 December 2019

SHARE CAPITAL AS AT 31 DECEMBER 2019

Issued Share Capital	:	RM135,862,421.68 comprising 662,174,203 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	249	5.93	9,757	0.00
100 - 1,000	324	7.72	188,399	0.03
1,001 - 10,000	1,744	41.53	10,331,747	1.56
10,001 - 100,000	1,548	36.87	52,937,644	8.00
100,001 - 33,081,434 (*)	331	7.88	209,856,589	31.72
33,081,435 and above (**)	3	0.07	388,304,567	58.69
Total	4,199	100.00	661,628,703	100.00

* 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)

No.	Name	Shareholdings	%
1	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for OCBC Securities Private Limited (Client A/C-NR)*	107,360,487	16.23
2	Chuah Ah Bee	96,539,425	14.59
3	Chan Kim Keow	94,621,405	14.30
4	Chuah Ah Bee	87,298,407	13.19
5	Chuah Hoon Teng	12,809,204	1.94
6	Chuah Hoon Hong	12,443,227	1.88
7	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Choo Gee*	10,576,170	1.60
8	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	8,739,750	1.32
9	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	6,827,277	1.03
10	Chuah Hoon Phong	6,481,236	0.98
11	Chuah Hoon Phong	6,227,968	0.94
12	Chuah Teh Chai	5,253,515	0.79
13	Dhayalini A/P P.G. Doraisamy	4,254,687	0.64
14	Lim Gaik Bway @ Lim Chiew Ah	4,113,600	0.62
15	MERCSEC Nominees (Tempatan) Sdn Bhd *Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa*	4,100,000	0.62

ANALYSIS OF **SHAREHOLDINGS**

As at 31 December 2019 (CONT'D)

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

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

No.	Name	Shareholdings	%
16	Tan Chin Tee	4,030,175	0.61
17	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chooi Ho*	3,748,262	0.57
18	Lee Yew Aun	3,676,075	0.56
19	Tan Wai Heng	3,400,075	0.51
20	Cheng Mooh Tat	3,387,175	0.51
21	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Lee Kong (LEE4763C)*	2,545,025	0.38
22	Chan Kim Keow	2,484,843	0.38
23	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Small Cap Series*	2,234,600	0.34
24	Tan Chooi Ho	2,221,250	0.34
25	Citigroup Nominees (Asing) Sdn Bhd *CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	2,175,800	0.33
26	Goh Chye Heang	2,084,375	0.32
27	Kenanga Nominees (Asing) Sdn Bhd *Exempt AN For Phillip Securities Pte Ltd (Client Account)*	2,036,687	0.31
28	Tan Eng Hooi	2,020,000	0.31
29	Chin Fook Keong	1,895,000	0.29
30	Oo Kwang Tung	1,720,000	0.26

SUBSTANTIAL SHAREHOLDERS

		Shareholdings			
No.	Name	Direct	%	Indirect	%
1	Chuah Ah Bee	183,837,832	27.79	25,252,431#	3.82
2	Chan Kim Keow	97,106,248	14.68	25,252,431#	3.82
3	Plant Wealth Holdings Limited	106,595,625	16.11	–	–
4	KMP Private Ltd	–	–	106,595,625##	16.11
5	KMP Investments Pte Ltd	–	–	106,595,625##	16.11
6	Mariton International Limited	–	–	106,595,625##	16.11
7	Antoni Salim	–	–	106,595,625##	16.11
8	Tan Hang Huat	–	–	106,595,625##	16.11

ANALYSIS OF SHAREHOLDINGS
As at 31 December 2019 (CONT'D)

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	183,837,832	27.79	25,252,431#	3.82
2	Chan Kim Keow	97,106,248	14.68	25,252,431#	3.82
3	Chuah Hoon Phong	12,809,204	1.94	15,625**	–*
4	Loo Choo Gee	10,576,170	1.60	–	–
5	Chew Chee Khong	–	–	–	–
6	Haji Ahmad Fazil Bin Haji Hashim	23,437	–*	–	–
7	Goh Choon Aik	1,718	–*	–	–
8	Lim Ghim Chai	–	–	–	–
9	Wijanti Tjendera	–	–	–	–

Notes:

* Negligible

** Other interest of his spouse by virtue of Section 59(11)(c) of the Companies Act 2016

Other interest of their children by virtue of Section 59(11)(c) of the Companies Act 2016

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

ANALYSIS OF **WARRANT HOLDINGS**

As at 31 December 2019

WARRANTS 2015/2020

No. of outstanding Warrants	:	30,934,115
Exercise/Conversion Price	:	RM0.17
Exercise/Conversion Ratio	:	1 warrant for 1 ordinary share
Maturity Date	:	7 February 2020 being the last market day of the exercise period

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	143	18.86	6,679	0.02
100 - 1,000	84	11.08	28,339	0.09
1,001 - 10,000	305	40.24	1,377,650	4.45
10,001 - 100,000	190	25.07	5,931,625	19.18
100,001 - 1,546,704 (*)	33	4.35	11,526,903	37.26
1,546,705 and above (**)	3	0.40	12,062,919	39.00
Total	758	100.00	30,934,115	100.00

* 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)

No.	Name	Warrant holdings	%
1	Chuah Ah Bee	8,740,732	28.26
2	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	1,698,125	5.49
3	Oo Kwang Tung	1,624,062	5.25
4	Chuah Hoon Phong	1,183,373	3.83
5	Lim Gaik Bway @ Lim Chiew Ah	1,000,000	3.23
6	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged securities account for Teo Kwee Hock*	960,800	3.11
7	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Lee Kong (LEE4763C)*	638,250	2.06
8	Chuah Hoon Hong	553,648	1.79
9	Hooi Woi Jie	531,250	1.72
10	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheng Lin Chin (E-BPT)*	492,700	1.59
11	Lee Yeh Meng	475,000	1.54
12	Cheng Mooh Tat	437,500	1.41
13	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tee Chit Keong (E-SRB)*	406,250	1.31
14	Heung Yam Wai	359,500	1.16
15	Ng Khoon Seah	339,400	1.10
16	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Chia Chiat*	339,025	1.10
17	Lee Kok Hoong	334,237	1.08

ANALYSIS OF **WARRANT HOLDINGS**

As at 31 December 2019 (CONT'D)

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

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

No.	Name	Warrant holdings	%
18	Chuah Hoon Phong	301,484	0.97
19	Soo Bee Sim	282,500	0.91
20	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chung Ching (E-PTS)*	280,000	0.91
21	HLB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheng Lin Chin*	238,900	0.77
22	JF APEX Nominees (Tempatan) Sdn Bhd *Pledged securities account for Nio Eng How (STA 2)*	214,600	0.69
23	HLIB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Yeut Kunn (CCTS)*	213,750	0.69
24	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Phuah Gui When @ Phuah Ng When (E-BPT)*	207,150	0.67
25	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lim Ching Neoh*	170,500	0.55
26	Ng Honk Ling	154,687	0.50
27	Cheng Mooh Tat	135,859	0.44
28	Puah Lai Kiat	126,250	0.41
29	Maybank Nominees (Tempatan) Sdn Bhd *Ng Khai Yan*	125,050	0.40
30	Gan Sook Ai	125,000	0.40

DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1	Chuah Ah Bee	8,740,732	28.26	556,944#	1.80
2	Chan Kim Keow	–	–	556,944#	1.80
3	Loo Choo Gee	–	–	–	–
4	Chuah Hoon Phong	1,534,857	4.96	154,687**	0.50
5	Chew Chee Khong	–	–	–	–
6	Haji Ahmad Fazil Bin Haji Hashim	–	–	–	–
7	Goh Choon Aik	859	–*	–	–
8	Lim Ghim Chai	–	–	–	–
9	Wijanti Tjendera	–	–	–	–

Notes :

* Negligible

** Other interest of his spouse by virtue of Section 59(11)(c) of the Companies Act 2016

Other interest of their children by virtue of Section 59(11)(c) of the Companies Act 2016

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of the Company will be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21 Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang on Friday, 27 March 2020 at 10.30 a.m.

A G E N D A

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2019 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

AS ORDINARY BUSINESS

2. To declare a final single tier dividend of 0.25 sen per share for the financial year ended 30 September 2019. **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:-

   a) Mr Chew Chee Khong **Ordinary Resolution 2**

   b) Mr Lim Ghim Chai **Ordinary Resolution 3**

   c) Ms Wijanti Tjendera **Ordinary Resolution 4**

4. To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following resolutions: -

5. **Continuing in office as Independent Non-Executive Directors**

   (i) "THAT authority be and is hereby given to Tuan Haji Ahmad Fazil Bin Haji Hashim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Ordinary Resolution 6**

   (ii) "THAT authority be and is hereby given to Y.B. Goh Choon Aik who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Ordinary Resolution 7**

6. To approve the Directors' fees up to an amount of RM730,250 and the payment of such fees to the Directors of the Company for the financial year ending 30 September 2020. **Ordinary Resolution 8**

7. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM300,000 from 28 March 2020 until the next Annual General Meeting of the Company. **Ordinary Resolution 9**

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

AS SPECIAL BUSINESS (CONT'D)

8. **Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"THAT subject to the Companies Act 2016, the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and THAT the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 10**

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 cancelled subsequently; or

(iii) combination of (i) and (ii) above; or

(iv) in accordance with the relevant prevailing statutory provisions and guidelines.

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

AS SPECIAL BUSINESS (CONT'D)

9. **Proposed Renewal of Share Buy-Back Authority (Cont'd)**

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or

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

(iii) the authority is revoked or varied by 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 11**

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 22 January 2020 ("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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AS 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)**

    THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:

    (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or

    (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

    (c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting;

    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 12**

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

LIM CHOO TAN (LS 0008888)
CHEW SIEW CHENG (MAICSA 7019191)
Company Secretaries

Penang

Date: 22 January 2020

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

Note A

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 March 2020. 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 vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a shareholder of the Company.

3. A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.

4. Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) (SICDA), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.

6. Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.

8. The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website: https://tiih.online before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Annexure to Proxy Form.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

Note A (Cont'd)

Notes: (Cont'd)

11. Last date and time for lodging the proxy form is Wednesday, 25 March 2020 at 10.30 a.m..

12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
    a. Identity card (NRIC) (Malaysian), or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
    c. Passport (Foreigner).

13. For a corporate shareholder who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

14. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes on Special Business

1. Continuing in office as Independent Non-Executive Directors

The Nomination Committee had assessed the independence of Tuan Haji Ahmad Fazil Bin Haji Hashim and Y.B. Goh Choon Aik, who have served on the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to re-appoint Tuan Haji Ahmad Fazil Bin Haji Hashim and Y.B. Goh Choon Aik as Independent Non-Executive Directors as both of them possess the following aptitudes necessary in discharging their roles and functions as Independent Non-Executive Directors of the Company:

(i) Have met the criteria under the definition of Independent Director pursuant to Chapter 1 of the Bursa Malaysia Securities Berhad's Main Market Listing;
(ii) Have vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgement;
(iii) Consistently challenges management in an effective and constructive manner;
(iv) Have good and thorough understanding of the main drivers of the business in a detailed manner;
(v) Actively participate in Board deliberations and decision making in an objective manner; and
(vi) Exercise due care in all undertakings of the Group and have carried out their fiduciary duties in the interest of the Company and minority shareholders.

Meanwhile, as recommended by the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), the Board will be seeking shareholders' approval through a two-tier voting process at the Eighteenth Annual General Meeting to retain Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director as his tenure has exceeded twelve (12) years.

2. Directors' Fees

The proposed Ordinary Resolution 8, if passed, will authorise the payment of the Directors' fees up to the amount of RM730,250 for the financial year ending 30 September 2020.

3. Directors' Benefits

The proposed Ordinary Resolution 9, 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 RM300,000 from 28 March 2020 until the next Annual General Meeting of the Company.

NOTICE OF
ANNUAL GENERAL MEETING
(CONT'D)

Explanatory Notes on Special Business (Cont'd)

4. **Approval for issuance of new ordinary shares**

This general mandate for issuance of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 27 March 2020, the Board is desirous of seeking a fresh mandate at the Eighteenth 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.

This proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company.

5. **Proposed Renewal of Share Buy-Back Authority**

The proposed Ordinary Resolution 11, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 22 January 2020 for more information.

6. **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 12, 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 22 January 2020 for more information.

NOTICE OF **DIVIDEND ENTITLEMENT AND PAYMENT**

NOTICE IS HEREBY GIVEN that a final single tier dividend of 0.25 sen per share for the financial year ended 30 September 2019, if approved, will be paid on 17 April 2020 to Depositors registered in the Record of Depositors at the close of business on 7 April 2020.

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 7 April 2020 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

LIM CHOO TAN (LS 0008888)
CHEW SIEW CHENG (MAICSA 7019191)
Company Secretaries

Penang

Date : 22 January 2020

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 Eighteenth 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 did not carry 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 27 March 2020. A renewal of this authority is being sought at the Eighteenth 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 2019 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended 30 September 2019 are as follows:-

Name	Meetings attended
Chan Kim Keow	5/5
Chew Chee Khong	5/5
Chuah Ah Bee	5/5
Chuah Hoon Phong	5/5
Goh Choon Aik	5/5
Haji Ahmad Fazil Bin Haji Hashim	5/5
Lim Ghim Chai	4/5
Loo Choo Gee	5/5
Wijanti Tjendera	5/5

CAB CAKARAN CORPORATION BERHAD
(200201015998) (583661-W)
(Incorporated in Malaysia)

PROXY FORM

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 General Meeting of the Company to be held at **the Conference Room, Third Floor, CAB Cakaran Corporation Berhad**, **Plot 21 Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang** on **Friday, 27 March 2020** at **10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
Declaration of a final single tier dividend of 0.25 sen per share	Ordinary Resolution 1		
Re-election of Mr Chew Chee Khong	Ordinary Resolution 2		
Re-election of Mr Lim Ghim Chai	Ordinary Resolution 3		
Re-election of Ms Wijanti Tjendera	Ordinary Resolution 4		
Re-appointment of Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Board of Directors to fix their remuneration	Ordinary Resolution 5		
Continuing in office for Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director	Ordinary Resolution 6		
Continuing in office for Y.B. Goh Choon Aik as an Independent Non-Executive Director	Ordinary Resolution 7		
Approval of Directors' fees up to an amount of RM730,250 for financial year ending 30 September 2020	Ordinary Resolution 8		
Approval of Directors' benefits	Ordinary Resolution 9		
Approval for issuance of new ordinary shares	Ordinary Resolution 10		
Renewal of share buy-back authority	Ordinary Resolution 11		
Renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature	Ordinary Resolution 12		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this..........................day of 2020

____
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 20 March 2020. 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, speak and vote on his/her/its behalf.*
2. *A shareholder entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a shareholder of the Company.*
3. *A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.*
4. *Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) (SICDA), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
6. *Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.*
8. *The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website: https://tiih.online before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Annexure to Proxy Form.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging this proxy form is Wednesday, 25 March 2020 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.*

tricor | TIIH online

ELECTRONIC SUBMISSION OF PROXY FORM FOR GENERAL MEETING VIA TIIH ONLINE

Dear Security holder

ELECTRONIC SUBMISSION OF PROXY FORM FOR GENERAL MEETING

We are pleased to inform that you as a security holder can have the option to submit your proxy form by electronic means through our application, TIIH Online ("**e-proxy form**").

TIIH Online is an application that provides an online platform for security holders *(individuals only)* to appoint their proxy and submit the proxy form in paperless form. Once you have successfully submitted your e-proxy form, you are no longer required to complete and lodge the physical proxy form to your investee company or Tricor office.

To assist you on how to engage with e-proxy form, kindly read and follow the guidance notes which are detailed below:

1. Sign up as user of TIIH Online

Using your computer, access our website at https://tiih.online

Sign up as a user by completing the registration form, registration is free

Upload a softcopy of your MyKad (front and back) or your passport

Administrator will approve your registration within one working day and notify you via email

Activate your account by re-setting your password

Notes:
(i) If you are already registered as a user of TIIH Online, you are not required to sign up again.
(ii) An email address is allowed to be used once to register as a new user account, and the same email cannot be used to register another user account.
(iii) At this juncture, only individual shareholders are offered to register as user and participate in e-proxy form

2. Proceed with e-proxy form

After the release of the Notice of Meeting by your investee company, login with your user name (i.e. e-mail address) and password

Select the corporate event: "**SUBMISSION OF PROXY FORM**"

Read and agree to the Terms & Conditions and confirm the Declaration

Insert the CDS account number and indicate the number of securities for your proxy(s) to vote on your behalf

Appoint your proxy(s) or chairman and insert the required details of your proxy(s)

Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote

Review & confirm your proxy(s) appointment

Print e-proxy form for your record

Should you need assistance on our e-proxy form, please contact us. Thank you.

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Telephone No: 03-27839299
Fax No: 03-27839222
E-mail: is.enquiry@my.tricorglobal.com

Fold this flap for sealing

Then 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

1st fold here

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661 W)

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

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