CAB CAKARAN CORPORATION BERHAD
(Company No. 583661 W)
(Incorporated in Malaysia)

Growth • Creativity • Visionary

Annual Report 2017

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Enclosed Proxy Form

Our Vision

To be the respected 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, producers and suppliers
- To optimise profit through efficient utilization 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.

The Group continues to grow its capabilities and expertise within a challenging and evolving environment by building on its key strengths and resources. The Group is anchored on its sterling commitment to fortify its position as one of the most efficient integrated poultry farming entity in the region.

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
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

Risk Management Committee

Chuah Hoon Phong
Chairman

Goh Choon Aik
Lim Ghim Chai
Members

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

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 (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

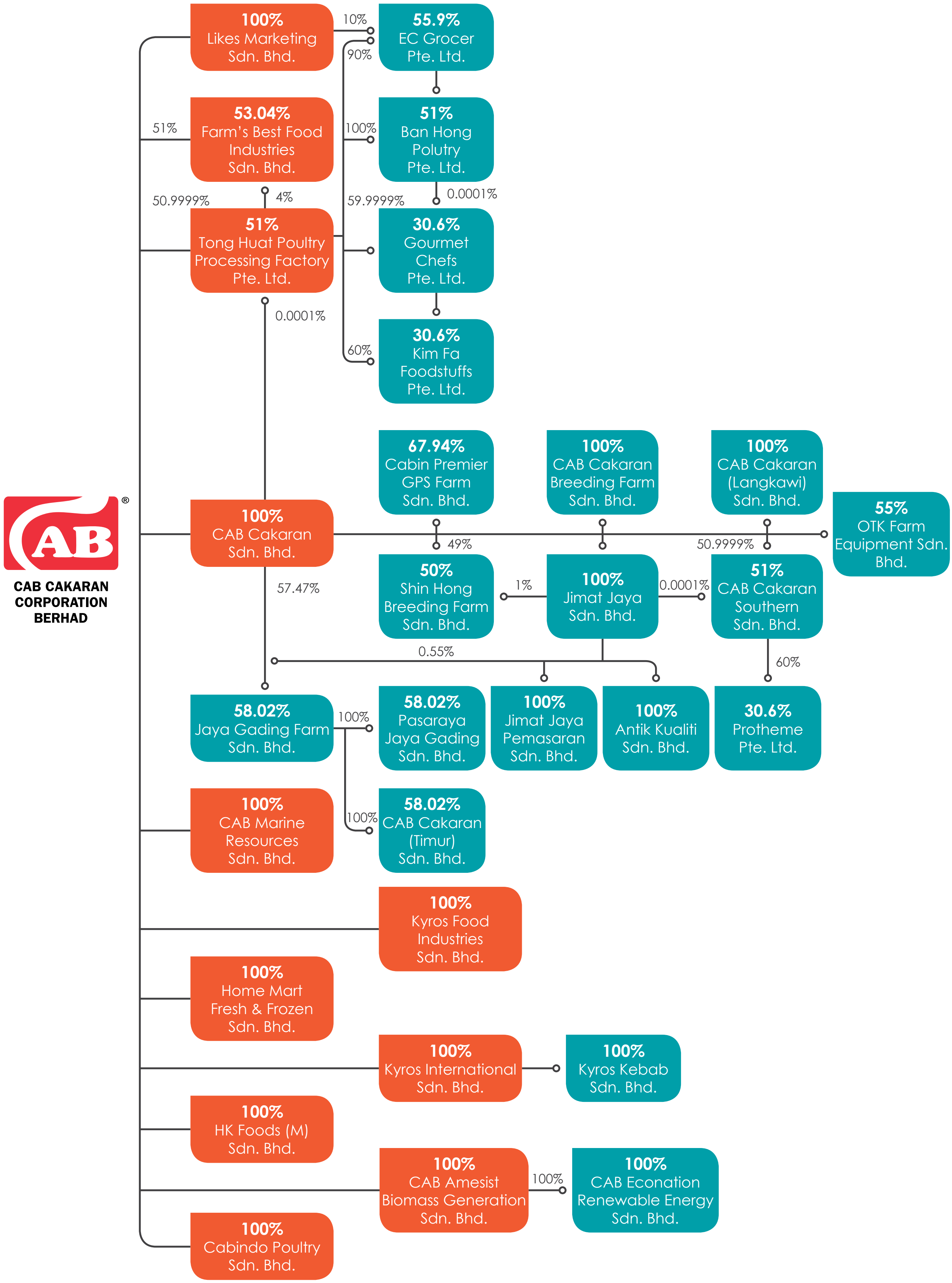
Deloitte PLT
Chartered Accountants
Level 12A, Hunza Tower
163E, Jalan Kelawei
10250 Georgetown, Penang

Principal Bankers

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

CORPORATE STRUCTURE

as at December 29, 2017



BOARD OF DIRECTORS' PROFILE

CHUAH AH BEE
(Executive Chairman, Aged 67, Male, Malaysian)

Mr. Chuah was appointed to the Board of CAB Cakaran Corporation Berhad ("CAB") on August 11, 2003. He was later appointed as Executive Chairman of CAB on February 17, 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, Aged 39, Male, Malaysian)

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

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

CHAN KIM KEOW
(Executive Director, Aged 60, Female, Malaysian)

Madam Chan was appointed to the Board of CAB on August 11, 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.

CHEW CHEE KHONG
(Executive Director, Aged 61, Male, Malaysian)

Mr. Chew was appointed to the Board of CAB on February 1, 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, Aged 54, Male, Malaysian)

Mr. Loo was appointed to the Board of CAB on August 11, 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 since 2007.

HAJI AHMAD FAZIL BIN HAJI HASHIM
(Independent Non-Executive Director, Aged 62, Male, Malaysian)

Tuan Haji Ahmad Fazil was appointed to the Board of CAB on September 1, 2004 as an Independent Non-Executive Director. He was re-designated as the Senior Independent Non-Executive Director on August 26, 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, Aged 44, Male, Malaysian)

Mr. Goh was appointed to the Board of CAB on March 29, 2011 as an Independent Non-Executive Director. He is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management 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.

Mr. 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 is currently the Principal. He also served as Municipal Councillor in Majlis Perbandaran Seberang Perai from 2008 to 2010 and 2016. He has accumulated 19 years of experience in the town planning. He holds directorships in several private limited companies.

LIM GHIM CHAI
(Independent Non-Executive Director, Aged 43, Male, Malaysian)

Mr. Lim was appointed to the Board of CAB on March 23, 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 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, Aged 59, Female, Indonesian)

Ms. Wijanti was appointed to the Board of CAB on August 26, 2016 as an 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 company 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).

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 183 of this Annual Report.

KEY SENIOR MANAGEMENT'S PROFILES

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), Age 44, 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 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 the year 2013. At present, she is responsible for the accounting and finance functions of CAB Group.

LIM CHIN SENG

Director (Breeding Farm Operation Division), Age 56, 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 May 03, 2012. Upon completing his primary education in 1974, he immediately began his career with various companies involved in hatching of eggs into day-old-chicks. He has more than 30 years of experience in managing various breeder farms and hatching of eggs into day-old-chicks. At present, he is in-charge of the day-to-day operations of CABBF's breeder farms and hatchery centers.

CHUAH HOON TENG

Director (Breeding Farm Operation Division), Aged 30, 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 November 17, 2016. He obtained his Bachelor of Commerce Degree in Marketing Management and Economics from Murdoch University in Perth Australia. He joined the Group as a Manager and was later promoted to be a Director of CPGPS. He is currently in-charge of the day-to-day operations of CPGPS breeder farms and hatchery centers.

VINCENT LEONG WENG FAI

Director (Food Processing Operation Division), Aged 38, Male, Malaysian

He is a Director of Jimat Jaya Sdn. Bhd. ("JJSB") and was appointed to the Board of Directors of JJSB on May 08, 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 and management decisions of JJSB.

YAP KIM HWAH

Managing Director, (East Coast Poultry and Supermarket Division), Aged 64, 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 June 20, 1986. He has completed his secondary education and immediately involved in poultry industries. He joined JGF since the incorporation of JGF in February 21, 1984 and has over 33 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), Aged 49, Female, Malaysian

She is a Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on August 10, 1999. She has completed her secondary education and joined JGF since the incorporation of JGF on February 21, 1984. She has over 30 years of experience in poultry industry and 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.

KEY SENIOR MANAGEMENT'S PROFILES *(Cont'd)*

TOO SIEW DIN
Managing Director (Singapore's Food Processing Division), Aged 50, 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 June 01, 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), Aged 32, Male, Malaysian

He is a Director of CAB Cakaran Southern Sdn. Bhd. ("CABS") and was appointed to the Board of Directors of CABS on January 31, 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 and management decisions of CABS.

DR. HUANG LIP CHIN
Senior Group Manager (Poultry Technical Division), Aged 43, 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 to helm the grand parent stock operation of Cabin Premier GPS Farm Sdn. Bhd. He is technically supporting all parent stocks & hatchery divisions of CAB Group.

GAN CHIN NAM
General Manager (Southern Poultry Division), Aged 53, 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 a General Manager in 2014 and currently in charge of the day-to-day operations and management decisions of CABS.

(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 September 30, 2017 ("FY2017").

This MD&A should be read in conjunction with the audited financial statements of the Group for FY2017 as set out in this Annual Report.

GROUP BUSINESS AND OVERVIEW

The CAB Group which is listed on the Main Market of Bursa Malaysia Securities Berhad, is one of the largest quality food producers in Malaysia. We are a fully integrated poultry company that undertakes the breeding and farming of grand parent stocks, parent stocks and broilers, trading of poultry feeds and other farm consumables, slaughtering and processing of chicken and the manufacturing of meat based food products. Our Group is also involved in the operation of supermarkets and fast food franchising business.

The Group's upstream activity which includes grand parent stock farms and breeder farms are primarily located in Penang and Kedah while the broiler farms are located throughout the Peninsular making us one of the largest integrated poultry farming producer in the country.

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 five (5) slaughtering and processing factories and these factories are located at Sungai Petani (Kedah), Segambut (Kuala Lumpur), Majlis Tanah (Melaka), 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.

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 nine (9) outlets with four (4) in Kuantan, two (2) in Kelantan, one (1) in Penang and two (2) in Kedah. The Group's long-term strategy is to build a big network of such outlets throughout the Peninsular as one of the distribution channels for the Group's products.

The Group also owns and operates Kyros Kebab fast food franchise chain in the country. Currently, there are ten (10) Kyros Kebab outlets operating in the Klang Valley, Kuala Lumpur.

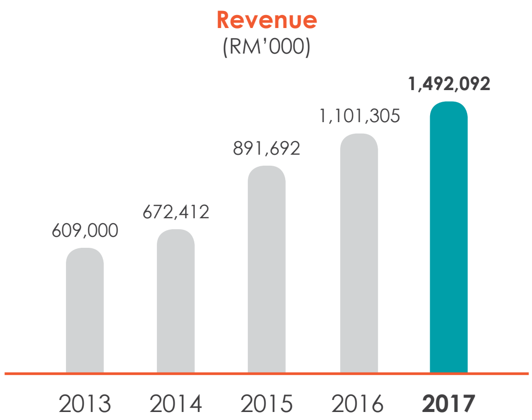
The Group will continue with its expansion program by pursuing business opportunities both in Malaysia and overseas via organic and inorganic approaches. The acquisition of the breeder farms and broiler farms from Sinmah Group which is pending completion represents the continuing effort undertaken by the Group to further increase its integrated poultry farming and processing division with a strong presence in South Peninsular Malaysia, particularly in Melaka, Negeri Sembilan and Johor. The Group has also signed a joint venture agreement with the Salim Group in November 2017 to set up an integrated poultry business in Indonesia.

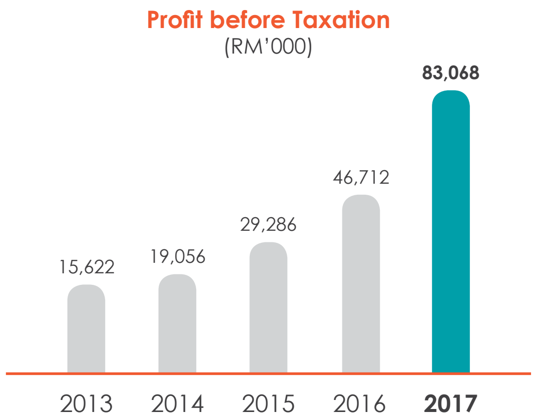
MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

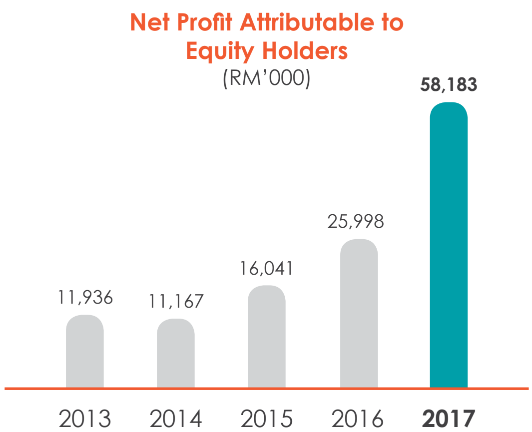
HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR PAST 5 FINANCIAL YEARS

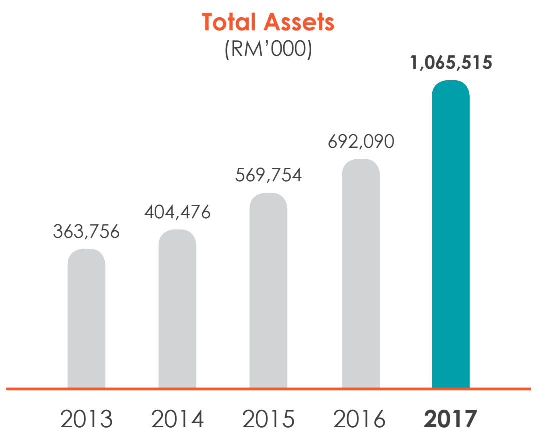
Financial Years Ended September 30	2013 RM '000	2014 RM '000	2015 RM '000	2016 RM '000	**2017 RM '000**
Revenue	609,000	672,412	891,692	1,101,305	**1,492,092**
Earning before interest and taxation	20,914	24,459	37,593	56,861	**96,713**
Profit before taxation	15,622	19,056	29,286	46,712	**83,068**
Profit after taxation	13,532	11,620	20,943	35,957	**61,675**
Net profit attributable to equity holders	11,936	11,167	16,041	25,998	**58,183**
Total assets	363,756	404,476	569,754	692,090	**1,065,515**
Total borrowings	111,454	118,994	193,128	222,348	**286,498**
Shareholders' equity attributable to equity holders	141,549	152,395	184,165	246,279	**389,804**
Debt/Equity (%)	78.74%	78.08%	104.87%	90.28%	**73.50%**
Net assets per share*	0.34	0.37	0.39	0.45	**0.63**
Basic earnings per share (sen)*	2.90	2.72	3.69	5.15	**10.12**
Diluted earnings per share (sen)*	N/A	N/A	3.28	4.24	**8.76**
Return On Equity (ROE)	8.43%	7.33%	8.71%	12.08%	**18.29%**
Dividend per share (sen)	N/A	N/A	N/A	1.00	**0.50**

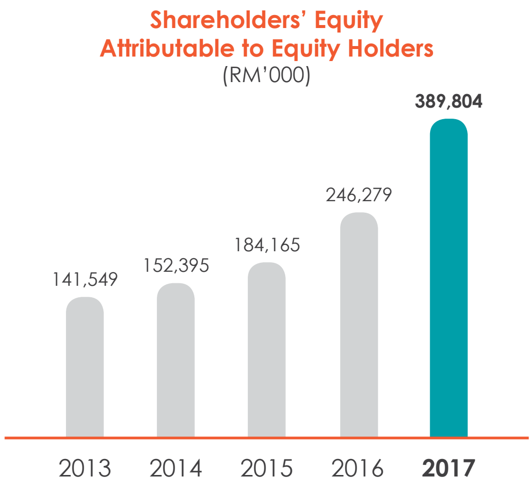
* After adjusting for the Share Split and Bonus Issue completed on August 7, 2017

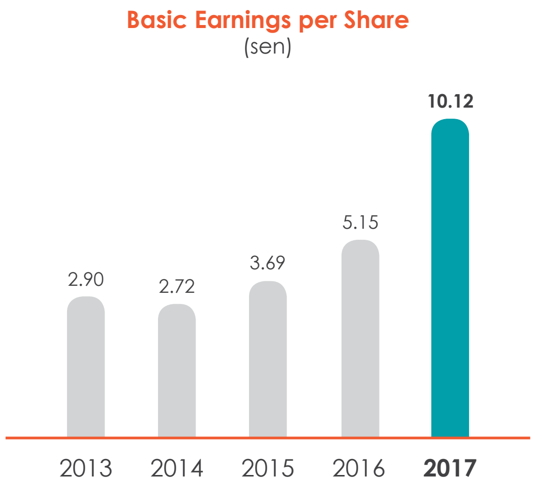












GROUP FINANCIAL REVIEW

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 FY2017 as compared with the previous FY2016:

	FY2017 RM'000	FY2016 RM'000	Change %
Revenue	1,492,092	1,101,305	35.48
Cost of sales	1,320,451	994,426	32.79
Distribution costs	43,716	28,662	52.53
Administrative expenses	48,916	36,345	34.59
Finance costs	14,655	11,091	32.13
Other income	14,705	10,962	34.15
Profit before tax	83,068	46,712	77.83
Net profit attributable to equity holders	58,183	25,998	123.80
Property, plant and equipment	532,724	318,585	67.22
Investment properties	86,038	78,409	9.73
Inventories	85,034	52,231	62.80
Trade and other receivables	180,885	128,817	40.42
Trade and other payables	201,031	145,946	37.74
Other assets	46,233	14,711	214.28
Borrowing	286,498	222,348	28.85

MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

Financial Highlights and Insights

- During the financial year under review, the Group achieved a total revenue of RM1.49 billion, an increase of 35.48% over the previous year's revenue of RM1.1 billion. The higher revenue recorded was mainly due to strong sales growth of the integrated poultry farming processing division and the inclusion of sales from the newly acquired subsidiary, Farm's Best Food Industries Sdn. Bhd. ("FBFI"). In tandem with the higher revenue, the Group recorded a higher profit from operations of RM92.58 million.

- The Group registered a double digit growth in profit before tax ("PBT") to RM83.07 million, a 77.83% increase over FY2016. The main reasons for the higher PBT are:-
  (i) the increased in production of broilers and higher trading volumes of feeds and chicks; and
  (ii) higher average selling price of RM4.86 per kg for the broilers as compared to RM4.60 per kg in 2016.

- Distribution costs and administrative expenses increased by RM15.05 million and RM12.57 million respectively in FY2017 mainly due to the higher volume of sales achieved as well as the inclusion of the results of FBFI for the first time.

- Finance costs increased by RM3.564 million to RM14.66 million as compared to FY2016 mainly due to:-
  (i) the inclusion of the results of FBFI which contributed approximately RM2 million; and
  (ii) interest of RM1.38 million relating to utilisation of additional term loan facility.

- Other income increased by RM3.74 million to RM14.71 million in 2017 mainly due to:-
  (i) the higher rental income received by the Group as a result of the increase in number of farms leased to contract farmers; and
  (ii) higher Interest income received from Short-Term Deposits with banks;

Financial Highlights and Insights (Cont'd)

- Overall the total assets and liabilities of the Group have increased in FY2017 mostly due to the inclusion of FBFI's accounts for the first time in the Group's consolidated balance sheet and the strong increase in the business volume of the Group during the year and these are reflected as follows:-

  (i) The Group's inventories increased by RM32.80 million to RM85.03 million mainly due to the stock held by newly acquired subsidiary, FBFI (breeder farms and finished processed products) and increase of stoock held as a result of expansion of farm capacity and open of new supermarket outlet;
  (ii) Trade and other receivables increased by RM52.07 million whereas trade and other payables increased by RM55.09 million in FY2017. FBFI contributed RM32.13 million and RM37.83 respectively to the increase;
  (iii) Other assets increased significantly by RM31.52 million to RM46.23 million in FY2017 mainly due to the refundable deposit amounting to RM30.61 million relating to the acquisition of the breeder farms and broiler farms by FBFI; and
  (iv) The Group's total borrowings increased by RM64.15 million to RM286.50 million during the year under review mainly due to the increase in term loans and bankers' acceptances. The higher utilization of bankers' acceptances were to finance the purchase of feed in tandem with the increase in business volume whereas the increase in term loans were from FBFI.

- Cash and cash equivalents stood at RM91.80 million in FY2017 as compared to RM60.39 million in FY2016. Net cash used in investing activities was RM82.87 million as compared to the net cash generated from operating and financing activities of RM56.13 million and 57.79 million respectively resulting in a surplus of RM31.05 million in cash and cash equivalents.

- The net cash generated from financing activities was mostly advance from non-controlling interests amounting to RM36.82 million mainly raise to finance the acquisition of breeder and broiler farms of FBFI, increased in the utilisation of short-term borrowings by RM35.56 million and proceeds received from the exercise of warrants amounting to RM12.37 million. The net cash used in investing activities was mostly for the purchase of properties, plant and equipment and investment properties which together amounted to approximately RM77.93 million.

- A final single tier dividend of 1.0 sen per ordinary share amounting to RM1.808 million in respect of the FY2016 was paid on 19 April 2017.

The completion of the Share Split and Bonus Issue on August 7, 2017 following the listing and quotation of 488,558,518 subdivided shares, 122,003,016 bonus shares and 56,131,731 additional Warrants 2015/2020 in the Company have resulted in adjustment in the Company's Net Assets per share and Basic Earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

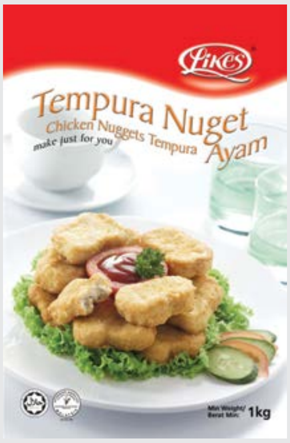
GROUP BUSINESS OPERATIONS REVIEW

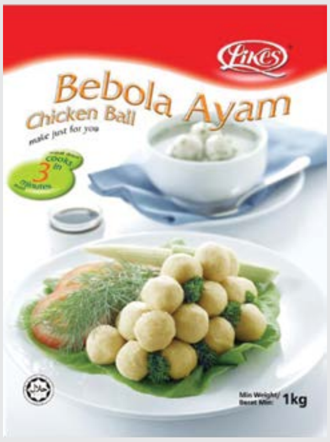
Integrated Poultry Farming and Processing

The integrated poultry farming and processing division is our core and largest business segment and remains the major contributor to the overall improvement in the Group's performance in FY2017. Revenue for the division was RM1.38 billion with a segment profit of RM97.73 million which showed an increase of 39.4% and 75.6% respectively.

The demand for broilers has seen a continuous increase during the year due to the worldwide shortage of broilers which resulted in the higher average selling price of the broilers at around RM4.86 per kg. The cost of feed which is a substantive portion of the cost of production has been managed efficiently via centralized and bulk purchased. Although the Malaysian Ringgit was weak, this did not translate into higher cost of feed due to the depressed price of soya beans and corn resulting from the worldwide over supply situation.

The Group operates eight (8) breeder farms and one hundred and fifty four (154) broiler farms located primarily throughout the Northern Peninsular region (i.e. Kedah and Penang), followed by the Sourthern and Eastern Peninsular region (i.e. Johor and Pahang). These farms are altogether segmented under the Group's integrated poultry farming and processing division, of which has been the main revenue generator for the Group.





During the year under review, the capital expenditure for the segment was RM50.23 million as compared to RM73.37 million for the previous financial year. The capital expenditure was primarily incurred for the expansion of the existing grand parent stock farms and installation of additional incubators at the hatchery centre to increase the capacity for the production of parent stock chicks. These expansions are a part of the Group's continuos efforts towards ensuring sustainable upsteam sources as well as securing the internal supply chain for its midstream and downstream activities.

Following the expansion of the grand parent stock farms and six (6) breeder farms during the year, the Group's annual production capacity of parent stocks day-old-chick has increased from 510,000 birds to approximately 940,000 birds. In line with the above expansion, the Group has also increased its contract farming activities. Only farmers who have own farms and equipments will be selected under the program.

The Company will support the farmers in term of supply of day-old-chick, feed, veterinary supplies and technical knowhow in best farm practices. Consequently, the Group's broiler production capacity has signaificantly increased in FY 2017 from approximately 96.77 million kg to 116.16 million kg per year.

During the year under review, the Group has undertaken numerous changes to its processes together with the upgrading of its production facilities. The completion of the acquisition of FBFI during the year under review has enabled the Group to better utilized its value-added production facility by combining its production of value-added products in a single location which is located in Masjid Tanah Melaka. By combining the current production of both factories in one location has in turn improved the overall production efficiency and reduced unit cost of production with its monthly production capacity increase to approximately 1,000 tons.

In FY2017, the acquisition of FBFI which owns the "Farms's Best" trademark, which has a long presence in the domestic market, has enabled the Group to immediately has access to the retail markets, such as supermarkets and hypermarkets, via its readily available marketing and distribution network. The Group also produces on OEM basis for certain of its large-scale customers.

GROUP BUSINESS OPERATIONS REVIEW (CONT'D)

Supermarket

The total revenue for the supermarket division was RM125.45 million, with a segment loss of RM0.38 million as compared with the prior year's revenue of RM124.03 million and segment profit of RM0.52 million. Due to the weak consumer sentiment, revenue for the year was flat. Many promotional activities were undertaken during the year to maintain sales which resulted in the erosion of margin.

Marine Products Manufacturing and Others

The marine products division continues to suffer losses in its operation. The poor result of the marine product division was caused by the low trading volume.

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 bird flu. 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 Johore 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 of 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.

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

  The Group has prescribed its goals to reduce its reliance on a single market with plan to venture into the Asean region. In 2015, the group expanded into Singapore by acquiring a controlling stake in a slaughter house which provided an immediate market for live birds from our farms in Johor. This venture has proven to be successful which prompted the group to explore for more business opportunity in the Island republic. In addition, the Group has in November 2017, signed a joint venture agreement with the Salim Group to set up an integrated poultry business in Indonesia, which barring unforeseen circumstances, should be implemented in 2018.

MANAGEMENT DISCUSSION AND ANALYSIS *(Cont'd)*

KEY BUSINESS RISK AND MITIGATION STRATEGIES (CONT'D)

- **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 (SGD) via its subsidiaries operating there as well as United State Dollar (USD) for its imported raw materials. The group will continue to assess the need to utilize financial instruments to hedge our forex exposure.

FORWARD LOOKING STATEMENT

Integrated Poultry Farming and Processing

The integrated poultry farming and processing division will continue to remain as the main contributor to the Group's revenue and profit. Although operating cost is expected to increase and profit margin being reduced, the profitability of the division will be boosted by growth in capacity once the acquisition of the breeder and broiler farms from Sinmah's Group is completed. The shareholders of the Group has on October 27, 2017 approved the said acquisition of breeders and broilers from Sinmah Group. In the coming FY2018, the broilers output is expected to increase from about 116.16 million kg to 120.0 million kg per year.

With the completion of the acquisition of Farm's Best Food Industries Sdn. Bhd. ("FBFI"), the Group's total production capacity for slaughtering has increased by about 36,000 birds per day to 110,000 birds per day. With this additional slaughtering capacity, the Group can then undertake further expansion of its upstream activities which will bring greater cost savings via better economy of scale in its operation. In addition, the factory which is Agri-Food & Veterinary Authority of Singapore ("AVA") accredited will allow the Group to explore the opportunity of exporting frozen halal dressed chicken to Singapore. This is a viable proposition considering that there will be minimal logistic and handling cost given the Group's existing presence in Singapore and that the product will be distributed to the same group of customers.

The Group has signed a joint venture agreement with the Salim Group to set up an integrated poultry business in Indonesia in November 2017. We expect the ground work under this joint venture to commence in 2018. The successful implementation of this joint-venture will have a significant effect on the Group's earnings in the long run.

The Group's value-added products section experienced a difficult trading environment during the year given the weak consumer sentiment and higher cost of production due to the weakening Ringgit. More investment to upgrade the existing facilities in FBFI's factory is on-going so as to increase capacity and efficiency in production. In addition, introducing of new and better quality products is crucial to expanding market share and improving profitability. The management will continue to put emphasis in this area by investing more in new product development.

FORWARD LOOKING STATEMENT (CONT'D)

Supermarket

The supermarket division's performance is not expected to show much improvement given the weak consumer sentiment and the intense competition in the retail sector, In order to maintain sales, this division has to continue to spend on promotional activities. These activities will help to generate sales but will have a negative impact on margin.

The Group plans to open another two (2) outlets in next financial year. With a larger operating base, it is hoped that this division will in a better position to take advantage of the economies of scale in bulk purchasing which will help to improve its profit margins.

Marine Products Manufacturing and Others

Management is still exploring for opportunity to invest in the aquaculture business relating to the farming of fish and shrimp.

Dividend

The Board of Directors would take the following factors into consideration before recommending for dividend payment:

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

After considering the above, the Board of Directors is pleased to recommend a final single-tier dividend of 0.5 sen per share for the financial year ended September 30, 2017 for the shareholders' approval at the forthcoming 16th Annual General Meeting.

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITIES

The Board of Directors of CAB Cakaran Corporation Berhad ("the Group") fully acknowledges the importance of Corporate Social Responsibilities ("CSR") and has always been emphasising on activities for sustainable business operations covering Environment, Food Safety and Quality, Workplace, Community and Marketplace.

ENVIRONMENT

The Group is mindful of its responsibilities to safeguard the environment in which it operates and to comply with the occupational safety and health regulations and laws at all times.

The Group continually maintains its waste management system effectively to ensure the discharged water from the Group's chicken processing and other manufacturing plants comply with the requirements set by the Department of Environment Malaysia.

The waste from the Group's poultry rearing activities is also disposed for recycling into organic fertilisers for use in palm oil estates or other agricultural industry as an alternative source for chemical fertilisers, thus creating better and less contaminated environment.

The Group continues to build closed house breeder farms which have been proven to be effective in addressing the flies and smell problems.

The management also encourages the staff to participate in recycling activities. Old newspapers, magazines and used writing papers are periodically sent to nearby recycling centers.

The Group will also integrates consideration of environmental aspects and impacts into its decision-making and activities.

FOOD SAFETY AND QUALITY

The Group also ensures compliance with all relevant laws and regulations governing food safety and quality, 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) certifications for chilled/ frozen chicken, frankfurters and nuggets and Hazard Analysis and Critical Control Point (HACCP) certification for its processing and manufacturing facilities. The Group also has accredited farms with the certification from Agri-Food and Veterinary Authority of Singapore (AVA) which enables the broilers to be exported to Singapore.

WORKPLACE

As an employer, the Group recognizes and accepts its responsibilities for providing and maintaining a safe and healthy workplace for all its employees, including farms, processing and production plants, contractors and visitors. Information on safety matters is communicated through Notice Boards and regular management briefings.

The Group continues to nurture and improve its human resource capital through trainings and staff development program to foster safe and harmonious work place for all employees. Team building activities are organized regularly with the objectives to enhance communications, interactions between teams and encourage of teamwork. In order to achieve workplace harmony and healthy interaction among employees, the Group had organized appreciation dinner annually which were actively participated by the employees.

The Group is an equal opportunity employer and does not adopt any formal policy for its workforce in terms of age, gender, race and religion and ethnic. The evaluation of the suitability of any candidate as a member of the workforce is solely based on the candidate's merit and suitability for the job.

The Group has put in place an employee reward system which is fair and substantive, linking rewards to individual contribution and performance. On yearly basis, prior to bonus distribution and salary revision, proper assessment is carried out. Along the process, the employee's superior, the Group Human Resource Department (acting as verifier) and approvers play their meaningful roles in rewarding employees commensurately.

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITIES *(Cont'd)*

COMMUNITY

The Group also acknowledges its responsibility to the community where it operates. As such, the Group has supported the welfare association such as Malaysian Association Welfare for Mentally Challenged Children during the year and pledged to continue helping the underprivileged in the future. The Group has also supported numerous local cultural, social and sporting activities. The Group regularly provides food such as chicken meat and chicken nuggets to orphanages and old folks home in Petaling Jaya.

The Group also believes in helping our youths to achieve their academic dreams and have allowed students from Universiti Putra Malaysia to have their practical trainings in the Group's poultry breeder farms.

MARKETPLACE

The Group also recognizes its duty to be socially responsible to its customers, suppliers, shareholders and other stakeholders. Proper screening process is in place for suppliers' quotation, service quality and performance. By virtue of financial authorization matrix enforceable across the board in the Group, Executive Chairman and Group Managing Director are involved directly in the screening and approving of certain capital expenditure. Meanwhile, via the Whistleblowing Policy in force, the Group provides a platform for reporting suspected fraud cases to the management.

Staff team building activities

Donation for Mentally Retarded Children Centre

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of CAB Cakaran Corporation Berhad ("the Company") recognizes the importance of practicing and maintaining of 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 in ensuring continuous and sustainability growth for the interest of all its shareholders.

The Board is pleased to set out below the manner in which the Group has applied the three (3) main principles in the Malaysian Code on Corporate Governance ("MCCG 2017") known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) throughout the financial year ended September 30, 2017.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

1.1 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, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realizing long-term shareholders' values.

The Board has assumed the following principal responsibilities in discharging its fiduciary duties:

(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) Identify 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.

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:-

(a) Audit Committee
(b) Nomination Committee
(c) Remuneration Committee
(d) Risk Management Committee
(e) Halal Committee

All committees have written terms of reference. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts 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.

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

I Board Responsibilities (Cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)

1.2 The Chairman leads the Board and is responsible for the effective performance of the Board. He ensures 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.

The positions of Chairman and Group Managing Director are held by different individuals. The Chairman is an Executive member of the Board.

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

1.3 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 take 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 presence of the Independent Directors fulfill a pivotal role of corporate accountability. They provide unbiased and independent advice, alternative viewpoints, challenge perceptions and judgment as appropriate to take account of the interest of the Group, shareholders, employees and any party with whom the Group conducts business.

1.4 The Board is supported by qualified and competent name Company Secretaries who facilitate overall compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and other laws and regulations. The secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators.

The Company Secretaries carry out the following tasks:

(a) Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting, Extraordinary General Meeting and any other meetings that require the attendance of Company Secretary and ensure that meetings are properly convened;
(b) Ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc and all relevant announcements are announced to Bursa Malaysia Securities Berhad and Securities Commission on a timely basis;
(c) Ensure that deliberations at the meetings are well captured and minuted;
(d) Ensure that the Company complies with the MMLR and the requirements of the relevant authorities;
(e) Inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;
(f) Keep the Directors and principal officers informed of the closed period for trading in the Company's shares; and
(g) Ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents.

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

I Board Responsibilities (Cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)

1.5 The Board meets on a quarterly basis, with additional meetings convened as and when necessary. All Directors are provided with an agenda and a set of board papers issued at least 5 business days from the date of Board Meetings so as to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary, to expedite the decision making process effectively.

During the financial year ended September 30, 2017, six (6) Board Meetings were held. A brief profile of each member of the Board are set out in the Directors' Profile section of this Annual Report.

The Board recognizes that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

The Executive Directors and/or other relevant Board members will furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making. In addition, the Board members are updated on the Company's activities and its operations on a regular basis.

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. Senior management team from different business units are also invited to participate at the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team. All proceedings at the Board meetings are minuted and signed by the Chairman of the meetings.

Every Director has also unhindered access to the advice and services of the Company Secretaries as and when required to enable them to discharges their duties effectively.

There is a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity to take independent professional advice at the Group's expense, where necessary in furtherance of their duties.

2.0 There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.

The Board is guided by a Board Charter which 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; and issues and decisions reserved for the Board.

The Board will periodically review the Board Charter and make any changes whenever necessary. The Board Charter is published on the Company's corporate website at www.cab.com.my. The Board Charter was last reviewed on December 22, 2017.

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

I Board Responsibilities (Cont'd)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

3.1 The Board has formalised a Code of Ethics and Conduct that set out the basic principles to guide all the directors, employees and its subsidiary and associate companies. The Board shall observe and adhere to the Company's Code of Ethics and Conduct for Directors which provide guidance regarding ethical and behavioral considerations or actions in discharging their duties and responsibilities.

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.

3.2 The Board has put in place 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 taken where required.

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

3.3 The Board shall endeavour to implement sustainability strategies which yield environmental, economic and social benefits to all its various stakeholder and the communities in which it operate to ensure long-term viability and sustainability of the Company's business.

II Board Composition

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

4.1 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. The composition of the Board complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Group is led and controlled by an experienced Board, many of whom have vast knowledge of the business. There is a clear division of responsibility between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls and provide unbiased and independent views to safeguard the interest of the shareholders. Together with the Executive Directors who have in-depth knowledge of the business, the Board constitutes of individuals who are committed to business coupled with integrity and professionalism in all its activities.

The Board considers that the current size of the Board is adequate and facilitates effective decision-making. The Nomination Committee has reviewed the present composition of the Board and the three main existing committees and is satisfied that they have adequately carried out their functions within their scope of work.

The Board will take steps to ensure their compliance with the code requirements to have at least half of the board comprises of the Independent Director.

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

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (Cont'd)

4.2 The Board noted the MCCG 2017 recommends that the tenure of an independent Director should not exceed a cumulative term 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. For resolution(s) requiring 'two-tier voting' process, the effective date will be for resolution(s) to be tabled at general meetings after 1 January 2018.

Presently, Tuan Haji Ahmad Fazil Bin Haji Hashim is an Independent Non-Executive Director of the Company whose tenure has exceeded a cumulative term of twelve (12) years.

Letter of support from the Managing Director recommending Tuan Haji Ahmad Fazil Bin Haji Hashim who has served on the Board as Independent Non-Executive Director of the Company to be retained as Independent Non-Executive Director of the Company was tabled and noted at the Nomination Committee Meeting held on December 22, 2017. The Nomination Committee members reviewed the letter of support and was satisfied that Tuan Haji Ahmad Fazil Bin Haji Hashim still maintain his independency despite his long service extended to the Company and recommended to the Board to seek for shareholders' approval at the forthcoming Annual General Meeting.

The Board believes that although Tuan Haji Ahmad Fazil Bin Haji Hashim has served more than twelve (12) years on the Board, he remains unbiased, objective and independent in expressing his opinions and in participating in decision making of the Board. The length of his service on the Board has not in any way interfered with his objective and independent judgement in carrying out his role as member of the Board and Committees. The Board had obtained the shareholders' approval at the previous Annual General Meeting to retain Tuan Haji Ahmad Fazil Bin Haji Hashim as Independent Non-Executive Director of the Company, and will be doing the same in the forthcoming Sixteenth Annual General Meeting. Accordingly, the Board is making a recommendation to shareholders for approval at the forthcoming Sixteenth Annual General Meeting of the Company that Tuan Haji Ahmad Fazil Bin Haji Hashim remains as an Independent Non-Executive Director.

4.3 The Board recognises 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 and guided by the Corporate Governance Guide–Towards Boardroom Excellence has developed the criteria to assess independence and formalised the current independence assessment practice. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. Each independent director abstained from deliberation on his own assessment. The Nomination Committee was satisfied that the Independent Directors still maintain their independence.

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

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (Cont'd)

4.4 The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee ("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:

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

(ii) In evaluating the suitability of candidates to the Board, the Nomination Committee 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;

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

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

4.5 The Articles of Association of the Company 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. This provides an opportunity for shareholders to renew their mandates. Newly appointed directors shall hold office only until the next annual general meeting and shall be eligible for re-election.

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 Annual Report accompanying the Notice of Annual General Meeting.

The Nomination Committee is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment based on the reviews of their performance and their contribution to the Board through their skills, experience, qualities and ability to act in the best interests of the Company in decision making.

The Nomination Committee assessed and was satisfied and made recommendations to the Board for re-election/re-appointments with regards to the following:

(i) The re-election of the three (3) directors, namely Mr. Chuah Ah Bee, Mr. Goh Choon Aik and Madam Chan Kim Keow, who are due to retirement but shall be eligible for re-election pursuant to Article 97 of the Company's Articles of Association at the forthcoming AGM; and

(ii) Re-election of Tuan Haji Ahmad Fazil Bin Haji Hashim whose tenure of service as an independent Director has exceeded a cumulative term of nine (9) years, for recommendation to shareholders for their approval based on the attributes necessary in discharging his role and functions as an independent Director.

The profiles of these Directors are set out on pages 5 to 7 of the Annual Report.

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

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

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (Cont'd)

4.6 The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG 2017 to the establishment of boardroom and workforce gender diversity policy. 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.

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 based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Nevertheless, the Board is supportive of the gender diversity in the boardroom as recommended by MCCG 2017. The Board will endeavor to ensure that gender, ethnicity and age diversity will be taken into account in nominating and selecting new Directors to be appointed to the Board.

The Group is an equal opportunity employer and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

4.7 All directors of the Company do not hold more than five directorships under paragraph 15.06 of the Main Market Listing Requirements.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, appointment of Directors are discussed and decided by the Board.

The dates scheduled for Board meetings, Board Committee meetings and Annual General Meeting are set in advance and circulated to the Directors to facilitate the Directors' time planning. The Directors' Circular Resolutions are used for determination of urgent matters arising in between meetings. In accordance with Article 137 of the Articles of Association of the Company, a signed and approved resolution by a majority of the Directors present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

During the financial year ended September 30, 2017, the Board held six (6) meetings and the details of each Director's attendance are set out below:

Name	Meetings attended
Chuah Ah Bee	6/6
Chan Kim Keow	6/6
Loo Choo Gee	6/6
Chew Chee Khong	6/6
Chuah Hoon Phong	6/6
Lim Ghim Chai	5/6
Haji Ahmad Fazil Bin Haji Hashim	6/6
Goh Choon Aik	6/6
Wijanti Tjendera	5/6
Ng Seng Bee (retired on March 23, 2017)	4/4

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

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (Cont'd)

4.8 All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. 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. 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	October 27, 2016	Practical Challenges and Impact of the Companies Bill 2015 Training
Chuah Hoon Phong	September 20, 2017	New Malaysian Code of Corporate Governance 2016-A Comprehensive & Actionable Work Plan
Chan Kim Keow	October 27, 2016	Practical Challenges and Impact of the Companies Bill 2015 Training
Chew Chee Khong	June 8, 2017	Companies Act, 2016
Loo Choo Gee	July 5, 2017	Seminar on Companies Act 2016 Made Simple: A Practical Guide for Company Directors
Haji Ahmad Fazil Bin Haji Hashim	August 21, 2017	Malaysian Code on Corporate Governance: New Dimension (Roadshow)
Goh Choon Aik	July 5, 2017	Seminar on Companies Act 2016 Made Simple: A Practical Guide for Company Directors
Lim Ghim Chai	April 17, 2017	Income Tax & GST Implication and Application Leveraging the New Companies Act 2016
Wijanti Tjendera	August 17, 2017	The Companies Act 2016: Rights of Shareholders

4.9. 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.

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

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

II Board Composition (Cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

The Company conducts an annual assessment to evaluate the effectiveness of the board and the Board Committees as well as the performance of each individual Director through the Nomination Committee.

The Nomination Committee ("NC") of the Company comprises exclusively Independent Non-Executive Directors and its composition are 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 September 30, 2017. The details of the terms of reference of NC are available for reference at the Company's website at www.cab.com.my.

The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluations are guided by the Corporate Governance Guide–Towards Boardroom Excellence. The Audit Committee and the Remuneration Committee each carried out its evaluation with the view to maximize the performance of the individual committees in the interest of the Company. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments were summarised and discussed at the NC meeting which were then reported to the Board at the Board Meeting held thereafter. The NC evaluated all the above Assessment Forms at the NC Meeting held on December 22, 2017 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Directors.

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

(i) 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;

(ii) 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;

(iii) reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Articles of Association of the Company;

(iv) 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 years and to seek shareholders' approval at the forthcoming Annual General Meeting;

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

(vi) 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;

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

(viii) review the Terms of Reference of NC.

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

III Remuneration

6.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

6.1 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

* Appointed on December 22, 2017

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.

6.2 The primary function of the RC is to set up and review the policy of remuneration framework and recommend to the Board the remuneration packages of all the Directors according to the skills, level of responsibilities, experience and performance of the Directors.

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

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

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

III Remuneration (Cont'd)

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and subsidiaries respectively in financial year ended September 30, 2017 are as follows:

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

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Company				
Executive Directors	-	-	-	-
Non-Executive Directors	-	177,910	15,078	-
Non-Independent Non-Executive Director	-	65,000	4,000	-
Total	**-**	**242,910**	**19,078**	**-**
Group				
Executive Directors	2,581,780	339,344	262,460	90,100
Non-Executive Directors	-	177,910	15,078	-
Non-Independent Non-Executive Director	-	77,500	4,000	-
Total	**2,581,780**	**594,754**	**281,538**	**90,100**

7.2 Directors' remuneration are broadly categorised into the following bands:

	Company			Group		
	Number of Directors			Number of Directors		
Range of remuneration RM	Executive	Non-Executive	Non-Independent Non-Executive Director	Executive	Non-Executive	Non-Independent Non-Executive Director
50,000 and below	-	1	-	-	1	-
50,001 to 100,000	-	3	1	-	3	1
250,001 to 300,000	-	-	-	1	-	-
450,001 to 500,000	-	-	-	2	-	-
500,001 to 550,000	-	-	-	-	-	-
550,001 to 600,000	-	-	-	-	-	-
750,001 to 800,000	-	-	-	1	-	-
850,001 to 900,000	-	-	-	-	-	-
1,100,000 to 1,150,000	-	-	-	1	-	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

8.0 There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information.

8.1 The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

8.2 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.

8.3 An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the Listing Requirements. The Board through its Audit Committee, reviews and reports to the Board any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company or Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

Further details of these transactions are set out in the Recurrent Related Party Transactions Circular to Shareholders dated January 25, 2018.

8.4 The Audit Committee assesses the suitability and independence of the external auditors on an annual basis. Areas of assessment including amongst others, the external auditor's objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs/opinions from the Company's personnel who had constantly contacted with the external audit team throughout the year would also be used as a tool in the judgement of the suitability of the external auditor.

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.

The external auditors of the Company fulfill an essential role on behalf of Company's shareholders in giving an assurance to the shareholders on the reliability of the financial statements of the Company and the Group.

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

I Audit Committee (Cont'd)

8.0 There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information. (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 a 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 paid and payable to the External Auditors of the Company during the financial year ended September 30, 2017 were as follows:-

	Group RM	Company RM
Audit Fees	294,900	34,500
Non-Audit Fees	129,300	14,500

The non-audit fees were in respect of tax compliance, benchmarking study in respect of transfer pricing documents and agreed-upon procedures in respect of the computation of the revised exercise price and number of outstanding Warrants 2015/2020 arising from the subdivision of ordinary shares and bonus issue of subdivided shares 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 had recommended their re-appointment to the shareholders' approval at the forthcoming Annual General Meeting.

The key features underlying the relationship of the Audit Committee with external auditors are included in the Audit Committee's terms of reference as detailed in Audit Committee section of this Annual Report.

II Risk Management and Internal Control Framework

9.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

9.1 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.

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

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

9.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed. (Cont'd)

Risk Management Committee

The Risk Management Committee ("RMC") was established on November 29, 2016 and comprises a majority of Independent Directors. The composition of RMC 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

9.2 The RMC is headed by the Group Managing Director, assisted by Independent Directors and members of key management team of the respective division. The primary responsibility and purpose of the RMC is 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 RMC 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.

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 37 to 39 of this Annual Report.

10.0 Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

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 page 37 to 39 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures of material information relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. On this basis, the Board has formalized pertinent policies and procedures not only to comply with the disclosure requirements as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

The release of material information will be made publicly via Bursa Malaysia Securities Berhad. Members of the public can also obtain the full financial results and the Company's announcements from the Bursa Malaysia Securities Berhad's website.

The Company's website at www.cab.com.my is regularly updated and provides relevant information on the Company which is accessible to the public to make informed investment decision.

CORPORATE GOVERNANCE STATEMENT *(Cont'd)*

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

11.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognizes the importance of timely dissemination of information to shareholders.

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 Senior Independent Director, Tuan Haji Ahmad Fazil Bin Haji Hashim at the contact details set out in the corporate information section of this Annual Report.

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 and corporate website.

II Conduct of General Meetings

12.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.

12.1 The Annual General Meeting is the principal forum for dialogue and interaction with shareholders. The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the Annual General Meeting. It is also a requirement for the Company to send the Notice of the Annual General Meeting and related circular to its shareholders at least twenty eight (28) days before the meeting. At the Annual General Meeting, shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general to seek more information. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the Annual General Meeting.

12.2 All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board make announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended September 30, 2017, the Company has applied the principles and recommendations of the corporate governance set out in MCCG 2017, where necessary and appropriate.

This Statement is made at the Board of Directors' Meeting held on December 22, 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 and Internal Control 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.

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

Risk Management Committee ("RMC")

The Board has constituted the RMC with the authorities necessary to perform duties as outlined in separate Terms of Reference. The RMC 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 RMC 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 RMC reports to the Board regarding risk register updates, assessment on effectiveness of risk-mitigating actions.

Risk Identification, Evaluation and Management

The Group has in place the Risk Management Policy which lays down the responsibilities of the Board, the Risk Management Committee, the Risk Management 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:	Assess risk on both inherent and residual basis considering its likelihood of occurrence and impact
Plan:	Generate mitigating action plan for dealing on certain risks, to minimize/eliminate its foreseeable impact
Implement:	Realize mitigating action plan into actions
Monitor and review:	Monitor the realization progress of mitigating action plan and review its effectiveness in minimizing/ eliminating threat
Communicate:	Make the RMC 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 assigned two scores, one on the impact while another on the likelihood of occurrence. Then, the risk grade is determined. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Cont'd)*

Risk Management and Internal Control Framework (Cont'd)

Risk Identification, Evaluation and Management (Cont'd)

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:

(i) Halal Accreditation

In cognizance of Halal accreditation importance, the Group has taken efforts to establish 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.

(ii) 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 September 30, 2017, the Group entrusted the in-house Internal Audit team to conduct corporate review for the take-over of assets and business operations of an entity.

The principal responsibility of the 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 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.

Key Processes of the Risk Management and Internal Control System

The key processes that have been established to ensure the adequacy and effectiveness of the risk management and 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;

Risk Management and Internal Control Framework (Cont'd)

Key Processes of the Risk Management and Internal Control System (Cont'd)

(iv) In relation to the governance of staff conduct,
- Employee handbook is availed to employees, for understanding of employment terms and conditions, entitlements, discipline, code of ethics and job grading system;
- Whistleblower 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; and
- Segregation of duties is practiced, whereby check and balance mechanism exists to curb manipulation of certain workflows by particular staff, to the detriment of the Group's interests.

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

(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 regulatory bodies.

Internal Audit Function

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

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

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in material losses, contingencies 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 September 30, 2017 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 December 22, 2017.

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

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 seven (7) times during the financial year ended September 30, 2017.

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

	No. of Meetings Attended
Lim Ghim Chai	7/7
Haji Ahmad Fazil Bin Haji Hashim	7/7
Goh Choon Aik	7/7
Ng Seng Bee (retired on March 23, 2017)	5/5

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 unaudited quarterly financial results at the meetings held on November 29, 2016, February 27, 2017, May 30, 2017 and August 29, 2017 respectively.

On December 22, 2016, the Audit Committee reviewed the audited financial statements for the financial year ended September 30, 2016 as well as Deloitte PLT's Management Letter.

The Audit Committee's recommendations were presented at the Board meeting for the Board's approval. Upon obtaining the Board's approval, the financial statements had been released to Bursa Malaysia Securities Berhad ("Bursa Securities") accordingly.

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 Internal Audit Department had presented internal audit reports in quarterly Audit Committee Meetings on November 29, 2016, February 27, 2017, May 30, 2017 and August 29, 2017 respectively, for review.

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

B. Internal Audit (Cont'd)

On December 22, 2016, the Audit Committee reviewed 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

On December 22, 2016, 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 September 30, 2016 with Deloitte PLT.

On December 22, 2016, Deloitte PLT informed 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, Deloitte PLT has furnished information on their fees derived from the audit and non-audit services provided by Deloitte PLT and their network firms.

On December 22, 2016, the Audit Committee deliberated on the final report presented by Deloitte PLT in regard to matters arising from the statutory audit of the Company and its subsidiaries for the financial year ended September 30, 2016. The Audit Committee was also briefed on the following significant risks and areas of audit focus:

<u>Significant risks</u>
- Presumed risk of management override of controls
- Assessment for related party transactions and balances
- Presumed risk of revenue recognition

<u>Areas of audit focus</u>
- Assessment for impairment of property, plant and equipment and investment in subsidiaries
- Assessment for collectability of debts
- Assessment for impairment of goodwill
- Consolidation process

For financial year 2016 audit, Deloitte PLT informed the Audit Committee of the revised Group materiality level as mentioned in Professional Services Planning Memorandum based on the actual results for the group. In addition, Deloitte PLT informed that there was no individual audit adjustment and other misstatements in aggregate not adjusted by the Management in excess of the threshold figure, during the course of external auditing process.

The Audit Committee was satisfied with the professionalism of Deloitte PLT and subsequently recommended to the Board the re-appointment of Deloitte PLT for the financial year ended September 30, 2017.

On August 29, 2017, Deloitte PLT briefed the Audit Committee on the Professional Services Planning Memorandum for the financial year ended September 30, 2017. Key matters that were brought into attention consisted of:

- Auditors' responsibilities;
- Consolidated financial and business highlights;
- Audit risk assessment;
- Significant risks and areas of audit focus;
- Involvement of internal auditors and component auditors;
- Timing of audit;
- Independence policies and procedures;
- Financial reporting and other updates.

The Audit Committee had two (2) private sessions with Deloitte PLT in the absence of Management staffs and executive Board members on November 29, 2016 and December 22, 2016. There was no area of concern raised by Deloitte PLT, for which escalation to the Board was necessitated.

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 within the Group, as presented by the Management and Internal Audit Department, for the period ended October 31, 2016, January 31, 2017, April 30, 2017 and July 31, 2017.

The 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.

The internal auditors conducted reviews routinely on RRPT and RPT (whenever occurred) and presented the memorandums in quarterly Audit Committee Meetings on November 29, 2016, February 27, 2017, May 30, 2017 and August 29, 2017 respectively.

E. Other Matters

On December 22, 2016, 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.

On December 22, 2016, 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 2016 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 2017.

WORK OF THE 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 Internal Audit Department reports directly to the Audit Committee.

The activities carried out by the internal auditors during the financial year ended September 30, 2017 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.

The total costs incurred for the internal audit function for the financial year under review were approximately RM213,283.

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 September 30, 2017, the total audit and non-audit fees paid and payable by the Company and the Group to the external auditors are as follows:-

	Group RM	Company RM
Audit Fees	294,900	34,500
Non-Audit Fees	129,300	14,500

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

At the Extraordinary General Meeting of the Company held on January 14, 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 in the Company.

A total of 65,780,450 free warrants ("Warrants 2015/2020") were issued on February 9, 2015 and listed on the Main Market of Bursa Malaysia Securities Berhad on February 13, 2015 with a 5 years' exercise period from February 9, 2015 to February 8, 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 August 4, 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 August 7, 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 August 7, 2017, being the next market day immediately after the Entitlement Date.

As at September 30, 2017, 46,614,085 warrants were exercised and the balance of unexercised warrants was 75,298,096.

Saved as disclosed above, there were no options, warrants or convertible securities exercised during the financial year ended September 30, 2017.

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 March 23, 2017. Details of such transactions during the financial year are disclosed in Note 39 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 January 25, 2018.

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

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, 1965 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 2017

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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 September 30, 2017.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management services. The information on the name, place 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	61,675,197	8,195,052
Profit attributable to:		
Owners of the Company	58,183,454	8,195,052
Non-controlling interests	3,491,743	-
	61,675,197	8,195,052

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 dividend of RM0.01 per ordinary share amounting to RM1,808,366 proposed in the previous financial year and dealt with in the previous year directors' report was paid on April 19, 2017.

Subsequent to September 30, 2017, the Company proposed a final single tier dividend of 0.5 sen 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 September 30, 2018.

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.

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM87,582,820 to RM99,795,212 during the financial year by way of issuance of 20,257,772 and 7,248,688 new ordinary shares at an exercise price of RM0.55 and RM0.17 per ordinary share respectively pursuant to the exercise of Warrants.

As at the reporting date, the total issued share capital of the Company is RM128,320,545. The Companies Act 2016 ("2016 Act") which came into effect on January 31, 2017 has repealed the Companies Act, 1965. The 2016 Act has abolished the concept of par or nominal value of shares and hence, the share premium and authorised capital are abolished. In accordance with section 618(2) of the 2016 Act, any amount standing to the credit of the Company's share premium account become part of the Company's share capital upon commencement of the Act. Notwithstanding this provision, the Company may within 24 months from the date of the 2016 Act came into effect, use the amount standing to the credit of its share premium accounts totaling RM28,525,333 for purposes as set out in Section 618(3) of the Act. There is no impact on the number of shares in issue or the entitlement of the holders of the Company's shares.

ISSUE OF SHARES AND DEBENTURES (CONT'D)

On July 19, 2017, the Company obtained shareholders' approval at its Extraordinary General Meeting for the Share Split and the Bonus Issue:

i. 195,423,411 ordinary shares in the Company will be subdivided into 488,558,518 subdivided ordinary shares in the Company ("Split Share(s)") pursuant to the Share Split;
ii. 122,003,016 new Split Shares ("Bonus Shares") will be issued pursuant to the Bonus Issue; and
iii. 56,131,731 additional Warrants 2015/2020 ("Additional Warrants") will be issued arising from the adjustment as a result of the Share Split and the Bonus Issue.

The abovementioned Split Shares, Bonus Shares and Additional Warrants have been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from on August 7, 2017.

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

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

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

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

WARRANTS

On February 9, 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 February 13, 2015.

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

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is February 9, 2015 and the expiry date is February 8, 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.

WARRANTS (CONT'D)

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

	Number of Warrants (Unit)			
	Balance as of 1.10.2016	Adjustment as a result of Share Split and Bonus Issue	Exercised	Balance as of 30.9.2017
Number of unexercised Warrants	46,672,825	56,131,731	(27,506,460)	75,298,096

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 allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance 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 allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

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

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

No contingent 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 in which this report is made other than those disclosed in Note 41 to the financial statements.

DIRECTORS

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

Chan Kim Keow
Chew Chee Khong
Chuah Ah Bee
Chuah Hoon Phong
Goh Choon Aik
Lim Ghim Chai
Loo Choo Gee
Tuan Haji Ahmad Fazil Bin Haji Hashim
Wijanti Tjendera
Ng Seng Bee (retired on March 23, 2017)

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 up to the date of this report are:

Ang Choon Lian
Ho Kheng Chew
Leong Youk Leen
Lim Chin Seng
Ong Khoon Chuah
Sia Hui Chen
Tan Ah Baa @ Tan Chye Khoon
Tan Chee Hee
Toh Chye Lam
Too Siew Din
Tuan Haji Abdul Rahman Bin Abdullah
Vincent Leong Weng Fai
Yap Kim Hwah
Yap Kim Seng
Chuah Hoon Teng (appointed on October 18, 2016)
Khor Yu Beng (appointed on October 18, 2016)
Ong Chuan Seng (appointed on October 18, 2016)
Jozef Franciscus Maria Bonang (appointed on October 31, 2016)
Syed Yussof Bin Syed Othman (appointed on January 26, 2017)
Chuah Hoon Hong (appointed on January 31, 2017)
Chiew Kin Huat (appointed on April 28, 2017)
Tan Swee Seong (appointed on June 13, 2017)
Shafiqurrahman Bin Haji Shamsuddin (appointed on October 25, 2017)
Zolkefli Bin Mohamad (appointed on October 25, 2017)
Ching Chin Huat (appointed since the date of incorporation)

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:

	No. of ordinary shares				
Shares in the Company	**Balance as of 1.10.2016**	**Share split & bonus issue**	**Bought**	**Sold**	**Balance as of 30.9.2017**
Direct interest:					
Chan Kim Keow	29,074,000	63,269,749	700,000	-	93,043,749
Chuah Ah Bee	50,297,094	116,940,802	4,898,872	-	172,136,768
Chuah Hoon Phong	3,091,400	8,375,474	850,000	-	12,316,874
Goh Choon Aik	550	1,168	-	-	1,718
Loo Choo Gee	1,609,975	3,366,795	-	(25,600)	4,951,170
Tuan Haji Ahmad Fazil Bin Haji Hashim	5,000	10,625	-	-	15,625
Indirect interest:					
Chan Kim Keow	58,188,494	140,579,726	9,631,672	-	208,399,892
Chuah Ah Bee	36,965,400	86,908,673	5,432,800	-	129,306,873
Chuah Hoon Phong	5,000	10,625	-	-	15,625

	No. of warrants over ordinary shares					
Warrants in the Company	**Balance as of 1.10.2016**	**Share split & bonus issue**	**Entitled/ acquired**	**Exercised**	**Disposal**	**Balance as of 30.9.2017**
Direct interest:						
Chan Kim Keow	2,000,000	2,762,499	-	(700,000)	-	4,062,499
Chuah Ah Bee	13,328,047	14,012,621	-	(4,898,872)	(2,000,000)	20,441,796
Chuah Hoon Phong	1,498,700	1,378,487	-	(850,000)	-	2,027,187
Goh Choon Aik	275	584	-	-	-	859
Loo Choo Gee	2,304,987	3,825,000	-	-	(504,987)	5,625,000
Tuan Haji Ahmad Fazil Bin Haji Hashim	2,500	5,312	-	-	-	7,812
Indirect interest:						
Chan Kim Keow	16,585,747	17,678,033	-	(9,931,672)	-	24,332,108
Chuah Ah Bee	5,257,700	6,427,911	2,000,000	(5,432,800)	(300,000)	7,952,811
Chuah Hoon Phong	49,500	105,187	-	-	-	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' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration and directors' benefit in kind in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions mentioned in Note 39 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might 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 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 RM31,974.

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.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended September 30, 2017 is as disclosed in Note 10 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

CHUAH AH BEE

CHUAH HOON PHONG

Penang,

December 22, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAB CAKARAN CORPORATION BERHAD

(Incorporated in Malaysia)

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 of the Group and of the Company as of September 30, 2017, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 56 to 168.

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 of September 30, 2017, and of their financial performance and their cash flows for the year then ended in accordance with 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.

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 the matter was addressed in the audit
Acquisition of Farm's Best Food Industries Sdn. Bhd. ("FBFI")	
During the year, the Group made a number of acquisitions, most notably the acquisition of FBFI for RM7,361,254. 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. However, management has engaged professional valuer to revalue FBFI's land and building and plant and machinery to arrive at the adjustments on property, plant and equipment.	Our audit procedures included, among others: • Tested the design and implementation of controls around management's process for the determination of fair value adjustments. • Assessed whether the methodology utilised by management in determining the fair valuation of assets and liabilities acquired was appropriate, included assessing the completeness of fair value adjustments recognised and the appropriateness of valuation methodologies applied in order to determine the fair value of assets and liabilities. • Assessed the completeness and appropriateness of the accounting by reading the key documents associated with the acquisition, including the sale and purchase agreement and board papers. • Visited FBFI to understand the nature of the acquired operations and assessed the condition of the assets.

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Impairment of investments in subsidiaries As disclosed in Note 17 to the financial statements, the Company holds RM95,572,517 in investments in subsidiaries, which comprises 70% of the total assets of the Company. Judgement is required by the Directors in assessing the impairment and the recoverability of the investments in subsidiaries. This is based on the value in use, using cash flow projections, covering a five-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.	Our audit procedures included, among others: • 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. • Key assumptions challenged include forecast future cash flows, future growth rates and the discount rate applied. • Compared the projected cash flows against historical performance to test the reasonableness of the projections. • Evaluated management's assessment of the sensitivity of the impairment model to reasonable possible changes and considered the disclosures provided by the management in relation to its impairment review
Valuation of property, plant and equipment and investment properties The total carrying value of property, plant and equipment and investment properties amounted to RM 618,762,223, which represent the largest asset category on the statement of financial position (58% of total assets of the Group). Freehold land and buildings included in property, plant and equipment and investment properties are stated at valuation. The Group has appointed independent professional valuers to perform valuations of such land and buildings. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge.	Our audit procedures included, among others: • Assessed the objectivity, independence, reputation and expertise of the independent valuers. • Obtained an understanding of the methodology adopted by the independent valuers in estimating the valuation of the investment properties and assessed whether such methodology is consistent with those used in the industry. • Evaluated the appropriateness of the data used by the independent valuers as inputs into their valuations. We interviewed the independent valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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 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 the Company's internal control.

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

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

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

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

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 our independence, and where applicable, related safeguards.

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

From the matters communicated with the directors, we determine those matters that were of most significant 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 Reporting Responsibilities

The supplementary information set out in Note 43 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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 towards any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

LEE CHENG HEOH
Partner – 2225/04/18(J)
Chartered Accountant

Penang,

December 22, 2017

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended September 30, 2017

		The Group		The Company	
	Note	2017	2016	2017	2016
		RM	RM	RM	RM
Revenue	5	**1,492,091,712**	1,101,305,723	**9,471,931**	5,352,157
Cost of sales		**(1,320,451,343)**	(994,425,771)	**-**	-
Gross profit		**171,640,369**	106,879,952	**9,471,931**	5,352,157
Investment revenue	6	**700,241**	552,282	**180,314**	330,023
Other income		**14,704,724**	10,962,358	**925,378**	-
Other gains and losses	7	**4,627,615**	4,757,864	**-**	-
Distribution costs		**(43,715,688)**	(28,661,620)	**-**	-
Administrative expenses		**(48,916,478)**	(36,344,621)	**(2,259,200)**	(2,305,745)
Finance costs	8	**(14,654,598)**	(11,090,530)	**-**	-
Share of result of associate	18	**(185,136)**	-	**-**	-
Other expenses		**(1,133,454)**	(343,954)	**(537)**	-
Profit before tax		**83,067,595**	46,711,731	**8,317,886**	3,376,435
Tax expense	9	**(21,392,398)**	(10,754,385)	**(122,834)**	-
Profit for the year	10	**61,675,197**	35,957,346	**8,195,052**	3,376,435
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss:					
Gain arising on revaluation of properties		**128,839,781**	-	**-**	-
Income tax relating to components of other comprehensive income		**(13,740,726)**	-	**-**	-
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**899,248**	(492,192)	**-**	-
Other comprehensive income/(loss) for the year, net of tax		**115,998,303**	(492,192)	**-**	-
Total comprehensive income for the year		**177,673,500**	35,465,154	**8,195,052**	3,376,435

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Cont'd)*

for the year ended September 30, 2017

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Profit attributable to:					
Owners of the Company		**58,183,454**	25,997,971	**8,195,052**	3,376,435
Non-controlling interests		**3,491,743**	9,959,375	**-**	-
		61,675,197	35,957,346	**8,195,052**	3,376,435
Total comprehensive income attributable to:					
Owners of the Company		**132,959,447**	25,758,126	**8,195,052**	3,376,435
Non-controlling interests		**44,714,053**	9,707,028	**-**	-
		177,673,500	35,465,154	**8,195,052**	3,376,435
Earnings per share:					
Basic (sen per share)	11	**10.12**	5.15		
Diluted (sen per share)	11	**8.76**	4.24		

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

STATEMENTS OF FINANCIAL POSITION

as of September 30, 2017

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Assets					
Non-current assets					
Property, plant and equipment	12	**532,724,223**	318,584,558	**4,664**	2,142
Investment properties	13	**86,038,000**	78,409,000	**-**	-
Prepaid lease payments on leasehold land	14	**13,341,972**	9,473,027	**-**	-
Other intangible assets	15	**11,504,699**	12,498,749	**-**	-
Goodwill	16	**6,218,940**	6,218,940	**-**	-
Interest in subsidiaries	17	**-**	-	**120,431,176**	84,346,624
Investments in an associate company	18	**204,395**	-	**-**	-
Other financial asset	19	**260,094**	715,385	**-**	-
Agricultural development expenditures	20	**33,413**	40,693	**-**	-
Deferred tax assets	22	**17,000**	15,000	**-**	-
Total non-current assets		**650,342,736**	425,955,352	**120,435,840**	84,348,766
Current assets					
Inventories	23	**85,034,438**	52,231,417	**-**	-
Trade and other receivables	21	**180,884,551**	128,817,193	**14,751,910**	24,567,692
Current tax assets	9	**840,118**	408,811	**37,214**	1,375
Other assets	24	**46,232,565**	14,710,595	**101,702**	4,691,850
Short-term deposits with licensed banks	25	**50,293,859**	36,013,720	**-**	-
Cash and bank balances	26	**51,761,546**	33,827,611	**677,882**	3,727,077
		415,047,077	266,009,347	**15,568,708**	32,987,994
Non-current assets classified as held for sale	27	**125,000**	125,000	**-**	-
Total current assets		**415,172,077**	266,134,347	**15,568,708**	32,987,994
Total assets		**1,065,514,813**	692,089,699	**136,004,548**	117,336,760

STATEMENTS OF FINANCIAL POSITION *(Cont'd)*

as of September 30, 2017

	Note	The Group		The Company	
		2017	2016	2017	2016
		RM	RM	RM	RM
Equity and liabilities					
Capital and reserves					
Share capital	28	**128,320,545**	87,582,820	**128,320,545**	87,582,820
Treasury shares	28	**(69,304)**	(69,304)	**(69,304)**	(69,304)
Reserves	29	**112,426,805**	66,374,969	**-**	28,363,673
Retained earnings	30	**149,126,361**	92,390,789	**7,559,406**	1,172,720
Equity attributable to owners of the Company		**389,804,407**	246,279,274	**135,810,647**	117,049,909
Non-controlling interests	31	**140,890,658**	54,141,979	**-**	-
Total equity		**530,695,065**	300,421,253	**135,810,647**	117,049,909
Non-current liabilities					
Borrowings	33	**127,295,668**	103,131,998	**-**	-
Deferred tax liabilities	22	**40,017,473**	18,425,629	**-**	-
Deferred revenue	34	**64,039**	105,969	**-**	-
Total non-current liabilities		**167,377,180**	121,663,596	**-**	-
Current liabilities					
Trade and other payables	32	**201,031,224**	145,945,793	**193,901**	286,851
Borrowings	33	**159,201,987**	119,216,371	**-**	-
Other financial liability	19	**5,921**	8,190	**-**	-
Current tax liabilities	9	**7,160,163**	4,784,340	**-**	-
Deferred revenue	34	**43,273**	50,156	**-**	-
Total current liabilities		**367,442,568**	270,004,850	**193,901**	286,851
Total liabilities		**534,819,748**	391,668,446	**193,901**	286,851
Total equity and liabilities		**1,065,514,813**	692,089,699	**136,004,548**	117,336,760

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended September 30, 2017

The Group

	Note	Share capital RM	Treasury shares RM	Share premium RM	Property revaluation reserve RM	Translation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Balance as of October 1, 2015		75,321,995	(69,304)	4,239,703	37,047,088	1,570,367	66,055,157	184,165,006	45,203,073	229,368,079
Profit for the year		-	-	-	-	-	25,997,971	25,997,971	9,959,375	35,957,346
Other comprehensive loss		-	-	-	-	(239,845)	-	(239,845)	(252,347)	(492,192)
Total comprehensive (loss)/ income for the year		-	-	-	-	(239,845)	25,997,971	25,758,126	9,707,028	35,465,154
Issuance of ordinary shares pursuant to:										
- Private placement	28	7,532,200	-	23,651,108	-	-	-	31,183,308	-	31,183,308
- Exercise of Warrants	28	4,728,625	-	472,862	-	-	-	5,201,487	-	5,201,487
Subscription of ordinary shares by non-controlling interest in a subsidiary		-	-	-	-	-	-	-	121	121
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(420,000)	(420,000)
Arising from increase in equity interest in a subsidiary		-	-	-	-	-	(28,653)	(28,653)	(348,243)	(376,896)
Transfer to retained earnings		-	-	-	(358,563)	-	358,563	-	-	-
Realisation of property revaluation reserve upon write-off of revalued properties		-	-	-	(7,751)	-	7,751	-	-	-
Balance as of September 30, 2016		87,582,820	(69,304)	28,363,673	36,680,774	1,330,522	92,390,789	246,279,274	54,141,979	300,421,253

The Group

	Note	Share capital RM	Treasury shares RM	Share premium RM	Property revaluation reserve RM	Translation reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Balance as of October 1, 2016		87,582,820	(69,304)	28,363,673	36,680,774	1,330,522	92,390,789	246,279,274	54,141,979	300,421,253
Profit for the year		-	-	-	-	-	58,183,454	58,183,454	3,491,743	61,675,197
Other comprehensive income		-	-	-	74,340,514	435,479	-	74,775,993	41,222,310	115,998,303
Total comprehensive income for the year		-	-	-	74,340,514	435,479	58,183,454	132,959,447	44,714,053	177,673,500
Advances from non-controlling interests		-	-	-	-	-	-	-	36,000,000	36,000,000
Issuance of ordinary shares pursuant to exercise of Warrants	28	12,212,392	-	161,660	-	-	-	12,374,052	-	12,374,052
Additional non-controlling interest arising on the acquisition of a subsidiary		-	-	-	-	-	-	-	6,535,814	6,535,814
Subscription of ordinary shares by non-controlling interests in a subsidiary		-	-	-	-	-	-	-	675,000	675,000
Dividend paid	35	-	-	-	-	-	(1,808,366)	(1,808,366)	-	(1,808,366)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(1,176,188)	(1,176,188)
Transfer arising from "no par value" regime	28	28,525,333	-	(28,525,333)	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	(360,484)	-	360,484	-	-	-
Balance as of September 30, 2017		**128,320,545**	**(69,304)**	**-**	**110,660,804**	**1,766,001**	**149,126,361**	**389,804,407**	**140,890,658**	**530,695,065**

STATEMENTS OF CHANGES IN EQUITY *(Cont'd)*

for the year ended September 30, 2017

The Company

	Note	Share Capital RM	Treasury shares RM	Share premium RM	(Accumulated losses)/ retained earnings RM	Total RM
Balance as of October 1, 2015		75,321,995	(69,304)	4,239,703	(2,203,715)	77,288,679
Profit for the year		-	-	-	3,376,435	3,376,435
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	3,376,435	3,376,435
Issuance of ordinary shares pursuant to:	28					
- Private placements		7,532,200	-	23,651,108	-	31,183,308
- Exercise of Warrants		4,728,625	-	472,862	-	5,201,487
Balance as of September 30, 2016		87,582,820	(69,304)	28,363,673	1,172,720	117,049,909
Balance as of October 1, 2016		87,582,820	(69,304)	28,363,673	1,172,720	117,049,909
Profit for the year		-	-	-	8,195,052	8,195,052
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	8,195,052	8,195,052
Issuance of ordinary shares pursuant to exercise of Warrants	28	12,212,392	-	161,660	-	12,374,052
Dividend paid	35	-	-	-	(1,808,366)	(1,808,366)
Transfer arising from "no par value" regime	28	28,525,333	-	(28,525,333)	-	-
Balance as of September 30, 2017		**128,320,545**	**(69,304)**	**-**	**7,559,406**	**135,810,647**

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

STATEMENTS OF CASH FLOWS

for the year ended September 30, 2017

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash flows from operating activities				
Profit for the year	**61,675,197**	35,957,346	**8,195,052**	3,376,435
Depreciation and amortisation of non-current assets	**29,802,728**	21,916,691	**2,568**	1,204
Tax expense recognised in profit or loss	**21,392,398**	10,754,385	**122,834**	-
Interest expense	**13,645,440**	10,148,851	**-**	-
Loss on revaluation of properties	**1,269,943**	-	**-**	-
Amortisation of intangible assets	**1,006,654**	1,154,828	**-**	-
Impairment loss recognised on receivables	**959,163**	1,178,029	**-**	-
Property, plant and equipment written off	**580,772**	219,842	**-**	-
Bad debts written off	**213,122**	58,265	**-**	-
Share of result of associate	**185,136**	-	**-**	-
Deposits written off	**66,073**	750	**-**	-
Allowance for inventories obsolescence	**56,353**	-	**-**	-
Loss/(gain) on disposal of property, plant and equipment	**44,598**	(54,886)	**-**	-
Gain on fair value adjustment of investment properties	**(9,191,887)**	(6,954,550)	**-**	-
Interest revenue recognised in profit or loss	**(1,519,701)**	(596,671)	**(180,314)**	(330,023)
Reversal of loss on revaluation of properties recognised in prior years	**(453,803)**	-	**-**	-
Unrealised (gain)/loss on foreign exchange	**(113,512)**	308,807	**-**	-
Amortisation of deferred revenue on:				
- government grant	**(41,913)**	(47,209)	**-**	-
- franchise fee income	**(9,375)**	(6,510)	**-**	-
Gain from bargain purchase	**(20,764)**	-	**-**	-
Reversal of inventories written down	**(3,387)**	-	**-**	-
Net fair value gain on other financial liability	**(2,269)**	(6,372)	**-**	-
Reversal of impairment loss recognised on receivables	**(1,608)**	(459,467)	**-**	-
Inventories written down	**-**	19,740	**-**	-
Inventories written off	**-**	13,650	**-**	-
Impairment loss recognised on property, plant and equipment	**-**	4,841	**-**	-
Gross dividend income from available-for-sale investment	**-**	(5,000)	**-**	-
Gross dividend received from a subsidiary	**-**	-	**(9,105,000)**	(5,025,000)
	119,539,358	73,605,360	**(964,860)**	(1,977,384)

STATEMENTS OF CASH FLOWS *(Cont'd)*

for the year ended September 30, 2017

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Movements in working capital:					
Increase in inventories		**(24,037,491)**	(2,923,219)	**-**	-
(Increase)/decrease in trade and other receivables		**(33,039,812)**	(23,159,906)	**-**	833,173
Decrease/(increase) in other assets		**2,303,431**	(9,259,097)	**4,590,148**	(4,690,850)
Increase/(decrease) in trade and other payables		**7,095,986**	19,168,163	**(93,512)**	194,231
Increase in deferred revenue		**-**	26,594	**-**	-
Cash generated from/ (used in) operations		**71,861,472**	57,457,895	**3,531,776**	(5,640,830)
Interest received		**1,090,980**	322,176	**-**	-
Taxes refunded		**292,295**	527,528	**-**	1,776
Taxes paid		**(17,115,076)**	(7,990,434)	**(158,673)**	(1,523)
Net cash from/(used in) operating activities		**56,129,671**	50,317,165	**3,373,103**	(5,640,577)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**867,263**	193,501	**-**	-
Interest received		**409,492**	255,594	**180,314**	330,023
Proceed from disposal of available-for-sale investment		**78,010**	-	**-**	-
Payments for property, plant and equipment	36	**(45,420,144)**	(67,609,573)	**(5,090)**	-
(Increase)/decrease in other assets for acquisition of property, plant and equipment		**(32,443,318)**	2,205,059	**-**	-
Net cash outflow on acquisition of a subsidiary	17	**(6,297,111)**	-	**-**	-
Payments for investment properties	13	**(64,942)**	(197,450)	**-**	-
Dividend received from available-for-sale investment		**-**	5,000	**-**	-
Payments for prepaid lease payments on leasehold land	14	**-**	(600,000)	**-**	-
Payments for purchase of available-for-sale investment		**-**	(447,675)	**-**	-
Payments for agricultural development expenditures		**-**	(10,535)	**-**	-
Repayment from/(advances granted to) subsidiaries		**-**	-	**9,815,782**	(23,383,920)
Dividend received from a subsidiary		**-**	-	**9,105,000**	5,025,000
Advances granted to a subsidiary		**-**	-	**(24,858,659)**	-
Payments for acquisition of a subsidiary		**-**	-	**(6,825,893)**	-
Payments for purchase of additional shares in subsidiaries		**-**	-	**(4,400,000)**	(9,100,100)
Net cash used in investing activities		**(82,870,750)**	(66,206,079)	**(16,988,546)**	(27,128,997)

STATEMENTS OF CASH FLOWS *(Cont'd)*

for the year ended September 30, 2017

		The Group		The Company	
	Note	2017	2016	2017	2016
		RM	RM	RM	RM
Cash flows from financing activities					
Advances from non-controlling interests		**36,816,510**	-	**-**	-
Increase in short-term borrowings		**35,557,751**	4,231,814	**-**	-
Proceeds from long-term loans		**13,560,000**	33,870,000	**-**	-
Proceeds from Warrants exercise		**12,374,052**	5,201,487	**12,374,052**	5,201,487
Proceeds from hire-purchase		**967,201**	2,185,037	**-**	-
Proceeds from issuance of shares by a subsidiary to non-controlling interests		**675,000**	121	**-**	-
Repayment of long-term loans		**(14,980,816)**	(7,364,185)	**-**	-
Interest paid		**(13,326,487)**	(10,067,705)	**-**	-
Repayment of hire-purchase payables		**(10,470,380)**	(9,712,732)	**-**	-
Dividend paid		**(1,808,366)**	-	**(1,808,366)**	-
Dividend paid to non-controlling interests of subsidiaries		**(1,176,188)**	(420,000)	**-**	-
Short-term deposits pledged as securities		**(396,568)**	(2,424,275)	**-**	-
Proceeds from private placement		**-**	31,183,308	**-**	31,183,308
Increase in equity interest in a subsidiary		**-**	(376,896)	**-**	-
Advances granted from a subsidiary		**-**	-	**562**	-
Net cash from financing activities		**57,791,709**	46,305,974	**10,566,248**	36,384,795
Net increase/(decrease) in cash and cash equivalents		**31,050,630**	30,417,060	**(3,049,195)**	3,615,221
Cash and cash equivalents at the beginning of the year		**60,388,155**	30,018,169	**3,727,077**	111,856
Effects of exchange rates changes on the balances of cash held in foreign currencies		**364,014**	(47,074)	**-**	-
Cash and cash equivalents at the end of the year	36	**91,802,799**	60,388,155	**677,882**	3,727,077

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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

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. The principal activities of the subsidiaries are as stated in Note 17.

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 December 22, 2017.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Adoption of the Malaysian Financial Reporting Standards

On November 19, 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully International Financial Reporting Standards ("IFRS") - compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of MFRS Framework until such time as mandated by the MASB. On October 28, 2016, the MASB announced that TEs which have chosen to continue with the FRS Framework shall comply with MFRS for annual period beginning on or after January 1, 2018.

The Group and the Company, being TE, has availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of their financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 First-time adoption of Malaysian Financial Reporting Standards in their financial statements for financial year ending September 30, 2019, being the first set of financial statements prepared in accordance with new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in those financial statements.

MFRS 15 and MFRS 16 which becomes effective upon adoption of the MFRS framework, is discussed below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

MFRS 15 Revenue from Contracts with Customers (Cont'd)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors of the Group and the Company anticipate that the application of MFRS 15 in the future may have an impact on the amounts reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group and the Company complete a detailed review.

MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The directors of the Group and the Company anticipate that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group and the Company perform a detailed review.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

The directors of the Group and the Company anticipate that the application of MFRS 141 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 141 until the Group and the Company perform a detailed review.

Adoption of New and Revised FRSs

In the current financial year, the Group and the Company have applied a number of amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after October 1, 2016.

The adoption of the revised FRSs has had no material impact on the disclosures or on the amounts recognised in the financial statements.

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

New and revised standards in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised standards which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

FRS 9	Financial Instruments [b]
Amendments to FRS 2 #	Classification and Measurement of Share-based Payment Transactions [a]
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [d]
Amendments to FRS 140 #	Transfers of Investment Property [a]
Amendments to FRSs #	Annual Improvements to FRSs 2014 - 2016 cycle [c]
IC Interpretation 22	Foreign Currency Transactions and Advance Transactions[a]

[a] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

[b] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. In addition, an entity may elect to early apply only the requirements for the presentation of gains or losses on financial liabilities designated as at fair value through profit or loss for annual periods beginning before January 1, 2018, as stated in paragraph 7.1.2 of FRS 9.

[c] Comprises amendments to three FRSs (individual amendments can be early adopted without the need to early adopt all the other amendments).

(i) FRS 1 First-time adoption of Financial Reporting Standards – Deletion of short-term exemptions for first-time adoption.

(ii) FRS 2 Disclosure of Interest in Other Entities – clarification of scope of the standard.*

(iii) FRS 128 Investments in Associates and Joint Ventures – Measuring an associate or joint venture of fair value.

* Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

[d] Effective for annual periods beginning on or after a date to be determined.

\# An entity that has in the alternative applied FRSs shall apply MFRSs for annual periods beginning on or after January 1, 2018. Such as entity shall apply the corresponding amendments under MFRSs instead of these Amendments, on or after January 1, 2018.

The directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these FRSs will have no material impact on the financial statements of the Group and the Company in the period of initial application except as discussed below:

Amendments to FRS 140 Transfers of Investment Property

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in FRS 140 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

The amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.

The directors of the Group and the Company anticipate that the application of these amendments may have an impact on the Group 's financial statements in future periods should there be a change in use of any of their properties.

IC Int. 22 Foreign Currency Transactions and Advance Consideration

This Interpretation addresses the diversity in practice as to the exchange rate used when reporting transactions that are denominated in a foreign currency in accordance with MFRS 121 The Effects of Chances in Foreign Exchange Rates in circumstances in which consideration is received or paid in advance of the recognition of the related asset, expense or income.

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

IC Int. 22 Foreign Currency Transactions and Advance Consideration (Cont'd)

The clarification provided is that in such circumstances (i.e. 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 (i.e. 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.

The amendments apply to annual periods beginning on or after January 1, 2018 with earlier application permitted. A choice is available as to whether the amendments are to be applied either retrospectively or prospectively. The directors of the Group and the Company do not anticipate that the application of these amendments may have an impact on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts, at fair values or at amortised costs at the end of each reporting period, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Subsidiaries and Basis of Consolidation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

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.

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 FRS 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (Cont'd)

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 FRS 112 Income Taxes and FRS 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 FRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 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 FRSs.

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 FRS 139 Financial Instruments: Recognition and Measurement or FRS 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Investments in an associate

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.

The results and assets and liabilities of associate 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 FRS 5.

Under the equity method, an investment in an associate 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. When the Group's share of losses exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), 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.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate 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 FRS139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 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 FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in an associate (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate 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 FRS 139. The difference between the carrying amount of the associates 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 is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate 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.

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 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 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 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.

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) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and
(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Rental revenue

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(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) Rendering of services

Revenue from repackaging services represents gross invoiced value of services rendered and is recognised upon rendering of services.

(e) 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.

(f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group'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 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 as lessee

Assets held under finance leases are initially recognised as assets of the Group 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 achieve 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 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.

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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currencies (Cont'd)

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 to 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 rates 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 disposal 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 though 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.

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 is 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government grants (Cont'd)

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 their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued properties is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

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 accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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

Buildings	2% - 21%
Plant, machinery and equipment	5% - 33%
Electrical installation	10% & 50%
Office equipment	5% - 100%
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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (Cont'd)

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.

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

Distribution network	15 years
Customer lists	5 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of tangible and intangible assets other than goodwill

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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:

Pre-cropping expenditure - Oil palm	5%
Pre-cropping expenditure - Banana	50%

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 parent stocks, grand parent stocks, broiler chicken and pullet consists of the original purchase price of birds plus growing costs which include cost of feeds and consumables, direct labour and a proportion of farm overheads. Cost is determined based on specific identification method.

Cost of eggs consists of cost of parent stocks, direct labour and a proportion of overheads absorbed based on hatching period of the eggs. Cost is determined based on weighted average method.

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

Goods-in-transit is stated at cost.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions

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

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

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

Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's results are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group, 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

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

Financial assets of the Group and of the Company are classified into the following specified categories: 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

(ii) 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 at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Available-for-sale financial assets (Cont'd)

Gains and 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 an 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 right to receive the dividends is established.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iv) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

i) significant financial difficulty of the issuer or counterparty; or
ii) breach of contract, such as a default or delinquency in interest or principal payments; or
iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
iv) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit periods, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(iv) Impairment of financial assets

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

(v) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(b) Financial liabilities and equity instruments issued by the Group and by the Company

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

(b) Financial liabilities and equity instruments issued by the Group and by the Company (Cont'd)

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

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

A financial liability 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 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.

A financial liability other than a financial liability 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 liability 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 FRS 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 liabilities 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 the 'other gains and losses' line item. Fair value is determined in the manner described in Note 37.

(iv) Other financial liabilities

Other financial liabilities of the Group and of the Company, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(v) 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 payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with FRS 137; and
- The amount initially recognised less, where appropriate, cumulative amortisaton recognised in accordance with the revenue recognition policies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

(b) Financial liabilities and equity instruments issued by the Group and by the Company (Cont'd)

(vi) Derecognition of financial liabilities

The Group and of the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(c) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk using foreign exchange forward contracts.

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.

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.

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

(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 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 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 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 September 30, 2017 was RM532,724,223 (2016: RM318,584,558) after impairment losses recognised of RM169,375 (2016: RM169,375) and the carrying amounts of intangible assets of the Group is RM11,504,699 (2016: RM12,498,749).

(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 September 30, 2017 was RM95,572,517 (2016: RM84,346,624) after impairment losses recognised of RM20,755,865 (2016: RM20,755,865).

(iii) Impairment of receivables

The carrying amount of trade and other receivables of the Group and of the Company as of September 30, 2017 were RM180,884,551 and RM14,751,910 (2016: RM128,817,193 and RM24,567,692) 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.

5. REVENUE

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Sale of goods	**1,491,926,337**	1,101,019,254	**-**	-
Rental of poultry farm	**156,000**	156,000	**-**	-
Franchise fee	**9,375**	6,510	**-**	-
Rendering of service	**-**	123,959	**-**	-
Gross dividend income from investment in a subsidiary	**-**	-	**9,105,000**	5,025,000
Management fee	**-**	-	**340,100**	309,600
Internal audit charges	**-**	-	**26,831**	17,557
	1,492,091,712	1,101,305,723	**9,471,931**	5,352,157

6. INVESTMENT REVENUE

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Interest revenue on:				
Short-term deposits	**361,490**	248,383	**-**	-
Bank balances	**67,230**	26,112	**-**	-
Amount owing by a subsidiary	**-**	-	**180,314**	330,023
Rental revenue from:				
Premises	**223,521**	223,011	**-**	-
Vegetable farm	**48,000**	49,776	**-**	-
Gross dividend income from available-for-sale investment	**-**	5,000	**-**	-
	700,241	552,282	**180,314**	330,023

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

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Interest revenue for financial assets not designated as at fair value through profit or loss:				
Loan and receivables (including cash and bank balances)	**428,720**	274,495	**180,314**	330,023
Rental revenue on investment properties	**271,521**	272,787	**-**	-
Gross dividend income from available-for-sale investment	**-**	5,000	**-**	-
	700,241	552,282	**180,314**	330,023

7. OTHER GAINS AND LOSSES

	The Group	
	2017	**2016**
	RM	**RM**
Gain on fair value adjustment of investment properties (Note 13)	**9,191,887**	6,954,550
Reversal of loss arising on revaluation of properties in prior years	**453,803**	-
Unrealised gain/(loss) on foreign exchange	**113,512**	(308,807)
Amortisation of deferred revenue on government grant	**41,913**	47,209
Gain from bargain purchase	**20,764**	-
Gain on contract farming	**8,966**	231,772
Net fair value gain on other financial liability	**2,269**	6,372
Reversal of impairment loss recognised on receivables	**1,608**	459,467
Loss on revaluation of properties	**(1,269,943)**	-
Amortisation of intangible assets (Note 15)	**(1,006,654)**	(1,154,828)
Impairment loss recognised on receivables	**(959,163)**	(1,178,029)
Property, plant and equipment written off	**(580,772)**	(219,842)
Realised (loss)/gain on foreign exchange	**(537,581)**	343,935
Performance incentives	**(529,201)**	(417,475)
Bad debt written off	**(213,122)**	(58,265)
Deposits written off	**(66,073)**	(750)
(Loss)/gain on disposal of property, plant and equipment	**(44,598)**	54,886
Bad debts recovered	**-**	2,510
Impairment loss recognised on property, plant and equipment	**-**	(4,841)
	4,627,615	4,757,864

8. FINANCE COSTS

	The Group	
	2017	**2016**
	RM	**RM**
Interest expenses for financial liabilities not classified as fair value through profit or loss:		
Long-term loans	**8,092,864**	4,817,566
Short-term borrowings	**4,154,761**	3,929,000
Hire-purchase	**1,397,815**	1,402,285
Bank commission	**952,376**	877,717
Bank charges	**56,782**	63,962
	14,654,598	11,090,530

9. TAX EXPENSE

Tax expense recognised in profit or loss

Tax expense comprises:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Current year:				
Current tax expense:				
Malaysian	**16,049,371**	7,634,620	**113,000**	-
Foreign	**2,630,498**	2,173,549	**-**	-
Deferred tax expense/(income):				
Recognition of deferred real property gains tax on fair value adjustment of investment properties	**1,024,730**	358,600	**-**	-
Relating to the origination and reversal of temporary differences:				
Crystallisation of deferred tax liabilities on property revaluation surplus	**(645,282)**	(203,527)	**-**	-
Reversal upon disposal of revalued properties	**(7,334)**	-	**-**	-
Other temporary differences	**680,936**	663,607	**-**	-
	19,732,919	10,626,849	**113,000**	-
Adjustments recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	**70,199**	139,153	**9,834**	-
Foreign	**(39,570)**	22,088	**-**	-
Deferred tax:				
Malaysian	**1,628,850**	(76,718)	**-**	-
Foreign	**-**	43,013	**-**	-
Total tax expense	**21,392,398**	10,754,385	**122,834**	-

The estimated amounts of tax benefits arising from previously unused tax losses, unused tax capital allowance and unused reinvestment allowances that are used to reduce current tax expense of the Group are as follows:

	The Group	
	2017	2016
	RM	RM
Unused tax losses	**347,000**	210,000
Unused tax capital allowances	**-**	7,000

9. TAX EXPENSE (CONT'D)

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

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

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	**83,067,595**	46,711,731	**8,317,886**	3,376,435
Tax expense calculated using the Malaysian income tax rate of 24% (2016: 24%)	**19,936,000**	11,211,000	**1,996,000**	810,000
Effect of expenses that are not deductible in determining taxable profit	**3,296,523**	1,997,249	**302,000**	396,000
Effect of revenue that is not taxable	**(2,879,000)**	(2,108,000)	**(2,185,000)**	(1,206,000)
Deferred real property gains tax on fair value adjustment of investment properties	**1,024,730**	358,600	**-**	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**587,000**	701,000	**-**	-
Effect of previously unrecognised deductible temporary differences now recognised as deferred tax assets	**(1,085,000)**	(529,000)	**-**	-
Effect of different tax rate of subsidiaries operating in other jurisdiction	**(1,140,000)**	(1,004,000)	**-**	-
Reversal of deferred tax liabilities upon disposal of revalued properties	**(7,334)**	-	**-**	-
	19,732,919	10,626,849	**113,000**	-
Adjustments recognised in the current year in relation to prior years:				
Current tax	**30,629**	161,241	**9,834**	-
Deferred tax	**1,628,850**	(33,705)	**-**	-
Tax expense recognised in profit or loss	**21,392,398**	10,754,385	**122,834**	-

The Group is operating in the jurisdictions of Malaysia and Republic of Singapore. The applicable domestic statutory income tax rates are 24% (2016: 24%) for Malaysia and 17% (2016: 17%) for Republic of Singapore. The applicable tax rate of 24% (2016: 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 (CONT'D)

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

The Budget 2017 announced on October 21, 2016 proposed that the incremental portion of chargeable income compared to the immediate preceding year of assessment enjoys reduced income tax rate as follows with effect from year of assessment 2017 and 2018. Following these, the applicable tax rate to be used for the measurement of any applicable deferred tax will be the below expected rate:

% of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point reduction in tax rate (%)	Tax rate after reduction (%)
Less than 5%	Nil	24
5% to 9.99%	1	23
10% to 14.99%	2	22
15% to 19.99%	3	21
20% and above	4	20

Tax expense recognised in other comprehensive income

	The Group	
	2017	2016
	RM	RM
Deferred tax:		
Arising on income and expenses recognised in other comprehensive income		
Property revaluations	**13,740,726**	-

Current tax assets/(liabilities)

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Current tax assets				
Tax refund receivables	**840,118**	408,811	**37,214**	1,375
Current tax liabilities				
Income tax payables	**(7,160,163)**	(4,784,340)	**-**	-

9. TAX EXPENSE (CONT'D)

Current tax assets/(liabilities) (Cont'd)

As of September 30, 2017, 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	
	2017	2016
	RM	RM
Unused tax losses	**49,144,000**	17,015,000
Unused tax capital allowances	**27,402,000**	28,572,000
Unused allowance for increased export	**1,155,000**	1,155,000
Unused reinvestment allowances	**736,000**	368,000
Unused agricultural allowances	**35,000**	35,000

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
After charging:				
Depreciation of property, plant and equipment (Note 12)	**29,514,393**	21,676,415	**2,568**	1,204
Directors' remuneration:				
Directors of the Company:				
Fee	**594,754**	360,084	**242,910**	145,200
Contribution to employees provident funds	**255,467**	219,646	**1,378**	1,238
Other emoluments	**2,607,851**	2,200,290	**17,700**	11,525
Directors of subsidiaries:				
Fee	**214,557**	113,582	**-**	-
Contribution to employees provident fund	**272,890**	242,413	**-**	-
Other emoluments	**2,437,981**	2,099,394	**-**	-
Pre-operating expenses:				
Employee benefits expenses:				
Contribution to employees provident funds	**8,155**	-	**-**	-
Other employee benefits	**70,823**	-	**-**	-
Rental of premises	**16,792**	-	**-**	-
Preliminary expenses	**14,427**	22,708	**-**	-
Others	**602,462**	171,167	**-**	-

10. PROFIT FOR THE YEAR (CONT'D)

Profit for the year has been arrived at: (Cont'd)

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Audit fee:				
Current year	**417,460**	363,616	**30,500**	26,500
Prior years	**6,000**	3,000	**4,000**	2,000
Amortisation of prepaid lease payments on leasehold land (Note 14)	**281,055**	232,996	**-**	-
Allowance for inventories obsolescence	**56,353**	-	**-**	-
Amortisation of agricultural development expenditures (Note 20)	**7,280**	7,280	**-**	-
Inventories written down	**-**	19,740	**-**	-
Inventories written off	**-**	13,650	**-**	-
And crediting:				
Interest revenue on:				
Bank balances	**1,085,433**	314,086	**-**	-
Trade receivable	**5,547**	8,090	**-**	-
Reversal of inventory written down	**3,387**	-	**-**	-

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

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Contribution to employees provident fund	**6,925,230**	4,790,905	**57,519**	52,264
Termination costs	**-**	22,829	**-**	-
Other employee benefits expenses	**96,779,075**	65,881,772	**747,299**	598,341
	103,704,305	70,695,506	**804,818**	650,605

Employee benefits expenses of the Group and of the Company include directors' remuneration, salaries, bonuses, contribution to employees provident fund and all other employee related expenses.

10. PROFIT FOR THE YEAR (CONT'D)

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	
	2017	2016
	RM	RM
Directors of the Company:		
Fee	**351,844**	214,884
Contribution to employees provident fund	**254,089**	218,408
Other emoluments	**2,590,151**	2,188,765
Directors of subsidiaries:		
Fee	**214,557**	113,582
Contribution to employees provident fund	**272,890**	242,413
Other emoluments	**2,437,981**	2,099,394
	6,121,512	5,077,446

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	
	2017	2016
Net profit for the year attributable to owners of the Company (RM)	**58,183,454**	25,997,971
Weighted average number of ordinary shares for the purpose of basic earnings per share	**575,140,786**	505,061,573
Basic earnings per share (sen)	**10.12**	5.15

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	
	2017	2016
Net profit for the year attributable to owners of the Company (RM)	**58,183,454**	25,997,971
Weighted average number of ordinary shares for the purpose of basic earnings per share	**575,140,786**	505,061,573
Warrant shares deemed to be issued for no consideration	**88,683,787**	108,084,993
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**663,824,573**	613,146,566
Diluted earnings per share (sen)	**8.76**	4.24

12. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	Transfer from/(to) investment properties (Note 13) RM	Acquisition of a subsidiary RM	Revaluations RM	Currency translation differences RM	End of year RM
2017:									
Freehold land									
- at cost	42,587,325	-	-	-	-	-	(42,587,325)	-	-
- at 2017 valuation	-	-	-	-	-	-	44,000,000	-	44,000,000
- at 2012 valuation	1,520,000	-	-	(1,520,000)	-	-	-	-	-
Freehold land and buildings									
- at cost	88,188,924	7,244,420	(434,797)	(13,605,461)	(72,171)	-	(81,320,915)	-	-
- at 2017 valuation	-	-	-	-	-	-	276,632,000	-	276,632,000
- at 2012 valuation	78,092,252	-	-	1,520,000	-	-	(79,612,252)	-	-
Buildings									
- at cost	30,469,219	615,793	-	25,624,803	-	11,450,000	(68,328,273)	168,458	-
- at 2017 valuation	-	-	-	-	-	-	67,491,750	-	67,491,750
- at 2012 valuation	21,593,000	-	-	-	-	-	(21,593,000)	-	-
Plant, machinery and equipment	104,645,985	11,740,616	(489,596)	4,206,192	-	46,552,504	-	248,486	166,904,187
Electrical installation	2,253,371	13,678	-	111,722	-	-	-	-	2,378,771
Office equipment	4,137,442	584,708	(1,588,067)	232,921	-	2,176,228	-	1,580	5,544,812
Furniture, fixtures and fittings	6,091,602	949,414	(514,984)	23,274	-	495,262	-	80,595	7,125,163
Motor vehicles	29,783,211	8,583,833	(1,830,504)	-	-	3,493,071	-	162,641	40,192,252
Renovation	4,543,634	1,359,840	(1,330,306)	(544,890)	-	1,397,537	-	14,264	5,440,079
Pasaraya equipment	5,655,432	57,820	-	212,504	-	-	-	-	5,925,756
Warehouse	83,097	-	-	-	-	-	-	-	83,097
Workshop	-	58,000	-	-	-	-	-	-	58,000
Construction-in-progress	9,822,602	22,214,068	-	(16,261,065)	1,700,000	-	-	-	17,475,605
	429,467,096	53,422,190	(6,188,254)	-	1,627,829	65,564,602	94,681,985	676,024	639,251,472

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

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	Transfer from/(to) investment properties (Note 13) RM	Acquisition of a subsidiary RM	Revaluations RM	Currency translation differences RM	End of year RM
2016:									
Freehold land									
- at cost	-	42,587,325	-	-	-	-	-	-	42,587,325
- at 2012 valuation	1,520,000	-	-	-	-	-	-	-	1,520,000
Freehold land and buildings									
- at cost	81,446,161	4,848,260	(75,388)	1,969,891	-	-	-	-	88,188,924
- at 2012 valuation	78,228,000	-	(135,748)	-	-	-	-	-	78,092,252
Buildings									
- at cost	20,395,606	903,484	-	9,353,102	-	-	-	(182,973)	30,469,219
- at 2012 valuation	21,593,000	-	-	-	-	-	-	-	21,593,000
Plant, machinery and equipment	100,231,199	3,505,091	(1,296,947)	2,449,101	-	-	-	(242,459)	104,645,985
Electrical installation	2,228,061	8,267	-	17,043	-	-	-	-	2,253,371
Office equipment	4,116,580	98,370	(101,840)	25,920	-	-	-	(1,588)	4,137,442
Furniture, fixtures and fittings	5,521,782	730,305	(95,356)	-	-	-	-	(65,129)	6,091,602
Motor vehicles	25,735,039	5,864,570	(1,647,075)	-	-	-	-	(169,323)	29,783,211
Renovation	4,396,034	445,477	(290,175)	-	-	-	-	(7,702)	4,543,634
Pasaraya equipment	5,769,471	108,468	(196,587)	(25,920)	-	-	-	-	5,655,432
Warehouse	83,097	-	-	-	-	-	-	-	83,097
Construction-in-progress	8,543,253	15,068,486	-	(13,789,137)	-	-	-	-	9,822,602
	359,807,283	74,168,103	(3,839,116)	-	-	-	-	(669,174)	429,467,096

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

The Group

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	Acquisition of a subsidiary RM	Revaluations RM	Currency translation differences RM	End of year RM
2017:								
Freehold land								
- at cost	-	-	-	-	-	-	-	-
- at 2017 valuation	-	-	-	-	-	-	-	-
- at 2012 valuation	-	-	-	-	-	-	-	-
Freehold land and buildings								
- at cost	5,527,667	3,368,027	(74,474)	-	-	(8,821,220)	-	-
- at 2017 valuation	-	-	-	-	-	-	-	-
- at 2012 valuation	8,909,115	2,062,021	-	-	-	(10,971,136)	-	-
Buildings								
- at cost	6,338,422	2,179,576	-	458,742	-	(9,101,792)	125,052	-
- at 2017 valuation	-	-	-	-	-	-	-	-
- at 2012 valuation	3,613,802	833,706	-	-	-	(4,447,508)	-	-
Plant, machinery and equipment	57,908,254	14,439,446	(267,622)	(27,156)	7,033	-	160,197	72,220,152
Electrical installation	1,088,235	192,997	-	-	-	-	-	1,281,232
Office equipment	2,971,332	455,294	(1,571,957)	-	2,081,230	-	1,110	3,937,009
Furniture, fixtures and fittings	3,839,085	570,734	(489,602)	-	491,556	-	51,215	4,462,988
Motor vehicles	15,476,075	4,266,772	(1,191,638)	27,156	9,089	-	71,118	18,658,572
Renovation	2,030,340	594,541	(1,100,328)	(458,742)	1,162,248	-	7,747	2,235,806
Pasaraya equipment	2,956,161	541,787	-	-	-	-	-	3,497,948
Warehouse	54,675	8,332	-	-	-	-	-	63,007
Workshop	-	1,160	-	-	-	-	-	1,160
Construction-in-progress	-	-	-	-	-	-	-	-
	110,713,163	29,514,393	(4,695,621)	-	3,751,156	(33,341,656)	416,439	106,357,874

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

The Group

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	Acquisition of a subsidiary RM	Revaluations RM	Currency translation differences RM	End of year RM
2016:								
Freehold land								
- at cost	-	-	-	-	-	-	-	-
- at 2012 valuation	-	-	-	-	-	-	-	-
Freehold land and buildings								
- at cost	2,462,399	3,073,507	(8,239)	-	-	-	-	5,527,667
- at 2012 valuation	6,909,601	2,121,912	(122,398)	-	-	-	-	8,909,115
Buildings								
- at cost	5,500,124	1,121,417	-	(164,148)	-	-	(118,971)	6,338,422
- at 2012 valuation	2,615,956	833,698	-	164,148	-	-	-	3,613,802
Plant, machinery and equipment	49,969,703	9,338,945	(1,243,330)	-	-	-	(157,064)	57,908,254
Electrical installation	871,068	217,167	-	-	-	-	-	1,088,235
Office equipment	2,700,667	362,570	(101,840)	10,988	-	-	(1,053)	2,971,332
Furniture, fixtures and fittings	3,457,306	508,221	(83,752)	-	-	-	(42,690)	3,839,085
Motor vehicles	14,138,005	3,004,150	(1,549,859)	-	-	-	(116,221)	15,476,075
Renovation	1,775,815	487,794	(227,488)	-	-	-	(5,781)	2,030,340
Pasaraya equipment	2,512,176	598,726	(143,753)	(10,988)	-	-	-	2,956,161
Warehouse	46,367	8,308	-	-	-	-	-	54,675
Construction-in-progress	-	-	-	-	-	-	-	-
	92,959,187	21,676,415	(3,480,659)	-	-	-	(441,780)	110,713,163

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
2017:				
Plant, machinery and equipment	**108,723**	**-**	**-**	**108,723**
Office equipment	**25,856**	**-**	**-**	**25,856**
Furniture, fixtures and fittings	**34,796**	**-**	**-**	**34,796**
	169,375	**-**	**-**	**169,375**
2016:				
Plant, machinery and equipment	103,882	4,841	-	108,723
Office equipment	25,856	-	-	25,856
Furniture, fixtures and fittings	34,796	-	-	34,796
	164,534	4,841	-	169,375

The Company

Cost	Beginning of year RM	Additions RM	Disposal/ write-off RM	End of year RM
2017:				
Office equipment	**3,646**	**5,090**	**-**	**8,736**
2016:				
Office equipment	3,646	-	-	3,646

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposal/ write-off RM	End of year RM
2017:				
Office equipment	**1,504**	**2,568**	**-**	**4,072**
2016:				
Office equipment	300	1,204	-	1,504

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

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Net book value:				
Freehold land				
- at cost	**-**	42,587,325	**-**	-
- at 2017 valuation	**44,000,000**	-	**-**	-
- at 2012 valuation	**-**	1,520,000	**-**	-
Freehold land and buildings				
- at cost	**-**	82,661,257	**-**	-
- at 2017 valuation	**276,632,000**	-	**-**	-
- at 2012 valuation	**-**	69,183,137	**-**	-
Buildings				
- at cost	**-**	24,130,797	**-**	-
- at 2017 valuation	**67,491,750**	-	**-**	-
- at 2012 valuation	**-**	17,979,198	**-**	-
Plant, machinery and equipment	**94,575,312**	46,629,008	**-**	-
Electrical installation	**1,097,539**	1,165,136	**-**	-
Office equipment	**1,581,947**	1,140,254	**4,664**	2,142
Furniture, fixtures and fittings	**2,627,379**	2,217,721	**-**	-
Motor vehicles	**21,533,680**	14,307,136	**-**	-
Renovation	**3,204,273**	2,513,294	**-**	-
Pasaraya equipment	**2,427,808**	2,699,271	**-**	-
Warehouse	**20,090**	28,422	**-**	-
Workshop	**56,840**	-	**-**	-
Construction-in-progress	**17,475,605**	9,822,602	**-**	-
	532,724,223	318,584,558	**4,664**	2,142

The freehold land and buildings of the Group and of the Company were revalued by the directors on September 30, 2017, based on valuations carried out by Intra Harta Consultant Sdn. Bhd., Intra Harta Consultant (North) Sdn. Bhd., Raine & Home International Zaki + Partners Sdn. Bhd., Henry Butcher (Malacca) Sdn. Bhd., Henry Butcher Malaysia (Johor) Sdn. Bhd. and Henry Butcher Malaysia 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.

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.

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

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 freehold 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 range from RM100 per square meter to RM600 per square meter (2016: RM100 per square meter to RM540 per square meter) for farm house, RM260 per square meter to RM970 per square meter (RM200 per square meter to RM950 per square meter) for office buildings and factory and RM1,300 per square meter to RM2,000 per square meter (2016: RM1,250 per square meter to RM2,000 per square meter) for substation. It is further depreciated at about 5% to 80% (2016: 5% to 90%) after taking into consideration the building condition and other relevant factors.

Detail of the Group's freehold land and building and information about their categorisation in the fair value hierarchy are as follows:

	Fair Value as of September 30, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
The Group				
Freehold land	-	**44,000,000**	-	**44,000,000**
Freehold land and buildings	-	-	**276,632,000**	**276,632,000**
Buildings	-	-	**67,491,750**	**67,491,750**
	-	**44,000,000**	**344,123,750**	**388,123,750**

	Fair Value as of September 30, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
The Group				
Freehold land	-	1,520,000	-	1,520,000
Freehold land and buildings	-	-	78,092,252	78,092,252
Buildings	-	-	21,593,000	21,593,000
	-	1,520,000	99,685,252	101,205,252

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

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

Had these assets been carried at historical cost, the carrying amounts of the revalued properties of the Group would have been as follows:

	The Group	
	2017	2016
	RM	RM
Cost:		
Freehold land	**42,587,325**	55,162
Freehold land and buildings	**127,684,500**	41,322,906
Buildings	**89,774,760**	26,432,006
	260,046,585	67,810,074
Accumulated depreciation:		
Freehold land	**-**	-
Freehold land and buildings	**(25,454,056)**	(16,426,242)
Buildings	**(19,720,633)**	(9,009,776)
	(45,174,689)	(25,436,018)
Carrying amount	**214,871,896**	42,374,056

As of September 30, 2017, certain property, plant and equipment of the Group with a total carrying value of RM240,081,224 (2016: RM186,226,757) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 33.

As of September 30, 2017, 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	
	2017	2016
	RM	RM
Motor vehicles	**12,946,841**	9,708,678
Plant, machinery and equipment	**12,852,643**	14,235,972
Buildings	**6,244,073**	5,614,218
Freehold land and buildings	**846,323**	895,796
Pasaraya equipment	**174,038**	764,132
Electrical installation	**108,929**	-
Renovation	**39,474**	-
Office equipment	**4,778**	19,111
	33,217,099	31,237,907

13. INVESTMENT PROPERTIES

	The Group	
	2017	**2016**
	RM	**RM**
At fair value:		
At beginning of year	**78,409,000**	71,257,000
Additions during the year	**64,942**	197,450
Net transfer to property, plant and equipment during the year (Note 12)	**(1,627,829)**	-
Gain on fair value adjustment at end of year (Note 7)	**9,191,887**	6,954,550
At end of year	**86,038,000**	78,409,000

The investment properties as of September 30, 2017 are as follows:

	The Group	
	2017	**2016**
	RM	**RM**
Freehold land	**59,662,000**	53,676,000
Freehold land and buildings	**25,006,000**	23,533,000
Long leasehold land and buildings	**1,060,000**	950,000
Short leasehold land	**310,000**	250,000
	86,038,000	78,409,000
Leased out under operating lease	**30,481,000**	27,080,000
Vacant	**55,557,000**	51,329,000
	86,038,000	78,409,000

The fair values of certain buildings included under investment properties of the Group as of September 30, 2017 with a total carrying value of RM112,000 (2016: RM60,000) 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 and of the Company as of September 30, 2017 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.

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.

13. INVESTMENT PROPERTIES (CONT'D)

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 freehold 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 range from RM100 per square meter to RM600 per square meter (2016: RM100 per square meter to RM540 per square meter) for farm house, RM260 per square meter to RM970 per square meter (RM200 per square meter to RM950 per square meter) for office buildings and factory and RM1,000 per square meter to RM1,800 per square meter (2016: RM1,250 per square meter to RM1,400 per square meter) for substation. It is further depreciated at about 20% to 80% (2016: 40% 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:

	Fair Value as of September 30, 2017			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
The Group				
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**

	Fair Value as of September 30, 2016			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
The Group				
Freehold land	-	53,676,000	-	53,676,000
Freehold land and buildings	-	-	23,533,000	23,533,000
Long leasehold land and buildings	-	-	950,000	950,000
Short leasehold land	-	-	250,000	250,000
	-	53,676,000	24,733,000	78,409,000

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

13. INVESTMENT PROPERTIES (CONT'D)

The rental income earned by the Group from investment properties during the financial year is RM427,521 (2016: RM428,787). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2017	2016
	RM	RM
Leased out under operating lease	**2,564**	12,706
Vacant	**7,451**	8,885
	10,015	21,591

As of September 30, 2017, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 29, 82 and 876 years respectively.

As of September 30, 2017, certain investment properties of the Group with a total carrying value of RM67,707,000 (2016: RM33,275,000) 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	
	2017	2016
	RM	RM
At beginning of year	**9,473,027**	9,106,023
Arising from a subsidiary acquired	**4,150,000**	-
Additions during the year	**-**	600,000
Amortisation during the year (Note 10)	**(281,055)**	(232,996)
At end of year	**13,341,972**	9,473,027

The prepaid lease payments on leasehold land as of September 30, 2017 are as follows:

	The Group	
	2017	2016
	RM	RM
Long leasehold land	**9,275,463**	5,264,739
Short leasehold land	**4,066,509**	4,208,288
	13,341,972	9,473,027

As of September 30, 2017, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 33, 34, 37, 49, 50, 81, 84 and 96 years respectively.

As of September 30, 2017, certain leasehold land of the Group with a total carrying value of RM9,094,531 (2016: RM5,122,074) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 33.

15. OTHER INTANGIBLE ASSETS

The Group

	Distribution network RM	Customer lists RM	Total RM
2017:			
Cost			
At beginning of year	**13,183,956**	**621,318**	**13,805,274**
Currency translation differences	**-**	**15,677**	**15,677**
At end of year	**13,183,956**	**636,995**	**13,820,951**
Accumulated amortisation			
At beginning of year	**1,171,907**	**134,618**	**1,306,525**
Amortisation during the year (Note 7)	**878,930**	**127,724**	**1,006,654**
Currency translation differences	**-**	**3,073**	**3,073**
At end of year	**2,050,837**	**265,415**	**2,316,252**
Net	**11,133,119**	**371,580**	**11,504,699**
2016:			
Cost			
At beginning of year	13,183,956	638,346	13,822,302
Currency translation differences	-	(17,028)	(17,028)
At end of year	13,183,956	621,318	13,805,274
Accumulated amortisation			
At beginning of year	149,418	-	149,418
Amortisation during the year (Note 7)	1,022,489	132,339	1,154,828
Currency translation differences	-	2,279	2,279
At end of year	1,171,907	134,618	1,306,525
Net	12,012,049	486,700	12,498,749

16. GOODWILL

	The Group	
	2017	2016
	RM	RM
At beginning of year	**6,218,940**	6,218,940
Impairment loss recognised during the year	**-**	-
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	
	2017	2016
	RM	RM
Poultry farming, trading in poultry and other related business under Jaya Gading Farm Sdn. Bhd.	**1,670,128**	1,670,128
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
	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 3 years with an estimated growth rate of 1% and 2% (2016: 1% and 4%) and a discount rate of 10% (2016: 8%), 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.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2017	2016
	RM	RM
Unquoted shares, at cost	**116,328,382**	105,102,489
Less: Impairment losses	**(20,755,865)**	(20,755,865)
	95,572,517	84,346,624
Amount owing by a subsidiary	**24,858,659**	-
	120,431,176	83,346,624

17. INTEREST IN SUBSIDIARIES (CONT'D)

The amount owing by a subsidiary, Farm's Best Food Industries Sdn. Bhd. comprises interest free advances extended by the Company which will be converted into capital investment.

The subsidiaries are as follows:

Direct subsidiaries	Country of incorporation	Effective percentage of ownership 2017	Effective percentage of ownership 2016	Principal activities
CAB Amesist Biomass Generation Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
CAB Cakaran Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of broiler chicken and trading of broiler chicken, poultry feeds and other farm consumables
CAB Marine Resources Sdn. Bhd.	Malaysia	**100%**	100%	Processing of fresh and frozen fishes, prawns and other marine products and distribution of marine products in the international and domestic market
CABINDO Poultry Sdn. Bhd.**	Malaysia	**100%**	-	Dormant
Farm's Best Food Industries Sdn. Bhd.	Malaysia	**53.04%**	-	Poultry hatcheries, contract farming, poultry processing, marketing and distribution of poultry products
HK Foods (M) Sdn. Bhd.	Malaysia	**100%**	100%	Processing, exporting, wholesaling and distributing of frozen marine and value added products
Kyros Food Industries Sdn. Bhd.	Malaysia	**100%**	100%	Processing of meat products and trading
Kyros International Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and fast food franchising business
Likes Marketing Sdn. Bhd.	Malaysia	**100%**	100%	Distributing and marketing of food products
Tong Huat Poultry Processing Factory Pte. Ltd.*	Republic of Singapore	**51%**	51%	Investment holding and operating of poultry slaughter house and supplier of slaughtered poultry and provision of marinating and other services

17. INTEREST IN SUBSIDIARIES (CONT'D)

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2017	Effective percentage of ownership 2016	Principal activities
Antik Kualiti Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Ban Hong Poultry Pte Ltd.*	Republic of Singapore	**51%**	51%	Importing and marketing of poultry products
CAB Cakaran Breeding Farm Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of parent stocks to produce broiler eggs and chicks
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	**100%**	100%	Marketing of chicken and frozen foods.
CAB Cakaran Southern Sdn. Bhd.	Malaysia	**51%**	51%	Breeding of black chickens and colour birds and trading of chickens, poultry feeds and other farm consumables
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Trading of poultry and other related products with poultry contract farmers
CAB Econation Renewable Energy Sdn. Bhd.**	Malaysia	**100%**	-	Dormant
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	**67.94%**	67.94%	Breeding of grand parent stocks to produce breeder chicks
EC Grocer Pte. Ltd.*	Republic of Singapore	**35.5%**	35.5%	Wholesaler of food products
Gourmet Chefs Pte. Ltd.*	Republic of Singapore	**30.6%**	30.6%	Manufacturing of value added food products
Home Mart Fresh & Frozen Sdn. Bhd.	Malaysia	**100%**	100%	Trading of supermarket products
Jaya Gading Farm Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Poultry farming, trading in poultry and other related business
Jimat Jaya Pemasaran Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Jimat Jaya Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Kyros Kebab Sdn. Bhd.	Malaysia	**100%**	100%	Fast food restaurants operators and trading
OTK Farm Equipment Sdn. Bhd.	Malaysia	**55%**	-	Dormant
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Trading of supermarket products
Protheme Pte. Ltd.*	Republic of Singapore	**30.6%**	30.6%	Wholesale of livestock, meat and poultry products
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	**50%**	50%	Renting of property, plant and equipment to generate rental income

17. INTEREST IN SUBSIDIARIES (CONT'D)

* The financial statements of these subsidiaries were audited by auditors other than the auditors of the Company.
** The financial statements of these subsidiaries were audited by the auditors of the Company for the purpose of consolidation with the financial statements of the Company.

The Group considers Shin Hong Breeding Farm Sdn. Bhd. as a subsidiary 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 this subsidiary.

On November 16, 2015, the Company incorporated a new subsidiary, namely CAB Amesist Biomass Generation Sdn. Bhd. in Malaysia. The initial issued and fully paid up share capital of CAB Amesist Biomass Generation Sdn. Bhd. is RM100 divided into 100 ordinary shares of RM1 each, of which 51% is held by the Company. Subsequently on June 30, 2016, the Company acquired the remaining 49% of the total issued and paid-up share capital in CAB Amesist Biomass Generation Sdn. Bhd. for a total consideration of RM49. In consequent thereof, CAB Amesist Biomass Generation Sdn. Bhd. became a wholly-owned subsidiary of the Company.

On May 4, 2016, the wholly-owned subsidiary, CAB Cakaran Sdn. Bhd., acquired 30,200 ordinary shares of RM1 each, representing 3.02% equity interest in Jaya Gading Farm Sdn. Bhd., a 55% owned subsidiary of the Group, from a non-controlling interest for a total purchase consideration of RM376,896. Upon completion of the aforesaid purchase transaction, Jaya Gading Farm Sdn. Bhd. became a 58.02% owned subsidiary of the Group.

On May 11, 2016, the wholly-owned subsidiary, CAB Cakaran Sdn. Bhd., increased its issued and fully paid up share capital from RM10,000,000 to RM15,000,000 by the issuance of 5,000,000 new ordinary shares of RM1 each. The Company subscribed for the entire additional 5,000,000 ordinary shares of RM1 each in CAB Cakaran Sdn. Bhd. by way of cash injection. Accordingly, the Company's equity interest in CAB Cakaran Sdn. Bhd. remains unchanged.

On June 22, 2016, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company incorporated a new subsidiary, namely EC Grocer Pte. Ltd. in Singapore under the Singapore Companies Act, Cap 50. The initial issued and fully paid up share capital is SGD100 divided into 100 ordinary shares of SGD1 each, of which 50% is held by Tong Huat Poultry Processing Factory Pte. Ltd., 10% is held by a wholly-owned subsidiary, Likes Marketing Sdn. Bhd. and the balance of 40% is held by a non-controlling interest. Consequently, EC Grocer Pte. Ltd. became a 35.5% owned subsidiary of the Group.

On September 1, 2016, the wholly-owned subsidiary, CAB Amesist Biomass Generation Sdn. Bhd., increased its issued and fully paid up share capital from RM100 to RM8,300,000 by the issuance of 8,299,900 new ordinary shares of RM1 each. The Company subscribed for the entire additional 8,299,900 ordinary shares of RM1 each in CAB Amesist Biomass Generation Sdn. Bhd. by way of cash injection. Accordingly, the Company's equity interest in CAB Amesist Biomass Generation Sdn. Bhd. remains unchanged.

On June 3, 2016, the Company together with Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company and two companies incorporated in Singapore had entered into a conditional share Sale Agreement with Farm's Best Berhad to acquire the entire 50,000,000 ordinary shares in Farm's Best Food Industries Sdn. Bhd. for a total purchase consideration of RM13,384,099. The physical management control of Farm's Best Food Industries Sdn. Bhd. was taken over by the Company effectively on October 1, 2016 even though the acquisition was completed on November 8, 2017. Consequently, Farm's Best Food Industries Sdn. Bhd. became a 53.04% owned subsidiary of the company.

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. However, management has engaged professional valuer to revalue Farm's Best Food Industries Sdn. Bhd.'s land and building and plant and machinery to arrive at the adjustments on property, plant and equipment.

17. INTEREST IN SUBSIDIARIES (CONT'D)

Consideration transferred

	The Group 2017 RM
Cash	7,361,254

Assets acquired and liabilities recognised at the date of acquisition of Farm's Best Food Industries Sdn. Bhd.

	2017 RM
Non-current assets	
Property, plant and equipment	61,813,446
Prepaid lease payments on leasehold land	4,150,000
Total non-current assets	65,965,446
Current assets	
Inventories	8,764,995
Trade and other receivables	19,679,023
Other assets	1,441,063
Cash and bank balances	1,064,143
Total current assets	30,949,224
Total assets	96,912,670
Non-current liabilities	
Borrowing	26,636,578
Deferred tax liabilities	5,157,712
Total non-current liabilities	31,794,290
Current liabilities	
Trade and other payables	46,757,649
Borrowing	4,442,899
Total current liabilities	51,200,548
Total liabilities	82,994,838
Net assets acquired	13,917,832

17. INTEREST IN SUBSIDIARIES (CONT'D)

Goodwill arising on acquisition

	The Group 2017 RM
Consideration transferred	**7,361,254**
Add: Non controlling interests	**6,535,814**
Less: fair values of identifiable net assets acquired	**(13,917,832)**
Gain for bargain purchase	**(20,764)**

Net cash outflow on acquisition of a subsidiary

	The Group 2017 RM
Consideration paid in cash	**7,361,254**
Less: cash and cash equivalent balances acquired	**(1,064,143)**
	6,297,111

Impact of acquisitions on the results of the Group

Included in the loss for the year is RM3,956,400 attributable to the additional business generated by Farm's Best Food Industries Sdn. Bhd.. Revenue for the year included RM247,287,207 in respect of Farm's Best Food Industries Sdn. Bhd..

On October 18, 2016, the wholly-owned subsidiary, CAB Cakaran Sdn. Bhd. incorporated a new subsidiary, namely OTK Farm Equipment Sdn. Bhd. in Malaysia. The initial issued and fully paid up share capital of OTK Farm Equipment Sdn. Bhd. is RM100 divided into 100 ordinary shares, of which 55% is held by CAB Cakaran Sdn. Bhd.. Consequently, OTK Farm Equipment Sdn. Bhd. became a 55% owned subsidiary of the Group. Subsequently during the financial year, OTK Farm Equipment Sdn. Bhd. increased its issued and fully paid up share capital from RM100 to RM1,000,000 by the issuance of 499,900 and 500,000 new ordinary shares respectively. CAB Cakaran Sdn. Bhd. subscribed for the additional 549,945 ordinary shares in OTK Farm Equipment Sdn. Bhd. by way of cash injection. Accordingly, the Group's equity interest in OTK Farm Equipment Sdn. Bhd. remains unchanged.

On June 19, 2017, the wholly-owned subsidiary, CAB Amesist Biomass Generation Sdn. Bhd. incorporated a new subsidiary, namely CAB Econation Renewable Energy Sdn. Bhd. in Malaysia. The initial issued and fully paid up share capital is RM2 divided into 2 ordinary shares which is wholly-owned by CAB Amesist Biomass Generation Sdn. Bhd.. Consequently, CAB Econation Renewable Energy Sdn. Bhd. became a wholly-owned subsidiary of the Group.

On July 25, 2017, the Company incorporated a new subsidiary, namely CABINDO Poultry Sdn. Bhd. in Malaysia. The initial issued and fully paid up share capital is RM2 divided into 2 ordinary shares which is wholly-owned by the Company. Consequently, CABINDO Poultry Sdn. Bhd. became a wholly-owned subsidiary of the Company.

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group

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

Principal Activities	Number of wholly-owned subsidiaries 2017	2016
Agricultural/poultry farming/food processing/trading/manufacturing of value added products	**12**	10
Operator of fast food restaurants	**2**	2
Processing and distribution of marine products	**1**	2
Supermarket	**1**	-
	16	14

Principal Activities	Number of non wholly-owned subsidiaries 2017	2016
Agricultural/poultry farming/food processing/trading/manufacturing of value added products	**12**	10
Supermarket	**1**	1
	13	11

Details of 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 31)	
	2017	2016	2017	2016	2017	2016
			RM	RM	RM	RM
Tong Huat Poultry Processing Factory Pte. Ltd.	**49%**	49%	**4,113,807**	3,716,310	**24,561,920**	18,834,113
Ban Hong Poultry Pte. Ltd.	**49%**	49%	**1,412,508**	1,577,656	**5,345,884**	3,840,062
CAB Cakaran Southern Sdn. Bhd.	**49%**	49%	**3,541,065**	2,058,407	**29,025,243**	5,171,622
CAB Cakaran (Timur) Sdn. Bhd.	**41.98%**	41.98%	**211,658**	314,683	**(307,315)**	(518,973)
Cabin Premier GPS Farm Sdn. Bhd.	**32.06%**	32.06%	**706,709**	87,717	**2,171,429**	1,462,433
EC Grocer Pte. Ltd.	**64.50%**	64.50%	**(521,308)**	(163,315)	**(689,330)**	(165,177)
Farm's Best Food Industries Sdn. Bhd.	**46.96%**	-	**(1,857,925)**	-	**40,688,054**	-

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Details of non wholly-owned subsidiaries that have material non-controlling interests to the Group are as disclosed below: (Cont'd)

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 31)	
	2017	2016	2017	2016	2017	2016
			RM	RM	RM	RM
Gourmet Chefs Pte. Ltd.	**69.40%**	69.40%	**(73,114)**	(477,704)	**680,259**	710,954
Jaya Gading Farm Sdn. Bhd.	**41.98%**	41.98%	**520,586**	517,718	**7,512,887**	5,570,409
OTK Farm Equipment Sdn. Bhd.	**45%**	-	**(30,050)**	-	**644,950**	-
Pasaraya Jaya Gading Sdn. Bhd.	**41.98%**	41.98%	**(50,758)**	76,215	**1,849,143**	624,467
Protheme Pte. Ltd.	**69.40%**	69.40%	**1,659,551**	883,676	**1,923,264**	322,041
Shin Hong Breeding Farm Sdn. Bhd.	**50%**	50%	**(6,140,986)**	1,368,012	**27,484,270**	18,290,028
Total			**3,491,743**	9,959,375	**140,890,658**	54,141,979

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.

Tong Huat Poultry Processing Factory Pte. Ltd.	2017	2016
	RM	RM
Current assets	**40,145,905**	26,546,402
Non-current assets*	**27,400,427**	21,619,997
Current liabilities	**(13,693,586)**	(6,172,026)
Non-current liabilities*	**(3,726,379)**	(3,557,408)
Equity attributable to owners of the Company*	**(25,564,447)**	(19,602,852)
Non-controlling interests*	**(24,561,920)**	(18,834,113)
Revenue	**124,480,314**	107,390,795
Other income	**986,128**	910,831
Other gains and losses	**(848,547)**	(1,158,104)
Share of result of associate	**(185,136)**	-
Expenses (including tax expense)	**(116,037,234)**	(99,559,216)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Tong Huat Poultry Processing Factory Pte. Ltd. (Cont'd)	2017 RM	2016 RM
Profit for the year	**8,395,525**	7,584,306
Other comprehensive income/(loss) for the year, net of tax*	**3,293,877**	(367,120)
Total comprehensive income for the year	**11,689,402**	7,217,186
Profit attributable to:		
Owners of the Company	**4,281,718**	3,867,996
Non-controlling interests	**4,113,807**	3,716,310
Profit for the year	**8,395,525**	7,584,306
Total comprehensive income attributable to:		
Owners of the Company	**5,961,595**	3,680,765
Non-controlling interests	**5,727,807**	3,536,421
Total comprehensive income for the year	**11,689,402**	7,217,186
Net cash inflow from operating activities	**13,149,207**	12,240,119
Net cash outflow from investing activities	**(7,884,112)**	(2,477,872)
Net cash inflow/(outflow) from financing activities	**1,958,244**	(170,785)
Net cash inflow	**7,223,339**	9,591,462

* Adjusted for impact on different accounting framework

Ban Hong Poultry Pte. Ltd.	2017 RM	2016 RM
Current assets	**13,599,326**	11,179,088
Non-current assets	**1,182,955**	1,261,189
Current liabilities	**(3,657,212)**	(4,298,527)
Non-current liabilities	**(215,101)**	(304,889)
Equity attributable to owners of the Company	**(5,564,084)**	(3,996,799)
Non-controlling interests	**(5,345,884)**	(3,840,062)
Revenue	**98,815,844**	87,680,053
Other income	**120,563**	136,729
Other gains and losses	**(455,538)**	(46,367)
Expenses (including tax expense)	**(95,598,200)**	(84,550,709)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Ban Hong Poultry Pte. Ltd. (Cont'd)	2017 RM	2016 RM
Profit for the year	**2,882,669**	3,219,706
Other comprehensive income/(loss) for the year, net of tax	**190,438**	(69,564)
Total comprehensive income for the year	**3,073,107**	3,150,142
Profit for the year attributable to:		
Owners of the Company	**1,470,161**	1,642,050
Non-controlling interests	**1,412,508**	1,577,656
Profit for the year	**2,882,669**	3,219,706
Total comprehensive income attributable to:		
Owners of the Company	**1,567,285**	1,606,572
Non-controlling interests	**1,505,822**	1,543,570
Profit and total comprehensive income for the year	**3,073,107**	3,150,142
Net cash inflow from operating activities	**3,652,457**	4,218,242
Net cash outflow from investing activities	**(2,637,712)**	(149,646)
Net cash outflow from financing activities	**(338,186)**	(3,736,439)
Net cash inflow	**676,559**	332,157

CAB Cakaran Southern Sdn. Bhd.	2017 RM	2016 RM
Current assets	**48,220,103**	31,531,252
Non-current assets*	**99,759,679**	50,295,167
Current liabilities	**(52,932,639)**	(38,468,156)
Non-current liabilities*	**(35,891,320)**	(32,803,932)
Equity attributable to owners of the Company	**(30,130,580)**	(5,382,709)
Non-controlling interests	**(29,025,243)**	(5,171,622)
Revenue	**386,113,668**	295,425,797
Investment revenue	**91,410**	-
Other income	**3,532,295**	2,912,084
Other gains and losses	**(407,219)**	(66,149)
Expenses (including tax expense)	**(382,182,858)**	(294,070,901)
Profit for the year	**7,147,296**	4,200,831
Other comprehensive income for the year, net of tax*	**43,470,196**	-
Total comprehensive income for the year	**50,617,492**	4,200,831

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

CAB Cakaran Southern Sdn. Bhd. (Cont'd)	2017 RM	2016 RM
Profit attributable to:		
Owners of the Company	**3,606,231**	2,142,424
Non-controlling interests	**3,541,065**	2,058,407
Profit for the year	**7,147,296**	4,200,831
Total comprehensive income attributable to:		
Owners of the Company	**25,776,031**	2,142,424
Non-controlling interests	**24,841,461**	2,058,407
Total comprehensive income for the year	**50,617,492**	4,200,831
Dividend paid to non-controlling interests	**(987,840)**	-
Net cash inflow from operating activities	**11,609,679**	6,076,085
Net cash outflow from investing activities	**(2,638,628)**	(3,059,583)
Net cash outflow from financing activities	**(7,338,415)**	(4,105,001)
Net cash inflow/ (outflow)	**1,632,636**	(1,088,499)

* Adjusted for impact on different accounting framework

CAB Cakaran (Timur) Sdn. Bhd.	2017 RM	2016 RM
Current assets	**1,488,801**	2,400,932
Non-current assets	**4**	4
Current liabilities	**(1,167,300)**	(2,583,619)
Equity attributable to owners of the Company	**(628,820)**	(336,290)
Non-controlling interests	**307,315**	518,973
Revenue	**17,398,233**	9,143,304
Other income	**-**	310
Other gains and losses	**301**	390,309
Expenses (including tax expense)	**(16,894,346)**	(8,778,631)
Profit and total comprehensive income for the year	**504,188**	755,292

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

CAB Cakaran (Timur) Sdn. Bhd. (Cont'd)	2017 RM	2016 RM
Profit and total comprehensive income attributable to:		
Owners of the Company	**292,530**	440,609
Non-controlling interests	**211,658**	314,683
Profit and total comprehensive income for the year	**504,188**	755,292
Net cash inflow from operating activities	**1,177,835**	38,223
Net cash inflow from investing activities	**-**	47,676
Net cash outflow from financing activities	**(1,190,355)**	(47,642)
Net cash (outflow)/inflow	**(12,520)**	38,257

Cabin Premier GPS Farm Sdn. Bhd.	2017 RM	2016 RM
Current assets	**6,703,297**	4,705,241
Non-current assets	**15,027,385**	8,929,494
Current liabilities	**(11,889,856)**	(8,266,849)
Non-current liabilities	**(3,067,206)**	(805,928)
Equity attributable to owners of the Company	**(4,602,191)**	(3,099,525)
Non-controlling interests	**(2,171,429)**	(1,462,433)
Revenue	**14,477,794**	8,486,382
Investment revenue	**2,121**	2,218
Other gains and losses	**159,733**	(159,530)
Expenses (including tax expense)	**(12,435,119)**	(8,055,443)
Profit for the year	**2,204,529**	273,627
Other comprehensive income for the year, net of tax	**7,133**	-
Total comprehensive income for the year	**2,211,662**	273,627
Profit for the year attributable to:		
Owners of the Company	**1,497,820**	185,910
Non-controlling interests	**706,709**	87,717
Profit for the year	**2,204,529**	273,627

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Cabin Premier GPS Farm Sdn. Bhd. (Cont'd)	2017 RM	2016 RM
Total comprehensive income attributable to:		
Owners of the Company	**1,502,666**	185,910
Non-controlling interests	**708,996**	87,717
Total comprehensive income for the year	**2,211,662**	273,627
Net cash inflow from operating activities	**2,433,478**	1,866,821
Net cash outflow from investing activities	**(5,646,428)**	(1,595,032)
Net cash inflow/(outflow) from financing activities	**2,912,661**	(234,447)
Net cash (outflow)/inflow	**(300,289)**	37,342

EC Grocer Pte. Ltd.	2017 RM	2016 RM
Current assets	**1,546,725**	828,499
Non-current assets	**-**	26,594
Current liabilities	**(2,615,340)**	(1,111,067)
Capital deficiency to owners of the Company	**379,285**	90,797
Non-controlling interests	**689,330**	165,177
Revenue	**1,873,086**	144,699
Other income	**50,095**	-
Other gains and losses	**(14,291)**	(147)
Expenses (including tax expense)	**(2,717,120)**	(397,754)
Loss for the year	**(808,230)**	(253,202)
Other comprehensive loss for the year, net of tax	**(4,411)**	(3,074)
Total comprehensive loss for the year	**(812,641)**	(256,276)
Loss attributable to:		
Owners of the Company	**(286,922)**	(89,887)
Non-controlling interests	**(521,308)**	(163,315)
Loss for the year	**(808,230)**	(253,202)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

EC Grocer Pte. Ltd. (Cont'd)	2017 RM	2016 RM
Total comprehensive loss attributable to:		
Owners of the Company	**(288,488)**	(90,978)
Non-controlling interests	**(524,153)**	(165,298)
Total comprehensive loss for the year	**(812,641)**	(256,276)
Net cash outflow from operating activities	**(1,205,316)**	(745,254)
Net cash inflow/(outflow) from investing activities	**19,097**	(27,595)
Net cash inflow from financing activities	**1,301,278**	794,774
Net cash inflow	**115,059**	21,925

Farm's Best Food Industries Sdn. Bhd.	2017 RM	2016 RM
Current assets*	**103,420,961**	-
Non-current assets*	**69,883,327**	-
Current liabilities	**(96,455,083)**	-
Non-current liabilities*	**(30,866,127)**	-
Equity attributable to owners of the Company*	**(5,295,024)**	-
Non-controlling interests*	**(40,688,054)**	-
Revenue	**247,287,207**	-
Other income	**424,138**	-
Other gains and losses*	**(410,824)**	-
Expenses (including tax expense)*	**(251,256,921)**	-
Loss for the year	**(3,956,400)**	-
Other comprehensive income for the year, net of tax*	**21,646**	-
Total comprehensive loss for the year	**(3,934,754)**	-
Loss attributable to:		
Owners of the Company	**(2,098,475)**	-
Non-controlling interests	**(1,857,925)**	-
Loss for the year	**(3,956,400)**	-

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Farm's Best Food Industries Sdn. Bhd. (Cont'd)	2017 RM	2016 RM
Total comprehensive loss attributable to:		
Owners of the Company	**(2,086,994)**	-
Non-controlling interests	**(1,847,760)**	-
Total comprehensive loss for the year	**(3,934,754)**	-
Net cash outflow from operating activities	**(45,054,517)**	-
Net cash outflow from investing activities	**(8,936,673)**	-
Net cash inflow from financing activities	**59,388,750**	-
Net cash inflow	**5,397,560**	-

* Adjusted for impact on different accounting framework

Gourmet Chefs Pte. Ltd.	2017 RM	2016 RM
Current assets	**5,346,537**	3,474,314
Non-current assets	**2,108,523**	2,296,898
Current liabilities	**(5,087,446)**	(3,359,369)
Equity attributable to owners of the Company	**(1,687,355)**	(1,700,889)
Non-controlling interests	**(680,259)**	(710,954)
Revenue	**12,286,606**	8,329,677
Other income	**451,397**	434,630
Other gains and losses	**(206,870)**	(132,339)
Expenses (including tax expense)	**(12,636,484)**	(9,320,303)
Loss for the year	**(105,351)**	(688,335)
Other comprehensive income/(loss) for the year, net of tax	**61,122**	(97,143)
Total comprehensive loss for the year	**(44,229)**	(785,478)
Loss attributable to:		
Owners of the Company	**(32,237)**	(210,631)
Non-controlling interests	**(73,114)**	(477,704)
Loss for the year	**(105,351)**	(688,335)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Gourmet Chefs Pte. Ltd. (Cont'd)	2017 RM	2016 RM
Total comprehensive loss attributable to:		
Owners of the Company	**(13,534)**	(240,356)
Non-controlling interests	**(30,695)**	(545,122)
Total comprehensive loss for the year	**(44,229)**	(785,478)
Net cash inflow/(outflow) from operating activities	**745,930**	(262,019)
Net cash outflow from investing activities	**(392,041)**	(223,900)
Net cash inflow from financing activities	**3,148**	7,411
Net cash inflow/(outflow)	**357,037**	(478,508)

Jaya Gading Farm Sdn. Bhd.	2017 RM	2016 RM
Current assets	**9,178,793**	12,871,524
Non-current assets	**28,837,128**	23,681,173
Current liabilities	**(16,252,854)**	(19,782,930)
Non-current liabilities	**(3,866,717)**	(3,500,568)
Equity attributable to owners of the Company	**(10,383,463)**	(7,698,790)
Non-controlling interests	**(7,512,887)**	(5,570,409)
Revenue	**112,761,194**	106,316,393
Investment revenue	**66,404**	73,578
Other income	**1,736,784**	1,529,406
Other gains and losses	**298,906**	254,685
Expenses (including tax expense)	**(113,623,208)**	(106,946,767)
Profit for the year	**1,240,080**	1,227,295
Other comprehensive income for the year, net of tax	**3,687,071**	-
Total comprehensive income for the year	**4,927,151**	1,227,295
Profit attributable to:		
Owners of the Company	**719,494**	709,577
Non-controlling interests	**520,586**	517,718
Profit for the year	**1,240,080**	1,227,295

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Jaya Gading Farm Sdn. Bhd. (Cont'd)	2017 RM	2016 RM
Total comprehensive income attributable to:		
Owners of the Company	**2,858,733**	709,577
Non-controlling interests	**2,068,418**	517,718
Total comprehensive income for the year	**4,927,151**	1,227,295
Dividend paid to non-controlling interests	**(125,940)**	(270,000)
Net cash inflow from operating activities	**4,122,542**	4,087,225
Net cash outflow from investing activities	**(615,282)**	(1,298,153)
Net cash outflow from financing activities	**(4,016,442)**	(2,090,838)
Net cash (outflow)/inflow	**(509,182)**	698,234

OTK Farm Equipment Sdn. Bhd.	2017 RM	2016 RM
Current assets	**754,693**	-
Non-current assets	**2,142,264**	-
Current liabilities	**(194,406)**	-
Non-current liabilities	**(1,269,328)**	-
Equity attributable to owners of the Company	**(788,273)**	-
Non-controlling interests	**(644,950)**	-
Other income	**197**	-
Expenses (including tax expense)	**(66,974)**	-
Loss and total comprehensive loss for the year	**(66,777)**	-
Loss and total comprehensive loss attributable to:		
Owner of the Company	**(36,727)**	-
Non-controlling interest	**(30,050)**	-
Loss and total comprehensive loss for the year	**(66,777)**	-
Net cash outflow from operating activities	**(210,529)**	-
Net cash outflow from investing activities	**(2,144,405)**	-
Net cash inflow from financing activities	**2,860,730**	-
Net cash inflow	**505,796**	-

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Pasaraya Jaya Gading Sdn. Bhd.	2017 RM	2016 RM
Current assets	**16,013,323**	15,025,362
Non-current assets*	**11,467,627**	9,555,373
Current liabilities	**(18,746,733)**	(18,601,035)
Non-current liabilities	**(2,336,899)**	(2,492,166)
Equity attributable to owners of the Company*	**(4,548,175)**	(2,863,067)
Non-controlling interests	**(1,849,143)**	(624,467)
Revenue	**122,299,843**	124,025,532
Investment revenue	**65,765**	75,057
Other income	**1,732,603**	1,596,955
Other gains and losses	**(66,298)**	(60,306)
Expenses* (including tax expense)	**(124,161,197)**	(125,467,176)
(Loss)/profit for the year	**(129,284)**	170,062
Other comprehensive income for the year, net of tax	**3,039,068**	-
Total comprehensive income for the year	**2,909,784**	170,062
(Loss)/profit attributable to:		
Owners of the Company*	**(78,526)**	93,847
Non-controlling interests*	**(50,758)**	76,215
(Loss)/profit for the year	**(129,284)**	170,062
Total comprehensive income attributable to:		
Owners of the Company*	**1,685,108**	93,847
Non-controlling interests*	**1,224,676**	76,215
Total comprehensive income for the year	**2,909,784**	170,062
Net cash inflow/(outflow) from operating activities	**1,800,717**	(1,844,647)
Net cash outflow from investing activities	**(150,138)**	(755,334)
Net cash outflow from financing activities	**(921,150)**	(310,295)
Net cash inflow/(outflow)	**729,429**	(2,910,276)

* Adjusted for impact on different accounting framework

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Protheme Pte. Ltd.	2017 RM	2016 RM
Current assets	**4,324,523**	2,656,838
Non-current assets	**600,243**	-
Current liabilities	**(2,153,480)**	(2,192,791)
Equity attributable to owners of the Company	**(848,022)**	(142,006)
Non-controlling interests	**(1,923,264)**	(322,041)
Revenue	**18,680,437**	12,956,237
Other income	**25,372**	-
Other gains and losses	**(30,723)**	(10,198)
Expenses (including tax expense)	**(16,217,708)**	(11,672,729)
Profit for the year	**2,457,378**	1,273,310
Other comprehensive income for the year, net of tax	**5,881**	44,709
Profit and total comprehensive income for the year	**2,463,259**	1,318,019
Profit attributable to:		
Owners of the Company	**797,827**	389,634
Non-controlling interests	**1,659,551**	883,676
Profit for the year	**2,457,378**	1,273,310
Total comprehensive income attributable to:		
Owners of the Company	**799,628**	403,314
Non-controlling interests	**1,663,631**	914,705
Total comprehensive income for the year	**2,463,259**	1,318,019
Dividend paid to non-controlling interests	**(62,408)**	-
Net cash inflow from operating activities	**3,196,239**	497,265
Net cash outflow from investing activities	**(2,662,628)**	-
Net cash outflow from financing activities	**(321,242)**	-
Net cash inflow	**212,369**	497,265

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

Shin Hong Breeding Farm Sdn. Bhd.	2017 RM	2016 RM
Current assets	**1,843,294**	1,464,014
Non-current assets	**57,963,791**	37,613,834
Current liabilities	**(11,666)**	(9,433)
Non-current liabilities	**(4,826,879)**	(2,488,359)
Equity attributable to owners of the Company	**(27,484,270)**	(18,290,028)
Non-controlling interests	**(27,484,270)**	(18,290,028)
Revenue	**468,000**	468,000
Investment revenue	**37,067**	33,652
Other income	**-**	4,518
Other gains and losses	**(10,291,723)**	2,578,101
Expenses (including tax expense)	**(2,495,316)**	(348,246)
(Loss)/profit for the year	**(12,281,972)**	2,736,025
Other comprehensive income for the year, net of tax	**30,670,456**	-
Total comprehensive income for the year	**18,388,484**	2,736,025
(Loss)/profit attributable to:		
Owners of the Company	**(6,140,986)**	1,368,013
Non-controlling interests	**(6,140,986)**	1,368,012
(Loss)/profit for the year	**(12,281,972)**	2,736,025
Total comprehensive income attributable to:		
Owners of the Company	**9,194,242**	1,368,013
Non-controlling interests	**9,194,242**	1,368,012
Total comprehensive income for the year	**18,388,484**	2,736,025
Dividend paid to non-controlling interests	**-**	(150,000)
Net cash inflow from operating activities	**405,046**	351,633
Net cash inflow from investing activities	**36,801**	89,206
Net cash inflow/(outflow) from financing activities	**1,167**	(302,185)
Net cash inflow	**443,014**	138,654

18. INVESTMENT IN AN ASSOCIATE

Details of the associate are as follows:

Associate	Country of incorporation	Effective percentage of ownership		Principal activities
		2017	2016	
		%	%	
Singapore Poultry Hub Pte. Ltd. *	Singapore	12.75	-	Dormant

* The financial statements of this associate was audited by auditors other than the auditors of the Company.

Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary, has significant influence, as defined in FRS 128: Investment in Associate, over Singapore Poultry Hub Pte. Ltd. on September 12, 2017. Consequently, Singapore Poultry Hub Pte. Ltd. is treated as an associate of the Group.

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRSs (adjusted by the Group for equity accounting purposes):

	2017	2016
	RM	RM
Current assets	**1,360,215**	-
Current liabilities	**(542,636)**	-
Revenue	**-**	-
Expenses (including tax expense)	**(740,546)**	-
Loss for the year	**(740,546)**	-
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(740,546)**	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

	2017	2016
	RM	RM
Net assets of the associate	**817,579**	-
Proportion of the Group's ownership interest (%)	**25**	-
Carrying amount of the Group's interest	**204,395**	-

19. OTHER FINANCIAL ASSET/(LIABILITY)

	The Group	
	2017	2016
	RM	RM
Available-for-sale financial asset:		
Unquoted shares, at cost	**260,094**	715,385
Financial liability carried at fair value through profit or loss:		
Derivative financial instrument:		
Foreign currency forward contracts	**(5,921)**	(8,190)

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.

20. AGRICULTURAL DEVELOPMENT EXPENDITURES

	The Group	
	2017	2016
	RM	RM
At beginning of year	**40,693**	37,438
Amortisation during the year (Note 10)	**(7,280)**	(7,280)
Additions during the year	**-**	10,535
At end of year	**33,413**	40,693

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Trade receivables	**195,157,949**	144,821,178	**-**	-
Less: Allowance for impairment losses	**(21,810,843)**	(18,857,066)	**-**	-
	173,347,106	125,964,112	**-**	-
Amount owing by subsidiaries	**-**	-	**16,709,360**	26,525,142
Less: Allowance for impairment losses	**-**	-	**(1,957,450)**	(1,957,450)
	-	-	**14,751,910**	24,567,692
Other receivables	**7,599,047**	2,857,343	**-**	-
Less: Allowance for impairment losses	**(61,602)**	(4,262)	**-**	-
	7,537,445	2,853,081	**-**	-
	180,884,551	128,817,193	**14,751,910**	24,567,692

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The foreign currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Ringgit Malaysia	**157,013,513**	107,309,422	**14,751,910**	24,567,692
Singapore Dollar	**23,448,385**	21,031,601	**-**	-
United States Dollar	**422,653**	335,234	**-**	-
Euro Dollar	**-**	140,936	**-**	-
	180,884,551	128,817,193	**14,751,910**	24,567,692

Included in trade receivables of the Group are amounts owing by related parties as follows:

	The Group	
	2017	2016
	RM	RM
YWT Contract Farming [a]	**3,411,631**	4,098,018
Jaya Gading Marketing [b]	**63,939**	55,785
Wei Heng Maju Farm Sdn. Bhd. [c]	**39,151**	211,371
Chuah Ah Chui [d]	**18,141**	15,351
Chyuan Heng Farming Sdn. Bhd. [a]	**212**	-
Maju Jaya Farm [c]	**-**	85

[a] Entities which are owned by the son of a director of a subsidiary.
[b] An entity in which the brother-in-law of a director of a subsidiary is a director and has interest.
[c] An entity which is owned by the son-in-law of a director of a subsidiary.
[d] Brother of a director of the Company.

The average credit periods granted to trade receivables of the Group range from 7 to 90 days (2016: 7 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.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. 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.

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of past due but not impaired trade receivables:

	The Group	
	2017	**2016**
	RM	**RM**
Number of days past due:		
1 - 30 days	**37,224,418**	21,214,339
31 - 60 days	**15,340,522**	4,888,356
61 - 90 days	**5,136,069**	1,505,200
Over 90 days	**8,676,732**	3,561,939
Total	**66,377,741**	31,169,834

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Movement in the allowance for impairment loss on trade receivables is as follows:

	The Group	
	2017	**2016**
	RM	**RM**
Balance at beginning of the year	**18,857,066**	19,385,958
Arising from a subsidiary acquired	**1,741,212**	-
Impairment loss recognised during the year	**959,163**	1,173,767
Currency translation differences	**258,108**	(316,731)
Amount written off during the year as uncollectible	**(3,399)**	(926,461)
Impairment loss reversed during the year	**(1,307)**	(459,467)
Balance at end of the year	**21,810,843**	18,857,066

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 over these balances.

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of impaired trade receivables:

	The Group	
	2017	2016
	RM	RM
Less than 1 year	**15,862**	-
1 - 2 years	**763,261**	1,080,456
2 - 3 years	**1,337,737**	1,514,715
3 - 4 years	**1,421,638**	1,320,724
4 - 5 years	**105,531**	50,773
More than 5 years	**18,418,416**	15,996,347
Total	**22,062,445**	19,963,015

The amount owing by subsidiaries are as follows:

	The Company	
	2017	2016
	RM	RM
CAB Amesist Biomass Generation Sdn. Bhd.	**6,063,166**	1,902,016
CAB Marine Resources Sdn. Bhd.	**5,350,100**	4,910,214
Home Mart Fresh & Frozen Sdn. Bhd.	**3,500,000**	100
Farm's Best Food Industries Sdn. Bhd.	**930,824**	-
CAB Cakaran Sdn. Bhd.	**797,087**	19,689,686
CAB Econation Renewable Energy Sdn. Bhd.	**12,100**	-
Pasaraya Jaya Gading Sdn. Bhd.	**10,882**	-
Tong Huat Poultry Processing Factory Pte. Ltd.	**10,745**	7,500
Gourmet Chefs Pte. Ltd.	**5,726**	5,726
Jaya Gading Farm Sdn. Bhd.	**5,520**	4,800
CABINDO Poultry Sdn. Bhd.	**5,337**	-
EC Grocer Pte. Ltd.	**4,953**	-
Kyros Food Industries Sdn. Bhd.	**4,331**	700
Ban Hong Poultry Pte. Ltd.	**3,600**	3,600
Likes Marketing Sdn. Bhd.	**3,229**	600
CAB Cakaran Breeding Farm Sdn. Bhd.	**650**	-
Kyros International Sdn. Bhd.	**310**	100
CAB Cakaran (Timur) Sdn. Bhd.	**250**	-
OTK Farm Equipment Sdn. Bhd.	**200**	-
Antik Kualiti Sdn. Bhd.	**150**	-
Shin Hong Breeding Farm Sdn. Bhd.	**150**	-
HK Foods (M) Sdn. Bhd.	**50**	50
Kyros Kebab Sdn. Bhd.	**-**	50
Total	**16,709,360**	26,525,142

The amount owing by a subsidiary, CAB Cakaran Sdn. Bhd. arose mainly from unsecured advances which bears interest at a rate of 3% (2016: 3%) per annum and are repayable on demand.

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The amount owing by subsidiaries are as follows: (Cont'd)

The amount owing by other subsidiaries arose mainly from unsecured advances and management fee receivables which are interest free and are repayable on demand.

Movement in the allowance for impairment loss on amount owing by subsidiaries is as follows:

	The Group	
	2017	2016
	RM	RM
Balance at beginning and end of the year	**1,957,450**	1,957,450

The Company does not hold any collateral over the above balances.

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 in other receivables of the Group are amounts owing by other related parties as follows:

	The Group	
	2017	2016
	RM	RM
Unisetali Sdn. Bhd. [a]	**25,998**	19,989
DES Food Manufacturing Pte. Ltd. [a]	**1,482**	65,472
Syarikat Sin Long Heng Breeding Farm [a]	**-**	64,000

[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.

Movement in the allowance for impairment loss on other receivables is as follows:

	The Group	
	2017	2016
	RM	RM
Balance at beginning of the year	**4,262**	-
Arising from a subsidiary acquired	**57,641**	-
Impairment loss reversed during the year	**(301)**	-
Impairment loss recognised during the year	**-**	4,262
Balance at end of the year	**61,602**	4,262

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.

22. DEFERRED TAX ASSETS/(LIABILITIES)

The Group

	Opening balance RM	Recognised in profit or loss (Note 9) RM	Recognised in other comprehensive income (Note 9) RM	Acquisition of a subsidiary RM	Currency translation RM	Closing balance RM
2017:						
Deferred tax assets						
Unused tax losses	475,000	6,707,500	-	-	-	7,182,500
Unused tax capital allowances	3,975,500	(16,200)	-	-	-	3,959,300
Receivables	1,081,000	706,000	-	-	-	1,787,000
Unused tax agriculture allowances	9,000	-	-	-	-	9,000
Others	351,733	253,486	-	-	563	605,782
	5,892,233	7,650,786	-	-	563	13,543,582
Deferred tax liabilities						
Property, plant and equipment	(14,374,738)	(9,701,235)	-	(5,157,712)	(10,069)	(29,243,754)
Gain on revaluation of properties	(4,358,075)	185,336	(13,740,726)	-	-	(17,913,465)
Intangible assets	(2,882,892)	210,943	-	-	-	(2,671,949)
Real property gains tax on investment property	(2,654,157)	(1,024,730)	-	-	-	(3,678,887)
Others	(33,000)	(3,000)	-	-	-	(36,000)
	(24,302,862)	(10,332,686)	(13,740,726)	(5,157,712)	(10,069)	(53,544,055)
Net	(18,410,629)	(2,681,900)	(13,740,726)	(5,157,712)	(9,506)	(40,000,473)

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

The Group

	Opening balance RM	Recognised in profit or loss (Note 9) RM	Recognised in other comprehensive income (Note 9) RM	Acquisition of a subsidiary RM	Currency translation RM	Closing balance RM
2016:						
Deferred tax assets						
Unused tax capital allowances	4,049,000	(73,500)	-	-	-	3,975,500
Receivables	959,000	122,000	-	-	-	1,081,000
Unused tax losses	909,000	(434,000)	-	-	-	475,000
Unused tax agriculture allowances	-	9,000	-	-	-	9,000
Others	389,898	(37,611)	-	-	(554)	351,733
	6,306,898	(414,111)	-	-	(554)	5,892,233
Deferred tax liabilities						
Property, plant and equipment	(13,832,679)	(548,048)	-	-	5,989	(14,374,738)
Gain on revaluation of properties	(4,561,602)	203,527	-	-	-	(4,358,075)
Intangible assets	(3,164,149)	281,257	-	-	-	(2,882,892)
Real property gains tax on investment property	(2,295,557)	(358,600)	-	-	-	(2,654,157)
Others	(84,000)	51,000	-	-	-	(33,000)
	(23,937,987)	(370,864)	-	-	5,989	(24,302,862)
Net	(17,631,089)	(784,975)	-	-	5,435	(18,410,629)

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

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

	The Group	
	2017	2016
	RM	RM
Deferred tax assets	**17,000**	15,000
Deferred tax liabilities	**(40,017,473)**	(18,425,629)
	(40,000,473)	(18,410,629)

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 September 30, 2017, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group	
	2017	2016
	RM	RM
Unused tax losses	**16,065,000**	15,036,000
Unused tax capital allowances	**9,138,000**	12,013,000
Temporary differences arising from:		
Receivables	**1,153,000**	1,482,000
Property, plant and equipment	**457,000**	398,000
Others	**393,000**	-
Allowance for increased export	**1,155,000**	1,155,000
	28,361,000	30,084,000

23. INVENTORIES

	The Group	
	2017	2016
	RM	RM
At costs:		
Raw materials:		
Meats and dressings	**8,455,130**	3,222,963
Feeds and consumables	**3,334,361**	666,507
Packing materials	**1,392,780**	357,413
Medicine and chemicals	**1,144,088**	954,516
Unprocessed marine products	**25,524**	61,341
Others	**5,663**	14,238
	14,357,546	5,276,978

23. INVENTORIES (CONT'D)

	The Group	
	2017	2016
	RM	RM
Work-in-progress:		
Parent stocks	**17,999,894**	9,499,419
Eggs	**7,549,288**	5,512,048
Broiler chicken	**4,824,878**	4,350,797
Grand parent stocks	**3,593,854**	2,513,572
Frozen food	**88,057**	64,152
	34,055,971	21,939,988
Finished goods:		
Processed chicken	**18,940,053**	11,891,875
Supermarket products	**10,499,651**	9,196,484
Frozen food	**3,393,207**	2,250,038
Trading products	**3,282,933**	1,013,237
Processed marine products	**170,717**	255,479
	36,286,561	24,607,113
Goods-in-transit	**390,713**	407,338
	85,090,791	52,231,417
Less: allowance for inventories obsolescence	**(56,353)**	-
	85,034,438	52,231,417

The cost of inventories recognised as an expense of the Group during the year was RM1,320,451,343 (2016: RM994,425,771).

The cost of inventories recognised as an expense of the Group include RM56,353 (2016: Nil) in respect of allowances for inventories obsolescence, Nil (2016: RM19,740) in respect of inventories written down and RM3,387 (2016: Nil) in respect of the reversal of such write-down.

24. OTHER ASSETS

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Deposits for acquisition of property, plant and equipment	**31,977,057**	1,661,521	**-**	-
Deposits	**4,661,051**	9,990,076	**1,000**	4,686,850
Prepayments	**7,241,899**	2,943,798	**100,702**	5,000
Advance payment for acquisition of property, plant and equipment	**2,352,558**	115,200	**-**	-
	46,232,565	14,710,595	**101,702**	4,691,850

25. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of September 30, 2017, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 1% to 3.8% (2016: 1% to 3.9%) per annum and are maturing within October 2017 to September 2018.

As of September 30, 2017, the short-term deposits with licensed banks of the Group with a total carrying value of RM9,316,839 (2016: RM8,920,271) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 33.

26. CASH AND BANK BALANCES

The foreign currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	**27,745,049**	18,370,595	**677,882**	3,727,077
Singapore Dollar	**23,999,737**	15,415,374	**-**	-
United States Dollar	**16,760**	41,642	**-**	-
	51,761,546	33,827,611	**677,882**	3,727,077

27. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2017	**2016**
	RM	**RM**
Freehold land and buildings:		
At beginning and end of the year	**125,000**	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 with an external party to dispose of the freehold land buildings for a consideration of RM125,000. The disposal transaction has not been completed as of September 30, 2017.

28. SHARE CAPITAL

	The Company			
	2017		2016	
	No. of shares	RM	No. of shares	RM
Authorised:				
Ordinary shares	-	-	1,000,000,000	500,000,000
Issued and fully paid:				
Ordinary shares:				
At beginning of the year	**175,165,639**	**87,582,820**	150,643,989	75,321,995
Share split	**293,135,107**	-	-	-
Bonus issue	**122,003,016**	-	-	-
Exercise of Warrants	**27,506,460**	**12,212,392**	9,457,250	4,728,625
Transfer from share premium (Note 29)	-	**28,525,333**	-	-
Private placement	-	-	15,064,400	7,532,200
At end of the year	**617,810,222**	**128,320,545**	175,165,639	87,582,820

The issued and paid-up ordinary share capital of the Company was increased from RM87,582,820 to RM99,795,212 during the financial year by way of issuance of 20,257,772 and 7,248,688 new ordinary shares at an exercise price of RM0.55 and RM0.17 per ordinary share respectively pursuant to the exercise of Warrants.

The Companies Act 2016 ("2016 Act") which came into effect on January 31, 2017 has repealed the Companies Act 1965. The 2016 Act has abolished the concept of par or nominal value of shares and hence, the share premium and authorised capital are abolished. In accordance with section 618(2) of the 2016 Act, any amount standing to the credit of the Company's share premium account become part of the Company's share capital upon commencement of the Act. Notwithstanding this provision, the Company may within twenty four months from the date of the 2016 Act came into effect, use the amount standing to the credit of its share premium accounts of RM28,525,333 for purposes as set out in Section 618(3) of the Act. There is no impact on the number of shares in issue or the entitlement of the holders of the Company's shares.

On July 19, 2017, the Company obtained shareholders' approval at its Extraordinary General Meeting for the Share Split and the Bonus Issue:

i. 195,423,411 ordinary shares in the Company will be subdivided into 488,558,518 subdivided ordinary shares of in the Company ("Split Share(s)") pursuant to the Share Split;

ii. 122,003,016 new Split Shares ("Bonus Shares") will be issued pursuant to the Bonus Issue; and

iii. 56,131,731 additional Warrants 2015/ 2020 ("Additional Warrants") will be issued arising from the adjustment as a result of the Share Split and the Bonus Issue.

The abovementioned Split Shares, Bonus Shares and Additional Warrants have been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from August 7, 2017.

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

As of September 30, 2017, out of the total number of 617,810,222 (2016: 175,165,639) ordinary shares issued and paid-up, 545,500 (adjusted pursuant to the share split and bonus issue) (2016: 218,200) shares are held as treasury shares. Hence, the number of outstanding ordinary shares in issue and fully paid is 617,264,722 (2016: 174,947,439) shares.

28. SHARE CAPITAL (CONT'D)

WARRANTS

On February 9, 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 February 13, 2015.

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

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is February 9, 2015 and the expiry date is February 8, 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 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.

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

	Number of Warrants (Unit)			
	Balance as of 1.10.2016	Adjustment as a result of the Share Split and the Bonus Issue	Exercised	Balance as of 30.9.2017
Number of unexercised Warrants	46,672,825	56,131,731	(27,506,460)	75,298,096

29. RESERVES

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-distributable:				
Property revaluation reserve	**110,660,804**	36,680,774	**-**	-
Translation reserve	**1,766,001**	1,330,522	**-**	-
Share premium	**-**	28,363,673	**-**	28,363,673
	112,426,805	66,374,969	**-**	28,363,673

29. RESERVES (CONT'D)

The movement in property revaluation reserve is as follows:

	The Group	
	2017	2016
	RM	RM
Balance at beginning of year	**36,680,774**	37,047,088
Increase arising on revaluation of properties	**83,400,164**	-
Deferred tax arising on revaluation	**(9,059,650)**	-
Transferred to retained earnings	**(360,484)**	(358,563)
Realisation of property revaluation reserve upon write-off of revalued properties	**-**	(7,751)
Balance at end of year	**110,660,804**	36,680,774

The property revaluation reserve arises on the revaluation of land and buildings. When revalued land and buildings are sold, the portion of the property revaluation reserve that relates to that asset is effectively realised and is transferred directly to retained earnings.

The movement in foreign currency translation reserve is as follows:

	The Group	
	2017	2016
	RM	RM
Balance at beginning of year	**1,330,522**	1,570,367
Exchange differences arising on translating the net assets of foreign operations	**435,011**	(239,845)
Exchange differences arising from share of result in an associate	**468**	-
Balance at end of year	**1,766,001**	1,330,522

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 share premium is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
At beginning of the year	**28,363,673**	4,293,703	**28,363,673**	4,239,703
Arising from exercise of Warrants	**161,660**	472,862	**161,660**	472,862
Arising from Private Placements	**-**	23,651,108	**-**	23,651,108
Transfer to share capital (Note 28)	**(28,525,333)**	-	**(28,525,333)**	-
	-	28,363,673	**-**	28,363,673

Share premium of the Group and of the Company arose from allotment of ordinary shares at premium, net of share issue expenses, exercise of warrants and bonus issue.

29. RESERVES (CONT'D)

The movement in share premium is as follows: (Cont'd)

Prior to January 31, 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act 2016 (the "Act"), on January 31, 2017, any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within twenty four months from the date of the Act came into effect, use the amount standing to the credit of its share premium account of RM28,525,333 for purposes as set out in Section 618(3) of the Act.

30. RETAINED EARNINGS

The entire retained earnings of the Company as at the end of the reporting period is available to be distributed as single tier dividends to the shareholders of the Company.

31. NON-CONTROLLING INTERESTS

	The Group	
	2017	**2016**
	RM	**RM**
At beginning of the year	**54,141,979**	45,203,073
Share of total comprehensive income for the year	**44,714,053**	9,707,028
Arising on acquisition of a subsidiary	**6,535,814**	-
Subscription of ordinary shares by non-controlling interests in a subsidiary	**675,000**	121
Dividend paid to non-controlling interests of subsidiaries	**(1,176,188)**	(420,000)
Arising from increase in equity interest in a subsidiary	**-**	(348,243)
	104,890,658	54,141,979
Amount owing to non-controlling interests	**36,000,000**	-
At end of the year	**140,890,658**	54,141,979

Amount owing to non-controlling interests represents interest free advances extended by non-controlling interests to Farm's Best Food Industries Sdn. Bhd. which will be converted into capital investment.

32. TRADE AND OTHER PAYABLES

The foreign currency exposure profile of trade and other payables is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Trade payables:				
Ringgit Malaysia	**161,267,148**	118,634,720	**-**	-
Singapore Dollar	**4,242,502**	1,580,087	**-**	-
Euro Dollar	**284,501**	53,371	**-**	-
Australian Dollar	**46,924**	-	**-**	
United States Dollar	**-**	1,525,109	**-**	-
	165,841,075	121,793,287	**-**	-
Amount owing to a subsidiary:				
Ringgit Malaysia	**-**	-	**562**	-
Amount owing to non-controlling interests of a subsidiary				
Ringgit Malaysia	**816,510**	-	**-**	-
Other payables:				
Ringgit Malaysia	**22,730,256**	15,369,115	**36,568**	159,925
Singapore Dollar	**1,762,341**	1,456,720	**-**	-
	24,492,597	16,825,835	**36,568**	159,925
Accrued expenses:				
Ringgit Malaysia	**7,318,474**	5,275,036	**156,771**	126,926
Singapore Dollar	**2,562,568**	2,051,635	**-**	-
	9,881,042	7,326,671	**156,771**	126,926
	201,031,224	145,945,793	**193,901**	286,851

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 120 days (2016: 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 RM71,120,000 (2016: RM69,760,000) and joint guaranteed by the Company and a subsidiary, CAB Cakaran Breeding Farm Sdn. Bhd. for RM33,000,000 (2016: Nil).

32. TRADE AND OTHER PAYABLES (CONT'D)

Included in trade payables of the Group are amounts owing to related parties as follows:

	The Group	
	2017	2016
	RM	RM
YWT Contract Farming [a]	**335,486**	853,975
Unisetali Sdn. Bhd. [b]	**123,898**	52,728
Chyuan Heng Farming Sdn. Bhd. [a]	**97,687**	115,379
Wei Heng Maju Farm Sdn. Bhd. [c]	**74,082**	83,494
Maju Jaya Farm [c]	**29,586**	78,487

[a] Entities which are owned by the son of a director of a subsidiary.
[b] A company in which a director of a subsidiary is also a director and has interest.
[c] An entity which is owned by the son-in-law of a director of a subsidiary.

The amount owing to a subsidiary, CAB Cakaran Sdn. Bhd., arose mainly from unsecured advances which are interest free 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.

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	
	2017	2016
	RM	RM
DES Food Manufacturing Pte. Ltd. [a]	**144,725**	281,225
Yi Da Agricultural Food Trading Sdn. Bhd. [a]	**61,478**	50,974
Chuah Ah Bee Sdn. Bhd. [b]	**3,710**	20,820

[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.

33. BORROWINGS

	The Group	
	2017	2016
	RM	RM
Secured:		
Long-term loans	**129,335,288**	100,758,508
Bankers' acceptances	**75,238,000**	85,110,000
Hire-purchase payables	**20,582,836**	20,970,943
Bank overdrafts	**935,767**	831,864
Unsecured:		
Bankers' acceptances	**60,405,764**	14,677,054
	286,497,655	222,348,369
Less: current portion	**(159,201,987)**	(119,216,371)
Non-current portion	**127,295,668**	103,131,998

The foreign currency exposure profile of borrowings is as follows:

	The Group	
	2017	2016
	RM	RM
Ringgit Malaysia	**285,925,259**	221,177,173
Singapore Dollar	**572,396**	1,171,196
	286,497,655	222,348,369

The long-term loans are as follows:

	The Group	
	2017	2016
	RM	RM
Amount outstanding	**129,335,288**	100,758,508
Less: current portion	**(13,790,016)**	(10,037,141)
Non-current portion	**115,545,272**	90,721,367

33. BORROWINGS (CONT'D)

The non-current portion of long-term loans is repayable as follows:

	The Group	
	2017	**2016**
	RM	**RM**
Later than one year and not later than two years	**14,180,123**	9,888,554
Later than two years and not later than five years	**39,100,850**	28,275,917
Later than five years	**62,264,299**	52,556,896
	115,545,272	90,721,367

The hire-purchase payables are as follows:

	The Group	
	2017	**2016**
	RM	**RM**
Total outstanding	**22,368,153**	22,973,871
Less: Interest-in-suspense outstanding	**(1,785,317)**	(2,002,928)
Principal outstanding	**20,582,836**	20,970,943
Less: Current portion	**(8,832,440)**	(8,560,312)
Non-current portion	**11,750,396**	12,410,631

The non-current portion of hire-purchase payables is repayable as follows:

	The Group	
	2017	**2016**
	RM	**RM**
Later than one year and not later than two years	**6,921,324**	6,193,196
Later than two years and not later than five years	**4,829,072**	6,217,435
	11,750,396	12,410,631

The long-term loans of the Group bear interests at rates ranging from 2.2% (2016: 2.2%) per annum below the lending banks' base lending rates to 1.25% (2016: 1.5%) per annum above the lending banks' base lending rates, 1.25% and 2.3% (2016: 2.3%) per annum below the lending banks' base financing rates, 1.5% to 2.5% (2016: 1.5% and 2.5%) per annum above the lending banks' cost of funds and 1.5% and 1.6% (2016: 1.6%) per annum above the lending banks' effective cost of funds. The bankers' acceptances of the Group bear interests at rates ranging from 0.65% to 1.5% (2016: 0.75% to 1.5%) per annum above the lending banks' cost of funds. The bank overdrafts of the Group bear interests at rates ranging from 0.5% to 1.5% (2016: 0.5% to 1.6%) per annum above the lending banks' base lending rates.

33. BORROWINGS (CONT'D)

The effective interest rates per annum for the financial year ended September 30, 2017 are as follows:

	The Group	
	2017	2016
	%	%
Long-term loans	**4.37 - 7.90**	4.37 - 8.15
Bankers' acceptances	**3.24 - 4.70**	3.30 - 4.50
Hire-purchase payables	**4.51 - 7.77**	4.51 - 8.06
Bank overdrafts	**7.22 - 8.10**	7.22 - 8.30

The bankers' acceptances of the Group as of September 30, 2017 are repayable within October 2017 to January 2018. The terms for hire-purchase of the Group range from 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 25;
c. specific debentures on certain equipment 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 RM207,011,000 (2016: RM195,061,000);
g. joint guarantees by the Company and non-controlling interests of a subsidiary for RM29,160,000 (2016: RM27,500,000);
h. corporate guarantees by a subsidiary for RM24,070,000 (2016: RM24,070,000);
i. joint guarantees by certain directors of the Group for RM16,185,000 (2016: RM19,185,000);
j. a joint guarantee by the Company, a subsidiary and non-controlling interests of a subsidiary for RM11,992,000 (2016: RM11,992,000);
k. a joint guarantee by certain directors and certain former directors of the Group for RM9,793,000 (2016: RM9,793,000);
l. joint corporate guarantees by the company and subsidiaries for RM7,200,000 (2016: RM5,700,000);
m. joint guarantees by certain directors of the Group and a subsidiary for RM1,500,000 (2016: RM2,670,000);
n. joint guarantees by certain directors of a subsidiary for RM1,170,000 (2016: Nil); and
o. a joint guarantee by certain directors of the Company and certain director of a subsidiary for RM275,000 (2016: RM275,000).

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 RM27,756,248 (2016: RM30,298,526) and directors and former directors of the Group for Nil (2016: RM122,000).

The unsecured short-term borrowings and long-term loans 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 (2016: RM16,000,000); and
c. corporate guarantee by a subsidiary for RM6,700,000 (2016: RM6,700,000).

34. DEFERRED REVENUE

	The Group	
	2017	2016
	RM	RM
Franchise fee [(i)]	**52,865**	62,240
Government grant [(ii)]	**54,447**	93,885
	107,312	156,125
Less: current portion	**(43,273)**	(50,156)
Non-current portion	**64,039**	105,969

(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.

35. DIVIDEND

	The Group and the Company	
	2017	2016
	RM	RM
Dividend declared and paid:		
Final single tier dividend of RM0.01 per ordinary share for the financial year ended September 30, 2016	**1,808,366**	-

36. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of year comprise the following:

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Short-term deposits with licensed banks	**50,293,859**	36,013,720	**-**	-
Cash and bank balances	**51,761,546**	33,827,611	**677,882**	3,727,077
Bank overdrafts	**(935,767)**	(532,905)	**-**	-
	101,119,638	69,308,426	**677,882**	3,727,077
Less: Short-term deposits pledged as security	**(9,316,839)**	(8,920,271)	**-**	-
	91,802,799	60,388,155	**677,882**	3,727,077

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM53,422,190 (2016: RM74,168,103) of which RM8,002,046 (2016: RM6,558,530) was financed by means of hire-purchase and the balance of RM45,420,144 (2016: RM67,609,573) by cash payment.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM5,090 (2016: Nil) by cash payment.

37. 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 2016.

The capital structure of the Group and of the Company consist of equity (consist issued capital, reserve and retained earnings) and borrowings.

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	
	2017	2016
	RM	RM
Debts (i)	**286,497,655**	222,348,369
Equity (ii)	**530,695,065**	300,421,253
Debts to equity ratio (%)	**54**	74

(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 Note 28, 29, 30 and 31.

b. Categories of financial instruments

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Financial assets				
Loan and receivables:				
Trade and other receivables	**180,884,551**	128,817,193	**14,751,910**	24,567,692
Refundable deposits	**36,638,108**	11,651,597	**1,000**	4,686,850
Short-term deposits	**50,293,859**	36,013,720	**-**	-
Cash and bank balances	**51,761,546**	33,827,611	**677,882**	3,727,077
Available-for-sale asset:				
Unquoted shares, at cost	**260,094**	715,385	**-**	-

37. FINANCIAL INSTRUMENTS (CONT'D)

b. Categories of financial instruments (Cont'd)

	The Group		The Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Financial liabilities				
Other financial liabilities:				
Trade and other payables	**201,031,224**	145,945,793	**193,901**	286,851
Borrowings	**286,497,655**	222,348,369	**-**	-
At fair value though profit or loss:				
Derivative other financial liability:				
Foreign currency forward contracts	**5,921**	8,190	**-**	-

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.

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 10% (2016: 12%) increase and decrease in Ringgit Malaysia (RM) against the relevant foreign currencies. 10% (2016: 12%) 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 10% (2016: 12%) 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 RM strengthens 10% (2016: 12%) against the relevant currency. For a 10% (2016: 12%) weakening of the RM against the relevant currency, there would be a comparable reverse impact on the profit net of tax.

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

ii. Foreign currency risk management (Cont'd)

	The Group	
	2017	**2016**
	RM	**RM**
Impact on profit or loss		
Euro Dollar	**28,450**	(10,508)
Australian Dollar	**4,692**	-
Singapore Dollar	**(3,830,832)**	(4,850,034)
United States Dollar	**(43,941)**	73,553

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.

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 statement of financial positions except as follows:

	The Company	
	2017	**2016**
	RM	**RM**
Financial guarantee contracts		
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries	**493,722,553**	356,334,830

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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 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 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.

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

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 (2016: 100) basis points with all other variables held constant, the Group's profit net of tax would have been RM1,774,000 (2016: RM1,414,000) 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.

	The Group	
	2017	**2016**
	RM	**RM**
Trade and other payables		
Not later than one year	**201,031,224**	145,945,793
Long-term loans		
Not later than one year	**21,006,627**	15,794,642
Later than one year and not later than two years	**20,532,367**	15,028,860
Later than two years and not later than five years	**53,191,591**	39,920,119
Later than five years	**73,739,810**	64,053,393
	168,470,395	134,797,014
Bankers' acceptances		
Not later than one year	**135,643,764**	99,787,054

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

	The Group 2017 RM	The Group 2016 RM
Hire-purchase payables		
Not later than one year	**9,661,883**	9,264,729
Later than one year and not later than two years	**7,143,272**	6,599,643
Later than two years and not later than five years	**4,464,908**	5,823,695
	21,270,063	21,688,067
Bank overdrafts		
Not later than one year	**935,767**	831,864
Other financial liability		
Not later than one year	**5,921**	8,190

	The Company 2017 RM	The Company 2016 RM
Trade and other payables		
Not later than one year	**193,901**	286,851
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	**493,722,553**	356,334,830

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.

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

Details of additional undrawn financing facilities that the Group has at its disposal to further reduce liquidity risk are set out below:

	The Group	
	2017	2016
	RM	RM
Secured	**113,859,000**	69,218,000
Unsecured	**30,265,000**	8,023,000
	144,124,000	77,241,000

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.

d. 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
2017:				
Sell USD				
Less than 3 months	**4.3538**	**93,784**	**401,727**	**5,921**
2016:				
Sell USD				
Less than 3 months	4.0189	57,238	230,313	6,940
3 to 6 months	4.1025	22,867	93,813	1,250

37. FINANCIAL INSTRUMENTS (CONT'D)

e. 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 liability that is measured at fair value on a recurring basis

	2017 RM	2016 RM
Derivatives other financial liability:		
Fair value:		
Foreign currency forward contracts	**5,921**	8,190

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) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Significant unobservable input	None
Relationship of unobservable input to fair value	Not applicable

There was no transfer between Levels 1 and 2 in the period.

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.

38. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2017 RM	2016 RM
Estimated cash value of benefits-in-kind provided to directors	**178,150**	126,174

39. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
With subsidiaries:				
CAB Cakaran Sdn. Bhd.				
Dividend received	-	-	**9,105,000**	5,025,000
Interest revenue received	-	-	**180,314**	330,023
Management fee received	-	-	**151,200**	151,200
Management fee paid	-	-	**24,000**	24,000
Rental paid	-	-	**24,000**	24,000
Jimat Jaya Sdn. Bhd.				
Management fee received	-	-	**33,600**	33,600
Farm's Best Food Industries Sdn. Bhd.				
Management fee received	-	-	**30,000**	-
CAB Cakaran Southern Sdn. Bhd.				
Management fee received	-	-	**26,400**	26,400
Pasaraya Jaya Gading Sdn. Bhd.				
Management fee received	-	-	**24,000**	24,000
Sundry purchases	-	-	**-**	189
Jaya Gading Farm Sdn. Bhd.				
Management fee received	-	-	**19,200**	19,200
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	-	-	**1,920**	1,600
CAB Cakaran Breeding Farm Sdn. Bhd.				
Management fee received	-	-	**7,800**	7,800
Likes Marketing Sdn. Bhd.				
Management fee received	-	-	**7,200**	7,200
Ban Hong Poultry Pte. Ltd.				
Management fee received	-	-	**7,200**	7,200
CAB Cakaran (Timur) Sdn. Bhd.				
Management fee received	-	-	**3,000**	3,000
CAB Cakaran (Langkawi) Sdn. Bhd.				
Management fee received	-	-	**1,200**	1,200
Cabin Premier GPS Farm Sdn. Bhd.				
Management fee received	-	-	**1,200**	1,200

39. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
With subsidiaries: (Cont'd)				
Antik Kualiti Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Sundry purchases	**-**	-	**195**	145
CAB Marine Resources Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
HK Foods (M) Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Home Mart Fresh & Frozen Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Kyros International Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Kyros Kebab Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Shin Hong Breeding Farm Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
OTK Farm Equipment Sdn. Bhd.				
Management fee received	**-**	-	**200**	-
CAB Amesist Biomass Generation Sdn. Bhd.				
Management fee received	**-**	-	**100**	-
CAB Econation Renewable Energy Sdn. Bhd.				
Management fee received	**-**	-	**100**	-
CABINDO Poultry Sdn. Bhd.				
Management fee received	**-**	-	**100**	-
With directors of the Company:				
Chuah Ah Bee				
Rental paid	**80,725**	58,400	**-**	-
Chan Kim Keow				
Rental paid	**20,800**	40,600	**-**	-
With other related parties:				
YWT Contract Farming [(a)]				
Purchases	**42,304,656**	29,625,341	**-**	-
Sales	**35,973,541**	28,567,608	**-**	-
Rental received	**1,271,793**	1,026,004	**-**	-
Transportation charges received	**3,769**	18,745	**-**	-

39. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
With other related parties: (Cont'd)				
Wei Heng Maju Farm Sdn. Bhd. [b]				
Purchases	**5,297,359**	4,860,134	**-**	-
Sales	**4,412,572**	4,362,594	**-**	-
Rental received	**186,609**	201,792	**-**	-
Transport charges received	**605**	799	**-**	-
Chyuan Heng Farming Sdn. Bhd. [a]				
Purchases	**4,581,436**	14,656,178	**-**	-
Sales	**3,810,805**	9,331,008	**-**	-
Transportation charges received	**217**	1,439	**-**	-
Rental received	**-**	196,163	**-**	-
Maju Jaya Farm [b]				
Purchases	**3,470,552**	2,937,926	**-**	-
Sales	**2,955,056**	2,401,203	**-**	-
Rental received	**131,380**	62,144	**-**	-
Transportation charges received	**342**	2,210	**-**	-
Unisetali Sdn. Bhd. [c]				
Purchases	**1,413,691**	1,493,988	**-**	-
Rental received	**48,000**	24,000	**-**	-
Scrap sales	**36,000**	36,000	**-**	-
Transportation charges paid	**30,100**	64,028	**-**	-
Transportation charges received	**4,530**	12,586	**-**	-
Sales	**427**	604	**-**	-
DES Food Manufacturing Pte. Ltd. [c]				
Labour charges paid	**522,683**	317,372	**-**	-
Sales	**5,146**	-	**-**	-
Chuah Ah Bee Sdn. Bhd. [d]				
Rental paid	**423,600**	423,600	**-**	-
Jaya Gading Marketing [e]				
Sales	**402,946**	431,378	**-**	-
Chuah Ah Chui [f]				
Sales	**353,749**	366,335	**-**	-
Fah Leong Sdn. Bhd. [g]				
Rental paid	**221,190**	228,000	**-**	-
Yi Da Agricultural Food Trading Sdn. Bhd. [c]				
Purchase of property, plant and equipment	**190,000**	450,000	**-**	-
Rental of lorry and permit paid	**26,600**	99,700	**-**	-

39. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
With other related parties: (Cont'd)				
Toh Chai Hock [h]				
Sales commission paid	**204,854**	-	**-**	-
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd.[i]				
Rental received	**156,000**	156,000	**-**	-
Sundry purchases	**-**	64,000	**-**	-
Late payment charges	**-**	11	**-**	-
Kebun Ngohoch (P.W.) Sdn. Bhd. [d]				
Purchase of property, plant and equipment	**60,000**	-	**-**	-
Sundry purchases	**8,644**	-	**-**	-
Yi Da Agricultural Farming Sdn. Bhd. [c]				
Rental of fowl house paid	**60,000**	60,000	**-**	-
Banghong Livestock Trading Sdn. Bhd. [c]				
Purchase of property, plant and equipment	**-**	1,550,000	**-**	-

[a] Entities which are owned by the son of a director of a subsidiary.
[b] An entity which is owned by the son-in-law of a director of a subsidiary.
[c] A company in which a director of a subsidiary is also a director and has interest.
[d] A company in which certain directors of the Company are also directors and have interests.
[e] An entity in which the brother-in-law of a director of a subsidiary is a director and has interest.
[f] Brother of a director of the Company.
[g] A company in which a director of a subsidiary is also a director.
[h] A shareholder, cousin of a director and brother of a director of a subsidiary.
[i] A company in which certain directors of a subsidiary are also directors and have interests.

40. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

As of September 30, 2017, the Group has the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group	
	2017	2016
	RM	RM
Approved and contracted for	**133,870,754**	864,887
Approved but not contracted for	**2,895,000**	6,164,928

40. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (CONT'D)

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	
	2017	**2016**
	RM	**RM**
Not later than one year	**276,895**	249,795
Later than one year and not later than five years	**76,395**	148,460
	353,290	398,255

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	
	2017	**2016**
	RM	**RM**
Non-cancellable operating lease commitments:		
Not later than one year	**5,432,221**	5,816,078
Later than one year and not later than five years	**4,271,873**	7,988,758
Later than five years	**1,500,750**	3,042,930
	11,204,844	16,847,766

41. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS

a. On December 6, 2015, the Company entered into a Memorandum of Understanding ("MOU") with KMP Private Ltd. to undertake a feasibility study on the possibility of establishing a fully integrated farming poultry business in Indonesia on a joint venture basis with the Salim Group. On April 26, 2017, both parties have agreed to extend the MOU until December 31, 2017.

   On November 1, 2017, CABINDO Poultry Sdn. Bhd. ("CABINDO"), a wholly-owned subsidiary of the Company had entered into a Joint Venture Agreement ("JVA") with PT Ternak Terpadu Indonesia ("PT"), to form several Joint Venture Companies ("JV Co") by combining their resources and expertise to produce halal poultry based products for the Indonesian consumers. The JVA does not stipulate any terms on the investment amount that are required from CABINDO and PT (collectively referred to as the "JVA Parties") and instead, the JVA is required by the JVA Parties to facilitate their application to the Badan Koordinasi Penanaman Modal, Indonesia for its approval in relation to the incorporation of the JV Co.

41. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS (CONT'D)

b. On February 5, 2016, the Company issued letters of intent to Sinmah Breeders Sdn. Bhd. ("SBSB") and Sinmah Livestocks Sdn. Bhd. ("SLSB") for the proposed acquisition of the assets of SBSB and SLSB for an indicative cash consideration of RM88,000,000 and RM74,000,000 respectively. The Vendors had, on February 5, 2016 accepted the terms therein mentioned in the letters of intent.

   Subsequently on November 25, 2016 and January 24, 2017, the Company had executed letters of termination to terminate the proposed acquisition of SBSB's and SLSB's assets. In lieu thereof the Company had:

   i) On November 25, 2016, Farm's Best Food Industries Sdn. Bhd. ("FBFI"), a 53.04% owned subsidiary of the Company, had entered into four conditional sales and purchase agreements with SBSB and Sinmah Multifeed Sdn. Bhd. ("SMSB") in relation to the proposed acquisition of twenty one parcels of freehold agricultural lands measuring approximately 200.23 acres together with six breeder poultry farms and all equipment erected thereon for a total purchase consideration of RM63 million ("breeder farms").

   ii) On January 24, 2017, FBFI, had entered into nine conditional sales and purchase agreements with SLSB, SBSB, SMSB, Bersatu Segar Sdn. Bhd. and Dee Huat Farming Trading Sdn. Bhd. in relation to the proposed acquisition of forty three parcels of freehold and/or leasehold agricultural lands measuring approximately 294.3553 acres together with twenty six broiler poultry farms erected thereon for a total purchase consideration of RM58.53 million ("broiler farms").

   The acquisition of the breeder farms and boiler farms have been approved by the shareholders of the Company at the extraordinary general meeting held on October 27, 2017.

c. On April 7, 2017, the Company and Felcra Food Industries Sdn. Bhd. have through the non-binding letter of intent mutually agreed to explore the possibility of collaboration in the agriculture and aquaculture business activities. As at to date, there is no material development on the status of the non-binding letter of intent.

d. On June 7, 2017, CAB Amesist Biomas Generation Sdn. Bhd., ("CABG") a wholly-owned subsidiary of the Company, entered into a MOU with Panasonic Eco Solutions Malaysia Sdn. Bhd. ("Panasonic") to undertake a feasibility study on the possibility of establishing a joint solar farm project known as "ECONATION PROJECT" by setting up another special purpose company in Malaysia which will be owned by CABG and Panasonic.

   As at to date, there is no material development on the status of MOU.

e. Subsequent to September 30, 2017, the Company proposed to declare a final single tier dividend of 0.5 sen per ordinary share for the financial year ended September 30, 2017. 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 September 30, 2018.

f. Subsequent to September 30, 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 (equivalent to approximately RM186). Consequently, Kim Fa Foodstuffs Pte. Ltd. became a 30.6% owned subsidiary of the Group. The principal activity of Kim Fa Foodstuffs Pte. Ltd. is manufacture of other food products (except food chemicals and additives) and general wholesale trade (including general imports and exporters).

g. Subsequent to September 30, 2017, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company had completed the acquisition of a factory building located in Singapore for a total purchase consideration of SGD6,175,210 (equivalent to approximately RM19,167,233).

h. Subsequent to September 30, 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 EC Grocer Pte. Ltd., a 35.5% owned subsidiary of the Group, from a non-controlling interest for a total purchase consideration of SGD40. Upon completion of the aforesaid purchase transaction, EC Grocer Pte. Ltd. become a 55.9% owned subsidiary of the Group.

i. Subsequent to September 30, 2017, the Company increased its issued and fully paid up ordinary share capital from RM128,320,545 to RM129,315,602 by the issuance of 5,853,275 new ordinary shares at an exercise price of RM0.17 per ordinary shares to the exercise of Warrants.

42. 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 FRS 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.

42. 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	Agricultural/ poultry farming/food processing/ trading/ value added products manufacturing	Marine products manufacturing	Fast food business	Supermarket	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM	RM
2017:							
Revenue							
External revenue	-	1,363,769,150	116,695	2,769,539	125,436,328	-	1,492,091,712
Inter-segment revenue	9,471,831	19,360,344	21,000	824,385	10,078	(29,687,638)	-
Total revenue	9,471,831	1,383,129,494	137,695	3,593,924	125,446,406	(29,687,638)	1,492,091,712
Results							
Segment profit/(loss)	8,132,023	97,727,678	(371,333)	(457,158)	(380,784)	(12,070,953)	92,579,473
Investment revenue							700,241
Other gains and losses							4,627,615
Finance costs							(14,654,598)
Share of result of associate							(185,136)
Profit before tax							83,067,595
Tax expense							(21,392,398)
Profit for the year							61,675,197

42. 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	Agricultural/ poultry farming/food processing/ trading/ value added products manufacturing	Marine products manufacturing	Fast food business	Supermarket	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM	RM
2016:							
Revenue							
External revenue	-	973,838,484	259,842	3,193,372	124,014,025	-	1,101,305,723
Inter-segment revenue	5,352,157	18,691,003	614	819,252	11,507	(24,874,533)	-
Total revenue	5,352,157	992,529,487	260,456	4,012,624	124,025,532	(24,874,533)	1,101,305,723
Results							
Segment profit/(loss)	3,046,412	55,660,786	(747,322)	(356,359)	520,418	(5,631,820)	52,492,115
Investment revenue							552,282
Other gains and losses							4,757,864
Finance costs							(11,090,530)
Profit before tax							46,711,731
Tax expense							(10,754,385)
Profit for the year							35,957,346

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.

42. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

The Group

	Investment holding	Agricultural/ poultry farming/food processing/ trading/ value added products manufacturing	Marine products manufacturing	Fast food business	Supermarket	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM	RM
2017:							
Assets							
Segment assets	96,356,767	917,916,164	4,173,930	8,244,850	28,380,259	(40,708,134)	1,014,363,836
Interest revenue producing assets							50,293,859
Income tax assets							857,118
Consolidated total assets							1,065,514,813
Liabilities							
Segment liabilities	193,339	184,883,912	146,076	224,023	15,702,607	(5,500)	201,144,457
Borrowings							286,497,655
Income tax liabilities							47,177,636
Consolidated total liabilities							534,819,748

42. 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
2016:							
Assets							
Segment assets	92,767,693	642,071,622	6,236,961	3,475,079	22,831,350	(111,730,537)	655,652,168
Interest revenue producing assets							36,013,720
Income tax assets							423,811
Consolidated total assets							692,089,699
Liabilities							
Segment liabilities	286,851	131,184,004	234,152	399,451	14,011,150	(5,500)	146,110,108
Borrowings							222,348,369
Income tax liabilities							23,209,969
Consolidated total liabilities							391,668,446

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.

42. 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
2017:							
Other information							
Additions to non-current assets	5,090	50,230,498	-	389,038	4,563,609	(1,701,103)	53,487,132
Depreciation and amortisation expenses	2,568	25,274,151	292,888	197,324	1,500,072	3,542,379	30,809,382
Impairment loss recognised on receivables	-	5,662,895	6,621	-	3,862	(4,714,215)	959,163
Other non-cash expenses	-	5,321,561	56,353	253,451	58,796	(3,459,300)	2,230,861

42. 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
2016:							
Other information							
Additions to non-current assets	-	73,368,404	131,428	210,706	1,437,552	(172,002)	74,976,088
Depreciation and amortisation expenses	1,204	19,494,786	343,591	185,104	1,515,640	1,531,194	23,071,519
Impairment loss recognised on receivables	-	648,040	529,989	-	-	-	1,178,029
Impairment loss recognised on property, plant and equipment	-	-	4,841	-	-	-	4,841
Other non-cash expenses	-	431,440	169,873	51,187	42,957	(74,403)	621,054

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.

42. 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	
	2017	2016
	RM	RM
Malaysia	**1,312,792,814**	942,332,766
Republic of Singapore	**179,298,898**	158,972,957
	1,492,091,712	1,101,305,723

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

	The Group	
	2017	2016
	RM	RM
Malaysia	**1,292,538,762**	929,886,817
Republic of Singapore	**192,318,151**	169,386,205
Bangladesh	**3,692,848**	674,312
Brunei	**2,061,222**	-
Pakistan	**834,577**	957,662
United States of America	**-**	39,054
Others	**646,152**	361,673
	1,492,091,712	1,101,305,723

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

	The Group	
	2017	2016
	RM	RM
Malaysia	**635,807,067**	414,452,905
Republic of Singapore	**14,258,575**	10,772,062
	650,065,642	425,224,967

Non-current assets exclude deferred tax assets, non-current assets classified as held for sale and available-for-sale financial asset.

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 2017 and 2016.

43. RETAINED EARNINGS
(Supplementary Information)

On March 25, 2010, Bursa Malaysia Securities Berhad issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits as of the end of the reporting period into realised and unrealised profits or losses.

On December 20, 2010, Bursa Malaysia Securities Berhad further issued guidance on the disclosure and the prescribed format required.

The breakdown of the retained earnings of the Group and of the Company as of September 30, 2017 into realised and unrealised amounts, pursuant to the directive, is as follows:

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total retained earnings:				
Realised	**133,460,926**	124,082,344	**7,559,406**	1,172,720
Unrealised	**67,518,788**	45,477,192	**-**	-
	200,979,714	169,559,536	**7,559,406**	1,172,720
Less: Consolidation adjustments	**(51,853,353)**	(77,168,747)	**-**	-
Total retained earnings as per statements of financial position	**149,126,361**	92,390,789	**7,559,406**	1,172,720

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

The supplementary information have been made solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

STATEMENT BY DIRECTORS

The directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with 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 September 30, 2017 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 43, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

CHUAH AH BEE

CHUAH HOON PHONG

Penang,

December 22, 2017

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 accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **CHUAH AH BEE** at
GEORGETOWN in the State of **PENANG**
on December 22, 2017

Before me,

LIM SENG HIN
P151
COMMISSIONER FOR OATHS

LIST OF TOP TEN (10) PROPERTIES

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2017 RM	Date of Valuation
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	30.09.17
Lot Nos. 1512 & 3037, Title Nos. GRN 38752 & GRN 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural lands/breeder farms	168,264.23/ 24,140.41	27 - 32	Grant in perpetuity	41,739,000	30.09.17
Lot No. 1623, Title No. GRN 40215, Mukim 14, District of Seberang Perai Tengah, State of Penang /No. 227, Kampung Nenas, Kuala Tasek, Permatang Tinggi, 14100 Bukit Mertajam, Penang	A parcel of agricultural land/poultry farms	49,699.44/ Breeder house - 13,804.18/ Other - 1,899.75	15 - 22	Grant in perpetuity	30,349,000	30.09.17
Lot Nos. 26260 & 26261 and PT 92181, 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/ 12,465.61	5	Grant in perpetuity	22,650,000	30.09.17
Lot 1441, Title No. HS(D) 57691, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang	Part of the parcel of agricultural land/breeder farms	242,811.4/ Breeder house & Others - 38,024.25	2 - 3	Sub-lease for 30 years expiring on August 29, 2040	19,010,000	30.09.17
Lot Nos. 43, 49, 246, 247, 248, 249, 250, 251, 252, 253, 255, 256, 257, 258, 368 and 373, Title Nos. GM 120, 121, 173, 174, 175, 159, 179, 156, 157, 158, 155, 154, 160, 161, 152 & 153 respectively, Mukim 6, District of Seberang Perai Selatan, Penang	Sixteen parcels of lands/ renting as poultry farms	91,667.22/ 15,063.73	27 - 32	Grant in perpetuity	18,949,000	30.09.17

LIST OF TOP TEN (10) PROPERTIES *(Cont'd)*

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2017 RM	Date of Valuation
Lot Nos. 6598, 6599 & 6600, held under PM 516, PM 517 and PM 518 respectively, Mukim Sungai Baru Tengah, Daerah Alor Gajah, Melaka/Situated Lot 37 & Lot 38, Kawasan Perindustrian Masjid Tanah, 78300 masjid Tanah, Melaka	Three parcels of industrial lands erected upon it a 1½-storey detached factory with a double storey office (Building A), 1½-storey detached factory with a double storey office (Building B), a 1½-storey workshop, a single storey store and other ancillary structures/ processing factory	35,103/ 12,628.37	21	Leasehold interest 99 years expiring on August 25, 2101	14,951,129	30.09.17
PT Nos. LO 1229 & PTD 1230, Title Nos. HSM 424 & 2919 respectively, both in the Mukim and District of Kluang, State of Johor	Two parcels of agricultural lands/poultry farms	48,561.72/ 26,037.56	7	Grant in perpetuity	10,220,000	30.09.17
Part of Lot No. PT 542, Title No. HSD 2/1985, Mukim of Pendang Peliang, District of Pendang, Kedah/ Situated off Jalan Jeniang - Pendang, within Bukit Perak estate, Kedah Darul Aman	Part of the parcel of agricultural land/breeder farms	8,903/ 17,060.19	10	Sub-lease for 30 years expiring on November 20, 2037	9,751,117	30.09.17
Lot Nos. 1199 and 1200, Title Nos. GM 1118 and GM 1119 respectively, Mukim of Gelong, District of Kubang Pasu, State of Kedah/Situated along Jalan Kampung Bemban, Kubang Pasu, Kedah	Two parcels of lands/poultry farms	72,389/ Poultry farm - 16,816.12 Other - 292.61	3 - 21	Grant in perpetuity	9,506,000	30.09.17

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT DECEMBER 29, 2017

Issued Share Capital	:	RM129,324,220.66 comprising 623,714,197 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	159	6,485	0.00
100 - 1,000	267	165,685	0.03
1,001 - 10,000	1,880	11,004,108	1.77
10,001 - 100,000	1,544	51,504,858	8.26
100,001 - 31,158,433 (*)	303	194,018,907	31.13
31,158,434 and above (**)	3	366,468,654	58.81
Total	4,156	623,168,697	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)

	Name	Shareholdings	%
1	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for OCBC Securities Private Limited (Client A/C-NR)*	107,538,137	17.26
2	Chan Kim Keow	91,387,187	14.66
3	Chuah Ah Bee	90,289,425	14.49
4	Chuah Ah Bee	75,597,343	12.13
5	Chuah Hoon Teng	11,995,000	1.92
6	Chuah Hoon Hong	11,951,250	1.92
7	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	8,011,750	1.29
8	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chuah Ah Bee (Margin)*	6,250,000	1.00
9	Chuah Hoon Phong	6,227,968	1.00
10	Chuah Hoon Phong	5,988,906	0.96
11	Chuah Teh Chai	5,253,515	0.84
12	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	4,762,777	0.76
13	Amanahraya Trustees Berhad	4,725,000	0.76
14	Dhayalini A/P P.G. Doraisamy	4,254,687	0.68
15	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chooi Ho*	3,748,262	0.60
16	Lim Gaik Bway @ Lim Chiew Ah	3,717,000	0.60
17	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Choo Gee*	3,277,733	0.53
18	Cheng Mooh Tat	3,187,175	0.51
19	Lee Yew Aun	2,917,500	0.47
20	Tan Chooi Ho	2,900,650	0.47

ANALYSIS OF SHAREHOLDINGS *(Cont'd)*

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

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

	Name	Shareholdings	%
21	Affin Hwang Nominees (Tempatan) Sdn Bhd *Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd (Clients)*	2,593,750	0.42
22	Hong Nguen Joh	2,333,437	0.37
23	Goh Chye Heang	2,084,375	0.33
24	CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Commerce Trustee Berhad for TA Growth Fund*	2,047,812	0.33
25	Chin Fook Keong	1,895,000	0.30
26	Affin Hwang Nominees (Asing) Sdn Bhd *Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd (Clients)*	1,825,000	0.29
27	Amanahraya Trustees Berhad	1,797,000	0.29
28	Tan Wen Lee	1,786,562	0.29
29	Oo Kwang Tung	1,720,000	0.28
30	Loo Choo Gee	1,673,437	0.27

SUBSTANTIAL SHAREHOLDERS

	Name	Shareholdings			
		Direct	%	Indirect	%
1	Chuah Ah Bee	172,136,768	27.62	23,946,250 #	3.84
2	Chan Kim Keow	93,043,749	14.93	23,946,250 #	3.84
3	Plant Wealth Holdings Limited	106,595,625	17.11	-	-
4	KMP Private Ltd	-	-	106,595,625 ##	17.11
5	KMP Investments Pte Ltd	-	-	106,595,625 ##	17.11
6	Mariton International Limited	-	-	106,595,625 ##	17.11
7	Antoni Salim	-	-	106,595,625 ##	17.11
8	Tan Hang Huat	-	-	106,595,625 ##	17.11

DIRECTORS' SHAREHOLDINGS

	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	172,136,768	27.62	23,946,250 #	3.84
2	Chan Kim Keow	93,043,749	14.93	23,946,250 #	3.84
3	Chuah Hoon Phong	12,316,874	1.98	15,625 **	- *
4	Loo Choo Gee	4,951,170	0.79	-	-
5	Chew Chee Khong	-	-	-	-
6	Haji Ahmad Fazil Bin Haji Hashim	15,625	- *	-	-
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

WARRANTS 2015/2020

No. of outstanding Warrants	:	69,394,121
Exercise/Conversion Price	:	RM0.17
Exercise/Conversion Ratio	:	1 warrant for 1 ordinary share
Maturity Date	:	February 8, 2020

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	No. of Warrants	%
1 - 99	82	4,382	0.01
100 - 1,000	89	31,789	0.05
1,001 - 10,000	503	2,505,713	3.61
10,001 - 100,000	367	11,874,424	17.11
100,001 - 3,469,705 (*)	77	24,848,518	35.81
3,469,706 and above (**)	3	30,129,295	43.42
Total	1,121	69,394,121	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)

	Name	Warrant holdings	%
1	Chuah Ah Bee	20,441,796	29.46
2	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Choo Gee*	5,625,000	8.11
3	Chan Kim Keow	3,234,218	4.66
4	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	2,198,125	3.17
5	Chuah Hoon Phong	1,675,703	2.41
6	Oo Kwang Tung	1,574,062	2.27
7	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chung Ching (E-PTS)*	1,358,600	1.96
8	Chuah Hoon Hong	1,045,625	1.51
9	Chan Kim Keow	828,281	1.19
10	Chuah Hoon Teng	817,500	1.18
11	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ting Choong Sing (E-KPG)*	800,000	1.15
12	Tan Chooi Ho	633,800	0.91
13	Cheng Mooh Tat	531,906	0.77
14	Hooi Woi Jie	531,250	0.77
15	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chooi Ho*	464,800	0.67
16	Lim Gaik Bway @ Lim Chiew Ah	445,800	0.64
17	Cheng Mooh Tat	437,500	0.63
18	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Yip Tuck Leong (E-KLC)*	430,000	0.62

ANALYSIS OF WARRANT HOLDINGS *(Cont'd)*

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

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

	Name	Warrant holdings	%
19	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Lee Kong (LEE4763C)*	420,950	0.61
20	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheng Lin Chin (E-BPT)*	406,800	0.59
21	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tee Chit Keong (E-SRB)*	406,250	0.59
22	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Chia Chiat*	403,025	0.58
23	Ng Khoon Seah	398,500	0.57
24	Heung Yam Wai	359,500	0.52
25	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ong Kok San*	351,562	0.51
26	Chuah Hoon Phong	301,484	0.43
27	Maybank Nominees (Tempatan) Sdn Bhd *Tan Wai Heng*	300,075	0.43
28	Lim Kwee Huat	300,000	0.43
29	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Yong Chong Mooi (E-JPR)*	260,000	0.37
30	Lee Yew Aun	254,375	0.37

DIRECTORS' WARRANT HOLDINGS

	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1	Chuah Ah Bee	20,441,796	29.46	1,863,125 #	2.68
2	Chan Kim Keow	4,062,499	5.85	1,863,125 #	2.68
3	Loo Choo Gee	5,625,000	8.11	-	-
4	Chuah Hoon Phong	2,027,187	2.92	154,687 **	0.22
5	Chew Chee Khong	-	-	-	-
6	Haji Ahmad Fazil Bin Haji Hashim	7,812	0.01	-	-
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 Sixteenth 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, March 23, 2018 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 September 30, 2017 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 0.5 sen per share for the financial year ended September 30, 2017. **Ordinary Resolution 1**

3. To re-elect the following Directors retiring under Article 97(1) of the Articles of Association of the Company, and who, being eligible, have offered themselves for re-election:-
   a) Mr Chuah Ah Bee **Ordinary Resolution 2**
   b) Mr Goh Choon Aik **Ordinary Resolution 3**
   c) Madam Chan Kim Keow **Ordinary Resolution 4**

4. To re-appoint Deloitte PLT 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 an Independent Non-Executive Director**

   "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**

6. To approve the additional Directors' fees of RM281,635 payable to the Directors of the subsidiaries of the Company for the period from January 31, 2017 to September 30, 2017. **Ordinary Resolution 7**

7. To approve the Directors' fees up to an amount of RM700,000 and the payment of such fees to the Directors of the Company for the financial year ending September 30, 2018. **Ordinary Resolution 8**

8. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM150,000 from January 31, 2017 until the next Annual General Meeting of the Company. **Ordinary Resolution 9**

9. **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 Articles of Association of the Company 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**

AS SPECIAL BUSINESS (CONT'D)

10. **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 Memorandum and Articles of Association of the Company, 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.

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**

AS SPECIAL BUSINESS (CONT'D)

11. **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 Memorandum and Articles of Association of the Company, 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 Sections 2.4.1 and 2.4.2 of the Circular to Shareholders dated January 25, 2018 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate").

    THAT the Directors be empowered to do all such acts and things be considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

    THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:-
    (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or
    (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but must 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**

12. 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

CHEW SIEW CHENG (MAICSA 7019191)
LIM CHOO TAN (LS 0008888)
Company Secretaries

Penang

Date : January 25, 2018

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. A Member of the Company entitled to attend and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a Member of the Company. If a Member appoints up to two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositors) Act 1991, 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.

3. Where a member 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.

4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

5. The instrument appointing a proxy must be deposited at the Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.

6. Only members registered in the Record of Depositors as at March 16, 2018 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

Explanatory Notes on Special Business

1. **Continuing in office as an Independent Non-Executive Director**

   The Nomination Committee had assessed the independence of Tuan Haji Ahmad Fazil Bin Haji Hashim, who has served on the Board as an Independent Non-Executive Director 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 as an Independent Non-Executive Director as he possesses the following attitudes necessary in discharging his roles and functions as an Independent Non-Executive Director of the Company:-

   (i) Has met the criteria under the definition of Independent Director pursuant to Chapter 1 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements;

   (ii) Has 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) Has good and thorough understanding of the main drivers of the business in a detailed manner;

   (v) Actively participates in Board deliberations and decision making in an objective manner; and

   (vi) Exercises due care in all undertakings of the Group and carries out his fiduciary duties in the interest of the Company and minority shareholders.

Explanatory Notes on Special Business (Cont'd)

2. **Directors' Fees**

   The proposed Ordinary Resolution 7, if passed, will authorise the payment of the additional Directors' fees to the Directors of the subsidiaries of the Company for the period from January 31, 2017 to September 30, 2017 amounting to RM281,635. The approval for the payment of additional fees was not sought at the Fifteenth AGM held on March 23, 2017 as the notice of the Fifteenth AGM was issued on January 25, 2017. The Companies Act 2016 only came into effect on January 31, 2017.

   The proposed Ordinary Resolution 8, if passed, will authorise the payment of the Directors' fees up to an amount of RM700,000 for the financial year ending September 30, 2018.

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 RM150,000 from 31 January 2017 until the next Annual General Meeting of the Company. The approval for the payment of Directors' benefits was not sought at the Fifteenth AGM as the notice of Fifteenth AGM was issued on January 25, 2017. The Companies Act 2016 only came into effect on January 31, 2017.

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 March 23, 2018, the Board is desirous of seeking a fresh mandate at the Sixteenth 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 January 25, 2018 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 January 25, 2018 for more information.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 0.5 sen per share for the financial year ended September 30, 2017, if approved, will be paid on April 19, 2018 to Depositors registered in the Record of Depositors at the close of business on April 10, 2018.

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

a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on April 10, 2018 in respect of transfers;

b) shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

By Order of the Board

CHEW SIEW CHENG (MAICSA 7019191)
LIM CHOO TAN (LS 0008888)
Company Secretaries

Penang

Date : January 25, 2018

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 Sixteenth 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. As the Mandate will expire on March 23, 2018, the Board is desirous of seeking a fresh mandate at the Sixteenth 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 SEPTEMBER 30, 2017 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended September 30, 2017 are as follows:-

Name	Meetings attended
Chuah Ah Bee	6/6
Chan Kim Keow	6/6
Loo Choo Gee	6/6
Chew Chee Khong	6/6
Chuah Hoon Phong	6/6
Haji Ahmad Fazil Bin Haji Hashim	6/6
Goh Choon Aik	6/6
Lim Ghim Chai	5/6
Wijanti Tjendera	5/6
Ng Seng Bee (retired on March 23, 2017)	4/4

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CAB CAKARAN CORPORATION BERHAD
(Company No. 583661-W)
(Incorporated in Malaysia)

PROXY FORM

#CDS account no. of authorised nominee

*I / We, ____

of ____

being a *member / members of the abovenamed Company, hereby appoint ____________________

____

of ____

or failing *him/her, ____

of ____

or failing *him/her, the Chairman of the Meeting as * my / our proxy to vote for * me / us on *my / our behalf at the Sixteenth Annual General Meeting of the Company to be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21 Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang on Friday, March 23, 2018 at 10.30 a.m. and any adjournment thereof. *My/our proxy is to vote as indicated below:-

		For	Against
Ordinary Resolution 1	Declaration of a final single tier dividend of 0.5 sen per share		
Ordinary Resolution 2	Re-election of Mr Chuah Ah Bee		
Ordinary Resolution 3	Re-election of Mr Goh Choon Aik		
Ordinary Resolution 4	Re-election of Madam Chan Kim Keow		
Ordinary Resolution 5	Re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
Ordinary Resolution 6	Continuing in office for Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director		
Ordinary Resolution 7	Approval of additional Directors' fees of RM281,635 payable to the Directors of the subsidiaries for the period from January 31, 2017 to September 30, 2017		
Ordinary Resolution 8	Approval of Directors' fees up to an amount of RM700,000 for financial year ending September 30, 2018		
Ordinary Resolution 9	Approval of Directors' benefits		
Ordinary Resolution 10	Approval for issuance of new ordinary shares		
Ordinary Resolution 11	Renewal of share buy-back authority		
Ordinary Resolution 12	Renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific to voting is given, the proxy may vote as he thinks fit.
* Strike out whichever not applicable

For appointment of two proxies, number of shares and percentage of shareholdings to be represented by the proxies:-

	No. of shares	Percentage
Proxy 1	__________	________%
Proxy 2	__________	________%

Signed this _________ day of ____________________, 2018.

Number of shares held	

____
Signature / Common Seal of Shareholder

____
Contact no. of Shareholder/Proxy:

Notes:

1. A Member of the Company entitled to attend and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his place. A proxy may but need not be a Member of the Company. If a Member appoints up to two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, 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.
3. Where a member 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.
4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
6. Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
7. Only members registered in the Record of Depositors as at March 16, 2018 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

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STAMP

To

The Secretaries

CAB CAKARAN CORPORATION BERHAD (583661 W)
Suite A, Level 9, Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Malaysia

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