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

ADVANCEMENT OF **GLOBALISATION**

Annual Report **2018**

CONTENTS

ABOUT US

"GROWTH THROUGH SUSTAINABLE DEVELOPMENT"

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

Our Vision

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

Our Mission

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

Our Core Values

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chuah Ah Bee
Executive Chairman

Chuah Hoon Phong
Group Managing Director

Chan Kim Keow
Executive Director

Chew Chee Khong
Executive Director

Loo Choo Gee
Executive Director

Haji Ahmad Fazil Bin Haji Hashim
Senior Independent Non-Executive Director

Goh Choon Aik
Independent Non-Executive Director

Lim Ghim Chai
Independent Non-Executive Director

Wijanti Tjendera
Non-Independent Non-Executive Director

Audit Committee

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Goh Choon Aik
Members

Nomination Committee

Haji Ahmad Fazil Bin Haji Hashim
Chairman

Goh Choon Aik
Lim Ghim Chai
Members

Remuneration Committee

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Goh Choon Aik
Members

Risk Management and Sustainability Committee

Chuah Hoon Phong
Chairman

Goh Choon Aik
Lim Ghim Chai
Members

Halal Committee

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

Haji Ahmad Fazil Bin Haji Hashim
Chairman

Dato' Raja Zulkepley Bin Dahalan
Deputy Chairman

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

Registered Office

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

Company Secretaries

Chew Siew Cheng
(MAICSA 7019191)
Lim Choo Tan
(LS 0008888)

Share Registrar

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

Stock Exchange Listing

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

Auditors

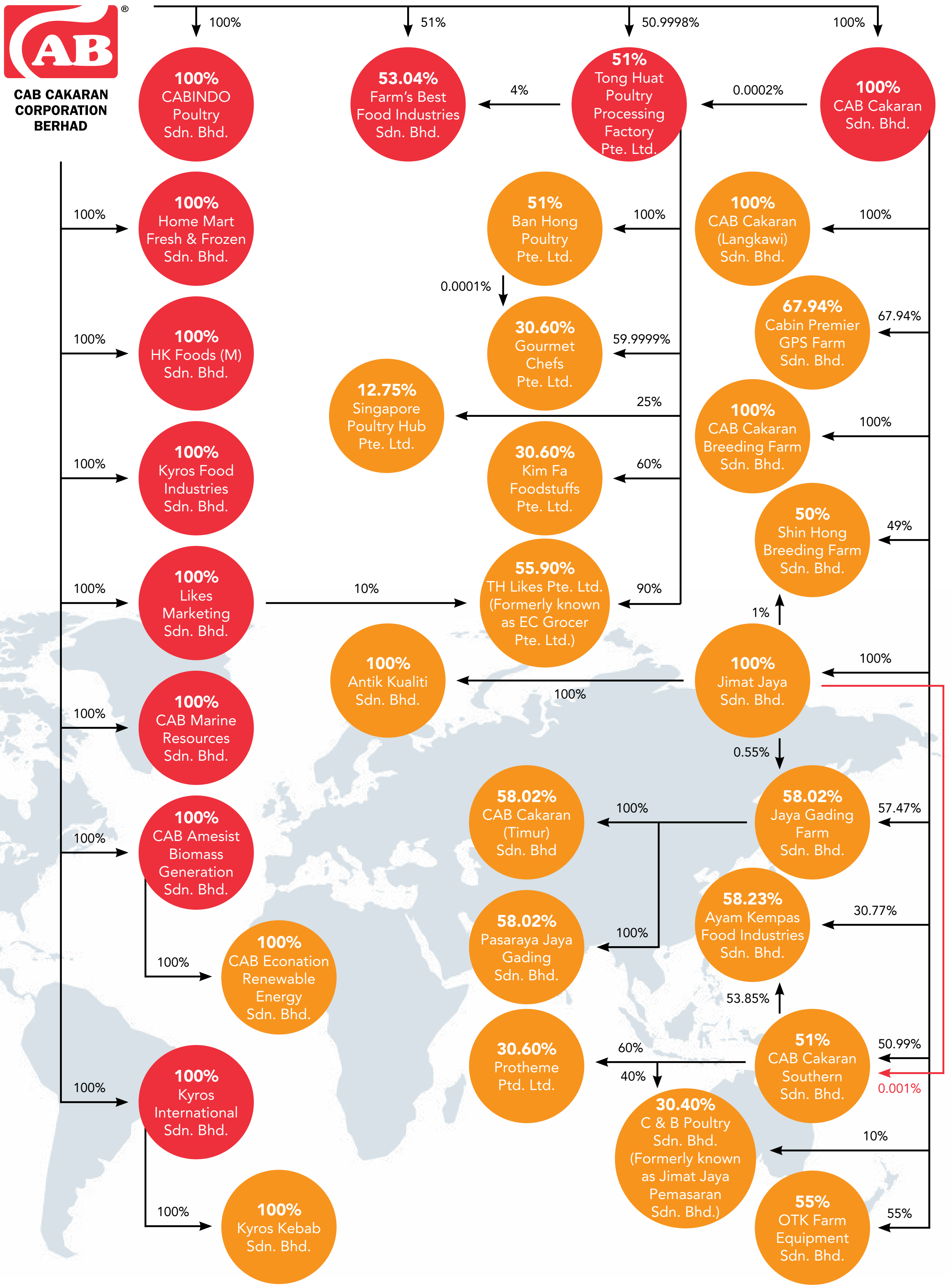
Grant Thornton Malaysia
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Principal Bankers

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

CORPORATE STRUCTURE

as at 31 December 2018



PROFILE OF BOARD OF DIRECTORS

CHUAH AH BEE

Executive Chairman ○ Aged 68 ○ Male ○ Malaysian

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

Mr. Chuah is the founder of CAB Group and has more than 40 years of experience in the poultry industry. He is the Chairman of Persatuan Penjual-Penjual Ayam Itik Pulau Pinang since 2004 and had served as the Vice Chairman from 1995 to 2003. He is also a Committee Member of Penang & Province Wellesley Farmers Association since 2003.

CHUAH HOON PHONG

Group Managing Director ○ Aged 40 ○ Male ○ Malaysian

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

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

CHAN KIM KEOW

Executive Director ○ Aged 61 ○ Female ○ Malaysian

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

CHEW CHEE KHONG

Executive Director ○ Aged 62 ○ Male ○ Malaysian

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

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

LOO CHOO GEE

Executive Director ○ Aged 55 ○ Male ○ Malaysian

Mr. Loo was appointed to the Board of CAB on 11 August 2003 as an Executive Director. He joined the Group as Branch Manager in 1996 and has more than 30 years of experience in the poultry industry.

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

HAJI AHMAD FAZIL BIN HAJI HASHIM

Senior Independent Non-Executive Director ○ Aged 63 ○ Male ○ Malaysian

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

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

GOH CHOON AIK

Independent Non-Executive Director ◦ Aged 45 ◦ Male ◦ Malaysian

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

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 was the Principal. He also served as Municipal Councillor in Majlis Perbandaran Seberang Perai from 2008 to 2010 and 2016. He has accumulated 20 years of experience in the town planning.

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

LIM GHIM CHAI

Independent Non-Executive Director ◦ Aged 44 ◦ Male ◦ Malaysian

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

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

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

WIJANTI TJENDERA

Non-Independent Non-Executive Director ○ Aged 60 ○ Female ○ Indonesian

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

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

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

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 186 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

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

KOAY LAY EAN

- Director (Group's Finance Division)
- Age 45
- Female
- Malaysian

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

LIM CHIN SENG

- Director (Breeding Farm Operation Division)
- Age 57
- Male
- Malaysian

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

CHUAH HOON TENG

- Director (Breeding Farm Operation Division)
- Aged 31
- Male
- Malaysian

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

VINCENT LEONG WENG FAI

- Director (Food Processing Operation Division)
- Aged 39
- Male
- Malaysian

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

YAP KIM HWAH

- Managing Director (East Coast Poultry and Supermarket Division)
- Aged 65
- Male
- Malaysian

He is the Managing Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on 20 June 1986. He has completed his secondary education and immediately involved in poultry industries. He joined JGF since the incorporation of JGF in 21 February 1984 and has over 34 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 50
- Male
- Malaysian

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

PROFILE OF KEY SENIOR MANAGEMENT (Cont'd)

TOO SIEW DIN

- Managing Director (Singapore's Food Processing Division)
- Aged 51
- Male
- Singaporean

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

CHUAH HOON HONG

- Director (Southern Poultry Division)
- Aged 33
- Male
- Malaysian

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

DR. HUANG LIP CHIN

- Senior Group Manager (Poultry Technical Division)
- Aged 44
- Male
- Malaysian

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

DR. TAN CHEE KIANG

- Group General Manager (Poultry cum Overseas Business Development Division)
- Aged 52
- Male
- Malaysian

Dr. Tan Chee Kiang is the Group General Manager of CAB Cakaran Sdn. Bhd. ("CABC"). He graduated in 1992 with professional degree Doctor of Veterinary Medicine (UPM). He has 25 years' of experience in the integrated livestock business. He has held various senior managerial positions in multinational livestock industry company, Charoen Pokphand Group of companies and was the former Vice President of PK Agro Industrial Products Sdn. Bhd. prior to joining CAB Group in 2017. He is currently in charge of the broiler business operations of CABC, Farm's Best Food Industries Sdn. Bhd. and CAB Cakaran Southern Sdn. Bhd..

GAN CHIN NAM

- General Manager (Southern Poultry Division)
- Aged 54
- Male
- Malaysian

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

ABDUL RAHMAN BIN DIN

- Senior Business Development Manager (Poultry cum Business Development Division)
- Aged 37
- Male
- Malaysian

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

(1) Family Relationships and Major Shareholders

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

(2) No Conflict of Interest

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

(3) Non-Conviction of Offences

All the Key Senior Management have not been convicted with any offences other than traffic offences (if any) in the past five (5) years.

MANAGEMENT DISCUSSION AND ANALYSIS

This Statement contains the management discussion and analysis ("MD&A") of the business operations and performance of CAB Cakaran Corporation Berhad ("the Company") and its subsidiaries ("the Group" or "CAB Group") for the financial year ended 30 September 2018 ("FY2018").

This MD&A should be read in conjunction with the audited financial statements of the Group for FY2018 as set out in this Annual Report.

GROUP BUSINESS AND OVERVIEW

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

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

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

The CAB Group's downstream business includes sales of poultry products which entails the slaughtering and processing of live-broilers for sale as processed chicken or chicken parts as well as the production and trading of value-added products such as nuggets, sausages, burgers patties and deli meats. The Group operates six (6) slaughtering and processing factories which are located at Sungai Petani (Kedah), Segambut (Kuala Lumpur), Majlis Tanah (Melaka), Seelong (Johor), Kuantan (Pahang) and Senoko Crescent (Singapore). We have established strong distribution networks in the domestic and Singapore markets which encompass retail outlets, wholesalers, restaurants, hotels, supermarkets and hypermarkets.

The CAB Group operates medium-sized supermarkets under Pasaraya Jaya Gading Sdn. Bhd. and Home Mart Fresh & Frozen Sdn. Bhd. with the outlets located either in small towns or at the fringes of the bigger towns, which is away from the bigger competitors. The Group currently has a total of ten (10) outlets with four (4) in Kuantan, two (2) in Kelantan, one (1) in Penang and three (3) in Kedah. The Group's long-term strategy is to build a big network of such outlets throughout the Peninsular as one of the distribution channels for the Group's products.

The Group also owns and operates the Kyros Kebab fast food franchise chain in the country. Currently, there are 8 Kyros Kebab outlets operating in Malaysia.

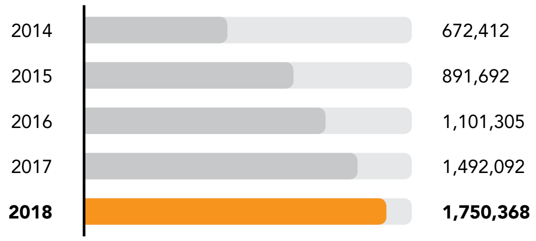
The acquisition of the breeder farms and broiler farms from Sinmah Group have been completed in the months of May and June 2018 respectively. The acquisition of the poultry business in Johore, including farms and primary processing factory from Ayam Kempas Sdn. Bhd., which is pending completion will provide the Group an opportunity to expand further its market present in Johor. In view that broilers are generally essential food item, the Board believes that by being a larger broiler producer, CAB Group can reap economies of scale in its operation as well as achieving more sustainability and consistency in the supply of its poultry products.

The joint venture agreement with the Salim group which was signed in November 2017 to set up an integrated poultry business in Indonesia is expected to commence in the second quarter of 2019.

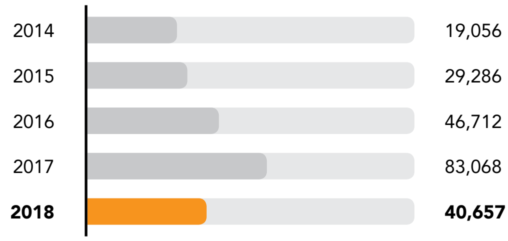
HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR PAST 5 FINANCIAL YEARS

Financial Years Ended September 30	2014 RM '000	2015 RM '000	2016 RM '000	2017 RM '000	2018 RM'000
Revenue	672,412	891,692	1,101,305	1,492,092	**1,750,368**
Earning before interest and taxation	24,459	37,593	56,861	96,713	**57,050**
Profit before taxation	19,056	29,286	46,712	83,068	**40,657**
Profit after taxation	11,620	20,943	35,957	61,675	**30,445**
Net profit attributable to equity holders	11,167	16,041	25,998	58,183	**29,731**
Total assets	404,476	569,754	692,090	1,065,515	**1,250,682**
Total borrowings	118,994	193,128	222,348	286,498	**407,382**
Shareholders' equity attributable to equity holders	152,395	184,165	246,279	389,804	**420,255**
Debt/Equity (%)	78.08%	104.87%	90.28%	73.50%	**96.94%**
Net assets per share	0.37	0.39	0.45	0.63	**0.65**
Basic earnings per share (sen)	2.72	3.69	5.15	10.12	**4.71**
Diluted earnings per share (sen)	N/A	3.28	4.24	8.76	**4.36**
Return On Equity (ROE)	7.33%	8.71%	12.08%	18.29%	**7.34%**
Dividend per share (sen)	N/A	N/A	1.00	0.50	**0.50**

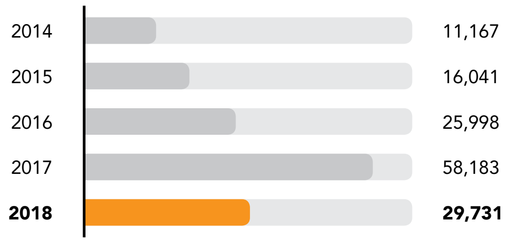
Revenue
(RM'000)



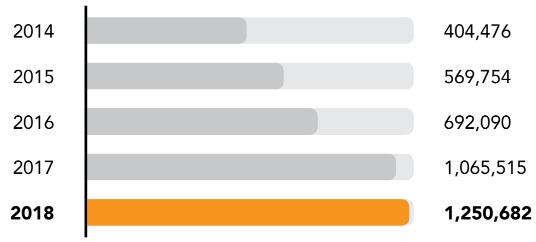
Profit Before Taxation
(RM'000)



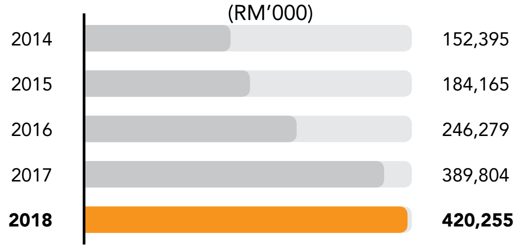
Net Profit Attributable To Equity Holders
(RM'000)



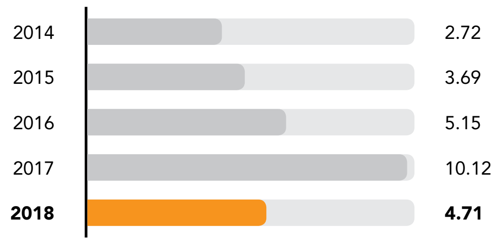
Total Assets
(RM'000)



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



Basic Earnings Per Share
(sen)



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 FY2018 as compared with the previous FY2017:

	FY2018 RM'000	FY2017 RM'000	Change %
Revenue	1,750,368	1,492,091	17.31
Cost of sales	1,597,101	1,320,451	20.95
Distribution costs	55,155	43,716	26.17
Administrative expenses	52,833	48,916	8.01
Other gains/(losses)	(2,345)	4,628	(150.67)
Finance costs	17,772	14,655	21.27
Profit from operations	60,024	92,579	35.16
Profit before tax	40,657	83,068	(51.06)
Net profit attributable to equity holders	29,731	58,183	(48.90)
Property, plant and equipment	687,342	532,724	29.02
Investment properties	96,520	86,038	12.18
Prepaid lease payments on leasehold land	19,206	13,342	43.95
Other assets	21,579	46,233	(53.33)
Inventories	92,266	85,034	8.50
Trade and other receivables	210,914	180,885	16.60
Trade and other payables	238,202	201,031	18.49
Borrowings	407,382	286,498	42.19

Financial Highlights and Insights

- During the financial year under review, the Group achieved a total revenue of RM1.75 billion, an increase of 17.31% over the previous year's revenue of RM1.49 billion. The higher revenue was achieved on the back of strong sales growth of the integrated poultry division as a result of the increase in the production of day-old chicks and broilers as well as higher trading volume of feeds. Despite the strong sales growth, the Group recorded a decrease in profit from operations of RM60.02 million.

- The Group suffered a decrease in profit before tax ("PBT") to RM40.66 million, a 51.06% decrease over FY2017. The main reasons for the lower PBT are:-

  (i) the lower average selling price of RM4.70 per kg for the broilers as compared to RM4.86 per kg in FY2017;
  (ii) the increased in feed cost and distribution cost; and
  (iii) the increase in finance cost due to increase in term loan interest charges especially relating to the acquisition of breeder farms and broiler farms.

- Administrative expenses increased by RM3.92 million in FY2018 mainly due to addition administrative expenses needed by Farm's Best Food Industries Sdn. Bhd. ("FBFI") to operate the broiler division after completion of the acquisition of broiler farms, as well as the inclusion of the results of new subsidiaries, Kim Fa Foodstuffs Pte. Ltd. ("KF") and Ayam Kempas Food industries Sdn. Bhd. for the first time.

- Other gain and loss reduced by RM6.97 million in FY2018 mainly due to the decrease in the gain on fair value adjustment of investment properties. The Group achieved a gain on fair value adjustment of investment properties of RM2.67 million in FY2018 as compared to RM9.19 million in FY2017.

GROUP FINANCIAL REVIEW (Cont'd)

Financial Highlights and Insights (Cont'd)

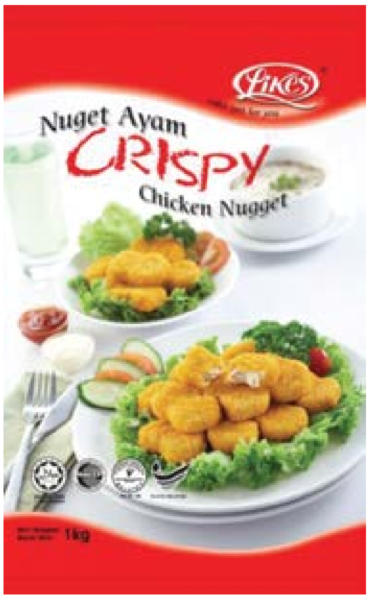
- Finance costs increased by RM3.117 million to RM17.77 million as compared to FY2017 mainly due to increase of term loan to finance the acquisition of farms and factory in FY2018 as well as increase in the utilisation of short-term borrowing.
- The Group's property, plant and equipment and prepaid lease payments on leasehold land increased in FY2018 mostly due to completion of the acquisitions of 5 broiler farms by CAB Cakaran Sdn. Bhd., 1 factory in Singapore by Tong Huat Poultry Processing Factory Pte. Ltd., 6 breeder farms and 25 broiler farms by FBFI.
- The Group's other asset reduced to RM21.58 million mainly due to realization of deposits to acquire the abovementioned properties.
- The Group's inventories increased by RM7.23 million to RM92.27 million mainly due to the increase in stock of processed chicken as a result of the oversupply situation during the last quarter.
- The trade and other receivables increased by RM30.03 million mainly due to the increase in sales. Trade and other payables increased by RM37.17 million mainly due to the increase in the cost of feed as well as the purchase of more materials to support the increase in sales.
- Cash and cash equivalents stood at RM83.42 million in FY2018 as compared to RM91.83 million in FY2017. Net cash used in investing activities was RM170.25 million as compared to the net cash generated from operating and financing activities of RM162.52 million resulting in a decrease of RM7.73 million in cash and cash equivalents.
- The net cash generated from financing activities was mostly from the increase of term loan amounting to RM110.77 million raise to finance the acquisition of breeder and broiler farms and factory, increased in the utilisation of short-term borrowing by RM18.51 million and proceeds received from the exercise of warrants amounting to RM4.69 million. The net cash used in investing activities was mostly for the purchase of properties, plant and equipment, investment properties and prepaid land lease which together amounted to approximately RM198.39 million.
- A final single tier dividend of 0.5 sen per ordinary share amounting to RM3.16 million in respect of the FY2017 was paid on 19 April 2018.

GROUP BUSINESS OPERATIONS REVIEW

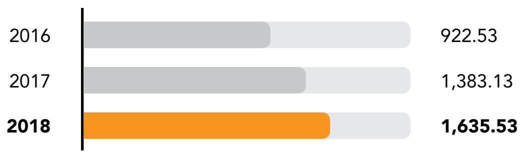
Integrated Poultry Division

The integrated poultry division is our core and largest business segment and remains the major contributor to the Group's performance in FY2018. Revenue for the division was RM1.64 billion which showed an increase of 18.25% over the previous year. In spite of the higher revenue, this division recorded a segment profit of RM72.02 million which was a decrease of 26.31% over the previous year.

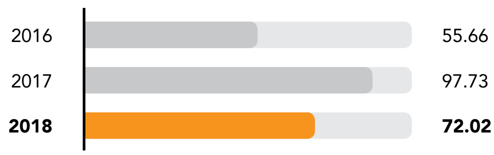
The lower profit generated by this division was largely due to the poor fourth quarter result which was adversely affected by the twin effects of low price of broilers and increase in cost of feed. The escalating trade war between the USA and China has created instability in the price of commodities as well as the currencies of most emerging economies which have a direct impact on the cost of feed. Increase in the cost of feed, which forms a substantive portion of the cost of production, has therefore adversely affected the performance of this division.



Gross Segment Revenue
(RM'000)



Segment Profit
(RM'000)



GROUP BUSINESS OPERATIONS REVIEW (Cont'd)

Integrated Poultry Division (Cont'd)

As at the date of this report, the Group operate more than ten (10) breeder farms including the breeding of parent-stocks of black chicken and colour bird located at Kedah, Penang, Negeri Sembilan and Johor. We also operate more than 100 broiler farms which are located throughout the Northern, Southern, and Eastern Peninsular region These farms are altogether segmented under the Group's integrated poultry farming division, of which has been the main revenue generator for the Group.

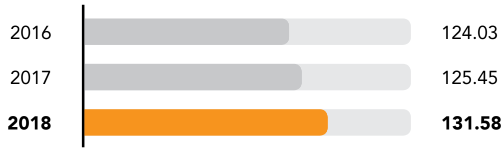
During the year under review, the capital expenditure for the segment was RM215.10 million as compared to RM50.23 million for the previous financial year. The capital expenditure was primarily incurred for the acquistion of additional breeder and broiler farms in Kedah, Melaka, Negeri Sembilan and Johor as well as a factory located in Singapore. These expansions are 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 completion of the acquisition of the broiler farms during the year, the Group has also increased its contract farming activities. The Company will continue to support the farmers in term of supply of DOC, feed, veterinary supplies and technical knowhow in best farm practices. Consequently, the Group's broiler production capacity has significantly increased in FY2018 from approximately 116.16 million kilograms to 155.78 million kilograms per year.

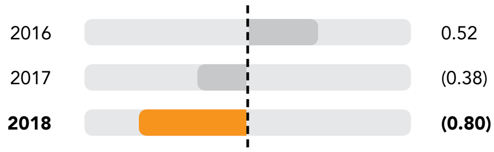
Supermarket Division

The total revenue for the supermarket division was RM131.58 million, with a segment loss of RM0.80 million as compared with the prior year's revenue of RM125.45 million and segment loss of RM0.38 million. Despite the increase in revenue, this division suffered a higher loss from operation in FY2018 mainly due to the erosion of margin resulting from the many promotional activities undertaken by the outlets to maintain sales. It was observed that the general retail market sentiment was weak during the year.

Gross Segment Revenue
(RM'000)



Segment Profit/(Loss)
(RM'000)



KEY BUSINESS RISK AND MITIGATION STRATEGIES

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

KEY BUSINESS RISK AND MITIGATION STRATEGIES (Cont'd)

- **Volatility of Prices of Live Broilers and Processed Chicken Meat**
  The major portion of the Group's revenue is derived from the sale of live broilers and processed chicken meats. The prices of these products are depended on the overall demand and supply situation in the market which are determined by various factors. Therefore the volatility of price of broiler in the local market will have an effect on the Group's revenue and profit. To partly mitigate the price volatility, the Group enters into medium term contracts to supply dressed chicken and parts at a pre-determined fixed price to some of its major customers.

- **Food Safety**
  Being a food producer, the Group has always placed food safety as its utmost priority in its operations. We strictly adhere to operational best practices and processes as well as standard operating procedures. To preserve quality and safety of the Group's products, the relevant operations are certified and accredited with recognized national and international food safety standards, including the Malaysian Good Agricultural Practices ("MyGAP") certification for its breeder and grand-parent stock farms, Veterinary Health Mark ("VHM") and HALAL (by Jabatan Kemajuan Islam Malaysia) certification for chilled/frozen chicken and further processed products, Hazard Analysis and Critical Control Point ("HACCP") certification for processing and manufacturing facilities. The Group also received certification from the Agri-food & Veterinary Authority of Singapore ("AVA") for certain broiler farms in Johore as well as the processing and manufacturing facility in Malacca which enables the Group to export live broilers, frozen dressed birds and parts as well as further processed products to Singapore.

- **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. This venture has proven to be successful and the Group has continue to expand its business in the Island republic. The Goup had in November 2017 signed a joint venture agreement with the Salim group to set up an integrated poultry business in Indonesia. However, the implementation of the project was delayed due to the longer than expected time in getting relevant regulatory approvals. Barring unforeseen circumstances, the project should be implemented in the second quarter of 2019.

- **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 USD for its imported raw materials and foreign currency loan. The Group will continue to assess the need to utilize financial instruments to hedge our forex exposure.

FORWARD LOOKING STATEMENT

The global economy is expected to grow at 3.70 % in 2018, down from earlier forecast of 3.90%, as trade tensions between U.S. and trading partners have started to hit economic activity worldwide. Next year, the global economy is expected to face greater challenges with uncertainties in trading arrangements such as AFTA, new agreement awaiting approval, Brexit and tariff war between U.S. and China.

On the local front, the GDP is expected to grow by 4.90% down from an earlier forecast of 5.40% in 2018. This was due mainly to the cancellation of major infrastructure projects and slowing export growth. The World Bank forecast a growth rate of 4.70% for Malaysia in 2019 supported by strong private consumption growth and a solid manufacturing sector. However, as a highly open economy, Malaysia will continue to face substantial risks relating to uncertainties in the external environment.

Given the above economic scenario for the coming year, the Management will take decisive action to improve and strengthen the competitiveness of the Group's operation, in particular the integrated poultry farming and processing division which is still the Group's core and largest business segment. The Group will continue to modernise and upgrade its farms from those still operating under the open house system to closed house system. Closed house system farms will ensure better safety and hygienic standards for broiler production with the additional benefit of increase production capacity per farm.

In addition, the Group is in the process of upgrading the slaughtering capacity of its plant in Sungei Petani from the current capacity of 4,000 birds per hour to 10,000 birds per hour. Together with the upgrading of slaughtering capacity, the management will invest in automating most of the processes of cutting and deboning of chicken into parts. This will help improve the overall efficiency of the plant and also to reduce the reliance on manual labour. The Group will make the necessary adjustments in streamlining its current resources with the view of reaping the benefits of economies of scale in its operation and to ensure a more sustainable and consistent supply of its poultry products.

The joint venture with the Salim Group to set up an integrated poultry business in Indonesia is now expected to be activated in the second quarter of 2019. The Group is hopefully that this joint venture project will be successfully implemented as it will have significant effect on the Group's earnings in the long run.

The Group's value added products section did not perform up to expectation in the last financial year resulting from high cost of production and low productivity of older equipment. The Group will continue to invest in upgrading the equipment and system to improve productivity and efficiency in order to be competitive. More new and better quality products will be rolled out next year in order to expand the range of products offered to the market. The value added section is expected to show improved performance in the next financial year.

The supermarket division is expected to experience a difficult trading environment in 2019 due to poor market sentiment and intense competition in the retail sector. The Group plans to open at least two new outlets in the coming year and with a bigger operating base it is hoped that the operating cost per unit will improve. It is the Group's plan to continue to expand the number of outlets in the coming years as this is an efficient distributing channel for the Group's products.

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 30 September 2018 for the shareholders' approval at the forthcoming 17th Annual General Meeting.

SUSTAINABILITY STATEMENT 2018

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

SCOPE & METHODOLOGY

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

CAB will issue a detailed Sustainability Statement annually which encompasses key business sustainability activities carried out by the various components of the Group and their performances, commencing the next financial year.

The implementation of CAB's sustainability initiatives focuses on the Group's integrated poultry farming division as this is the Group's core business segment and major revenue contributor.

APPROACH TO SUSTAINABILITY

Sustainability Governance

The Group's approach to sustainability is formulated based on its core values and principled around its Mission and Vision illustrated as follows:

Our Vision

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

Our Mission

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

Our Core Values

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

Methodology

In formalising and integrating sustainability into its business, the Group enhanced its management organisation by embedding sustainability into its risk management system where sustainability is treated as one of the key discussion points at its management meetings.

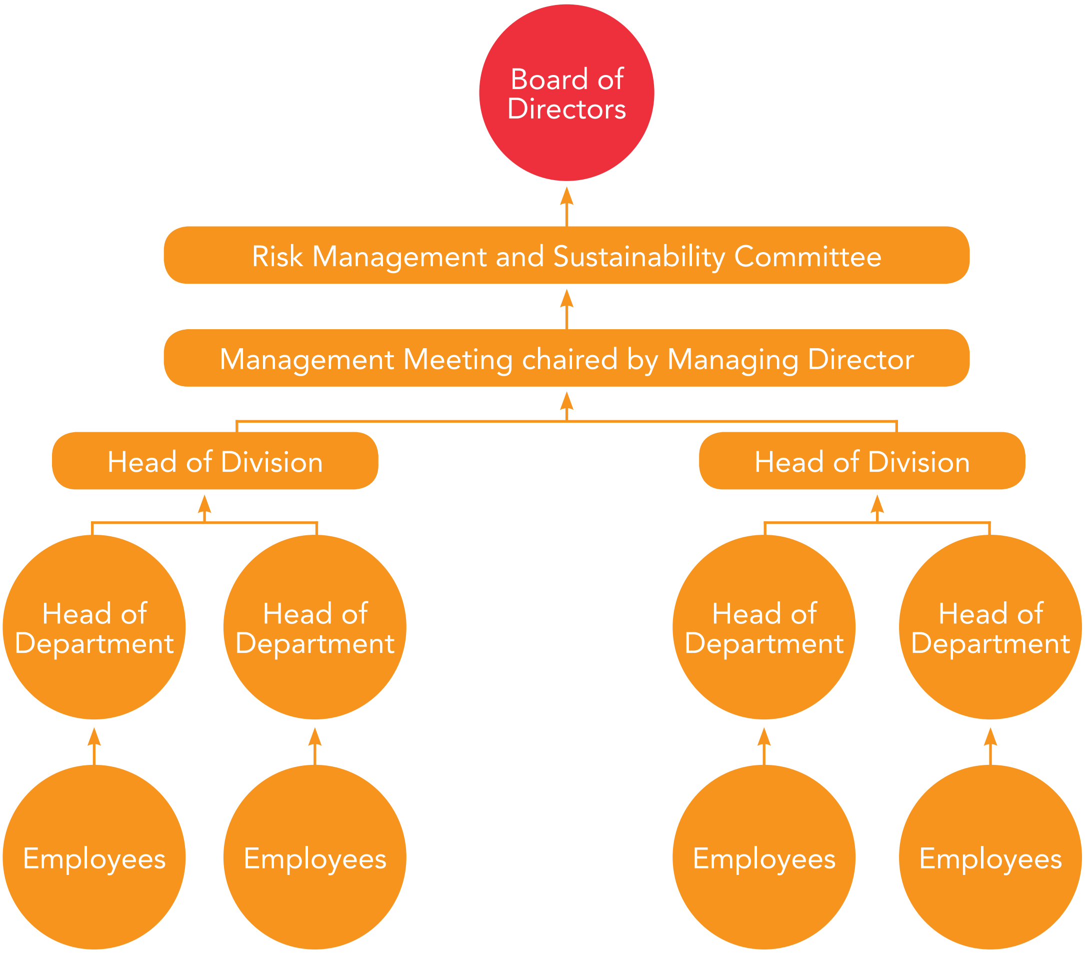
Approach

This integration resulted in the enhancement of the Risk Management and Sustainability Committee ("RMSC") which reports directly to the Board of Directors ("Board"), having now to play an extended role as it is now tasked with responsibilities that include the establishment of a sustainability framework, review of the adequacy of sustainability processes, ensuring effectiveness in identification, management and reporting of Material Sustainability Matters of the Group, monitoring and overseeing all sustainable strategies and initiatives of the Group. With such new auxiliary responsibilities, the RMSC plays a vital and fundamental role in ensuring the success of the Group's sustainability practices.

APPROACH TO SUSTAINABILITY (Cont'd)

Sustainability Framework Structure

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



Aim

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

MATERIAL SUSTAINABILITY CORE FOCUS AREAS

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

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

CAB has, with guidance of an external consultant, performed a materiality assessment on the Group's EES matters and has identified the following key focus areas which may have greater direct or indirect impact on our Group's ability to create, preserve or erode EES values.

ECONOMIC

CAB has always placed quality of its product and ensuring food safety as its utmost priority followed by timeliness of delivery and support of local business.

Product Quality and Safety

To preserve quality and safety of the Group's products, the relevant operations are certified and accredited with recognised national and international food safety standards, including the Malaysian Good Agricultural Practices ("MyGAP") certification for its breeder and grand-parent stock farms, Veterinary Health Mark ("VHM") and HALAL (by Jabatan Kemajuan Islam Malaysia) certification for chilled/frozen chicken, frankfurters and nuggets, Hazard Analysis and Critical Control Point ("HACCP") certification for processing and manufacturing facilities and Agri-food & Veterinary Authority of Singapore ("AVA") which enables the broilers to be exported to Singapore.

Bio-security and safety of livestock plays an important role on food quality and safety and this aspect may be threatened by physical, chemical and microbiological content. Bio-security is taken seriously at CAB's farms, with controls and measures embedded into the Group's operations to prevent, minimise, confine, and control diseases and infection risk at all farms and hatcheries.

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

The physical movements of persons in and out of the operation premises are monitored and controlled, and persons entering the premises are required to wear disinfected apparel and gears. Access into farm houses is only allowed for persons wearing designated farm uniform after going through mandatory shower, hand wash and disinfectant boot-dip. As breeder flocks play a crucial part in reproducing quality livestock, grandparent stocks are kept in a separate farm, where access is strictly controlled to minimise the risk of infection. Likewise, parent stock farms are managed in accordance with the standards required for CAB to be certified by the Department of Veterinary Services ("DVS") as MyGAP certification holder.

External vehicles are not allowed into production and clean areas, whilst all authorised vehicles are required to have vehicle shower and wheel-dip before entering farms and hatcheries. In addition, the Group has employed qualified veterinarians who are responsible for poultry health monitoring and disease control.

Further, the Group manages the internal conditions of its operation premises by adopting good practices on a range of matters crucial to hygiene and disease-control, such as for rodent, insect and wild bird control and waste management for farms and hatcheries. Flock Health Monitoring and Good Animal Husbandry Practice ("GAHP") are also practised at all farms and hatcheries to ensure high quality of water, feed and power supply. The Group also adopts Evaporative Tunnel Ventilated Closed House System to regulate and enhance consistency of house temperature and air quality to avoid unnecessary stress on poultry in order to deliver excellent performance and also to reduce bio-security risks.

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

- Safety Chemical Handling and Spillage;
- ISO 9001:2015 Awareness;
- Food Handler Training;
- ISO 9001: 2015 Internal Audit;
- 5S Housekeeping Refresher Training;
- Kursus Pemerikasaan Halal;
- HACCP Implementation &Awareness;
- Scheduled Waste Management;
- Safe Handling of Ammonia;
- Acceptance Food Sampling;
- Pest Control;
- Fire Safety for (Breeder Farm);
- Ergonomic Sitting for Office Work Station;
- Manual Handling at Workplace (Logistic and Store);
- Manual Handling at Workplace (Packaging);
- Basic Road Safety for Freight Driver;
- Train the Trainer (NIOSH) for Safety and Health Personal;
- Spin Chiller Monitoring Training;
- Fire Safety and Emergency Response (Slaughter Facility);
- FSSC 22000 version 4.1 Awareness Training;
- CCP Monitoring and Corrective Action;
- Live Bird Handling;
- Chemical Handling and Safety Measure (DILUTION);
- Post Mortem and Poultry Disease;
- GMP Awareness Training; and
- Checklist and Record Keeping.

ECONOMIC (Cont'd)

Product Quality and Safety (Cont'd)

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

Timeliness of delivery

Having over forty (40) years of experience in the industry, the Group has gained experience to devise an efficient delivery logistics system for the timely delivery of its products and services. The Project Team is tasked with scheduling and monitoring to ensure delivery plans are implemented by the Manufacturing, Packing and Logistics Team. In addition, the Group assesses and maintains records on the performance of its suppliers, contractors, and forwarders in terms of quality of service, reliability and timeliness. Such a process enables the Group to optimise its deployment of resources in its delivery, especially for the Group's key customers.

ENVIRONMENT

CAB prioritises environmental conservation and is conscious about its sustainability. In operating its businesses, the Group is committed to the protection of the environment and this commitment can be seen in the various initiatives that have been put in place.

Waste Management

The Group continually maintains its waste management system effectively to prevent environmental contamination from its production effluents.

CAB manages its effluent discharge via waste water treatment plant which applies two (2) types of treatments, namely Biological Process and Physical Chemical Process, or a combination of both in some plants. The Group's technical officers are well trained and certified by the Department of Environment ("DOE") to maintain its treatment system.

Poultry manure, which may cause foul odour and encourage breeding of pests, is disposed of for recycling into organic fertilisers for use in the agricultural industry as an alternative source for chemical fertilisers, thus creating better and less contaminated environment. The Group is aware of the problem with flies arising from poultry manure, which affects communities located in the vicinity of its farms, and the Group is taking serious actions, including advising farmers on the application of insecticides which helps to stop the life cycle of flies.

Furthermore, the Group is in the process of converting all its farms into closed-house system which will help alleviate the problems with flies. At the same time, the conversion to closed-house systems will also help reduce odour and noise pollution.

Energy conservation

The Group acknowledges that energy conservation reduces electricity costs as well as carbon footprint. As such, the Group practises energy saving habits faithfully through many ways to economise resources, such as replacement of lightings into LED lightings, switching off electricity when not in use and avoiding printing whenever possible.

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

SOCIAL

In the social realm, the Group places close attention to its employees and workers, with emphasis on the employees' occupational safety and health ("OSH") matters as well as talent attraction, development and retention.

Occupational Safety and Health

The Group commits to provide employees and workers with a safe and conducive working environment which in turn encourages productivity. The Group has employed an accredited OSH Officer to monitor and ensure OSH matters are kept in check. The OSH Officer conducts regular safety trainings and safety audit at the Group's hatcheries, farms, processing and production sites to inculcate a mindset on safety awareness and practices amongst employees, workers and contractors. Safety information, improvement opportunities and non-compliances are communicated and reported through Notice Boards and regular management briefings.

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

For the financial year ended 30 September 2018, there were no major incidents recorded on safety and health.

Employee Commitment

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

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

Continuous skill development and knowledge improvement remain as one of the Group's key focus areas and this can be seen in the training and development programs which CAB has implemented for its employees. The Group's employee training and development program aims to help employees elevate themselves at a personal level as well as professional level. Not only does the Group's training and development program help to provide employees with opportunities towards a progressive career path, it also creates opportunity for the Group to identify personnel with high potential to be considered in its succession planning.

For the financial year under review, skills and development programs conducted for the Group's employees include separate team building sessions for the Group's executive team and non-executive team. The programs are intended to be conducted on an annual basis to nurture a culture of team-work and skills and knowledge improvement.

SOCIAL (Cont'd)

Contribution to community

The Group also acknowledges its responsibility to the community where it operates. The Group regularly contributes food such as chicken meat and chicken nuggets to orphanages, old folks home and schools in Petaling Jaya and Melaka.

The Group also believes in helping the youths to achieve their academic dreams and have allowed students from various local universities to have their practical trainings in the Group's poultry breeder farms and food processing factories.

BUILDING A SUSTAINABLE FUTURE

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

The Board is of the view that the existing sustainability practices adopted are adequate and pertinent to steer the Group's sustainable growth. Nonetheless, it will consider the need to implement other sustainability practices, as appropriate, to augment existing ones as the Board monitors the sustainability performance of the Group's operations on an ongoing basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

The Board is pleased to outline below the manner in which the Group has adopted and applied the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("the Code" or "MCCG 2017") which took effect on 26 April 2017 and the governance standards prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") throughout the year under review. This Statement is to be read together with the Corporate Governance Report 2018 of the Company which is available on the Company's website at www.cab.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

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

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

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

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

The Board has five Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management and Sustainability Committee and Halal Committee to assist the Board and each committee is governed by their Terms of Reference.

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.

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Responsibilities (Cont'd)

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

The Board also deliberates and evaluates the feasibility of business propositions and corporate proposals as well as the principal risks that may have a significant impact on the Group's business.

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.

External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required.

The Board sets the risk tolerance levels, objectives, performance targets and policies to manage the key risks faced by the Group. The details of the risk management framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2018.

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

The Management and the Board also discuss and resolve risk management and sustainability-related issues, in particular, on business development, costing, environment and social aspects.

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

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

(a) ensuring that the Board functions effectively, cohesively and independently of Management;
(b) leading the Board in establishing and monitoring good corporate governance practices in the Company and Group;
(c) leading the Board, including presiding over Board meetings and Company meetings and providing strategic leadership in directing the Board's agenda and putting priorities more objectively to effectively address the critical issues facing by the Company;
(d) ensuring that all relevant issues and quality information to facilitate decision making and effective running of the Group's business are included in the meeting agenda;
(e) encouraging active participation and discussion to ensure no individual member dominates discussion and that dissenting views can be freely expressed and discussed before a Board decision is made;
(f) promoting constructive and respectful relationship between board members and management; and
(g) ensuring that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders.

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

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

The Board has delegated to the Group Managing Director, the authority and responsibility for implementing of the Board policies, strategies and decisions adopted by the Board. The Group Managing Director 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Responsibilities (Cont'd)

Clear Segregation of Roles and Responsibilities of Executive Chairman and Group Managing Director (Cont'd)

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

Company Secretaries

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

Access to Information and Confirmation of Minutes

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The notice of Board meetings are sent out to the Directors via email at least seven (7) days prior to the meeting. The materials of the Board and Board Committee together with its detailed reports, proposition papers and other relevant information on matters requiring the consideration of the Board were circulated to all Directors for their perusal and consideration generally 3 to 5 days prior to each Board meeting. This is to allow time for the Directors to review the Board papers and to facilitate full discussion at the Board meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made.

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

In line with the MCCG 2017, the Company would work towards providing the relevant meeting papers to the Board not less than five (5) business days before the meeting and circulate the draft minutes of meeting in a timely manner after conclusion of the Board and Board Committee meetings.

Board Charter, Code of Ethics and Conduct and Whistle Blowing Policy

The Board 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 29 August 2018.

The Board has formalised a Code of Ethics and Conduct that set out the basic principles to guide all the directors and employees of the Company and the Group. The Code of Ethics and Conduct sets out the principles on dealing with conflicts of interest, insider trading, fair dealing and equality in employment, health and safety and compliance with the laws.

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Responsibilities (Cont'd)

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

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

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

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

Included in the policy are the procedures and the independent persons to which report on any suspected wrongdoing maybe reported for further investigation. The whistle-blower can address his/her complaints to the Group Managing Director or Chairman of the Audit Committee.

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

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

Time Commitment, Board Meetings and Directors' Training

The Board is satisfied with the level of commitment given by the Directors towards fullfilling their roles and responsibilities as Directors of the Company. The attendance records of the Directors at the Company's Board Meetings held during the financial year ended 30 September 2018, 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	5/6
Goh Choon Aik	6/6
Lim Ghim Chai	6/6
Wijanti Tjendera	5/6

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

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.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Responsibilities (Cont'd)

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

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

Name of Directors	Date	Programmes
Chuah Ah Bee	22 March 2018	Mastering Solvency Test And Solvency Statement
	30 May 2018	Sustainability Reporting
Chuah Hoon Phong	23 April 2018	Changes in the Listing Requirements Post-Companies Act 2016: What to Look Out For
	30 May 2018	Sustainability Reporting
Chan Kim Keow	13 March 2018	MCCG and Bursa's Listing Requirement:- Application, Disclosure and Reporting Expectations
	30 May 2018	Sustainability Reporting
Chew Chee Khong	15 March 2018	Corporate Governance Briefing Sessions- MCCG Reporting & CG Guide
	30 May 2018	Sustainability Reporting
Loo Choo Gee	13 March 2018	MCCG and Bursa's Listing Requirement:- Application, Disclosure and Reporting Expectations
	30 May 2018	Sustainability Reporting
Haji Ahmad Fazil Bin Haji Hashim	15 March 2018	Corporate Governance Briefing Sessions- MSSG Reporting & CG Guide
Goh Choon Aik	13 March 2018	MCCG and Bursa's Listing Requirement:- Application, Disclosure and Reporting Expectations
Lim Ghim Chai	13 March 2018	MCCG and Bursa's Listing Requirement:- Application. Disclosure and Reporting Expectations
Wijanti Tjendera	22 March 2018	Mastering Solvency Test and Solvency Statement

II Board Composition

Composition of Board

The Board consists of nine (9) members; comprising one (1) Executive Chairman, one (1) Group Managing Director, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, fulfilling the Main Market Listing Requirement's provision for at least one-third of the board of directors or two directors, whichever is higher, being Independent Directors.

The Group is led and managed by an experienced Board, many of whom have vast knowledge of the business. The Board, through the Nomination Committee has examined and considered its present Board size and is satisfied that its current Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operation.

Notwithstanding that the Board does not comprise at least half of Independent Directors as recommended in Practice 4.1 of the Code, there is a good mix of members with diversified background and extensive experience and fair knowledge, who bring along a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance. The present scenario, which does not accede to Practice 4.1 of the Code, does not jeopardize the position of the Board to make independent deliberations and decisions in the best interest of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II Board Composition (Cont'd)

Composition of Board (Cont'd)

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

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

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

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

Tenure of Independent Directors

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

Presently, 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 Group Managing Director recommending Tuan Haji Ahmad Fazil Bin Haji Hashim who has served on the Board as an Independent Non-Executive Director of the Company to be retained as an Independent Non-Executive Director of the Company was tabled and noted at the Nomination Committee Meeting held on 21 December 2018. The Nomination Committee members reviewed the letter of support and was satisfied that Tuan Haji Ahmad Fazil Bin Haji Hashim still maintained 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 its 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 Seventeenth Annual General Meeting of the Company to be held on 22 March 2019.

As recommended by the MCCG 2017, the Board has recommended Tuan Haji Ahmad Fazil Bin Haji Hashim, who has served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company subject to the shareholders' approval through a two-tier voting process at the Seventeenth Annual General Meeting of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II Board Composition (Cont'd)

Diversity of Board and Senior Management

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

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

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

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

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

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 board does not have any target or measure to meet the 30% women directors.

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

Nomination Committee

The Board, through the Nomination Committee ("NC") conducted the annual assessment on the effectiveness of the Board, Board Committees and individual Directors of the Company internally by way of a set of self-assessment questionnaires.

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

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

The NC held one (1) meeting during the financial year ended 30 September 2018. 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 process is carried out by the NC and guided by the Corporate Governance Guide-Towards Boardroom Excellence. The individual Directors and Committee members are required to complete the separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The Board Committees carried out their 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II Board Composition (Cont'd)

Nomination Committee (Cont'd)

The NC evaluated all the above assessment forms at the NC Meeting held on 21 December 2018 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Directors.

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

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

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

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

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

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

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

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

(a) The re-election of the three (3) Directors, namely Tuan Haji Ahmad Fazil Bin Haji Hashim, Mr Chuah Hoon Phong and Mr Loo Choo Gee who are due to retirement but shall be eligible for re-election pursuant to Article 97 of the Company's Constitution at the forthcoming AGM; and

(b) Re-election of Tuan Haji Ahmad Fazil Bin Haji Hashim whose tenure of service as an Independent Non-Executive 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. As recommended by MCCG 2017, the Board will be seeking shareholders' approval through a two-tier voting process at the forthcoming AGM to retain Tuan Haji Ahmad Fazil as an Independent Non-Executive Director as his tenure has exceeded twelve (12) years.

The profiles of these Directors are set out on pages 5 to 8 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)

Nomination Committee (Cont'd)

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

(a) reviewed and assessed the structure, size, required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole and the Board Committees;

(b) reviewed and assessed the contribution of each individual Director based on criteria, responsibilities, strength, time commitment and ability to act in the best interests of the Company in decision making;

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

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

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

(f) reviewed the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference;

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

(h) reviewed the Terms of Reference of NC.

Independent Directors

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, has developed the criteria to assess independence and formalised the current independence assessment practice.

Each Independent Director completed his/her own independent director checklist. The Nomination Committee carried out the assessment of the Independent Directors at its meeting held on 21 December 2018. Each Independent Director abstained from deliberation on his/her own assessment. The Nomination Committee was satisfied that the Independent Directors still maintain their independence.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II Board Composition (Cont'd)

Halal Committee

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

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

The objective of the Halal Committee is to ensure that the relevant products produced by the Group comply with the requirements of the Malaysian Halal Standards in accordance with the Syariah Law in ensuring that products produced are halal, clean and safe for consumption. Through the setting up of the Halal Committee, the Group has established and implemented a Halal Assurance Management System which provides clear guidelines on Halal standard for employees.

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

III Remuneration

Remuneration Committee, Remuneration of Directors and Senior Management

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

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

The RC held one (1) meeting during the financial year to carry out its function as stated within the terms of reference. The details of the terms of reference of RC are available for reference at the Company's website at www.cab.com.my.

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

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

The 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)

Remuneration Committee, Remuneration of Directors and Senior Management (Cont'd)

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and subsidiaries respectively in financial year ended 30 September 2018 are as follows:

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

Company	Salaries RM'000	Fees RM'000	Bonus RM'000	Other Emolu-ments RM'000	Benefits in-kind RM'000	Total RM'000
Executive Directors	-	-	-	-	-	-
Non-Independent Non-Executive Director						
Wijanti Tjendera	-	60	-	3	-	63
Independent Non-Executive Directors						
Haji Ahmad Fazil Bin Haji Hashim	-	52	-	4	-	56
Goh Choon Aik	-	48	-	4	-	52
Lim Ghim Chai	-	42	-	4	-	46
Total	**-**	**202**	**-**	**15**	**-**	**217**
The Group						
Executive Directors						
Chuah Ah Bee	1,103	109	222	77	46	1,557
Chan Kim Keow	226	-	64	26	17	333
Chuah Hoon Phong	743	109	137	103	57	1,149
Chew Chee Khong	310	108	45	24	17	504
Loo Choo Gee	383	-	110	55	10	558
Non-Independent Non-Executive Director						
Wijanti Tjendera	-	90	-	3	-	93
Independent Non-Executive Directors						
Haji Ahmad Fazil Bin Haji Hashim	-	52	-	4	-	56
Goh Choon Aik	-	48	-	4	-	52
Lim Ghim Chai	-	42	-	4	-	46
Total	**2,765**	**558**	**578**	**300**	**147**	**4,348**

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

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

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

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

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

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

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

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

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

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

During the financial year, the amount of audit fee and non-audit fee payable to the External Auditors of the Company and the Group for the financial year ended 30 September 2018 were as follows:-

	Group (RM'000)	**Company (RM'000)**
Audit Fees	293	34
Non-Audit Fees	33	-

The non-audit fees were in respect of tax related services 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 for shareholders' approval at the forthcoming Annual General Meeting.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II Risk Management and Internal Control Framework

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

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

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

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

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

(2) to include the establishment of the sustainability framework, review of the adequacy of the sustainability processes, ensuring effectiveness in identification, management and reporting of the Material Sustainability Matters in Economic, Environmental and Social aspects of the Group, monitoring and overseeing all sustainable strategies and initiatives of the Group.

The key features of the Risk Management Framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on pages 39 to 42 of this Annual Report.

Internal Audit Function

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

The Statement on Risk Management and Internal Control furnished on pages 39 to 42 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

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

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

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

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear and complete information of the Company's financial performance, major developments and position as possible. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

I Communication with Stakeholders (Cont'd)

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

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

II Conduct of General Meetings

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

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

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

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

The Statement was approved by the Board of Directors on 21 December 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance 2017 requires public listed companies to maintain a sound risk management and system of internal controls to safeguard shareholders' investment and the Group's assets.

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

Board Responsibility

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

Risk Management 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.

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

<u>Risk Management and Sustainability Committee ("RMSC")</u>

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

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

The members of the RMSC are as follows:

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

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

<u>Risk Identification, Evaluation and Management</u>

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

Risk Management and Internal Control Framework (Cont'd)

Risk Identification, Evaluation and Management (Cont'd)

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

Identify:	Identify risk from internal/external sources, which may affect achievement of the Group's objectives, on on-going basis
Assess:	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 minimise/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 graded. The business unit heads and/or risk owners are responsible for generating action plan to manage, minimize and mitigate the risks. Existing controls are also included as part of the action plan. The Management's perceived strength of the internal control is obtained. The department or person in-charge to realize the action plan is prescribed, for reinforcing accountability.

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

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

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

Halal Accreditation

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

Corporate Exercise

The Board recognizes the importance of thorough assessment in investment activities, that due diligence test and/or feasibility study, whichever relevant, should be engaged in due course, to enhance success rate. During the financial year ended 30 September 2018, the Group entrusted the in-house Internal Audit team to conduct a corporate review for the take-over of assets and business operations of an entity.

The principal responsibility of the 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.

Risk Management and Internal Control Framework (Cont'd)

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;

(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;
- Conflict of Interest Policy is in force to help the Group to effectively identify, disclose and manage any actual, potential or perceived conflict of interest in order to protect the integrity of the Group and its staffs and manage risk.
- Segregation of duties is practiced, whereby check and balance mechanism exists to curb manipulation of certain workflows by particular staff, to the detriment of the Group's interests.

(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;

(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 30 September 2018 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 21 December 2018.

AUDIT COMMITTEE REPORT

COMPOSITION

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

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

SECRETARY

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

TERMS OF REFERENCE

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

MEETINGS

The Committee met seven (7) times during the financial year ended 30 September 2018.

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	5/7
Goh Choon Aik	4/7

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

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

SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

A. Financial Reporting

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

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

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

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

A. Financial Reporting (Cont'd)

Apart from the review on quarterly financial results, the Audit Committee held a meeting in December 2017 to review the audited financial statements and the Management Letter issued by the external auditors. The Audit Committee also sought a confirmation from the external auditors that all the business units across the Group had rendered satisfactory cooperation during the auditing process.

B. Internal Audit

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

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

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

In December 2017, 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

The Audit Committee reviewed the extent of assistance and cooperation during the conduct of external auditing and issues as well as reservations arising from audit for the financial year ended 30 September 2017 with the external auditors.

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

In December 2017, the Audit Committee deliberated on the final report presented by the external auditors in regard to matters arising from the statutory audit of the Company and its subsidiaries for the financial year ended 30 September 2017. 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
- Identification of related parties and disclosure of related party transactions
- Presumed risk of fraud arising from revenue recognition
- Acquisition accounting

<u>Areas of audit focus</u>
- Assessment for impairment of property, plant and equipment
- Assessment for collectability of debts
- Assessment for impairment of investments in subsidiaries
- Valuation of property, plant and equipment and investment properties

During the course of external audit of the Group's financial statements for the year ended 30 September 2017, the external auditors considered the system of internal financial control as required by approved standards on auditing in Malaysia, and stated that they did not identify any significant deficiencies in internal control. The external auditors, however, identified a number of possible improvements to the procedures, controls and other aspects for the Management's consideration in the context of business needs and priorities.

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

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

C. External Audit (Cont'd)

On 29 August 2018, the newly-appointed external auditors, Messrs Grant Thornton Malaysia briefed the Audit Committee on their Audit Planning Memorandum for the financial year ended 30 September 2018, encompassing:
- Audit objectives;
- Audit plan road map;
- Audit approach;
- Planning materiality and tolerable error;
- Key audit areas;
- Compliance with laws and regulations and fraud related matters;
- Other updates on new standards;
- Engagement team;
- Reporting, deliverables and audit fees.

The Audit Committee had two (2) private sessions with the external auditors in the absence of Management staffs and executive Board members on 28 November 2017 and 22 December 2017. There was no area of concern raised by the external auditors, for which escalation to the Board was necessitated.

D. Related Party Transactions

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

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.

E. Other Matters

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

The Audit Committee reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2017 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 2018.

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 30 September 2018 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 RM206,606.

OTHER INFORMATION REQUIRED

By Bursa Malaysia Securities Berhad Main Market Listing Requirements

MATERIAL CONTRACTS

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

AUDIT AND NON-AUDIT FEES

During the financial year ended 30 September 2018, the total audit and non-audit fees paid by Company and the Group to the external auditors are as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fees	293	34
Non-Audit Fees	33	-

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

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

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

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

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

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

As at 30 September 2018, 74,230,542 warrants were exercised and the balance of unexercised warrants was 47,681,639.

Saved as disclosed above, there were no options, warrants or convertible securities exercised during the financial year ended 30 September 2018.

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 23 March 2018. 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 30 January 2019.

UTILISATION OF PROCEEDS

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

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

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

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

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

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

FINANCIAL STATEMENTS 2018

CONTENTS

DIRECTORS' REPORT

The Directors of **CAB CAKARAN CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2018.

PRINCIPAL ACTIVITIES

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

The information on the name, 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	30,445,094	5,038,636
Profit attributable to:		
Owners of the Company	29,731,045	5,038,636
Non-controlling interests	714,049	-
	30,445,094	5,038,636

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

DIVIDENDS

A final single tier divided of RM0.005 per ordinary share amounting to RM3,159,961 in respect of the financial year ended 30 September 2017 was approved by the shareholders during the Annual General meeting held on 23 March 2018 and subsequently paid on 19 April 2018.

Subsequent to 30 September 2018, the Company proposed a final single tier dividend of RM0.005 per ordinary share in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 September 2019.

RESERVES AND PROVISIONS

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

DIRECTORS

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

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

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

Abdul Rahman Bin Abdullah	
Chiew Kin Huat	
Ching Chin Huat	
Chuah Hoon Hong	
Chuah Hoon Teng	
Ho Kheng Chew	
Jozef Franciscus Maria Bonang	
Khor Yu Beng	
Leong Youk Leen	
Lim Chin Seng	
Ong Chuan Seng	
Ong Khoon Chuah	
Syed Yussof Bin Syed Othman	
Tan Ah Baa @ Tan Chye Khoon	
Tan Chee Hee	
Tan Swee Seong	
Toh Chye Lam	
Too Siew Din	
Vincent Leong Weng Fai	
Yap Kim Hwah	
Shafiqurrahman Bin Haji Shamsuddin	(appointed on 25 October 2017)
Zolkefli Bin Mohamad	(appointed on 25 October 2017)
Yap Soon Chyuan	(appointed on 19 March 2018)
Sia Hui Chen	(appointed on 9 July 2018)
Ang Choon Lian	(resigned on 29 December 2017)
Yap Kim Seng	(retired on 16 March 2018)

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 1.10.2017**	**Bought**	**Balance as of 30.9.2018**
Direct interest:			
Chan Kim Keow	93,043,749	2,736,600	**95,780,349**
Chuah Ah Bee	172,136,768	5,000,000	**177,136,768**
Chuah Hoon Phong	12,316,874	126,353	**12,443,227**
Goh Choon Aik	1,718	-	**1,718**
Haji Ahmad Fazil Bin Haji Hashim	15,625	-	**15,625**
Loo Choo Gee	4,951,170	5,625,000	**10,576,170**
Indirect interest:			
Chan Kim Keow	208,399,892	6,066,557	**214,466,449**
Chuah Ah Bee	129,306,873	3,803,157	**133,110,030**
Chuah Hoon Phong	15,625	-	**15,625**

	No. of Warrants over ordinary shares		
Warrants in the Company	**Balance as of 1.10.2017**	**Exercised**	**Balance as of 30.9.2018**
Direct interest:			
Chan Kim Keow	4,062,499	(2,736,600)	**1,325,899**
Chuah Ah Bee	20,441,796	(5,000,000)	**15,441,796**
Chuah Hoon Phong	2,027,187	(126,353)	**1,900,834**
Goh Choon Aik	859	-	**859**
Haji Ahmad Fazil Bin Haji Hashim	7,812	-	**7,812**
Loo Choo Gee	5,625,000	(5,625,000)	**-**
Indirect interest:			
Chan Kim Keow	24,332,108	(6,066,557)	**18,265,551**
Chuah Ah Bee	7,952,811	(3,803,157)	**4,149,654**
Chuah Hoon Phong	154,687	-	**154,687**

By virtue of their interests in the shares of the Company, Mr. Chuah Ah Bee and Madam Chan Kim Keow are also deemed to have beneficial interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

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

DIRECTORS' REMUNERATION

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

	The Group 2018 RM	The Company 2018 RM
Directors of the Company:		
Executive Directors:		
Fee	**325,956**	-
Contribution to employees provident fund	**273,959**	-
Other emoluments	**3,353,303**	-
Non-executive Directors:		
Fee	**231,600**	**201,600**
Contribution to employees provident fund	**1,164**	**1,164**
Other emoluments	**14,400**	**14,400**
Directors of subsidiaries:		
Executive Directors:		
Fee	**173,870**	-
Contribution to employees provident fund	**299,457**	-
Other emoluments	**2,686,769**	-
	7,360,478	**217,164**
Benefits-in-kind (based on estimated monetary value) (Note 38)	**236,227**	-

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liability insurance for purpose of Section 289 of the Companies Act 2016, throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group and of the Company. The amount of indemnity coverage and insurance premium paid or payable during the financial year, which was borne by the Company and certain subsidiaries and have been accounted for in the financial statements of the Group amounted to RM20,000,000 and RM31,974 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Group during the financial year are amounted to RM2,500,000 and RM28,798 respectively.

The amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company during the financial year are amounted to RM600,000 and RM5,624 respectively.

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

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM128,320,545 to RM133,015,343 during the financial year by way of issuance of 27,616,457 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant to the exercise of Warrants. The new shares rank pari passu with the existing ordinary shares of the Company.

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

SHARE OPTIONS

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

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

WARRANTS

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

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

The salient features of the Warrants are as follows:

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

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

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

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

(e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

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

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

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

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

	Number of Warrants (Unit)		
	Balance as of 1.10.2017	**Exercised**	**Balance as of 30.9.2018**
Number of unexercised Warrants	75,298,096	(27,616,457)	**47,681,639**

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

SIGNIFICANT EVENTS

The significant events are disclosed in Note 41 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Messrs Grant Thornton Malaysia, as remuneration for their services as auditors of the Company and its subsidiaries for the financial year ended 30 September 2018 are amounted to RM33,500 and RM259,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

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

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

CHUAH AH BEE

CHUAH HOON PHONG

Penang

21 December 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CAB Cakaran Corporation Berhad, which comprise the statements of financial position as of 30 September 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 60 to 171.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2018, and of their financial performance and cash flows for the financial 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.

Valuation of investment properties and impairment of property, plant and equipment

<u>The risk</u>
As at 30 September 2018, the Group measured its investment properties using the fair value model on land and building. The Group's investment properties carried at fair value amounted to RM96,520,000. Management uses independent external professional valuers to determine the fair values of its investment properties. We noted that valuation were based on comparison methods and cost replacement methods of valuation and depreciated replacement cost method by transactions of comparable location, terrain, size, other relevant characteristics and factors related to the properties condition in arriving at the fair value. Significant judgement required for the determination of fair values of these investment properties.

The Group's property, plant and equipment amounted to approximately RM687,341,903. In determining the impairment of property, plant and equipment, significant judgement is involved by the management about future results of the business and assessment of future plans for the Group's property portfolio. In accessing impairment of assets, external factors such as weather conditions is taken into consideration. An impairment loss is recognised to the extent that the carrying amount is more than the recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal.

<u>Our response</u>
We have assessed the competence, capabilities and objectivity of the independent external valuer by verifying their qualification to respective registration board. We also evaluated the valuation methodologies and the appropriateness of the assumptions used by the valuation expert and evaluating the adequacy of the disclosures in the financial statements. Besides that, we also tested and recalculated the depreciation and amortisation rates are appropriately applied and compared with similar industries.

Our procedures in relation to management's impairment assessment includes physical inspection of a sample of property, plant and equipment to ensure proper conditions of assets in use. Other procedures includes evaluating whether the model used by management to calculate the value in use of each cash-generating unit complies with FRS 136 Impairment of Assets.

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

Key Audit Matters (Cont'd)

Goodwill on consolidation

<u>The risk</u>
As at 30 September 2018, the Group has goodwill amounted RM6,218,940 which has been allocated to its livestock farming operations and slaughtering, processing and marketing operations as the cash-generating unit. The Group performs an annual impairment assessment for its goodwill. This requires management to estimate the recoverable amount for the cash-generating unit and this involves significant assumptions which are inherently judgmental.

<u>Our response</u>
We have evaluating the model used in determining the value in use of the cash-generating unit as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also have comparing actual performance of the cash-generating unit to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understand the impact on the overall carrying value of goodwill with the alterations to the key assumptions. We also assessing the adequacy of disclosures in the financial statements.

Valuation of livestocks

<u>The risk</u>
The value of livestocks held as inventories of the Group was approximately RM31,069,941. The cost of livestock was subject to feed price fluctuation. In addition, there was a high volume of livestock held at year end. We have identified the valuation of livestocks as a key audit matter because of the significant judgement and estimates involved in applying the valuation method on the livestocks. Specifically, we focused our audit efforts to determine whether the capitalisation of costs and standard in accordance with the Group's policy and ensure consistency with that of prior year.

<u>Our response</u>
Obtaining an understanding and test the internal controls in respect of recording of purchase of broiler breeders, feed and other consumables. We also have testing the capitalised cost as part of the valuation method which includes starter cost (Day-old-chick), cost of feed consumed and cost of other consumables and testing of amortisation of broiler breeders in accordance with the Group's policy. Besides that, we have performed testing of net realisable value of livestocks on sampling basis against the selling price obtained from invoices subsequent to the end of the reporting period.

Investment in subsidiaries

<u>The risk</u>
As disclosed in Note 17 to the financial statements, the Company holds RM146,372,519 in investment in subsidiaries, which comprises 95% of the total assets of the Company. Judgement is required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries. This is based on the value in use, using cash flow projections, covering a three-year period for each cash generating unit. The assumptions with the most significant judgement on the cash flow projections are growth rates and discount rate.

<u>Our response</u>
We have tested the design and implementation of the key controls around the impairment review process, and challenge management's key assumptions used in the cash flow projections which included impairment model for investments in subsidiaries with reference to historical performance. We also performed substantive procedure and challenged the key assumptions include forecast future cash flows, future growth rates and the discount rate applied. We also compared the projected cash flow against historical performance to test the reasonable of the projections.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

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

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.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other Matters

The financial statements of the Company as at 30 September 2017 were audited by another Chartered Account who expressed an unmodified opinion on those financial statements on 22 December 2017.

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

GRANT THORNTON MALAYSIA
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

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

Kuala Lumpur
21 December 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Revenue	5	**1,750,367,621**	1,492,091,712	**5,866,243**	9,471,931
Cost of sales		**(1,597,100,996)**	(1,320,451,343)	**-**	-
Gross profit		**153,266,625**	171,640,369	**5,866,243**	9,471,931
Investment revenue	6	**795,929**	700,241	**411,212**	180,314
Other income		**15,274,740**	14,704,724	**-**	925,378
Other gains and losses	7	**(2,344,905)**	4,627,615	**1,957,450**	-
Distribution costs		**(55,154,484)**	(43,715,688)	**-**	-
Administrative expenses		**(52,833,190)**	(48,916,478)	**(2,378,452)**	(2,259,200)
Finance costs	8	**(17,772,001)**	(14,654,598)	**(913,817)**	-
Share of result in a joint venture		**(46,003)**	(185,136)	**-**	-
Other expenses		**(529,921)**	(1,133,454)	**-**	(537)
Profit before tax		**40,656,790**	83,067,595	**4,942,636**	8,317,886
Tax (expense)/income	9	**(10,211,696)**	(21,392,398)	**96,000**	(122,834)
Profit for the year	10	**30,445,094**	61,675,197	**5,038,636**	8,195,052
Other comprehensive (loss)/income					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**(1,346,811)**	899,248	**-**	-
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)	**-**	-
Other comprehensive (loss)/income for the year, net of tax		**(1,346,811)**	115,998,303	**-**	-
Total comprehensive income for the year		**29,098,283**	177,673,500	**5,038,636**	8,195,052

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Profit attributable to:					
Owners of the Company		**29,731,045**	58,183,454	**5,038,636**	8,195,052
Non-controlling interests		**714,049**	3,491,743	**-**	-
		30,445,094	61,675,197	**5,038,636**	8,195,052
Total comprehensive income attributable to:					
Owners of the Company		**29,051,645**	132,959,447	**5,038,636**	8,195,052
Non-controlling interests		**46,638**	44,714,053	**-**	-
		29,098,283	177,673,500	**5,038,636**	8,195,052
Earnings per share:					
Basic (sen per share)	11	**4.71**	10.12		
Diluted (sen per share)	11	**4.36**	8.76		

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

STATEMENTS OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2018

		The Group		The Company	
	Note	2018	2017	2018	2017
		RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	12	**687,341,903**	532,724,223	**2,046**	4,664
Investment properties	13	**96,520,000**	86,038,000	**-**	-
Prepaid lease payments on leasehold land	14	**19,205,759**	13,341,972	**-**	-
Other intangible assets	15	**11,963,349**	11,504,699	**-**	-
Goodwill	16	**6,218,940**	6,218,940	**-**	-
Interest in subsidiaries	17	**-**	-	**146,372,519**	120,431,176
Investment in a joint venture	18	**2,424,092**	204,395	**-**	-
Other financial assets	19	**2,304,231**	260,094	**-**	-
Agricultural development expenditures	20	**33,413**	33,413	**-**	-
Deferred tax assets	21	**40,654**	17,000	**-**	-
Total non-current assets		**826,052,341**	650,342,736	**146,374,565**	120,435,840
Current assets					
Inventories	22	**92,266,334**	85,034,438	**-**	-
Trade and other receivables	23	**210,913,872**	180,884,551	**7,921,360**	14,751,910
Other assets	24	**21,579,338**	46,232,565	**1,000**	101,702
Current tax assets		**3,841,683**	840,118	**138,826**	37,214
Short-term deposits with licensed banks	25	**31,406,624**	50,293,859	**-**	-
Cash and bank balances	26	**64,497,296**	51,761,546	**441,433**	677,882
		424,505,147	415,047,077	**8,502,619**	15,568,708
Non-current assets classified as held for sale	27	**125,000**	125,000	**-**	-
Total current assets		**424,630,147**	415,172,077	**8,502,619**	15,568,708
Total assets		**1,250,682,488**	1,065,514,813	**154,877,184**	136,004,548

STATEMENTS OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2018 (Cont'd)

	Note	The Group		The Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
Equity and liabilities					
Capital and reserves					
Share capital	28	**133,015,343**	128,320,545	**133,015,343**	128,320,545
Treasury shares	28	**(69,304)**	(69,304)	**(69,304)**	(69,304)
Reserves	29	**108,543,535**	112,426,805	**-**	-
Retained earnings	30	**178,765,818**	149,126,361	**9,438,081**	7,559,406
Equity attributable to owners of the Company		**420,255,392**	389,804,407	**142,384,120**	135,810,647
Non-controlling interests	31	**142,570,176**	140,890,658	**-**	-
Total equity		**562,825,568**	530,695,065	**142,384,120**	135,810,647
Non-current liabilities					
Borrowings	32	**215,622,120**	127,295,668	**-**	-
Deferred tax liabilities	21	**39,210,935**	40,017,473	**-**	-
Deferred revenue	33	**37,626**	64,039	**-**	-
Total non-current liabilities		**254,870,681**	167,377,180	**-**	-
Current liabilities					
Trade and other payables	34	**238,201,776**	201,031,224	**12,493,064**	193,901
Borrowings	32	**191,760,238**	159,201,987	**-**	-
Other financial liability	19	**9,252**	5,921	**-**	-
Deferred revenue	33	**31,753**	43,273	**-**	-
Current tax liabilities		**2,983,220**	7,160,163	**-**	-
Total current liabilities		**432,986,239**	367,442,568	**12,493,064**	193,901
Total liabilities		**687,856,920**	534,819,748	**12,493,064**	193,901
Total equity and liabilities		**1,250,682,488**	1,065,514,813	**154,877,184**	136,004,548

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

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 1 October 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
Transfer arising from "no par value" regime	28	28,525,333	-	(28,525,333)	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	(360,484)	-	360,484	-	-	-
Transactions with owners of the company:										
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)
Balance as of 30 September 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
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)

The Group (Cont'd)

	Note	Share capital	Treasury shares	Share premium	Property revaluation reserve	Translation reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance as of 1 October 2017		128,320,545	(69,304)	-	110,660,804	1,766,001	149,126,361	389,804,407	140,890,658	530,695,065
Profit for the year		-	-	-	-	-	29,731,045	29,731,045	714,049	30,445,094
Other comprehensive loss		-	-	-	-	(679,400)	-	(679,400)	(667,411)	(1,346,811)
Total comprehensive (loss)/income for the year		-	-	-	-	(679,400)	29,731,045	29,051,645	46,638	29,098,283
Realisation of revaluation surplus recognised upon transfer of property, plant and equipment to investment properties	13	-	-	-	81,940	-	-	81,940	-	81,940
Transfer to retained earnings		-	-	-	(3,166,894)	-	3,166,894	-	-	-
Realisation of property revaluation reserve upon disposal/write-off of revalued properties		-	-	-	(118,916)	-	118,916	-	-	-
Transactions with owners of the company:										
Issuance of ordinary shares pursuant to exercise of Warrants	28	4,694,798	-	-	-	-	-	4,694,798	-	4,694,798
Subscription of ordinary shares by non-controlling interests in subsidiaries		-	-	-	-	-	-	-	2,615,558	2,615,558
Dividend paid	35	-	-	-	-	-	(3,159,961)	(3,159,961)	-	(3,159,961)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(1,018,762)	(1,018,762)
Additional non-controlling interest arising on the acquisition of a subsidiary		-	-	-	-	-	-	-	(181,232)	(181,232)
Arising from increase in equity interest in a subsidiary			-	-	-	-	(218,059)	(218,059)	217,938	(121)
Disposal of partial interest in a subsidiary		-	-	-	-	-	622	622	(622)	-
Balance as of 30 September 2018		133,015,343	(69,304)	-	107,456,934	1,086,601	178,765,818	420,255,392	142,570,176	562,825,568

The Company

	Note	Share Capital RM	Treasury shares RM	Share premium RM	Retained earnings RM	Total RM
Balance as of 1 October 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
Transfer arising from "no par value" regime	28	28,525,333	-	(28,525,333)	-	-
Transactions with owners of the company:						
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)
Balance as of 30 September 2017		128,320,545	(69,304)	-	7,559,406	135,810,647
Profit for the year		-	-	-	5,038,636	5,038,636
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	5,038,636	5,038,636
Transactions with owners of the company:						
Issuance of ordinary shares pursuant to exercise of Warrants	28	4,694,798	-	-	-	4,694,798
Dividend paid	35	-	-	-	(3,159,961)	(3,159,961)
Balance as of 30 September 2018		**133,015,343**	**(69,304)**	**-**	**9,438,081**	**142,384,120**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	**40,656,790**	83,067,595	**4,942,636**	8,317,886
Depreciation and amortisation of non-current assets	**38,977,763**	29,802,728	**2,618**	2,568
Interest expense	**16,393,199**	13,645,440	**913,817**	-
Unrealised loss/(gain) on foreign exchange	**2,559,281**	(113,512)	**-**	-
Impairment loss recognised on property, plant and equipment	**1,997,465**	-	**-**	-
Amortisation of intangible assets	**1,166,467**	1,006,654	**-**	-
Bad debts written off	**512,697**	213,122	**-**	-
Property, plant and equipment written off	**433,048**	580,772	**-**	-
Impairment loss recognised on receivables	**393,189**	959,163	**-**	-
Inventories written off	**325,372**	-	**-**	-
Goodwill written off	**80,096**	-	**-**	-
Share of result in a joint venture	**46,003**	185,136	**-**	-
Allowance for inventories obsolescence	**26,699**	56,353	**-**	-
Gain on fair value adjustment of investment properties	**(2,668,057)**	(9,191,887)	**-**	-
Net fair value gain on other financial assets/ (liability)	**(2,040,812)**	(2,269)	**-**	-
Interest income	**(1,347,423)**	(1,519,701)	**(411,212)**	(180,314)
Reversal of impairment loss recognised on receivables	**(342,534)**	(1,608)	**(1,957,450)**	-
Amortisation of deferred revenue on government grant	**(34,751)**	(41,913)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(32,238)**	44,598	**-**	-
Realisation of deferred revenue on franchise fee income	**(9,375)**	(9,375)	**-**	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash flows from operating activities (Cont'd)				
Loss on revaluation of properties	-	1,269,943	-	-
Deposits written off	-	66,073	-	-
Reversal of loss on revaluation of properties recognised in prior years	-	(453,803)	-	-
Gain from bargain purchase	-	(20,764)	-	-
Reversal of inventories written down	-	(3,387)	-	-
Gross dividend received from subsidiaries	-	-	**(5,500,000)**	(9,105,000)
	97,092,879	119,539,358	**(2,009,591)**	(964,860)
Movements in working capital:				
Increase in inventories	**(7,421,323)**	(24,037,491)	-	-
Increase in trade and other receivables	**(30,602,644)**	(33,039,812)	-	-
(Increase)/Decrease in other assets	**(4,334,817)**	2,303,431	**100,702**	4,590,148
Increase/(Decrease) in trade and other payables	**33,668,919**	7,095,986	**(37,627)**	(93,512)
Increase in deferred revenue	**7,937**	-	-	-
Cash generated from/(used in) operations	**88,410,951**	71,861,472	**(1,946,516)**	3,531,776
Interest received	**859,660**	1,090,980	-	-
Taxes refunded	**533,010**	292,295	**200,000**	-
Taxes paid	**(18,655,715)**	(17,115,076)	**(205,612)**	(158,673)
Net cash from/(used in) operating activities	**71,147,906**	56,129,671	**(1,952,128)**	3,373,103

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Cash flows from investing activities					
Decrease/(Increase) in other assets for acquisition of property, plant and equipment		**29,021,917**	(32,443,318)	**-**	-
Net cash inflow/(outflow) on acquisition of a subsidiary	17	**479,648**	(6,297,111)	**-**	-
Interest received		**473,222**	409,492	**411,212**	180,314
Proceeds from disposal of property, plant and equipment		**431,317**	867,263	**-**	-
Payments for property, plant and equipment	36(b)	**(191,662,584)**	(45,420,144)	**-**	(5,090)
Payments for prepaid lease payments on leasehold land	14	**(6,285,632)**	-	**-**	-
Payments for purchase of additional shares in a joint venture		**(2,247,975)**	-	**-**	-
Payments for investment properties	13	**(436,943)**	(64,942)	**-**	-
Advances granted to a joint venture		**(19,243)**	-	**-**	-
Proceed from disposal of available-for-sale investment		**-**	78,010	**-**	-
Dividend received from subsidiaries		**-**	-	**5,500,000**	9,105,000
(Advances granted to)/Repayment from subsidiaries		**-**	-	**(17,153,341)**	9,815,782
Payments for acquisition of a subsidiary		**-**	-	**(2)**	(6,825,893)
Advances granted to a subsidiary		**-**	-	**-**	(24,858,659)
Payments for purchase of additional shares in subsidiaries		**-**	-	**-**	(4,400,000)
Net cash used in investing activities		**(170,246,273)**	(82,870,750)	**(11,242,131)**	(16,988,546)

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Cash flows from financing activities					
Proceeds from long-term loans		**110,769,732**	13,560,000	**-**	-
Increase in short-term borrowings		**18,509,029**	35,557,751	**-**	-
Proceeds from Warrants exercise		**4,694,798**	12,374,052	**4,694,798**	12,374,052
Proceeds from issuance of shares by subsidiaries to non-controlling interests		**2,615,558**	675,000	**-**	-
Proceeds from hire-purchase		**1,275,498**	967,201	**-**	-
Interest paid		**(16,377,797)**	(13,326,487)	**(913,817)**	-
Repayment of long-term loans		**(15,207,698)**	(14,980,816)	**-**	-
Repayment of hire-purchase payables		**(10,326,621)**	(10,470,380)	**-**	-
Dividend paid		**(3,159,961)**	(1,808,366)	**(3,159,961)**	(1,808,366)
Dividend paid to non-controlling interests of subsidiaries		**(1,018,762)**	(1,176,188)	**-**	-
Short-term deposits pledged as securities		**(401,358)**	(396,568)	**-**	-
Advances from non-controlling interests		**-**	36,816,510	**-**	-
Advances granted from subsidiaries		**-**	-	**12,336,790**	562
Net cash from financing activities		**91,372,418**	57,791,709	**12,957,810**	10,566,248
Net (decrease)/increase in cash and cash equivalents		**(7,725,949)**	31,050,630	**(236,449)**	(3,049,195)
Cash and cash equivalents at the beginning of the year		**91,802,799**	60,388,155	**677,882**	3,727,077
Effects of exchange rates changes on the balances of cash held in foreign currencies		**(657,096)**	364,014	**-**	-
Cash and cash equivalents at the end of the year	36(a)	**83,419,754**	91,802,799	**441,433**	677,882

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

1. GENERAL INFORMATION

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

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

The information on the name, 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.

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 21 December 2018.

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.

Standards Issued But Not Yet Effective

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

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

Adoption of the Malaysian Financial Reporting Standards (MFRSs)

On 19 November 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 1 January 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 28 October 2017, 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 1 January 2018.

The Group and the Company, being TE, has pending 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 30 September 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.

The initial application of above standards, amendments and interpretations are not expected to have any financial impacts to the financial statements, except for:

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

Adoption of the Malaysian Financial Reporting Standards (MFRSs) (Cont'd)

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. MFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group and the Company plan to adopt the new standard on the required effective date and will not restate comparative information for first time in the current year. During 2018, the Group and the Company has performed a detailed impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2019 when the Group and the Company will adopt MFRS 9. Overall, the Group and the Company expects no significant impact on its statements of financial position and equity except for the effect of applying the impairment requirements of MFRS 9. The Group and the Company expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the Group and the Company will implement changes in classification of certain financial instruments.

The initial application of above standards, amendments and interpretations are not expected to have any financial impacts to the financial statements, except for:

i. Classification and measurement of financial assets

The Group and the Company does not expect a significant impact on its statements of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale ("AFS") with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.

The equity shares in non-listed companies are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. The Group and the Company will apply the option to present fair value changes in OCI, and, therefore the application of MFRS 9 would not have a significant impact.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

ii. Impairment

MFRS 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group and the Company will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group and the Company does not expect a significant impact on its statements of financial position.

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

Adoption of the Malaysian Financial Reporting Standards (MFRSs) (Cont'd)

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

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

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

Adoption of the Malaysian Financial Reporting Standards (MFRSs) (Cont'd)

MFRS 141 Agriculture (Cont'd)

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.

In summary, the impact of the adoption of the above standards are expected to be as follows:

The Group	As previously reported RM	Effects of MFRS 1 adoption RM	As restated RM
1.10.2017			
Biological assets	-	61,524,142	61,524,142
Inventories	85,034,438	(33,967,914)	51,066,524
Net impact on retained earnings	149,126,361	27,556,228	176,682,589
30.9.2018			
Biological assets	-	56,091,285	56,091,285
Inventories	92,266,334	(31,069,941)	61,196,393
Net impact on retained earnings	178,765,818	25,021,344	203,787,162

The quantitative information disclosed in this note may be subject to further changes in 2019 when the Group adopts MFRS 1.

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.

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 1 January 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 anticipate that the application of these amendments may have an impact on the Group's and the Company's financial statements.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The information is provided in Note 37(g). Consistent with the transition provisions of the amendments, and the Company has not disclosed comparative information for the prior period.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business Combinations (Cont'd)

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.

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 a Joint Venture

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in a Joint Venture (Cont'd)

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

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

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

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. 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.

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

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

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

Non-current Assets Held for Sale

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Non-current Assets Held for Sale (Cont'd)

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.

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) Dividend and interest revenue

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

(e) Other income

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

Borrowing Costs

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

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

Taxation

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

(a) Current tax

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

(b) Deferred tax

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

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

(c) Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the current or deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current or deferred tax arises from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

Goods and Services Tax and Sales and Services Tax

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

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

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

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

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

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

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

Leasing

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

(a) The Group and the Company as lessor

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

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

(b) The Group and the Company as lessee

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leasing (Cont'd)

(b) The Group and the Company as lessee (Cont'd)

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.

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Short-term Employee Benefits

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

Retirement Benefit Costs and Termination Benefits

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

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

Government Grants

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

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

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

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

Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, Plant and Equipment (Cont'd)

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

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

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

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

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

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

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

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

Investment Properties

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

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

Intangible Assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible Assets (Cont'd)

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 & 10 years

The following are the main categories of intangible assets:

(a) Distribution network

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

(b) Customer lists

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

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

Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Agricultural Development Expenditures

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

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, pullet and broiler chicken 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 livestocks/raw materials, direct labour and a proportion of production overheads. Cost is determined based on first-in, first-out method.

Goods-in-transit is stated at cost.

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

Provisions

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

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

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

Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's results are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group and the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial Instruments

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

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: financial assets 'at fair value through profit and loss', 'held to maturity' investments, '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. Financial assets of the Group and the Company are classified into financial assets 'at fair value through profit and loss', 'available-for-sale' financial assets and 'loans and receivables' categories.

(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) Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
iii) it forms part of a contract containing one or more embedded derivatives, and 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 assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 37.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(a) Financial assets (Cont'd)

(iii) 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. 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 and the Company's right to receive the dividends is established.

(iv) 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.

(v) 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)

(v) Impairment of financial assets (Cont'd)

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.

(vi) 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

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.

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) Financial liabilities

Financial liabilities of the Group and of the Company, including borrowings, are classified as other financial liabilities. Other financial liabilities 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 and 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments (Cont'd)

(c) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 37.

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 twelve months and it is not expected to be realised or settled twelve months. Other derivatives are presented as current assets or current liabilities.

Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, demand deposits which are not pledged, certain bank overdrafts which form an integral part of the Group's and the Company's cash management and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Related Parties

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

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

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

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

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

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.

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

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

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

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

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

The carrying amount of property, plant and equipment of the Group as of 30 September 2018 was RM687,341,903 (2017: RM532,724,223) after impairment losses recognised of RM2,121,602 (2017: RM169,375) and the carrying amounts of intangible assets of the Group is RM11,963,349 (2017: RM11,504,699).

The Company assessed and determined that no additional impairment was required of the property, plant and equipment with carrying amount of RM2,046 (2017: RM4,664) as of 30 September 2018.

(ii) Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires the Company assesses whether there are any indications of impairment as of the end of the reporting period, If such indications exists, an estimation of the value in use of the cash-generating units is carried out. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate of 10% and estimated growth rate of 1% in order to calculate present value. The carrying amount of investments in subsidiaries as of 30 September 2018 was RM146,372,519 (2017: RM95,572,517) after impairment losses recognised of RM20,755,865 (2017: RM20,755,865).

(iii) Impairment of receivables

The carrying amount of trade and other receivables of the Group and the Company as of 30 September 2018 were RM210,913,872 and RM7,921,360 (2017: RM180,884,551 and RM14,751,910) respectively.

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

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

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

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

(iv) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being realised in the statement of profit or loss. The Company engaged an independent professional qualified valuer to determine its fair value as at 30 September 2018. The relevant valuation bases, are disclosed in Note 13 to the financial statements.

5. REVENUE

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Sale of goods	**1,750,202,246**	1,491,926,337	**-**	-
Rental of poultry farm	**156,000**	156,000	**-**	-
Franchise fee	**9,375**	9,375	**-**	-
Gross dividend income from investment in a subsidiary	**-**	-	**5,500,000**	9,105,000
Management fee	**-**	-	**340,000**	340,100
Internal audit charges	**-**	-	**26,243**	26,831
	1,750,367,621	1,492,091,712	**5,866,243**	9,471,931

6. INVESTMENT REVENUE

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Interest revenue on:				
Short-term deposits	**435,507**	361,490	**-**	-
Bank balances	**50,004**	67,230	**-**	-
Amount owing by a subsidiary	**-**	-	**411,212**	180,314
Rental revenue from:				
Premises	**262,418**	223,521	**-**	-
Vegetable farm	**48,000**	48,000	**-**	-
	795,929	700,241	**411,212**	180,314

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	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)	**485,511**	428,720	**411,212**	180,314
Rental revenue on investment properties	**310,418**	271,521	**-**	-
	795,929	700,241	**411,212**	180,314

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Gain on fair value adjustment of investment properties (Note 13)	**2,668,057**	9,191,887	**-**	-
Net fair value gain on other financial assets/ (liability)	**2,040,812**	2,269	**-**	-
Reversal of impairment loss recognised on receivables	**342,534**	1,608	**1,957,450**	-
Amortisation of deferred revenue on government grant	**34,751**	41,913	**-**	-
Gain/(Loss) on disposal of property, plant and equipment	**32,238**	(44,598)	**-**	-
Unrealised (loss)/gain on foreign exchange	**(2,559,281)**	113,512	**-**	-
Impairment loss recognised on property, plant and equipment	**(1,997,465)**	-	**-**	-
Amortisation of other intangible assets (Note 15)	**(1,166,467)**	(1,006,654)	**-**	-
Bad debt written off	**(512,697)**	(213,122)	**-**	-
Property, plant and equipment written off	**(433,048)**	(580,772)	**-**	-
Impairment loss recognised on receivables	**(393,189)**	(959,163)	**-**	-
Realised loss on foreign exchange	**(294,355)**	(537,581)	**-**	-
Goodwill written off	**(80,096)**	-	**-**	-
Allowance for inventories obsolescence	**(26,699)**	-	**-**	-
Reversal of loss arising on revaluation of properties in prior years	**-**	453,803	**-**	-
Gain from bargain purchase	**-**	20,764	**-**	-
Gain on contract farming	**-**	8,966	**-**	-
Loss on revaluation of properties	**-**	(1,269,943)	**-**	-
Performance incentives	**-**	(529,201)	**-**	-
Deposits written off	**-**	(66,073)	**-**	-
	(2,344,905)	4,627,615	**1,957,450**	-

8. FINANCE COSTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Interest expenses for financial liabilities not classified as fair value through profit or loss:				
Long-terms loans	**9,417,639**	8,092,864	**-**	-
Short-term borrowings	**5,618,820**	4,154,761	**-**	-
Hire-purchase payables	**1,356,740**	1,397,815	**-**	-
Amount owing to subsidiaries	**-**	-	**913,817**	-
Bank commission	**1,121,284**	952,376	**-**	-
Bank charges	**257,518**	56,782	**-**	-
	17,772,001	14,654,598	**913,817**	-

9. TAX (EXPENSE)/INCOME

Tax (expense)/income recognised in profit or loss

Tax (expense)/income comprises:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current year:				
Current tax expense:				
Malaysian	**(10,998,518)**	(16,049,371)	**(17,000)**	(113,000)
Foreign	**(1,524,128)**	(2,630,498)	**-**	-
Deferred tax (expense)/income:				
Relating to the origination and reversal of temporary differences:				
Crystallisation of deferred tax liabilities on property revaluation surplus	**1,122,362**	645,282	**-**	-
Reversal upon disposal/write-off of revalued properties	**37,552**	7,334	**-**	-
Other temporary differences	**(347,407)**	(680,936)	**-**	-
Recognition of deferred real property gains tax on fair value adjustment of investment properties	**(97,951)**	(1,024,730)	**-**	-
	(11,808,090)	(19,732,919)	**(17,000)**	(113,000)

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

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

Tax (expense)/income comprises (Cont'd):

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Adjustments recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	**1,488,658**	(70,199)	**113,000**	(9,834)
Foreign	**780**	39,570	**-**	-
Deferred tax:				
Malaysian	**220,548**	(1,628,850)	**-**	-
Foreign	**(113,592)**	-	**-**	-
Total tax (expense)/income	**(10,211,696)**	(21,392,398)	**96,000**	(122,834)

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

	The Group	
	2018	2017
	RM	RM
Unused tax losses	**-**	347,000

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Profit before tax	**40,656,790**	83,067,595	**4,942,636**	8,317,886
Tax expense calculated using the Malaysian income tax rate of 24% (2017: 24%)	**9,758,000**	19,936,000	**1,186,000**	1,996,000
Effect of expenses that are not deductible in determining taxable profit	**5,492,691**	3,296,523	**621,000**	302,000
Effect of revenue that is not taxable	**(3,036,000)**	(2,879,000)	**(1,790,000)**	(2,185,000)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**989,000**	587,000	**-**	-

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

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

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deferred real property gains tax on fair value adjustment of investment properties	**97,951**	1,024,730	**-**	-
Effect of previously unrecognised deductible temporary differences now recognised as deferred tax assets	**(745,000)**	(1,085,000)	**-**	-
Effect of different tax rate of subsidiaries operating in other jurisdiction	**(711,000)**	(1,140,000)	**-**	-
Reversal of deferred tax liabilities upon disposal of revalued properties	**(37,552)**	(7,334)	**-**	-
	11,808,090	19,732,919	**17,000**	113,000
Adjustments recognised in the current year in relation to prior years:				
Current tax	**(1,489,438)**	30,629	**(113,000)**	9,834
Deferred tax	**(106,956)**	1,628,850	**-**	-
Tax expense/(income) recognised in profit or loss	**10,211,696**	21,392,398	**(96,000)**	122,834

The Group is operating in the jurisdictions of Malaysia and Republic of Singapore. The applicable domestic statutory income tax rates are 24% (2017: 24%) for Malaysia and 17% (2017: 17%) for Republic of Singapore. The applicable tax rate of 24% (2017: 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.

Tax expense recognised in other comprehensive income

	The Group	
	2018	2017
	RM	RM
Deferred tax:		
Arising on income and expenses recognised in other comprehensive income		
Property revaluations	**-**	13,740,726

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

As of 30 September 2018, 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	
	2018	2017
	RM	RM
Unused tax losses	**45,141,000**	49,144,000
Unused tax capital allowances	**23,649,000**	27,402,000
Unused allowance for increased export	**1,155,000**	1,155,000
Unused reinvestment allowances	**368,000**	736,000
Unused agricultural allowances	**35,000**	35,000

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
After charging:				
Competition Consumer Commission of Singapore penalty	**10,731,578**	-	**-**	-
Rental of:				
Premises	**4,419,949**	4,630,898	**-**	-
Fowl house and equipment	**2,496,203**	2,445,965	**-**	-
Stall	**1,567,009**	1,612,148	**-**	-
Cold room and storage	**683,443**	619,801	**-**	-
Room	**541,108**	452,748	**-**	-
Motor vehicles	**111,861**	140,775	**-**	-
Machinery and equipment	**97,360**	34,777	**-**	-
Office and office equipment	**25,046**	1,073	**24,000**	24,000
Audit fee:				
Statutory Auditors	**292,500**	-	**33,500**	-
Other Auditors:				
Current year	**148,667**	417,460	**-**	30,500
Prior years	**18,001**	6,000	**6,600**	4,000
Pre-operating expenses:				
Employee benefits expenses:				
Contribution to employees provident funds	**-**	8,155	**-**	-
Other employee benefits	**-**	70,823	**-**	-
Rental of premises	**-**	16,792	**-**	-
Others	**-**	616,889	**-**	-

10. PROFIT FOR THE YEAR (CONT'D)

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
And crediting:				
Competition Consumer Commission of Singapore penalty claims	**10,731,578**	-	**-**	-
Interest revenue on:				
Bank balances	**839,246**	1,085,483	**-**	-
Others	**22,666**	5,548	**-**	-

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Contribution to employees provident fund	**7,936,405**	6,925,230	**58,708**	57,519
Other emoluments	**131,263,491**	96,779,075	**715,452**	747,299
	139,199,896	103,704,305	**774,160**	804,818

Other emoluments expenses of the Group and of the Company include Directors' remuneration, salaries, bonuses, contribution to employees provident fund and all other employee related expenses.

Details of remuneration of Executive Directors, who are also the only key management personnel of the Group, included in profit for the year are as follows:

	The Group	
	2018	2017
	RM	RM
Directors of the Company:		
Fee	**325,956**	351,844
Contribution to employees provident fund	**273,959**	254,089
Other emoluments	**3,353,303**	2,590,151
Directors of subsidiaries:		
Fee	**173,870**	214,557
Contribution to employees provident fund	**299,457**	272,890
Other emoluments	**2,686,769**	2,437,981
	7,113,314	6,121,512

10. PROFIT FOR THE YEAR (CONT'D)

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Directors of the Company:				
Fee	**231,600**	255,410	**201,600**	242,910
Contribution to employees provident fund	**1,164**	1,378	**1,164**	1,378
Other emoluments	**14,400**	17,700	**14,400**	17,700
	247,164	274,488	**217,164**	261,988

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	
	2018	2017
Profit for the year attributable to owners of the Company (RM)	**29,731,045**	58,183,454
Weighted average number of ordinary shares for the purpose of basic earnings per share	**631,617,924**	575,140,786
Basic earnings per share (sen)	**4.71**	10.12

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	
	2018	2017
Profit for the year attributable to owners of the Company (RM)	**29,731,045**	58,183,454
Weighted average number of ordinary shares for the purpose of basic earnings per share	**631,617,924**	575,140,786
Warrant shares deemed to be issued for no consideration	**49,788,238**	88,683,787
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**681,406,162**	663,824,573
Diluted earnings per share (sen)	**4.36**	8.76

12. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ Write-off RM	Transfers RM	Transfer to investment properties (Note 13) RM	Acquisition of a subsidiary RM	Revaluation RM	Currency translation differences RM	End of year RM
2018:									
Freehold land									
- at cost	-	-	-	-	-	-	-	-	-
- at 2017 valuation	44,000,000	-	-	-	-	-	-	-	44,000,000
Freehold land and buildings									
- at cost	-	117,922,874	-	28,896,354	-	-	-	-	146,819,228
- at 2017 valuation	276,632,000	-	(307,374)	-	(7,377,000)	-	-	-	268,947,626
Buildings									
- at cost	-	3,782,522	-	3,925,368	-	-	-	(183,852)	7,524,038
- at 2017 valuation	67,491,750	-	-	-	-	-	-	-	67,491,750
Plant, machinery and equipment	166,904,187	22,263,571	(2,337,624)	2,588,943	-	-	-	(276,102)	189,142,975
Electrical installation	2,378,771	28,630	-	192,524	-	-	-	-	2,599,925
Office equipment	5,544,812	707,965	(333,976)	148,663	-	-	-	(1,151)	6,066,313
Furniture, fixtures and fittings	7,125,163	1,141,443	(83,389)	48,272	-	-	-	(96,218)	8,135,271
Motor vehicles	40,192,252	5,517,079	(902,826)	-	-	1,287,685	-	(364,991)	45,729,199
Renovation	5,440,079	914,193	(35,824)	497,171	-	-	-	(16,385)	6,799,234
Supermarket equipment	5,925,756	357,397	(34,760)	133,749	-	-	-	-	6,382,142
Warehouse	83,097	13,443	-	-	-	-	-	-	96,540
Workshop	58,000	-	-	-	-	-	-	-	58,000
Construction-in-progress	17,475,605	49,506,761	(300)	(36,431,044)	-	-	-	197,754	30,748,776
	639,251,472	202,155,878	(4,036,073)	-	(7,377,000)	1,287,685	-	(740,945)	830,541,017

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

The Group (Cont'd)

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
Supermarket 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 (Cont'd)

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ Write-off RM	Transfer to investment properties (Note 13) RM	Acquisition of a subsidiary RM	Revaluations RM	Currency translation differences RM	End of year RM
2018:								
Freehold land								
- at cost	-	-	-	-	-	-	-	-
- at 2017 valuation	-	-	-	-	-	-	-	-
Freehold land and buildings								
- at cost	-	1,534,940	-	-	-	-	-	1,534,940
- at 2017 valuation	-	9,415,922	(72,639)	(81,940)	-	-	-	9,261,343
Buildings								
- at cost	-	214,071	-	-	-	-	(144,590)	69,481
- at 2017 valuation	-	4,159,280	-	-	-	-	-	4,159,280
Plant, machinery and equipment	72,220,152	15,745,955	(2,326,118)	-	-	-	(192,201)	85,447,788
Electrical installation	1,281,232	202,591	-	-	-	-	-	1,483,823
Office equipment	3,937,009	457,674	(326,372)	-	-	-	(1,106)	4,067,205
Furniture, fixtures and fittings	4,462,988	626,052	(52,168)	-	-	-	(62,337)	4,974,535
Motor vehicles	18,658,572	5,079,482	(336,729)	-	18,034	-	(203,440)	23,215,919
Renovation	2,235,806	575,519	(15,017)	-	-	-	(9,992)	2,786,316
Supermarket equipment	3,497,948	532,836	(29,665)	-	-	-	-	4,001,119
Warehouse	63,007	9,856	-	-	-	-	-	72,863
Workshop	1,160	1,740	-	-	-	-	-	2,900
Construction-in-progress	-	-	-	-	-	-	-	-
	106,357,874	38,555,918	(3,158,708)	(81,940)	18,034	-	(613,666)	141,077,512

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

The Group (Cont'd)

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
Supermarket 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 (Cont'd)

Accumulated impairment losses	Beginning of year RM	Charge for the year RM	Disposal/ Write-off RM	End of year RM
2018:				
Plant, machinery and equipment	**108,723**	**1,997,465**	**(6,962)**	**2,099,226**
Office equipment	**25,856**	**-**	**(7,549)**	**18,307**
Furniture, fixtures and fittings	**34,796**	**-**	**(30,727)**	**4,069**
	169,375	**1,997,465**	**(45,238)**	**2,121,602**
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

The Company

Cost	Beginning of year RM	Additions RM	Disposal/ Write-off RM	End of year RM
2018:				
Office equipment	**8,736**	**-**	**-**	**8,736**
2017:				
Office equipment	3,646	5,090	-	8,736

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposal/ Write-off RM	End of year RM
2018:				
Office equipment	**4,072**	**2,618**	**-**	**6,690**
2017:				
Office equipment	1,504	2,568	-	4,072

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Net book value:				
Freehold land				
- at cost	**-**	-	**-**	-
- at 2017 valuation	**44,000,000**	44,000,000	**-**	-
- at 2012 valuation	**-**	-	**-**	-
Freehold land and buildings				
- at cost	**145,284,288**	-	**-**	-
- at 2017 valuation	**259,686,283**	276,632,000	**-**	-
- at 2012 valuation	**-**	-	**-**	-
Buildings				
- at cost	**7,454,557**	-	**-**	-
- at 2017 valuation	**63,332,470**	67,491,750	**-**	-
- at 2012 valuation	**-**	-	**-**	-
Plant, machinery and equipment	**101,595,961**	94,575,312	**-**	-
Electrical installation	**1,116,102**	1,097,539	**-**	-
Office equipment	**1,980,801**	1,581,947	**2,046**	4,664
Furniture, fixtures and fittings	**3,156,667**	2,627,379	**-**	-
Motor vehicles	**22,513,280**	21,533,680	**-**	-
Renovation	**4,012,918**	3,204,273	**-**	-
Supermarket equipment	**2,381,023**	2,427,808	**-**	-
Warehouse	**23,677**	20,090	**-**	-
Workshop	**55,100**	56,840	**-**	-
Construction-in-progress	**30,748,776**	17,475,605	**-**	-
	687,341,903	532,724,223	**2,046**	4,664

The freehold land and buildings of the Group and of the Company were revalued by the Directors on 30 September 2017, based on valuations carried out by Intra Harta Consultant Sdn. Bhd., Intra Harta Consultant (North) Sdn. Bhd., Raine & Horne 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.

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

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and share of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The freehold land and buildings valued using this method was categorised as level 3 in the fair value hierarchy. The significant unobservable inputs for this category of assets were the replacement cost per square meter which ranged from RM100 per square meter to RM600 per square meter for farm house, RM260 per square meter to RM970 per square meter for office buildings and factory RM1,300 per square meter to RM2,000 per square meter for substation. It was further depreciated at about 5% to 80% after taking into consideration the building condition and other relevant factors.

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

	Fair value as of 30 September 2018			
	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	**-**	**-**	**259,686,283**	**259,686,283**
Buildings	**-**	**-**	**63,332,470**	**63,332,470**
	-	**44,000,000**	**323,018,753**	**367,018,753**

	Fair value as of 30 September 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

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

Unreasonable expenses would be incurred in segregating the cost of the freehold land and buildings separately.

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	
	2018	**2017**
	RM	**RM**
Cost:		
Freehold land	**42,587,325**	42,587,325
Freehold land and buildings	**123,722,646**	127,684,500
Buildings	**89,574,798**	89,774,760
	255,884,769	260,046,585
Accumulated depreciation:		
Freehold land	**-**	-
Freehold land and buildings	**(28,688,013)**	(25,454,056)
Buildings	**(22,990,943)**	(19,720,633)
	(51,678,956)	(45,174,689)
Net Book Value	**204,205,813**	214,871,896

As of 30 September 2018, certain property, plant and equipment of the Group with a total carrying value of RM415,223,889 (2017: RM240,081,224) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 32.

As of 30 September 2018, 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	
	2018	**2017**
	RM	**RM**
Plant, machinery and equipment	**16,486,869**	12,852,643
Motor vehicles	**11,897,718**	12,946,841
Buildings	**5,931,870**	6,244,073
Construction-in-progress	**2,000,000**	-
Freehold land and buildings	**740,533**	846,323
Supermarket equipment	**189,096**	174,038
Electrical installation	**72,321**	108,929
Renovation	**35,428**	39,474
Office equipment	**-**	4,778
	37,353,835	33,217,099

Additional impairment losses recognised in respect of property, plant and equipment in the year amounted to RM1,997,465 (2017: Nil). These losses are attributable to greater than anticipated wear and tear. Those assets have been impaired in full and they belong to the Group's agricultural/poutry farming/food processing/trading/value added products manufacturing reportable segment.

13. INVESTMENT PROPERTIES

	The Group	
	2018	2017
	RM	RM
At fair value:		
At beginning of year	**86,038,000**	78,409,000
Net transfer from/(to) property, plant and equipment during the year (Note 12)	**7,295,060**	(1,627,829)
Additions during the year	**436,943**	64,942
Revaluation surplus recognised upon transfer from property, plant and equipment	**81,940**	-
Gain on fair value adjustment at end of year (Note 7)	**2,668,057**	9,191,887
At end of year	**96,520,000**	86,038,000

The investment properties are as follows:

	The Group	
	2018	2017
	RM	RM
Freehold land	**52,614,000**	59,662,000
Freehold land and buildings	**42,466,000**	25,006,000
Long leasehold land and buildings	**1,090,000**	1,060,000
Short leasehold land	**350,000**	310,000
	96,520,000	86,038,000
Leased out under operating lease	**37,466,000**	30,481,000
Vacant	**59,054,000**	55,557,000
	96,520,000	86,038,000

The fair values of certain buildings included under investment properties of the Group as of 30 September 2018 with a total carrying value of RM92,000 (2017: RM112,000) are determined by the Directors by reference to market evidence of transaction prices for similar properties.

The fair value of other investment properties of the Group as of 30 September 2018 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.

13. INVESTMENT PROPERTIES (CONT'D)

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and share of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The 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 metre to RM600 per square meter (2017: RM100 per square meter to RM600 per square meter) for farm house, RM260 per square meter to RM970 per square meter (RM260 per square meter to RM970 per square meter) for office buildings and factory and RM 1,000 per square meter to RM1,800 per square meter (2017: RM1,000 per square meter to RM1,800 per square meter) for substation. It is further depreciated at about 20% to 80% (2017: 20% to 80%) after taking into consideration the building condition and other relevant factors.

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

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

	Fair value as of 30 September 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**

There were 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 RM466,418 (2017: RM427,521). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2018	**2017**
	RM	**RM**
Leased out under operating lease	**6,387**	2,564
Vacant	**6,344**	7,451
	12,731	10,015

As of 30 September 2018, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 28, 81 and 875 years (2017: 29, 82 and 876 years).

As of 30 September 2018, certain investment properties of the Group with a total carrying value of RM79,489,000 (2017: RM67,707,000) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 32.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2018	**2017**
	RM	**RM**
At beginning of year	**13,341,972**	9,473,027
Additions during the year	**6,285,632**	-
Amortisation during the year	**(421,845)**	(281,055)
Arising from subsidiary acquired during the year	**-**	4,150,000
At end of year	**19,205,759**	**13,341,972**

The prepaid lease payments on leasehold land are as follows:

	The Group	
	2018	**2017**
	RM	**RM**
Long leasehold land	**11,383,710**	9,275,463
Short leasehold land	**7,822,049**	4,066,509
	19,205,759	13,341,972

As of 30 September 2018, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 12, 18, 32, 33, 36, 48, 49, 66, 80, 83, 88 and 95 years (2017: 33, 34, 37, 49, 50, 81, 84 and 96 years).

As of 30 September 2018, certain leasehold land of the Group with a total carrying value of RM11,164,517 (2017: RM9,094,531) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 32.

15. OTHER INTANGIBLE ASSETS

The Group

	Distribution network RM	Customer lists RM	Total RM
2018:			
Cost			
At beginning of year	**13,183,956**	**636,995**	**13,820,951**
Addition from acquisition of business during the year	**-**	**1,683,343**	**1,683,343**
Currency translation differences	**-**	**(62,323)**	**(62,323)**
At end of year	**13,183,956**	**2,258,015**	**15,441,971**
Accumulated amortisation			
At beginning of year	**2,050,837**	**265,415**	**2,316,252**
Amortisation during the year (Note 7)	**878,930**	**287,537**	**1,166,467**
Currency translation differences	**-**	**(4,097)**	**(4,097)**
At end of year	**2,929,767**	**548,855**	**3,478,622**
Net	**10,254,189**	**1,709,160**	**11,963,349**
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

16. GOODWILL

	The Group	
	2018 RM	2017 RM
At beginning of year	**6,218,940**	6,218,940
Acquired through business combination (Note 17)	**80,096**	-
Written off during the year	**(80,096)**	-
At end of year	**6,218,940**	6,218,940

16. GOODWILL (CONT'D)

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	
	2018	**2017**
	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 1 to 3 years with an estimated growth rate of 3% to 5% (2017: 1% to 2%) and a discount rate of 8% (2017: 10%), reflecting the effective interest rate on borrowings.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2018	**2017**
	RM	**RM**
Unquoted shares, at cost	**167,128,384**	116,328,382
Less: Impairment losses	**(20,755,865)**	(20,755,865)
	146,372,519	95,572,517
Amount owing by a subsidiary	**-**	24,858,659
	146,372,519	120,431,176

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

In 2017, 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.

17. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows:

Direct subsidiaries	Country of incorporation	Effective percentage of ownership 2018	2017	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%**	100%	Dormant.
Farm's Best Food Industries Sdn. Bhd.	Malaysia	**53.04%**	53.04%	Poultry hatcheries, contract farming, poultry processing, marketing and distribution of poultry products.
HK Foods (M) Sdn. Bhd.	Malaysia	**100%**	100%	Processing, exporting, wholesaling and distributing of frozen marine and value added products.
Home Mart Fresh & Frozen Sdn. Bhd.	Malaysia	**100%**	100%	Trading of supermarket products.
Kyros Food Industries Sdn. Bhd.	Malaysia	**100%**	100%	Processing of meat products and trading.
Kyros International Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and fast food franchising business.
Likes Marketing Sdn. Bhd.	Malaysia	**100%**	100%	Distributing and marketing of food products.
Tong Huat Poultry Processing Factory Pte. Ltd.*	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)

The subsidiaries are as follows (Cont'd):

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2018	Effective percentage of ownership 2017	Principal activities
Antik Kualiti Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken.
Ayam Kempas Food Industries Sdn. Bhd.	Malaysia	**58.23%**	-	Processing and marketing of chicken, trading of poultry feed and other farm consumables.
Ban Hong Poultry Pte. Ltd.*	Republic of Singapore	**51%**	51%	Importing and marketing of poultry products.
C&B Poultry Sdn. Bhd. (formerly known as Jimat Jaya Pemasaran Sdn. Bhd.)	Malaysia	**30.40%**	100%	Breeding of parent stock of black chicken and colour birds to produce hatching eggs and chicks.
CAB Cakaran Breeding Farm Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of parent stocks to produce broiler eggs and chicks.
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	**100%**	100%	Marketing of chicken and frozen foods.
CAB Cakaran Southern Sdn. Bhd.	Malaysia	**51%**	51%	Breeding of black chicken and colour birds and trading of chicken, poultry feeds and other farm consumables.
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Trading of poultry and other related products with poultry contract farmers.
CAB Econation Renewable Energy Sdn. Bhd.	Malaysia	**100%**	100%	Dormant.
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	**67.94%**	67.94%	Breeding of grand parent stocks to produce breeder chicks.
Gourmet Chefs Pte. Ltd.*	Republic of Singapore	**30.60%**	30.60%	Manufacturing of value added food products.
Jaya Gading Farm Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Poultry farming, trading in poultry and other related business.
Jimat Jaya Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken.
Kim Fa Foodstuffs Pte. Ltd.*	Republic of Singapore	**30.60%**	-	Supply and distribution of all kinds of sauces and foodstuffs.
Kyros Kebab Sdn. Bhd.	Malaysia	**100%**	100%	Fast food restaurants operators and trading.
OTK Farm Equipment Sdn. Bhd.	Malaysia	**55%**	55%	Manufacturers and trading of farm equipment.
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	**58.02%**	58.02%	Trading of supermarket products.

17. INTEREST IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows (Cont'd):

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2018	Effective percentage of ownership 2017	Principal activities
Protheme Pte. Ltd.*	Republic of Singapore	**30.60%**	30.60%	Wholesale of livestock, meat and poultry products.
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	**50%**	50%	Renting of property, plant and equipment to generate rental income.
TH Likes Pte. Ltd. (formerly known as EC Grocer Pte. Ltd.)*	Republic of Singapore	**55.90%**	35.50%	Wholesaler of food products.

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

The Company considers Shin Hong Breeding Farm Sdn. Bhd. and C&B Poultry Sdn. Bhd. (formerly known as Jimat Jaya Pemasaran Sdn. Bhd.) as subsidiaries as the Group has power to exercise control through a casting vote given to the Managing Director of the Company who is also the Chairman of the Board of Directors of the subsidiaries.

2017:

On 3 June 2016, the Company together with Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company and two companies incorporated in Republic of 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 1 October 2016 even though the acquisition was completed on 8 November 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.

Consideration transferred

	The Group 2017 RM
Cash	7,361,254

17. INTEREST IN SUBSIDIARIES (CONT'D)

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	65,963,446
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

Goodwill arising on acquisition of Farm's Best Food Industries Sdn. Bhd.

	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 from bargain purchase	(20,764)

17. INTEREST IN SUBSIDIARIES (CONT'D)

Net cash outflow on acquisition of Farm's Best Food Industries Sdn. Bhd.

	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 of 2017 was RM3,956,400 attributable to the additional business generated by Farm's Best Food Industries Sdn. Bhd.. Revenue for the year 2017 included RM247,287,207 in respect of Farm's Best Food Industries Sdn. Bhd..

On 18 October 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 on 28 March 2017 and 12 July 2017, 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 19 June 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 25 July 2017, the Company incorporated a new subsidiary, namely CABINDO Poultry Sdn. Bhd. in Malaysia. The initial 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.

2018:

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

17. INTEREST IN SUBSIDIARIES (CONT'D)

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

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

Consideration transferred

	The Group 2018 RM
Cash	**187**

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

	2018 RM
Non-current assets	
Property, plant and equipment	**1,269,651**
Other intangible assets	**1,683,343**
Total non-current assets	**2,952,994**
Current assets	
Inventories	**249,096**
Trade and other receivables	**485,615**
Other assets	**21,918**
Cash and bank balances	**479,835**
Total current assets	**1,236,464**
Total assets	**4,189,458**

17. INTEREST IN SUBSIDIARIES (CONT'D)

Assets acquired and liabilities recognised at the date of acquisition of Kim Fa Foodstuffs Pte. Ltd. (Cont'd)

	2018 RM
Non-current liability	
Borrowing	622,102
Current liabilities	
Trade and other payables	3,681,550
Borrowing	146,947
Total current liabilities	3,828,497
Total liabilities	4,450,599
Net liabilities acquired	(261,141)

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

	The Group 2018 RM
Consideration transferred	187
Add: Fair values of identifiable net liabilities acquired	261,141
Less: Non-controlling interests	(181,232)
Goodwill	80,096

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

	The Group 2018 RM
Consideration paid in cash	187
Less: Cash and cash equivalent balances acquired	(479,835)
	(479,648)

Impact of acquisitions on the results of the Group

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

17. INTEREST IN SUBSIDIARIES (CONT'D)

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

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

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

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

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

Composition of the Group

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

	Number of wholly-owned subsidiaries	
Principal Activities	**2018**	**2017**
Agricultural/poultry farming/food processing/trading/manufacturing of value added products	**11**	12
Operator of fast food restaurants	**2**	2
Processing and distribution of marine products	**1**	1
Supermarket	**1**	1
	15	16

17. INTEREST IN SUBSIDIARIES (CONT'D)

Principal Activities	Number of non wholly-owned subsidiaries 2018	2017
Agricultural/poultry farming/food processing/trading/ manufacturing of value added products	**15**	12
Supermarket	**1**	1
	16	13

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)	
	2018	2017	2018 RM	2017 RM	2018 RM	2017 RM
Direct subsidiaries:						
Farm's Best Food Industries Sdn. Bhd.	46.96%	46.96%	**(3,131,112)**	(1,857,925)	**37,556,942**	40,688,054
Tong Huat Poultry Processing Factory Pte. Ltd.	49%	49%	**2,266,363**	4,113,807	**26,373,908**	24,561,920
Indirect subsidiaries:						
CAB Cakaran Southern Sdn. Bhd.	49%	49%	**(628,434)**	3,541,065	**27,991,009**	29,025,243
Shin Hong Breeding Farm Sdn. Bhd.	50%	50%	**806,506**	(6,140,986)	**27,990,776**	27,484,270
			(686,677)	(344,039)	**119,912,635**	121,759,487
Others			**1,400,726**	3,835,782	**22,657,541**	19,131,171
			714,049	3,491,743	**142,570,176**	140,890,658

17. INTEREST IN SUBSIDIARIES (CONT'D)

Composition of the Group (Cont'd)

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

Farm's Best Food Industries Sdn. Bhd.	2018 RM	2017 RM
Current assets*	**86,554,870**	103,420,961
Non-current assets*	**206,793,422**	69,883,327
Current liabilities	**(105,293,981)**	(96,455,083)
Non-current liabilities*	**(104,738,847)**	(30,866,127)
Equity attributable to owners of the Company*	**(45,758,522)**	(5,295,024)
Non-controlling interests*	**(37,556,942)**	(40,688,054)
Revenue	**387,214,218**	247,287,207
Other income	**1,216,622**	424,138
Other gains and losses*	**(2,338,311)**	(410,824)
Expenses (including tax expense)*	**(392,760,143)**	(251,256,921)
Loss for the year	**(6,667,614)**	(3,956,400)
Other comprehensive income for the year, net of tax*	**-**	21,646
Total comprehensive loss for the year	**(6,667,614)**	(3,934,754)
Loss attributable to:		
Owners of the Company	**(3,536,502)**	(2,098,475)
Non-controlling interests	**(3,131,112)**	(1,857,925)
Loss for the year	**(6,667,614)**	(3,956,400)
Total comprehensive loss attributable to:		
Owners of the Company	**(3,536,502)**	(2,086,994)
Non-controlling interests	**(3,131,112)**	(1,847,760)
Total comprehensive loss for the year	**(6,667,614)**	(3,934,754)
Net cash inflow/(outflow) from operating activities	**17,222,613**	(45,054,517)
Net cash outflow from investing activities	**(108,809,448)**	(8,936,673)
Net cash inflow from financing activities	**94,792,512**	59,388,750
Net cash inflow	**3,205,677**	5,397,560

* Adjusted for impact on different accounting framework

17. INTEREST IN SUBSIDIARIES (CONT'D)

Tong Huat Poultry Processing Factory Pte. Ltd.	2018 RM	2017 RM
Current assets	**42,769,528**	40,145,905
Non-current assets*	**47,801,656**	27,400,427
Current liabilities	**(19,460,979)**	(13,693,586)
Non-current liabilities*	**(17,285,906)**	(3,726,379)
Equity attributable to owners of the Company*	**(27,450,391)**	(25,564,447)
Non-controlling interests*	**(26,373,908)**	(24,561,920)
Revenue	**133,658,527**	124,480,314
Other income	**1,919,120**	986,128
Other gains and losses	**(933,415)**	(848,547)
Share of result of a joint venture	**(46,003)**	(185,136)
Expenses (including tax expense)	**(129,972,999)**	(116,037,234)
Profit for the year	**4,625,230**	8,395,525
Other comprehensive (loss)/income for the year, net of tax*	**(927,295)**	3,293,877
Total comprehensive income for the year	**3,697,935**	11,689,402
Profit attributable to:		
Owners of the Company	**2,358,867**	4,281,718
Non-controlling interests	**2,266,363**	4,113,807
Profit for the year	**4,625,230**	8,395,525
Total comprehensive income attributable to:		
Owners of the Company	**1,885,947**	5,961,595
Non-controlling interests	**1,811,988**	5,727,807
Total comprehensive income for the year	**3,697,935**	11,689,402
Net cash inflow from operating activities	**7,929,393**	13,149,207
Net cash outflow from investing activities	**(23,262,270)**	(7,884,112)
Net cash inflow from financing activities	**12,803,830**	1,958,244
Net cash (outflow)/inflow	**(2,529,047)**	7,223,339

* Adjusted for impact on different accounting framework

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018 (Cont'd)

17. INTEREST IN SUBSIDIARIES (CONT'D)

CAB Cakaran Southern Sdn. Bhd.	2018 RM	2017 RM
Current assets	**62,756,184**	48,220,103
Non-current assets*	**101,943,169**	99,759,679
Current liabilities	**(76,268,221)**	(52,932,639)
Non-current liabilities*	**(31,306,624)**	(35,891,320)
Equity attributable to owners of the Company*	**(29,133,499)**	(30,130,580)
Non-controlling interests	**(27,991,009)**	(29,025,243)
Revenue	**470,407,982**	386,113,668
Investment revenue	**-**	91,410
Other income	**3,398,743**	3,532,295
Other gains and losses	**(100,819)**	(407,219)
Expenses (including tax expense)	**(474,988,425)**	(382,182,858)
(Loss)/Profit for the year	**(1,282,519)**	7,147,296
Other comprehensive income for the year, net of tax	**-**	43,470,196
Total comprehensive (loss)/income for the year	**(1,282,519)**	50,617,492
(Loss)/Profit attributable to:		
Owners of the Company	**(654,085)**	3,606,231
Non-controlling interests	**(628,434)**	3,541,065
(Loss)/Profit for the year	**(1,282,519)**	7,147,296
Total comprehensive (loss)/income attributable to:		
Owners of the Company	**(654,085)**	25,776,031
Non-controlling interests	**(628,434)**	24,841,461
Total comprehensive (loss)/income for the year	**(1,282,519)**	50,617,492
Dividend paid to non-controlling interests	**(493,920)**	(987,840)
Net cash inflow from operating activities	**10,866,026**	11,609,679
Net cash outflow from investing activities	**(7,706,712)**	(2,638,628)
Net cash outflow from financing activities	**(7,310,445)**	(7,338,415)
Net cash (outflow)/inflow	**(4,151,131)**	1,632,636

* Adjusted for impact on different accounting framework

17. INTEREST IN SUBSIDIARIES (CONT'D)

Shin Hong Breeding Farm Sdn. Bhd.	2018 RM	2017 RM
Current assets	**1,647,831**	1,843,294
Non-current assets	**59,993,290**	57,963,791
Current liabilities	**(23,097)**	(11,666)
Non-current liabilities	**(5,636,472)**	(4,826,879)
Equity attributable to owners of the Company	**(27,990,776)**	(27,484,270)
Non-controlling interests	**(27,990,776)**	(27,484,270)
Revenue	**468,000**	468,000
Investment revenue	**38,965**	37,067
Other gains and losses	**2,319,950**	(10,291,723)
Expenses (including tax expense)	**(1,213,903)**	(2,495,316)
Profit/(Loss) for the year	**1,613,012**	(12,281,972)
Other comprehensive income for the year, net of tax	**-**	30,670,456
Total comprehensive income for the year	**1,613,012**	18,388,484
Profit/(Loss) attributable to:		
Owners of the Company	**806,506**	(6,140,986)
Non-controlling interests	**806,506**	(6,140,986)
Profit/(Loss) for the year	**1,613,012**	(12,281,972)
Total comprehensive income attributable to:		
Owners of the Company	**806,506**	9,194,242
Non-controlling interests	**806,506**	9,194,242
Total comprehensive income for the year	**1,613,012**	18,388,484
Dividend paid to non-controlling interests	**(300,000)**	-
Net cash inflow from operating activities	**366,144**	405,046
Net cash inflow from investing activities	**37,193**	36,801
Net cash (outflow)/inflow from financing activities	**(600,057)**	1,167
Net cash (outflow)/inflow	**(196,720)**	443,014

18. INVESTMENT IN A JOINT VENTURE

Details of the joint venture are as follows:

Joint Venture	Country of incorporation	Effective percentage of ownership		Principal activities
		2018	2017	
		%	%	
Singapore Poultry Hub Pte. Ltd. *	Republic of Singapore	**12.75**	12.75	Dormant.

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

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

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

	2018 RM	2017 RM
Current assets	**9,703,033**	1,360,215
Current liabilities	**(6,664)**	(542,636)
Revenue	**-**	-
Expenses (including tax expense)	**(184,010)**	(740,546)
Loss for the year	**(184,010)**	(740,546)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(184,010)**	(740,546)

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

	2018 RM	2017 RM
Net assets of the joint venture	**9,696,369**	817,579
Proportion of the Group's ownership interest (%)	**25**	25
Carrying amount of the Group's interest	**2,424,092**	204,395

19. OTHER FINANCIAL ASSETS/(LIABILITY)

	The Group	
	2018	2017
	RM	RM
Available-for-sale financial asset:		
Unquoted shares, at cost	**260,088**	260,094
Financial asset carried at fair value through profit or loss:		
Derivative financial instrument:		
Cross-currency interest rate swap	**2,044,143**	-
Total other financial assets	**2,304,231**	260,094
Financial liability carried at fair value through profit or loss:		
Derivative financial instrument:		
Foreign currency forward contracts	**(9,252)**	(5,921)

The Group's cross-currency interest rate swap denominated in United States Dollar is overlaid with monthly maturity interest rate swap and matures in 12 April 2023 and 8 May 2023 respectively.

The cross-currency interest rate swap is used hedge cash flow interest rate risk arising from a floating rate bank loan amounting to RM43,327,478. This interest rate swap receives a floating rate of interest at 1.25% per annum above the London Interbank Offered Rate (2017: Nil), pays a floating rate of interest at 1.44% per annum above the Kuala Lumpur Interbank Offered Rate (2017: Nil) and has the same maturity terms as the long-term loans.

The notional/contract amount of the cross-currency interest rate swap as of 30 September 2018 is USD10,470,000 (2017: Nil).

The Group uses foreign currency forward contracts to manage some of the transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

20. AGRICULTURAL DEVELOPMENT EXPENDITURES

	The Group	
	2018	2017
	RM	RM
At beginning of year	**33,413**	40,693
Amortisation during the year	**-**	(7,280)
At end of year	**33,413**	33,413

21. DEFERRED TAX ASSETS/(LIABILITIES)

The Group

	Opening balance RM	Recognised in profit or loss (Note 9) RM	Currency translation RM	Closing balance RM
2018:				
Deferred tax assets				
Unused tax capital allowances	3,959,300	162,000	-	4,121,300
Receivables	1,787,000	(72,000)	-	1,715,000
Unused tax agriculture allowances	9,000	-	-	9,000
Unused tax losses	7,182,500	(7,175,500)	-	7,000
Others	605,782	(40,868)	80	564,994
	13,543,582	(7,126,368)	80	6,417,294
Deferred tax liabilities				
Property, plant and equipment	(29,243,754)	6,488,624	8,600	(22,746,530)
Gain on revaluation of properties	(17,913,465)	1,122,362	-	(16,791,103)
Real property gains tax on investment property	(3,678,887)	97,951	-	(3,580,936)
Intangible assets	(2,671,949)	210,943	-	(2,461,006)
Others	(36,000)	28,000	-	(8,000)
	(53,544,055)	7,947,880	8,600	(45,587,575)
Net	(40,000,473)	821,512	8,680	(39,170,281)

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

The Group (Cont'd)

	Opening balance	Recognised in profit or loss (Note 9)	Recognised in other comprehensive income (Note 9)	Acquisition of a subsidiary	Currency translation	Closing balance
	RM	RM	RM	RM	RM	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)
Real property gains tax on investment property	(2,654,157)	(1,024,730)	-	-	-	(3,678,887)
Intangible assets	(2,882,892)	210,943	-	-	-	(2,671,949)
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)

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

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

	The Group	
	2018	**2017**
	RM	**RM**
Deferred tax assets	**40,654**	17,000
Deferred tax liabilities	**(39,210,935)**	(40,017,473)
	(39,170,281)	(40,000,473)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 September 2018, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group	
	2018	**2017**
	RM	**RM**
Unused tax losses	**17,113,000**	16,065,000
Unused tax capital allowances	**6,455,000**	9,138,000
Allowance for increased export	**1,155,000**	1,155,000
Temporary differences arising from:		
Receivables	**310,000**	1,153,000
Property, plant and equipment	**-**	457,000
Others	**426,000**	393,000
	25,459,000	28,361,000

22. INVENTORIES

	The Group	
	2018	**2017**
	RM	**RM**
At costs:		
Raw materials:		
Meats and dressings	**4,929,260**	8,455,130
Feeds and consumables	**3,054,620**	3,334,361
Ingredient	**1,475,359**	-
Packing materials	**1,293,260**	1,392,780
Medicine and chemicals	**1,136,121**	1,144,088
Unprocessed marine products	**2,352**	17,304
Others	**39,041**	5,663
	11,930,013	14,349,326

22. INVENTORIES (CONT'D)

	The Group	
	2018	2017
	RM	RM
Work-in-progress:		
Parent stocks	**16,093,561**	17,999,894
Eggs	**6,378,976**	7,549,288
Broiler chicken	**4,594,367**	4,824,878
Grand parent stocks	**4,003,037**	3,593,854
Frozen food	**142,965**	88,057
Farm equipment	**7,912**	-
	31,220,818	34,055,971
Finished goods:		
Processed chicken	**32,099,678**	18,940,053
Supermarket products	**10,377,844**	10,499,651
Frozen food	**3,281,920**	3,393,207
Trading products	**2,903,212**	3,282,933
Processed marine products	**-**	32,947
Farm equipment	**59,993**	-
	48,722,647	36,148,791
Goods-in-transit	**353,174**	390,713
At net realisable value:		
Raw materials:		
Unprocessed marine products	**2,820**	8,220
Finished goods:		
Processed marine products	**36,862**	81,417
	92,266,334	85,034,438

	The Group	
	2018	2017
	RM	RM
Recognised in profit and loss:		
Inventories recognised as cost of sales	**1,597,100,996**	1,320,451,343
Allowance for inventories obsolescence	**26,699**	56,353
Inventories written-off	**325,372**	-
Reversal of inventories written down	**-**	3,387

23. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade receivables	**202,826,773**	195,157,949	**-**	-
Less: Allowance for impairment losses	**(11,375,980)**	(21,810,843)	**-**	-
	191,450,793	173,347,106	**-**	-
Amount owing by subsidiaries	**-**	-	**7,921,360**	16,709,360
Less: Allowance for impairment losses	**-**	-	**-**	(1,957,450)
	-	-	**7,921,360**	14,751,910
Amount owing by a joint venture	**19,446**	-	**-**	-
Goods and Services Tax receivable	**3,220,786**	1,718,491	**-**	-
Other receivables	**16,224,608**	5,880,556	**-**	-
Less: Allowance for impairment losses	**(1,761)**	(61,602)	**-**	-
	16,222,847	5,818,954	**-**	-
	210,913,872	180,884,551	**7,921,360**	14,751,910

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Ringgit Malaysia	**176,037,310**	157,013,513	**7,921,360**	14,751,910
Singapore Dollar	**34,567,819**	23,448,385	**-**	-
United States Dollar	**308,743**	422,653	**-**	-
	210,913,872	180,884,551	**7,921,360**	14,751,910

23. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	The Group	
	2018	**2017**
	RM	**RM**
YWT Contract Farming [a]	**3,658,579**	3,411,631
Sinmah Poultry Processing (S) Pte. Ltd. [b]	**499,063**	-
Jaya Gading Marketing [c]	**71,524**	63,939
Intelmatrix Sdn. Bhd. [b]	**59,760**	-
Toh York Mue [d]	**40,493**	-
Wei Heng Maju Farm Sdn. Bhd. [e]	**38,178**	39,151
Hoang Dung Pte. Ltd. [f]	**30,265**	-
Chuah Ah Chui [g]	**21,947**	18,141
Maju Jaya Farm [e]	**3,757**	-
Chyuan Heng Farming Sdn. Bhd. [a]	**-**	212

[a] An entity 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 in which the brother-in-law of a Director of a subsidiary is a Director and has interest.
[d] Cousin of a Director and sister of a Director of a subsidiary.
[e] A company/an entity which is owned by the son-in-law of a Director of a subsidiary.
[f] A company in which the wife of a shareholder of a subsidiary is also a Director. The shareholder is a cousin of a Director and brother of a Director of a subsidiary.
[g] Brother of a Director of the Company.

The average credit periods granted to trade receivables of the Group range from 3 to 90 days (2017: 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.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The allowance for impairment loss on trade receivables are made for individually impaired receivables, relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

23. TRADE AND OTHER RECEIVABLES (CONT'D)

Ageing of trade receivables:

The Group

	Gross amount RM	Individual impairment RM	Carrying value RM
2018:			
Not past due	**104,602,385**	**-**	**104,602,385**
Number of days past due:			
1 - 30 days	**58,569,936**	**-**	**58,569,936**
31 - 60 days	**16,067,382**	**-**	**16,067,382**
61 - 90 days	**2,575,240**	**-**	**2,575,240**
Over 91 days	**21,011,830**	**(11,375,980)**	**9,635,850**
Total	**202,826,773**	**(11,375,980)**	**191,450793**
2017:			
Not past due	106,969,365	-	106,969,365
Number of days past due:			
1 - 30 days	37,224,418	-	37,224,418
31 - 60 days	15,340,522	-	15,340,522
61 - 90 days	5,136,069	-	5,136,069
Over 91 days	30,487,575	(21,810,843)	8,676,732
Total	195,157,949	(21,810,843)	173,347,106

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 are as follows:

	The Group	
	2018 RM	2017 RM
Balance at beginning of the year	**21,810,843**	18,857,066
Impairment loss recognised during the year	**393,189**	959,163
Amount written off during the year as uncollectible	**(10,099,546)**	(3,399)
Currency translation differences	**(388,171)**	258,108
Impairment loss reversed during the year	**(340,334)**	(1,307)
Arising from a subsidiary acquired	**-**	1,741,212
Balance at end of the year	**11,375,980**	21,810,843

23. TRADE AND OTHER RECEIVABLES (CONT'D)

The amount owing by subsidiaries are as follows:

	The Company	
	2018	**2017**
	RM	**RM**
Farm's Best Food Industries Sdn. Bhd.	**4,849,729**	930,824
CAB Amesist Biomass Generation Sdn. Bhd.	**3,024,016**	6,063,166
CAB Econation Renewable Energy Sdn. Bhd.	**12,100**	12,100
CABINDO Poultry Sdn. Bhd.	**7,582**	5,337
Tong Huat Poultry Processing Factory Pte. Ltd.	**7,500**	10,745
Pasaraya Jaya Gading Sdn. Bhd.	**5,883**	10,882
Jaya Gading Farm Sdn. Bhd.	**4,768**	5,520
Ban Hong Poultry Pte. Ltd.	**3,600**	3,600
Ayam Kempas Food Industries Sdn. Bhd.	**1,690**	-
Kyros Food Industries Sdn. Bhd.	**1,400**	4,331
Likes Marketing Sdn. Bhd.	**1,200**	3,229
CAB Cakaran (Timur) Sdn. Bhd.	**749**	250
CAB Cakaran Breeding Farm Sdn. Bhd.	**650**	650
Shin Hong Breeding Farm Sdn. Bhd.	**150**	150
Kyros International Sdn. Bhd.	**148**	310
CAB Marine Resources Sdn. Bhd.	**100**	5,350,100
Home Mart Fresh & Frozen Sdn. Bhd.	**50**	3,500,000
HK Foods (M) Sdn. Bhd.	**45**	50
CAB Cakaran Sdn. Bhd.	**-**	797,087
Gourmet Chefs Pte. Ltd.	**-**	5,726
TH Likes Pte. Ltd. (formerly known as EC Grocer Pte. Ltd.)	**-**	4,953
OTK Farm Equipment Sdn. Bhd.	**-**	200
Antik Kualiti Sdn. Bhd.	**-**	150
	7,921,360	16,709,360
Less: Allowance for impairment losses	**-**	(1,957,450)
Total	**7,921,360**	14,751,910

The amount owing by a subsidiary, Farm's Best Food Industries Sdn. Bhd. arose mainly from unsecured advances which bears interest at a rate off 8.04% (2017: Nil) per annum and are repayable on demand.

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

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

	The Company	
	2018	**2017**
	RM	**RM**
Balance at beginning of the year	**1,957,450**	1,957,450
Impairment loss reversed during the year	**(1,957,450)**	-
Balance at end of the year	**-**	1,957,450

23. TRADE AND OTHER RECEIVABLES (CONT'D)

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

The amount owing by a joint venture arose mainly from unsecured advances which are interest free and are repayable on demand.

Other receivables of the Group comprise mainly amounts receivable for management of outlet, display income receivable, and payment of expenses made on behalf by the Group which are repayable on demand.

Included also in other receivables are an amount of RM10,844,719 (2017: Nil) penalty to be reimbursed from former shareholders of subsidiaries, Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd. in connection with infringement of the Competition Act of Republic of Singapore as disclosed in Note 41.

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

	The Group	
	2018	**2017**
	RM	**RM**
Unisetali Sdn. Bhd. [(a)]	**33,455**	25,998
DES Food Manufacturing Pte. Ltd. [(a)]	**-**	1,482

[(a)] A company in which a Director of a subsidiary is also a Director and has interest.

The amount owing by other related parties arose mainly from transport charges receivable, scrap sales receivable and payment of expenses made on behalf by the Group which are repayable on demand.

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

	The Group	
	2018	**2017**
	RM	**RM**
Balance at beginning of the year	**61,602**	4,262
Amount written off during the year as uncollectible	**(57,641)**	-
Impairment loss reversed during the year	**(2,200)**	(301)
Arising from a subsidiary acquired	**-**	57,641
Balance at end of the year	**1,761**	61,602

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.

24. OTHER ASSETS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Prepayments	**11,708,698**	7,241,899	**-**	100,702
Deposits	**4,590,132**	4,661,051	**1,000**	1,000
Advance payment for acquisition of property, plant and equipment	**3,865,597**	2,352,558	**-**	-
Deposits for acquisition of property, plant and equipment	**1,414,911**	31,977,057	**-**	-
	21,579,338	46,232,565	**1,000**	101,702

25. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of 30 September 2018, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 1% to 4.05% (2017: 1.00% to 3.80%) per annum and are maturing within October 2018 to September 2019 (2017: October 2017 to September 2018).

As of 30 September 2018, the short-term deposits with licensed banks of the Group with a total carrying value of RM9,718,197 (2017: RM9,316,839) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 32.

26. CASH AND BANK BALANCES

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Ringgit Malaysia	**40,204,401**	27,745,049	**441,433**	677,882
Singapore Dollar	**24,292,895**	23,999,737	**-**	-
United State Dollar	**-**	16,760	**-**	-
	64,497,296	51,761,546	**441,433**	677,882

27. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2018	2017
	RM	RM
Freehold land and building:		
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 to dispose of the freehold land building for a consideration of RM125,000. The disposal transaction has not complete as at date of this report.

28. SHARE CAPITAL

	The Company			
	2018		2017	
	No. of shares	RM	No. of shares	RM
Issued and fully paid:				
Ordinary shares:				
At beginning of the year	**617,810,222**	**128,320,545**	175,165,639	87,582,820
Exercise of Warrants	**27,616,457**	**4,694,798**	27,506,460	12,212,392
Share Split	**-**	**-**	293,135,107	-
Bonus Issue	**-**	**-**	122,003,016	-
Transfer from share premium (Note 29)	**-**	**-**	-	28,525,333
At end of the year	**645,426,679**	**133,015,343**	617,810,222	128,320,545

The issued and paid-up ordinary share capital of the Company was increased from RM128,320,545 to RM133,015,343 during the financial year by way of issuance of 27,616,457 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant to the exercise of Warrants.

On 19 July 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 2016/2020 ("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 7 August 2017.

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

As of 30 September 2018, out of the total number of 645,426,679 (2017: 617,810,222) ordinary shares issued and paid-up, 545,500 (adjusted perused through Share Split and Bonus Share Issue) (2017: 545,500) shares are held as treasury shares. Hence, the number of outstanding ordinary shares in issue and fully paid is 644,881,179 (2017: 617,264,722) shares.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2018 (Cont'd)

28. SHARE CAPITAL (CONT'D)

WARRANTS

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

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

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is 9 February 2016 and the expiry date is 8 February 2020. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

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

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

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

(e) The new ordinary shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividends, rights, allotments or other distributions except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

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

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

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

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

	Number of Warrants (Unit)		
	Balance as of 1.10.2017	**Exercised**	**Balance as of 30.9.2018**
Number of unexercised Warrants	75,298,096	(27,616,457)	47,681,639

29. RESERVES

	The Group	
	2018	**2017**
	RM	**RM**
Non-distributable:		
Property revaluation reserve	**107,456,934**	110,660,804
Translation reserve	**1,086,601**	1,766,001
	108,543,535	112,426,805

The movement in property revaluation reserve is as follows:

	The Group	
	2018	**2017**
	RM	**RM**
Balance at beginning of the year	**110,660,804**	36,680,774
Revaluation surplus recognised upon transfer of property, plant and equipment to investment properties	**81,940**	-
Transferred to retained earnings	**(3,166,894)**	(360,484)
Realisation of property revaluation reserve upon write-off of revalued properties	**(118,916)**	-
Increase arising on revaluation of properties	**-**	83,400,164
Deferred tax arising on revaluation	**-**	(9,059,650)
Balance at end of the year	**107,456,934**	110,660,804

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	
	2018	**2017**
	RM	**RM**
Balance at beginning of the year	**1,766,001**	1,330,522
Exchange differences arising from share of result in a joint venture	**2,283**	468
Exchange differences arising on translating the net assets of foreign operations	**(681,683)**	435,011
Balance at end of the year	**1,086,601**	1,766,001

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.

29. RESERVES (CONT'D)

The movement in share premium is as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
At beginning of the year	-	28,363,673	-	28,363,673
Arising from exercise of Warrants	-	161,660	-	161,660
Transfer to share capital (Note 28)	-	(28,525,333)	-	(28,525,333)
	-	-	-	-

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.

Prior to 31 January 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 31 January 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	
	2018	2017
	RM	RM
At beginning of the year	**140,890,658**	54,141,979
Subscription of ordinary shares by non-controlling interests in subsidiaries	**2,615,558**	675,000
Arising from increase in equity interest in a subsidiary	**217,938**	-
Share of total comprehensive income for the year	**46,638**	44,714,053
Dividend paid to non-controlling interests of subsidiaries	**(1,018,762)**	(1,176,188)
Arising on acquisition of a subsidiary	**(181,232)**	6,535,814
Disposal of partial interest in a subsidiary	**(622)**	-
	142,570,176	104,890,658
Amount owing to non-controlling interests	**-**	36,000,000
At end of the year	**142,570,176**	140,890,658

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. BORROWINGS

	The Group 2018 RM	The Group 2017 RM
Secured:		
Long-term loans	**227,704,488**	129,335,288
Bankers' acceptances	**83,983,743**	75,238,000
Hire-purchase payables	**22,759,108**	20,582,836
Bank overdrafts	**1,171,089**	935,767
Unsecured:		
Bankers' acceptances	**70,169,050**	60,405,764
Bank overdrafts	**1,594,880**	-
	407,382,358	286,497,655
Less: current portion	**(191,760,238)**	(159,201,987)
Non-current portion	**215,622,120**	127,295,668

The foreign currency exposure profile of borrowings are as follows:

	The Group 2018 RM	The Group 2017 RM
Ringgit Malaysia	**348,128,877**	285,925,259
United State Dollar	**43,327,478**	572,396
Singapore Dollar	**15,926,003**	-
	407,382,358	286,497,655

The long-term loans are as follows:

	The Group 2018 RM	The Group 2017 RM
Amount outstanding	**227,704,488**	129,335,288
Less: current portion	**(25,183,672)**	(13,790,016)
Non-current portion	**202,520,816**	115,545,272

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

	The Group 2018 RM	The Group 2017 RM
Later than one year and not later than two years	**25,101,901**	14,180,123
Later than two years and not later than five years	**93,107,380**	39,100,850
Later than five years	**84,311,535**	62,264,299
	202,520,816	115,545,272

32. BORROWINGS (CONT'D)

The hire-purchase payables are as follows:

	The Group	
	2018	2017
	RM	RM
Total outstanding	**25,114,739**	22,368,153
Less: Interest-in-suspense outstanding	**(2,355,631)**	(1,785,317)
Principal outstanding	**22,759,108**	20,582,836
Less: Current portion	**(9,657,804)**	(8,832,440)
Non-current portion	**13,101,304**	11,750,396

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

	The Group	
	2018	2017
	RM	RM
Later than one year and not later than two years	**6,483,568**	6,921,324
Later than two years and not later than five years	**6,617,736**	4,829,072
	13,101,304	11,750,396

The long-term loans of the Group bear interests at rates ranging from 2.20% (2017: 2.20%) per annum below the lending banks' base lending rates to 1.25% (2017: 1.25%) per annum above the lending banks' base lending rates, 1.25% and 2.30% (2017: 1.25% and 2.30%) per annum below the lending banks' base financing rates, 1.35% to 2.50% (2017: 1.50% to 2.50%) per annum above the lending banks' cost of funds, 1.25% and 1.60% (2017: 1.50% and 1.60%) per annum above the lending banks' effective cost of funds, 1.44% (2017: Nil) per annum above the Kuala Lumpur Interbank Offered Rate and 0.85% (2017: Nil) per annum over the prevailing three months Singapore Inter Bank Offer Rate for the first two years and thereafter at the Bank's Commercial Financing Rate. The bankers' acceptances of the Group bear interests at rates ranging from 0.65% to 1.50% (2017: 0.65% to 1.50%) per annum above the lending banks' cost of funds. The bank overdrafts of the Group bear interests at rates of 1.00% and 1.25% (2017: 0.5% to 1.50%) per annum above the lending banks' base lending rates.

The effective interest rates per annum for the financial year ended 30 September 2018 are as follows:

	The Group	
	2018	2017
	%	%
Long-term loans	**2.37 - 8.15**	4.37 - 7.90
Bankers' acceptances	**3.44 - 4.88**	3.24 - 4.70
Hire-purchase payables	**4.52 - 7.77**	4.51 - 7.77
Bank overdrafts	**7.85 - 8.15**	7.22 - 8.10

The bankers' acceptances of the Group are repayable within October 2018 to January 2019 (2017: October 2017 to January 2018). The terms for hire-purchase of the Group range from one to five years (2017: one to five years).

32. BORROWINGS (CONT'D)

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 equipments of the Group;
d. negative pledges over certain assets of the Group;
e guarantees by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
f. corporate guarantees by the Company for RM367,599,876 (2017: RM207,011,000);
g. corporate guarantees by corporate shareholders of the Company for RM103,737,000 (2017: Nil);
h. joint guarantees by the Company and non-controlling interests of a subsidiary for RM29,160,000 (2017: RM29,160,000);
i. corporate guarantees by certain subsidiaries for RM25,428,000 (2017: RM24,070,000);
j. joint guarantees by certain Directors of the Group for RM16,185,000 (2017: RM16,185,000);
k. a joint guarantee by the Company, a subsidiary and non-controlling interests of a subsidiary for RM11,992,000 (2017: RM11,992,000);
l. a joint guarantee by certain Directors and certain former Directors of the Group for RM9,793,000 (2017: RM9,793,000);
m. joint corporate guarantees by the company and subsidiaries for RM7,200,000 (2017: RM7,200,000);
n. a guarantee by a shareholder of a corporate shareholder of a subsidiary for RM3,404,000 (2017: Nil);
o. joint guarantees by certain Directors of the Group and a subsidiary for RM1,500,000 (2017: RM1,500,000);
p. joint guarantees by certain Directors of a subsidiary for RM1,170,000 (2017: RM1,170,000); and
q. a joint guarantee by certain Directors of the Company and certain Director of a subsidiary for RM275,000 (2017: 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 RM34,498,513 (2017: RM27,756,248) and certain Directors and former Directors of a subsidiary for RM232,709 (2017: Nil).

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 (2017: RM106,000,000); and
c. corporate guarantee by a subsidiary for RM6,700,000 (2017: RM6,700,000).

33. DEFERRED REVENUE

	The Group	
	2018	**2017**
	RM	**RM**
Franchise fee (i)	**43,490**	52,865
Government grant (ii)	**25,889**	54,447
	69,379	107,312
Less: current portion	**(31,753)**	(43,273)
Non-current portion	**37,626**	64,039

(i) The deferred revenue arose from franchise fee received from franchisee for the non-executive right to operate a Kyros Kebab franchise unit over a period of 8 years.

(ii) The deferred revenue arose from interest-free government loan received which is amortised over periods from 3 to 8 years.

34. TRADE AND OTHER PAYABLES

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Trade payables:				
Ringgit Malaysia	**178,883,097**	161,267,148	**-**	-
Singapore Dollar	**2,829,560**	4,242,502	**-**	-
Euro Dollar	**-**	284,501	**-**	-
Australia Dollar	**-**	46,924	**-**	-
	181,712,657	165,841,075	**-**	-
Amount owing to subsidiaries:				
Ringgit Malaysia	**-**	-	**12,337,352**	562
Amount owing to non-controlling interests of a subsidiary				
Ringgit Malaysia	**816,510**	816,510	**-**	-
Goods and Services Tax payables:				
Singapore Dollar	**663,832**	659,816	**-**	-
Ringgit Malaysia	**722**	202,938	**-**	-
	664,554	862,754	**-**	-
Sales and Services Tax payables:				
Ringgit Malaysia	**583,664**	-	**-**	-
Other payables:				
Ringgit Malaysia	**29,470,001**	22,527,318	**4,310**	36,568
Singapore Dollar	**655,327**	1,102,525	**-**	-
	30,125,328	23,629,843	**4,310**	36,568
Accrued expenses:				
Singapore Dollar	**13,611,040**	2,562,568	**-**	-
Ringgit Malaysia	**10,688,023**	7,318,474	**151,402**	156,771
	24,299,063	9,881,042	**151,402**	156,771
	238,201,776	201,031,224	**12,493,064**	193,901

34. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases range from 7 to 120 days (2017: 7 to 120 days). No interest is charged on outstanding trade payables.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Certain of the Group's trade payables are guaranteed by the Company for RM95,580,000 (2017: RM71,120,000). Certain trade payables of two subsidiaries, CAB Cakaran Sdn. Bhd. and CAB Cakaran Breeding Farm Sdn. Bhd. are jointly guaranteed by the Company for RM33,000,000 (2017: RM33,000,000).

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

	The Group	
	2018 RM	2017 RM
YWT Contract Farming [a]	**787,601**	335,486
Wei Heng Maju Farm Sdn. Bhd. [b]	**194,958**	74,082
Chyuan Heng Farming Sdn. Bhd. [a]	**181,376**	97,687
OTO Agriculture Sdn. Bhd. [c]	**111,283**	-
Unisetali Sdn. Bhd. [c]	**99,430**	123,898
Maju Jaya Farm [b]	**70,391**	29,586

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

The amount owing to subsidiaries are as follows:

	The Company	
	2018 RM	2017 RM
CAB Cakaran Sdn. Bhd.	**11,836,682**	562
CAB Cakaran Breeding Farm Sdn. Bhd.	**500,670**	-
	12,337,352	562

The amount owing to subsidiaries arose mainly from unsecured advances which bear interest at a rate of 8.04% and 8.15% (2017: Nil) per annum and are repayable on demand.

The amount owing to non-controlling interests of a subsidiary arose mainly from unsecured advances which interest free and repayable on demand.

Other payables of the Group and of the Company comprised mainly amounts outstanding for ongoing costs and deposits received.

34. TRADE AND OTHER PAYABLES (CONT'D)

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

	The Group	
	2018	2017
	RM	RM
Intelmatrix Sdn. Bhd. [a]	**2,394**	-
Chuah Ah Bee Sdn. Bhd. [b]	**500**	3,710
DES Food Manufacturing Pte. Ltd. [a]	**-**	144,725
Yi Da Agricultural Food Trading Sdn. Bhd. [a]	**-**	61,478

[a] A company in which a Director of a subsidiary is also a Director and has interests.
[b] A company in which certain Directors of the Company are also Directors and have interests.

Included in accrued expenses are an amount of RM10,844,719 (2017: Nil) payable for penalty imposed on the subsidiaries, Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd. in connection with infringement of the Competition Act of Republic of Singapore as disclosed in Note 41.

35. DIVIDEND

	The Group and the Company	
	2018	2017
	RM	RM
Dividend declared and paid:		
Final single tier dividend of RM0.005 per ordinary share for the financial year ended 30 September 2017	**3,159,961**	-
Final single tier dividend of RM0.01 per ordinary share for the financial year ended 30 September 2016	**-**	1,808,366
	3,159,961	1,808,366

36. NOTES TO THE STATEMENTS OF CASH FLOWS

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

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short-term deposits with licensed banks	**31,406,624**	50,293,859	**-**	-
Cash and bank balances (Note 26)	**64,497,296**	51,761,546	**441,433**	677,882
Bank overdrafts (Note 32)	**(2,765,969)**	(935,767)	**-**	-
	93,137,951	101,119,638	**441,433**	677,882
Less: Short-term deposits pledged as security	**(9,718,197)**	(9,316,839)	**-**	-
	83,419,754	91,802,799	**441,433**	677,882

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM202,155,878 (2017: RM53,422,190) of which RM10,493,294 (2017: RM8,002,046) was financed by means of hire-purchase and the balance of RM191,662,584 (2017: RM45,420,144) by cash payment.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM Nil (2017: RM5,090) 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 2017.

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	
	2018	2017
	RM	RM
Debts [(i)]	**407,382,358**	286,497,655
Equity [(ii)]	**562,825,568**	530,695,065
Debts to equity ratio (%)	**72**	54

(i) Debts are defined as long and short-term borrowings as disclosed in Note 32.
(ii) Equity includes all capital and reserves of the Group and of the Company that are managed as capital as disclosed in Notes 28, 29, 30 and 31.

b. Categories of financial instruments

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Financial assets				
Loan and receivables:				
Trade and other receivables	**207,693,086**	179,166,060	**7,921,360**	14,751,910
Refundable deposits	**6,005,043**	36,638,108	**1,000**	1,000
Short-term deposits	**31,406,624**	50,293,859	**-**	-
Cash and bank balances	**64,497,296**	51,761,546	**441,433**	677,882
Available-for-sale asset:				
Unquoted shares, at cost	**260,088**	260,094	**-**	-
At fair value though profit or loss:				
Derivative other financial asset:				
Cross-currency interest rate swap	**2,044,143**	-	**-**	-

37. FINANCIAL INSTRUMENTS (CONT'D)

b. Categories of financial instruments (Cont'd)

Financial liabilities				
Other financial liabilities:				
Trade and other payables	**236,953,558**	200,168,470	**12,493,064**	193,901
Borrowings	**407,382,358**	286,497,655	**-**	-
At fair value though profit or loss:				
Derivative other financial liability:				
Foreign currency forward contracts	**9,252**	5,921	**-**	-

c. Financial risk management objectives

The operations of the Group are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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 8% (2017: 10%) increase and decrease in Ringgit Malaysia against the relevant foreign currencies. 8% (2017: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 8% (2017: 10%) change in foreign currency rates. A positive number below indicates a decrease in profit net of tax and a negative number below indicates an increase in profit net of tax where the Ringgit Malaysia strengthens 8% (2017: 10%) against the relevant currency. For a 8% (2017: 10%) weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable reverse impact on the profit net of tax.

	The Group	
	2018	**2017**
	RM	**RM**
Impact on profit or loss		
United State Dollar	**3,441,499**	(43,941)
Singapore Dollar	**(2,013,996)**	(3,830,832)
Euro Dollar	**-**	28,450
Australia Dollar	**-**	4,692

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

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 statements of financial position except as follows:

	The Company	
	2018	2017
	RM	RM
Financial guarantee contracts		
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries	**685,310,026**	493,722,553

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 counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 6% of gross trade receivables of the Group at the end of the reporting period.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable banks.

The carrying amounts of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

iv. Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

At the end of the reporting period, if interest rates increase/decrease by 100 (2017: 100) basis points with all other variables held constant, the Group's profit net of tax would have been RM2,470,000 (2017: RM1,774,000) lower/higher arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date of which the Group and the Company are required to pay. The table includes cash flows for both interest and principal. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

	The Group	
	2018	2017
	RM	RM
Long-term loans		
Not later than one year	**36,837,332**	21,006,627
Later than one year and not later than two years	**35,454,899**	20,532,367
Later than two years and not later than five years	**116,303,355**	53,191,591
Later than five years	**100,053,206**	73,739,810
	288,648,792	168,470,395
Bankers' acceptances		
Not later than one year	**154,152,793**	135,643,764
Hire-purchase payables		
Not later than one year	**10,519,364**	9,661,883
Later than one year and not later than two years	**6,733,639**	7,143,272
Later than two years and not later than five years	**6,583,909**	4,464,908
	23,836,912	21,270,063
Bank overdrafts		
Not later than one year	**2,765,969**	935,767
Trade and other payables		
Not later than one year	**238,201,776**	201,031,224
Other financial liability		
Not later than one year	**9,252**	5,921

	The Company	
	2018	2017
	RM	RM
Trade and other payables		
Not later than one year	**12,493,064**	193,901
Financial guarantee contracts		
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries:		
Not later than one year	**685,310,026**	493,722,553

37. FINANCIAL INSTRUMENTS (CONT'D)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

The amounts included above for financial guarantee contracts are the maximum amounts of the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

All non-derivative financial assets of the Group and of the Company are repayable on demand or due within one year from the end of the reporting period.

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

	The Group	
	2018	**2017**
	RM	**RM**
Secured	**90,979,000**	113,859,000
Unsecured	**19,838,000**	30,265,000
	110,817,000	144,124,000

vi. Cash flow risk management

The Group reviews its cash flow position regularly to manage its exposures to fluctuations in future cash flows associated with its monetary financial instruments.

d. Cross-currency interest rate swap

The Group enters into cross-currency interest rate swap contracts to exchange the principal payments of bank borrowings denominated in United States Dollar into Ringgit Malaysia to reduce the Group's exposure from adverse fluctuations in foreign currency.

The following table details cross-currency interest rate swap contracts outstanding as at the end of the reporting period:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value gain RM
2018:				
Purchase United State Dollar				
More than one year	**4.13825**	**10,470,000**	**45,194,549**	**2,044,143**

There is no cross-currency interest rate swap contract in 2017.

37. FINANCIAL INSTRUMENTS (CONT'D)

e. Forward foreign currency contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated foreign sales and purchase transactions.

The following table details the foreign currency forward contracts outstanding as at the end of the reporting period:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value loss RM
2018:				
Sell United State Dollar				
Less than three months	**4.1381**	**43,319**	**170,007**	**9,252**
2017:				
Sell United State Dollar				
Less than three months	4.3538	93,784	401,727	5,921

f. Fair value measurements

This note provides financial information about how the Group determines fair values of various financial assets and financial liabilities.

i. Fair value of financial asset/(liability) that is measured at fair value on a recurring basis

	The Group	
	2018 RM	2017 RM
Derivatives other financial asset:		
Fair value:		
Cross-currency interest rate swap contracts	**2,044,143**	-

Fair value hierarchy	Level 2
Valuation technique and key input	The fair value of interest rate swap is based on banker quotes. Those reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.
Significant unobservable input	Bankers' interest rate
Relationship of unobservable input to fair value	The higher the interest rate, the higher the fair value.

37. FINANCIAL INSTRUMENTS (CONT'D)

f. Fair value measurements (Cont'd)

This note provides financial information about how the Group determines fair values of various financial assets and financial liabilities. (Cont'd)

i. Fair value of financial asset/(liability) that is measured at fair value on a recurring basis (Cont'd)

	The Group	
	2018	**2017**
	RM	**RM**
Derivatives other financial liability:		
Fair value:		
Foreign currency forward contracts	**(9,252)**	(5,921)

Fair value hierarchy	Level 2
Valuation technique and key input	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) discounted at a rate that reflects the credit risk of various counterparties.
Significant unobservable input	Bankers' exchange rate
Relationship of unobservable input to fair value	The lower the exchange rate, the higher the fair value.

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

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.

37. FINANCIAL INSTRUMENTS (CONT'D)

g. Reconciliation of liabilities arising from financing activities

	The Group			
	1.10.2017	Net cash flows	Others	30.9.2018
	RM	RM	RM	RM
Borrowings (Note 32):				
Long-term loans	129,335,288	95,562,034	2,807,166 (i)	**227,704,488**
Bankers' acceptances	135,643,764	18,509,029	-	**154,152,793**
Hire-purchase payables	20,582,836	(9,051,123)	11,227,395 (ii)	**22,759,108**
Total liabilities arising from financing activities	285,561,888	105,019,940	14,034,561	**404,616,389**

(i) Being the foreign exchange adjustment for the long-term loans.

(ii) Being the drawdown amounts of hire-purchase payables during the year, acquisition of a subsidiary and the foreign exchange adjustment for the hire-purchase payables.

	The Company		
	1.10.2017	Net cash flows	30.9.2018
	RM	RM	RM
Amount owing to subsidiaries (Note 34)	562	12,336,790	**12,337,352**

38. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2018	2017
	RM	RM
Estimated cash value of benefits-in-kind provided to Directors	**236,227**	178,150

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
With subsidiaries:				
CAB Cakaran Sdn. Bhd.				
Dividend received	**-**	-	**4,500,000**	9,105,000
Interest paid	**-**	-	**913,147**	-
Interest revenue received	**-**	-	**411,212**	180,314
Management fee received	**-**	-	**151,200**	151,200
Management fee paid	**-**	-	**24,000**	24,000
Rental paid	**-**	-	**24,000**	24,000

39. RELATED PARTY TRANSACTIONS

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
With subsidiaries (Cont'd):				
HK Foods (M) Sdn. Bhd.				
Dividend received	-	-	**1,000,000**	9,105,000
Management fee received	-	-	**600**	600
Farm's Best Food Industries Sdn. Bhd.				
Management fee received	-	-	**30,000**	30,000
Internal audit charges received	-	-	**7,712**	12,458
Jimat Jaya Sdn. Bhd.				
Management fee received	-	-	**33,600**	33,600
Internal audit charges received	-	-	-	3,893
CAB Cakaran Southern Sdn. Bhd.				
Management fee received	-	-	**26,400**	26,400
Pasaraya Jaya Gading Sdn. Bhd.				
Management fee received	-	-	**24,000**	24,000
Internal audit charges received	-	-	-	1,703
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
Internal audit charges received	-	-	-	1,340
Kyros Food Industries Sdn. Bhd.				
Management fee received	-	-	**8,400**	8,400
Internal audit charges received	-	-	**3,973**	-
Sundry purchases	-	-	**1,728**	1,920
CAB Cakaran Breeding Farm Sdn. Bhd.				
Management fee received	-	-	**7,800**	7,800
Internal audit charges received	-	-	**3,980**	-
Interest paid	-	-	**670**	-
Ban Hong Poultry Pte. Ltd.				
Management fee received	-	-	**7,200**	7,200
Internal audit charges received	-	-	**3,508**	-
Likes Marketing Sdn. Bhd.				
Management fee received	-	-	**7,200**	7,200
Ayam Kempas Food Industries Sdn. Bhd.				
Internal audit charges received	-	-	**4,232**	-
Kyros Kebab Sdn. Bhd.				
Internal audit charges received	-	-	**2,838**	-
Management fee received	-	-	**600**	600
CAB Cakaran (Timur) Sdn. Bhd.				
Management fee received	-	-	**3,000**	3,000

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	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
With subsidiaries (Cont'd):				
CAB Cakaran (Langkawi) Sdn. Bhd.				
Management fee received	**-**	-	**1,200**	1,200
Internal audit charges received	**-**	-	**-**	2,270
Cabin Premier GPS Farm Sdn. Bhd.				
Management fee received	**-**	-	**1,200**	1,200
Antik Kualiti Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Sundry purchases	**-**	-	**181**	195
Home Mart Fresh & Frozen Sdn. Bhd.				
Management fee received	**-**	-	**600**	600
Internal audit charges received			**-**	2,488
CAB Marine Resources 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	**-**	-	**400**	200
TH Likes Pte. Ltd. (formerly known as EC Grocer Pte. Ltd.)				
Internal audit charges received	**-**	-	**-**	2,679
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 a joint venture				
Singapore Poultry Hub Pte. Ltd.				
Service charges received	**43,551**	-	**-**	-
With Directors of the Company:				
Chuah Ah Bee				
Rental paid	**93,000**	80,725	**-**	-
Chan Kim Keow				
Rental paid	**10,800**	20,800	**-**	-
With a Director of a subsidiary:				
Ching Chin Huat				
Rental paid	**125,887**	-	**-**	-

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	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
With other related parties:				
YWT Contract Farming [a]				
Purchases	**40,788,716**	42,304,656	**-**	-
Sales	**34,369,853**	35,973,541	**-**	-
Rental received	**1,261,053**	1,271,793	**-**	-
Transportation charges received	**14,703**	3,769	**-**	-
Wei Heng Maju Farm Sdn. Bhd. [b]				
Sales	**5,167,045**	4,412,572	**-**	-
Purchases	**4,370,097**	5,297,359	**-**	-
Rental received	**206,892**	186,609	**-**	-
Transport charges received	**946**	605	**-**	-
Chyuan Heng Farming Sdn. Bhd. [a]				
Purchases	**4,784,498**	4,581,436	**-**	-
Sales	**3,962,573**	3,810,805	**-**	-
Transportation charges received	**14,703**	217	**-**	-
Maju Jaya Farm [b]				
Purchases	**3,457,284**	3,470,552	**-**	-
Sales	**2,950,515**	2,955,056	**-**	-
Rental received	**138,775**	131,380	**-**	-
Transportation charges received	**1,115**	342	**-**	-
Sinmah Poultry Processing (S) Pte. Ltd. [c]				
Sales	**3,752,635**	-	**-**	-
Toh York Mue [d]				
Sales	**1,961,454**	-	**-**	-
Unisetali Sdn. Bhd. [c]				
Purchases	**1,603,822**	1,413,691	**-**	-
Rental received	**48,000**	48,000	**-**	-
Scrap sales	**36,000**	36,000	**-**	-
Transportation charges paid	**30,000**	30,100	**-**	-
Transportation charges received	**14,299**	4,530	**-**	-
Sales	**236**	427	**-**	-
Hoang Dung Pte. Ltd. [e]				
Sales	**1,389,219**	-	**-**	-
Chuah Ah Bee Sdn. Bhd. [f]				
Rental paid	**418,600**	423,600	**-**	-

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	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
With other related parties:				
OTO Agriculture Marketing Sdn. Bhd. [c]				
Purchases	**256,997**	-	**-**	-
Sales	**82,425**	-	**-**	-
Purchase of property, plant and equipment	**53,731**	-	**-**	-
Labour charges paid	**16,720**	-	**-**	-
Upkeep of machinery paid	**2,683**	-	**-**	-
Labour charges received	**1,913**	-	**-**	-
Chuah Ah Chui [g]				
Sales	**330,192**	353,749	**-**	-
Jaya Gading Marketing [h]				
Sales	**265,508**	402,946	**-**	-
Fah Leong Sdn. Bhd. [i]				
Rental paid	**228,000**	221,190	**-**	-
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [j]				
Rental received	**156,000**	156,000	**-**	-
DES Food Manufacturing Pte. Ltd. [c]				
Labour charges paid	**109,521**	522,683	**-**	-
Sales	**-**	5,146	**-**	-
Intelmatrix Sdn. Bhd. [c]				
Sales	**59,760**	-	**-**	-
Transport charges received	**2,394**	-	**-**	-
Yi Da Agricultural Farming Sdn. Bhd. [c]				
Rental of fowl house paid	**60,000**	60,000	**-**	-
DS Poultry Sdn. Bhd. [c]				
Sales	**12,545**	-	**-**	-
Kim Fa Traders [c]				
Labour charges paid	**7,583**	-	**-**	-
NI-On Marketing Sdn. Bhd. [c]				
Sales	**6,600**	-	**-**	-
Purchases	**105**	-	**-**	-
Yi Da Agricultural Food Trading Sdn. Bhd. [c]				
Purchase of property, plant and equipment	**-**	190,000	**-**	-
Rental of lorry and permit paid	**-**	26,600	**-**	-
Toh Chai Hock [k]				
Sales commission paid	**-**	204,854	**-**	-

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
With other related parties:				
Kebun Ngohoch (P.W.) Sdn. Bhd. [f]				
Purchase of property, plant and equipment	-	60,000	-	-
Sundry purchases	-	8,644	-	-

[a] An entity which is owned by the son of a Director of a subsidiary.
[b] A company/an entity which is owned by the son-in-law of a Director of a subsidiary.
[c] A company/an entity in which a Director of a subsidiary is also a Director and has interest.
[d] Cousin of a Director and sister of a Director of a subsidiary.
[e] A company in which the wife of a shareholder of a subsidiary is also a Director. The shareholder is a cousin of a Director and brother of a Director of a subsidiary.
[f] A company in which certain Directors of the Company are also Directors and have interests.
[g] Brother of a Director of the Company.
[h] An entity in which the brother-in-law of a Director of a subsidiary is a Director and has interest.
[i] A company in which a Director of a subsidiary is also a Director.
[j] A company in which certain Directors of a subsidiary are also Directors and have interests.
[k] A shareholder, cousin of a Director and brother of a Director of a subsidiary.

40. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

The Group has the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group	
	2018	2017
	RM	RM
Approved and contracted for	**37,725,749**	133,870,754
Approved but not contracted for	**35,325,388**	2,895,000

The Group has entered into operating lease agreements to lease out certain of its property, plant and equipment and investment properties. The gross amounts of future minimum lease receivable under operating leases contracted for as of the end of the reporting period but not recognised as receivables, are as follows:

	The Group	
	2018	2017
	RM	RM
Not later than one year	**618,161**	276,895
Later than one year and not later than five years	**677,477**	76,395
	1,295,638	353,290

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

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	
	2018	**2017**
	RM	**RM**
Non-cancellable operating lease commitments:		
Not later than one year	**4,828,580**	5,432,221
Later than one year and not later than five years	**4,130,769**	4,271,873
Later than five years	**1,360,750**	1,500,750
	10,320,099	11,204,844

41. SIGNIFICANT EVENTS

Significant events during the year

a. On 6 December 2015, the Company entered into a Memorandum of Understanding 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 26 April 2017, both parties have agreed to extend the Memorandum of Understanding until 31 December 2017.

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

   As of the date of this report, there is no material development on the status of Memorandum of Understanding.

b. In March 2014, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company and Ban Hong Poultry Pte. Ltd., a 51% owned subsidiary of the Group and several market players in the slaughtering and distribution of broilers in Republic of Singapore were investigated by the Competition Commission of Singapore for suspected price-fixing.

   Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd. had on 12 September 2018 received a Notice of Decision on Infringement of the Section 34 of the Competition Act (Cap. 50B) issued by the Competition and Consumer Commission of Singapore.

   Competition and Consumer Commission of Singapore issued and Infringement Decision against Tong Huat Poultry Processing Factory Pte. Ltd., Ban Hong Poultry Pte. Ltd. and other market players in the slaughtering and distribution of broilers for their participation in anti-competitive agreements and/or concerted practices to not compete for one another's customers and to coordinate the quantum and timing of price movements in relation to the supply of fresh chicken products in Republic of Singapore, in contravention of Section 34 of the Competition Act (Cap. 50B). The infringement was triggered between years 2007 to 2014.

   Competition and Consumer Commission of Singapore has imposed financial penalties totaling SGD3,580,415 to Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd.. The subsidiaries are fully indemnified against the losses by the former shareholders of the subsidiaries as provided for in the Share Sale Agreement dated 11 February 2015 entered into between the Company and the former shareholders of the subsidiaries.

   Tong Huat Poultry Processing Factory Pte. Ltd. and Ban Hong Poultry Pte. Ltd. had on 3 October 2018 signed an undertaking to the Competition and Consumer Commission of Singapore to cease and desist from using The Poultry Merchants' Association, Singapore or any other industry associations or platforms to discuss, implement or perpetuate for anti-competitive activities that would infringe the Competition Act of Singapore.

41. SIGNIFICANT EVENTS (CONT'D)

Significant events subsequent to the financial year

a. On 21 December 2018, the Company proposed to declare a final single tier dividend of RM0.005 per ordinary share for the financial year ended 30 September 2018. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 September 2019.

b. Subsequent to 30 September 2018, the Company increased its issued and fully paid up ordinary share capital from RM133,015,343 to RM133,157,939 by the issuance of 838,800 new ordinary shares at an exercise price of RM0.17 per ordinary share pursuant 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
2018:							
Revenue							
External revenue	-	1,615,961,220	56,281	2,866,044	131,484,076	-	1,750,367,621
Inter-segment revenue	5,866,243	19,568,618	14,415	835,359	91,483	(26,376,118)	-
Total revenue	5,866,243	1,635,529,838	70,696	3,701,403	131,575,559	(26,376,118)	1,750,367,621
Results							
Segment profit/(loss)	3,483,491	72,015,689	(139,006)	87,889	(798,022)	(14,626,271)	60,023,770
Investment revenue							795,929
Other gains and losses							(2,344,905)
Finance costs							(17,772,001)
Share of result of a joint venture							(46,003)
Profit before tax							40,656,790
Tax expense							(10,211,696)
Profit for the year							30,445,094

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 (Cont'd)

	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:							
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 a joint venture							(185,136)
Profit before tax							83,067,595
Tax expense							(21,392,398)
Profit for the year							61,675,197

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 revenue and results (Cont'd)

The following is an analysis of the Group's revenue and results by reportable segments (Cont'd):

The Group (Cont'd)

	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
2018:							
Assets							
Segment assets	146,817,000	1,148,612,067	557,670	8,198,613	28,705,928	(117,497,751)	1,215,393,527
Interest revenue producing assets							31,406,624
Tax assets							3,882,337
Consolidated total assets							1,250,682,488
Liabilities							
Segment liabilities	157,979	221,903,797	137,300	199,746	15,887,085	(5,500)	238,280,407
Borrowings							407,382,358
Tax liabilities							42,194,155
Consolidated total liabilities							687,856,920

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 (Cont'd)

	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
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
Tax liabilities							47,177,636
Consolidated total liabilities							534,819,748

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
2018:							
Other information							
Additions to non-current assets	-	215,098,385	-	241,668	2,618,743	(7,316,904)	210,641,892
Depreciation and amortisation expenses	2,618	29,220,696	92,702	184,602	1,652,240	8,991,372	40,144,230
Impairment loss recognised on property, plant and equipment	-	1,997,465	-	-	-	-	1,997,465
Impairment loss recognised on receivables	-	393,189	-	-	-	-	393,189
Other non-cash expenses	-	3,517,816	36,884	1,214,284	361,643	(1,193,434)	3,937,193

42. SEGMENT INFORMATION (CONT'D)

Other segment information (Cont'd)

The Group (Cont'd)

	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

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	
	2018	**2017**
	RM	**RM**
Malaysia	**1,562,734,701**	1,312,792,814
Republic of Singapore	**187,632,920**	179,298,898
	1,750,367,621	1,492,091,712

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

	The Group	
	2018	**2017**
	RM	**RM**
Malaysia	**1,529,106,035**	1,292,538,762
Republic of Singapore	**211,399,157**	192,318,151
Bangladesh	**4,101,507**	3,692,848
Brunei	**2,429,574**	2,061,222
Myanmar	**1,921,702**	-
Pakistan	**707,834**	834,577
Others	**701,812**	646,152
	1,750,367,621	1,492,091,712

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

	The Group	
	2018	**2017**
	RM	**RM**
Malaysia	**786,947,816**	635,807,067
Republic of Singapore	**36,759,640**	14,258,575
	823,707,456	650,065,642

Non-current assets exclude deferred tax assets, non-current assets and other financial assets.

42. SEGMENT INFORMATION (CONT'D)

Information about major customers

Information about major customers was not disclosed as there was no customer that contributed 10% or more to the Group's revenue for both 2018 and 2017.

43. COMPARATIVE INFORMATION

The following comparative information has been reclassified due to investments in joint venture wrongly classified as associate. The change in classification has no impact on the financial position and financial result of the Group.

	As previously classified RM	Reclassification RM	After reclassification RM
Statement of Financial Position			
Investment in an associate	204,395	(204,395)	-
Investment in a joint venture	-	204,395	204,395
Statement of Profit or Loss and Other Comprehensive Income			
Share of result in an associate	185,136	(185,136)	-
Share of result in a joint venture	-	185,136	185,136

STATEMENT BY DIRECTORS

The Directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the financial statements set out on pages 60 to 171 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 30 September 2018 and of their financial performance and their cash flows of the Group and of the Company for the year ended on that date.

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

CHUAH AH BEE

CHUAH HOON PHONG

Penang
21 December 2018

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHUAH AH BEE**, the Director primarily responsible for the financial management of **CAB CAKARAN CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 60 to 171 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above named **CHUAH AH BEE** at
GEORGETOWN in the State of **PENANG**
on 21 December 2018

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 30 September 2018 RM	Date of Valuation/ Acquisition
Lot 47, Geran No. 85373, Tempat Padang Bongor, Bandar Gurun, Daerah Kuala Muda, Kedah.	A parcel of agricultural land/ vacant	414,401.28/-	-	Grant in perpetuity	44,000,000	30.09.2017
Lot Nos 1512 & 3037, Title Nos GRN 38752 & GRN 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural lands/ breeder farm	168,264.23/ 24,140.41	28 - 33	Grant in perpetuity	40,723,290	30.09.2017
Lot No. 1623, Title No. GRN 40215, Mukim 14, District of Seberang Perai Tengah, State of Penang/ No. 227, Kampung Nenas, Kuala Tasek, Permatang Tinggi, 14100 Bukit Mertajam, Penang.	A parcel of agricultural land/ poultry farm	49,699.44/ Breeder house - 13,804.18/ Other - 1,899.75	16 - 23	Grant in perpetuity	30,503,150	30.09.2017
Lot 2893 to 2899, Title Nos GRN 15721 to 15727, Mukim of Sungei Baru Ilir, District of Alor Gajah, State of Melaka.	7 psrcels of Agriculture lands/ Breeder Farm	286,339/ Breeder house 33,213.21/ Hatchery building 2,011.17/ Others 2,263.77	26	Grant in perpetuity	26,270,276	23.05.2018
Lot No. 26260, Lot No. 26261 and PT92181, Title Nos GRN 95669, GRN 95670 and HSD 109633 respectively, Town of Sungai Petani, District of Kuala Muda, Kedah/ Plot 21-24, Bukit Makmur Industrial Estate, Sungai Lalang, 08100 Bedong, Kedah.	Three parcels of industrial lands erected upon it a three-storey office cum a single-storey factory/ processing factory	35,008/ 12,314.57	6	Grant in perpetuity	22,366,878	30.09.2017
Lot Nos. 43, 49, 368, 373, 256, 255, 251, 252, 253, 249, 257, 258, 246, 247, 248 & 250, Mukim Grant Nos. 120, 121, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 173, 174, 175 & 179, respectively, Mukim 6, Province Wellesley South, Penang.	Sixteen parcels of lands/renting as breeder farms	91,667.22/ 15,063.73	28 - 33	Grant in perpetuity	19,270,000	30.09.2018

LIST OF TOP TEN (10) PROPERTIES

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at 30 September 2018 RM	Date of Valuation/ Acquisition
24, Senoko Crescent, Singapore 758276.	A JTC "Type T6" 2-storey intermediate terrace factory/ food factory	1,470.3/ 1,983.6	27	Leasehold 30 years + 30 years commencing 1 March 1991	18,954,968	29.11.2017
Lot 1441, Title No. HS(D) 57691, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang.	Part of the parcel of agricultural land/breeder farm	242,811.4/ Breeder house & Others - 38,024.25	3 - 4	Sub-lease for 30 years expiring on 29 August 2040	18,180,473	30.09.2017
Lot Nos. 6598, 6599 and 6600, Title Nos PM516, PM517 and PM518 respectively, Mukim Sungei Baru Tengah, Daerah Alor Gajah, Melaka/Situated on Lot 37 & Lot 38, Kawasan Perindustrian Masjid Tanah. 78300 Masjid Tanah, Melaka.	Three parcels of industrial lands erected upon it a single- storey factory cum office/processing factory	35,103/ 12,628.37	22	Leasehold interest 99 years expiring on 25 August 2101	14,545,098	30.09.2017
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 agricultural lands/ poultry farm	72,389/ Poultry farm - 16,816.12 Other - 292.61	4 - 22	Grant in perpetuity	11,371,422	30.09.2017

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 31 DECEMBER 2018

Issued Share Capital : RM133,157,938.60 comprising 646,265,479 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	227	5.74	9,003	0.00
100 - 1,000	310	7.84	186,147	0.03
1,001 - 10,000	1,715	43.35	10,119,814	1.57
10,001 - 100,000	1,394	35.24	48,466,033	7.51
100,001 - 32,285,997 (*)	307	7.76	206,717,028	32.01
32,285,998 and above (**)	3	0.07	380,221,954	58.88
Total	3,956	100.00	645,719,979	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)*	107,304,837	16.62
2	Chuah Ah Bee	96,539,425	14.95
3	Chan Kim Keow	94,123,787	14.58
4	Chuah Ah Bee	80,597,343	12.48
5	Chuah Hoon Hong	12,443,227	1.93
6	Chuah Hoon Teng	12,443,227	1.93
7	Amanahraya Trustees Berhad *PMB Shariah Aggressive Fund*	9,265,200	1.43
8	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Choo Gee*	8,902,733	1.38
9	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	8,709,750	1.35
10	Chuah Hoon Phong	6,227,968	0.96
11	Chuah Hoon Phong	6,115,259	0.95
12	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	5,877,027	0.91
13	Chuah Teh Chai	5,253,515	0.81
14	Dhayalini A/P P.G. Doraisamy	4,254,687	0.66
15	Lim Gaik Bway @ Lim Chiew Ah	4,084,800	0.63
16	Tan Chin Tee	4,030,175	0.62
17	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chooi Ho*	3,748,262	0.58

LIST OF TOP THIRTY (30) HOLDERS (Cont'd)

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

	Name	Shareholdings	%
18	Cheng Mooh Tat	3,387,175	0.52
19	Lee Yew Aun	3,386,700	0.52
20	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Lee Kong (LEE4763C)*	2,545,025	0.39
21	Tan Chooi Ho	2,442,250	0.38
22	Citigroup Nominees (Asing) Sdn Bhd *CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	2,160,800	0.33
23	Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Small Cap Series*	2,088,100	0.32
24	Goh Chye Heang	2,084,375	0.32
25	Maybank Nominees (Tempatan) Sdn Bhd *Tan Wai Heng*	2,079,200	0.32
26	CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Commerce Trustee Berhad for TA Growth Fund*	2,047,812	0.32
27	MERCSEC Nominees (Tempatan) Sdn Bhd *Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa*	2,037,000	0.32
28	Chin Fook Keong	1,895,000	0.29
29	Oo Kwang Tung	1,720,000	0.27
30	Loo Choo Gee	1,673,437	0.26

SUBSTANTIAL SHAREHOLDERS

		Shareholdings			
	Name	Direct	%	Indirect	%
1	Chuah Ah Bee	177,136,768	27.43	24,886,454#	3.85
2	Chan Kim Keow	95,780,349	14.83	24,886,454#	3.85
3	Plant Wealth Holdings Limited	106,595,625	16.51	-	-
4	KMP Private Ltd	-	-	106,595,625##	16.51
5	KMP Investments Pte Ltd	-	-	106,595,625##	16.51
6	Mariton International Limited	-	-	106,595,625##	16.51
7	Anthoni Salim	-	-	106,595,625##	16.51
8	Tan Hang Huat	-	-	106,595,625##	16.51

DIRECTORS' SHAREHOLDINGS

	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	177,136,768	27.43	24,886,454#	3.85
2	Chan Kim Keow	95,780,349	14.83	24,886,454#	3.85
3	Chuah Hoon Phong	12,443,227	1.93	15,625**	-*
4	Loo Choo Gee	10,576,170	1.64	-	-
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
as at 31 December 2018

WARRANTS 2015/2020

No. of outstanding Warrants : 46,842,839
Exercise/Conversion Price : RM0.17
Exercise/Conversion Ratio : 1 warrant for 1 ordinary share
Maturity Date : 8 February 2020

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	113	11.93	5,513	0.01
100 - 1,000	90	9.50	31,406	0.07
1,001 - 10,000	406	42.87	1,939,504	4.14
10,001 - 100,000	280	29.57	8,605,485	18.37
100,001 - 2,342,140 (*)	57	6.02	20,819,135	44.44
2,342,141 and above (**)	1	0.11	15,441,796	32.97
Total	947	100	46,842,839	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	15,441,796	32.97
2	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Soon Hui (E-SJA)*	1,698,125	3.63
3	Oo Kwang Tung	1,624,062	3.47
4	Chuah Hoon Phong	1,549,350	3.31
5	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chung Ching (E-PTS)*	1,195,000	2.55
6	Chan Kim Keow	828,281	1.77
7	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Lee Kong (LEE4763C)*	638,250	1.36
8	Chuah Hoon Hong	553,648	1.18
9	Cheng Mooh Tat	531,906	1.14
10	Hooi Woi Jie	531,250	1.13
11	Tan Chooi Ho	519,900	1.11
12	Chan Kim Keow	497,618	1.06
13	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheng Lin Chin (E-BPT)*	482,700	1.03
14	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chooi Ho*	464,800	0.99
15	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ting Choong Sing (E-KPG)*	438,000	0.94
16	Cheng Mooh Tat	437,500	0.93
17	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tee Chit Keong (E-SRB)*	406,250	0.87

ANALYSIS OF WARRANT HOLDINGS (Cont'd)

as at 31 December 2018

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

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

	Name	Warrant holdings	%
18	Lee Yeh Meng	370,000	0.79
19	Chuah Hoon Teng	369,273	0.79
20	Heung Yam Wai	359,500	0.77
21	Ng Khoon Seah	359,400	0.77
22	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ong Kok San*	351,562	0.75
23	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Loo Chia Chiat*	339,025	0.72
24	Chuah Hoon Phong	301,484	0.64
25	Lim Gaik Bway @ Lim Chiew Ah	274,700	0.59
26	Lee Yew Aun	254,375	0.54
27	Maybank Nominees (Tempatan) Sdn Bhd *Tan Wai Heng*	250,075	0.53
28	Soo Bee Sim	250,000	0.53
29	Soo Al Lan @ Son Ai Lan @ Soo Ai Lan	248,828	0.53
30	HLB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheng Lin Chin*	238,900	0.51

DIRECTORS' WARRANT HOLDINGS

	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1	Chuah Ah Bee	15,441,796	32.97	922,921#	1.97
2	Chan Kim Keow	1,325,899	2.83	922,921#	1.97
3	Loo Choo Gee	-	-	-	-
4	Chuah Hoon Phong	1,900,834	4.06	154,687**	0.33
5	Chew Chee Khong	-	-	-	-
6	Haji Ahmad Fazil Bin Haji Hashim	7,812	0.02	-	-
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 Seventeenth 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, 22 March 2019 at 10.30 a.m.

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 September 2018 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 30 September 2018. **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 Hoon Phong **Ordinary Resolution 2**
   b) Tuan Haji Ahmad Fazil Bin Haji Hashim **Ordinary Resolution 3**
   c) Mr Loo Choo Gee **Ordinary Resolution 4**

4. To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following resolutions:-

5. **Continuing in office as 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 Directors' fees up to an amount of RM730,000 and the payment of such fees to the Directors of the Company for the financial year ending 30 September 2019. **Ordinary Resolution 7**

7. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM250,000 from 23 March 2019 until the next Annual General Meeting of the Company. **Ordinary Resolution 8**

8. **Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   "THAT subject to the Companies Act 2016, the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/ regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and THAT the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 9**

AS SPECIAL BUSINESS (Cont'd)

9. **Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's total number of issued shares ("Proposed Renewal of Share Buy-Back Authority")**

"THAT subject to the provisions under the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("CAB Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at point of purchase ("Proposed Renewal of Share Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's aggregate retained profits.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any CAB Shares so purchased by the Company in the following manner:-

(i) the CAB Shares so purchased could be cancelled; or
(ii) the CAB Shares so purchased could be retained as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
(iii) combination of (i) and (ii) above; or
(iv) in accordance with the relevant prevailing statutory provisions and guidelines.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
(ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or
(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 10**

AS SPECIAL BUSINESS (Cont'd)

10. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject always to the provisions of the Companies Act 2016 ("the Act"), the Company's Constiution, 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 30 January 2019 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate").

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

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting; or
(b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by ordinary resolution 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 11**

11. **Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution ("Proposed Alteration")**

"THAT approval be and is hereby given to alter or amend the whole of the existing Memorandum and Articles of Association of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with effect from the date of passing this special resolution, and THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." **Special Resolution 1**

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: 30 January 2019

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 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 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 15 March 2019 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.

Meanwhile, as recommended by the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), the Board will be seeking shareholders' approval through a two-tier voting process at the Seventeenth Annual General Meeting to retain Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director as his tenure has exceeded 12 years.

Explanatory Notes on Special Business (Cont'd)

2. Directors' Fees

The proposed Ordinary Resolution 7, if passed, will authorise the payment of the Directors' fees up to the amount of RM730,000 for the financial year ending 30 September 2019.

3. Directors' Benefits

The proposed Ordinary Resolution 8, if passed, will authorise the payment of the Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM250,000 from 23 March 2019 until the next Annual General Meeting of the Company.

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 22 March 2019, the Board is desirous of seeking a fresh mandate at the Seventeenth 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 9, 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 10, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 January 2019 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 11, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 January 2019 for more information.

7. Special Resolution 1 - Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution ("Proposed Alteration")

The Special Resolution 1, if passed, will give the Directors of the Company the authority to amend the existing Memorandum and Articles of Association of the Company by replacing with a new Constitution which is drafted to be in line with the enforcement of the Companies Act 2016, amendments made to the Main Market Listing Requirement of Bursa Securities and to provide clarity and consistency to certain provisions therein.

For further information on the Proposed Alteration, please refer to the Appendix A enclosed together with this Notice of General Meeting dated 30 January 2019.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 0.5 sen per share for the financial year ended 30 September 2018, if approved, will be paid on 19 April 2019 to Depositors registered in the Record of Depositors at the close of business on 10 April 2019.

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 10 April 2019 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: 30 January 2019

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 Seventeenth Annual General Meeting.

GENERAL MANDATE FOR ISSUES OF SECURITIES (Pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. The Mandate will expire on 22 March 2019. A renewal of this authority is being sought at the Seventeenth AGM.

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended 30 September 2018 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	5/6
Goh Choon Aik	6/6
Lim Ghim Chai	6/6
Wijanti Tjendera	5/6

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

#CDS account no. of authorised nominee

PROXY FORM

*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 Seventeenth 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, 22 March 2019 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 Hoon Phong		
Ordinary Resolution 3	Re-election of Tuan Haji Ahmad Fazil Bin Haji Hashim		
Ordinary Resolution 4	Re-election of Mr Loo Choo Gee		
Ordinary Resolution 5	Re-appointment of Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
Ordinary Resolution 6	Continuing in office for Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director		
Ordinary Resolution 7	Approval of Directors' fees up to an amount of RM730,000 for financial year ending 30 September 2019		
Ordinary Resolution 8	Approval of Directors' benefits		
Ordinary Resolution 9	Approval for issuance of new ordinary shares		
Ordinary Resolution 10	Renewal of share buy-back authority		
Ordinary Resolution 11	Renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
Special Resolution 1	Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution		

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

Signed this ………. day of…………………........ 2019.

Number of shares held	

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	__________	_______%

…………………………………....................
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 15 March 2019 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

Please fold across the line and close

Affix
Stamp

The Secretaries

CAB CAKARAN CORPORATION BERHAD (583661 W)
Suite A, Level 9, Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Malaysia

Please fold across the line and close

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