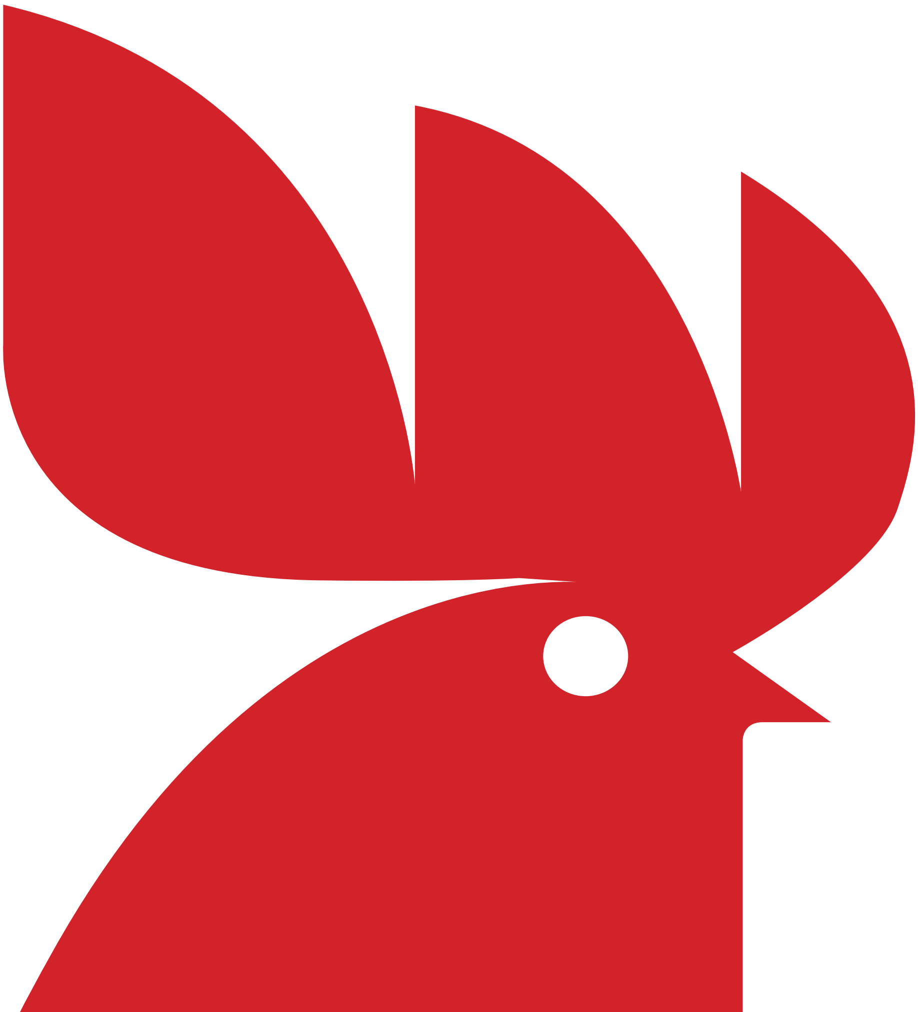
CAB CAKARAN CORPORATION BERHAD
(Company No. 583661 W)
(Incorporated in Malaysia)

ANNUAL REPORT 2016



CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth 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, 13700 Perai, Penang on Thursday, March 23, 2017 at 10.00 a.m.

A G E N D A

1. To receive the Audited Financial Statements of the Company for the financial year ended September 30, 2016 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 2% for the financial year ended September 30, 2016. **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 Loo Choo Gee **Ordinary Resolution 2**

   b) Mr Chew Chee Khong **Ordinary Resolution 3**

4. To re-elect the following Directors retiring under Article 104 of the Articles of Association of the Company, and who, being eligible, have offered themselves for re-election:-

   a) Mr Lim Ghim Chai **Ordinary Resolution 4**

   b) Ms Wijanti Tjendera **Ordinary Resolution 5**

5. To re-appoint Messrs Deloitte as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following resolutions:-

6. **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." **Ordinary Resolution 7**

7. To approve the additional Directors' fees of RM23,310.34 and the payment of such fees to the Directors of the Company for the financial year ended September 30, 2016. **Ordinary Resolution 8**

8. To approve the Directors' fees of RM219,600 and the payment of such fees to the Directors of the Company for the financial year ending September 30, 2017. **Ordinary Resolution 9**

9. **Authority to Issue Shares**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby authorised to issue and allot 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 issued and paid-up share capital (excluding treasury shares) of the Company for the time being, and that the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 10**

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

AS SPECIAL BUSINESS (Cont'd)

10. **Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the provisions under the Companies Act, 1965 ("the Act"), the Companies Regulations 1966, the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each 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 issued and paid-up share capital of the Company as at the 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 and/or share premium account.

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 resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or

(iii) combination of (i) and (ii) above.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or

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

(iii) the authority is revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

And THAT the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **Ordinary Resolution 11**

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

AS SPECIAL BUSINESS (Cont'd)

11. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject always to the provisions of the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the corporations as set out in Sections 2.4.1 and 2.4.2 of the Circular to Shareholders dated January 25, 2017 ("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 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

And THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." **Ordinary Resolution 12**

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

CHEW SIEW CHENG (MAICSA 7019191)
GUNN CHIT GEOK (MAICSA 0673097)
Company Secretaries

Penang

Date : January 25, 2017

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Note A

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:

1. Mr Ng Seng Bee who retires in accordance with Article 97(1) of the Articles of Association of the Company, has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the Fifteenth Annual General Meeting ("AGM"). The Board of Directors of the Company has on 22 December 2016 announced the decision of Mr Ng Seng Bee to retire in accordance with Article 97(1) of the Articles of Association of the Company at the forthcoming AGM.

2. A Member of the Company entitled to attend and vote is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to 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.

3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositors) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

4. 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.

5. The instrument appointing the 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.

6. 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.

7. Only members registered in the Record of Depositors as at March 16, 2017 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.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Explanatory Notes on Special Business (Cont'd)

2. **Directors' Fees**

   The proposed Ordinary Resolution 8, if passed, will authorise the payment of additional Directors' fees for the financial year ended September 30, 2016 amounting to RM23,310.34.

   The proposed Ordinary Resolution 9, if passed, will authorise the payment of Directors' fees for the financial year ending September 30, 2017 amounting to RM219,600.

3. **Authority to Issue Shares**

   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 March 23, 2017. A renewal of this authority is being sought at the Fifteenth AGM.

   The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

   This proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total issued capital (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 Annual General Meeting of the Company.

4. **Proposed Renewal of Share Buy-Back Authority**

   This proposed Ordinary Resolution 11, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the issued and paid-up capital 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.

5. **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**

   This proposed Ordinary Resolution 12, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated January 25, 2017 for more information.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 2% for the financial year ended September 30, 2016, if approved, will be paid on April 19, 2017 to Depositors registered in the Record of Depositors at the close of business on April 10, 2017.

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

a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on April 10, 2017 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)
GUNN CHIT GEOK (MAICSA 0673097)
Company Secretaries

Penang

Date : January 25, 2017

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 Fifteenth 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 March 23, 2017. A renewal of this authority is being sought at the Fifteenth AGM.

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2016 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended September 30, 2016 are as follows:-

Name	Meetings attended
Chuah Ah Bee	6/6
Chan Kim Keow	6/6
Loo Choo Gee	6/6
Chew Chee Khong	6/6
Chuah Hoon Phong	6/6
Haji Ahmad Fazil Bin Haji Hashim	6/6
Goh Choon Aik	6/6
Lim Ghim Chai *(Appointed on March 23, 2016)*	2/2
Ng Seng Bee	5/6
Wijanti Tjendera *(Appointed on August 26, 2016)*	–

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chuah Ah Bee
Executive Chairman

Chuah Hoon Phong
Group Managing Director

Chan Kim Keow
Executive Director

Chew Chee Khong
Executive Director

Loo Choo Gee
Executive Director

Haji Ahmad Fazil Bin Haji Hashim
Independent Non-Executive Director

Goh Choon Aik
Independent Non-Executive Director

Lim Ghim Chai
Independent Non-Executive Director

Ng Seng Bee
Independent Non-Executive Director

Wijanti Tjendera
Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Chuah Ah Bee
Ng Seng Bee
Members

RISK MANAGEMENT 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

AUDIT COMMITTEE

Lim Ghim Chai
Chairman

Haji Ahmad Fazil Bin Haji Hashim
Goh Choon Aik
Ng Seng Bee
Members

NOMINATION COMMITTEE

Haji Ahmad Fazil Bin Haji Hashim
Chairman

Goh Choon Aik
Lim Ghim Chai
Ng Seng Bee
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)

Gunn Chit Geok
(MAICSA 0673097)

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

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

AUDITORS

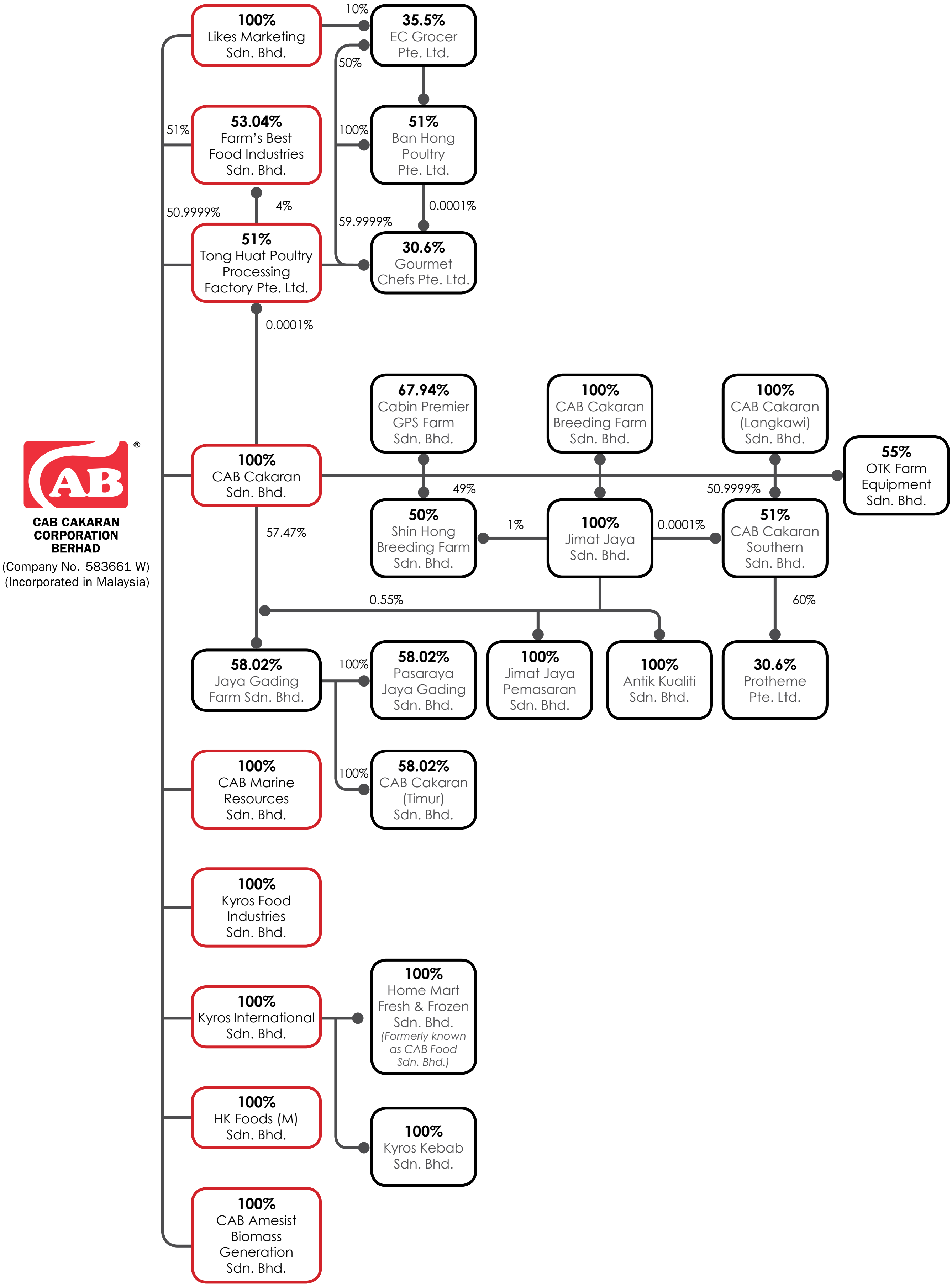
Deloitte
Chartered Accountants
Level 12A, Hunza Tower
163E, Jalan Kelawei
10250 Georgetown, Penang

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Bank of China (Malaysia) Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

CORPORATE STRUCTURE

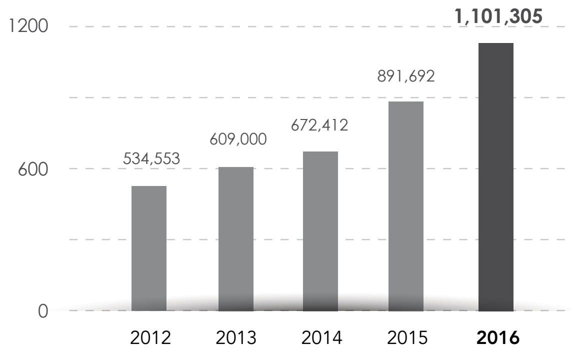
as at December 30, 2016



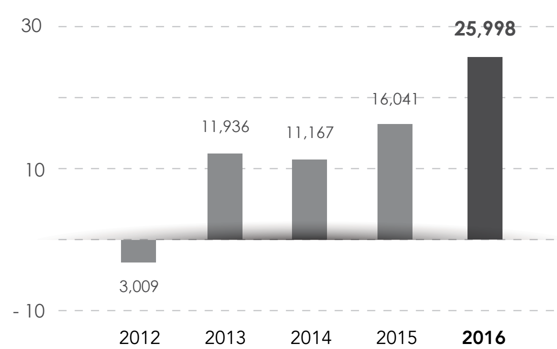
SUMMARY OF PAST FIVE-YEARS' GROUP FINANCIAL RESULTS

FINANCIAL YEARS ENDED SEPTEMBER 30	2012 RM '000	2013 RM '000	2014 RM '000	2015 RM '000	2016 RM '000
Revenue	534,553	609,000	672,412	891,692	**1,101,305**
Earning Before Interest, Depreciation & Taxation	14,149	30,831	37,638	54,952	**78,537**
Profit Before Taxation	119	15,622	19,056	29,286	**46,712**
Profit After Taxation	1,401	13,532	11,620	20,943	**35,957**
Net (Loss) / Profit Attributable to Equity Holders	(3,009)	11,936	11,167	16,041	**25,998**
Share Capital	65,890	65,890	65,890	75,322	**87,583**
Total Assets	335,992	363,756	404,476	569,754	**692,090**
Total Borrowings	113,961	111,454	118,994	193,128	**222,348**
Shareholders' Equity	129,630	141,549	152,395	184,165	**246,279**
Basic (Loss) / Earnings Per Share (Sen)	(2.29)	9.07	8.49	11.54	**16.09**
Diluted (Loss) / Earnings Per Share (Sen)	N/A	N/A	N/A	10.25	**13.29**
Return On Equity (ROE)	(2.32%)	8.43%	7.33%	8.71%	**12.08%**
Gross Dividend (%)	N/A	N/A	N/A	N/A	**N/A**
Share Price (RM)	0.35	0.58	1.10	1.00	**1.59**

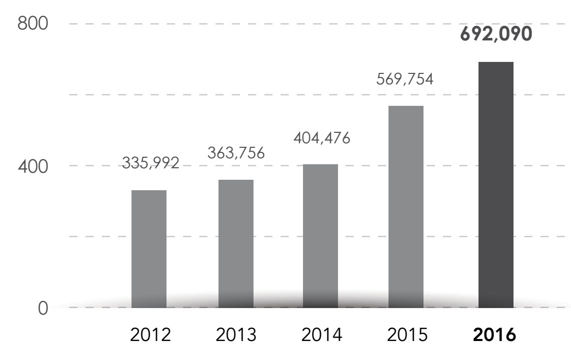
Revenue
(RM'000)



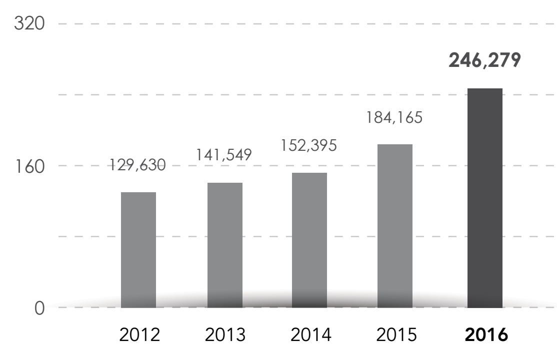
Net (Loss) / Profit Attributable to Equity Holders
(RM'000)



Total Assets
(RM'000)



Shareholders' Equity
(RM'000)



BOARD OF DIRECTORS' PROFILE

CHUAH AH BEE, aged 66, Malaysian, male, is the Executive Chairman of CAB Cakaran Corporation Berhad ("CAB" or "CAB Group") and was appointed to the Board on August 11, 2003. He was later appointed as Executive Chairman of CAB on February 17, 2011. He is a member of the Remuneration Committee.

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, aged 38, Malaysian, male, is the Group Managing Director of CAB and was appointed to the Board on May 29, 2007. He was later appointed as the Group Managing Director of CAB on February 17, 2011. He is the Chairman of the Risk Management Committee.

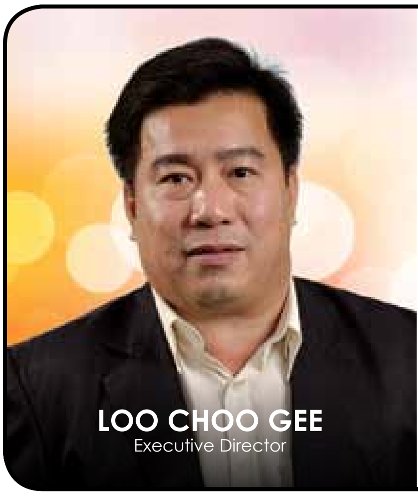
Mr. Chuah obtained his Advanced Diploma in Business Studies from International College, Penang in 2000. He joined the Group as a Marketing Manager in 2000 and was subsequently promoted as a Chief Operating Officer of CAB Group's food processing division in October 2002.

CHAN KIM KEOW, aged 59, Malaysian, female, is an Executive Director of CAB and was appointed to the Board on August 11, 2003. 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 CAB Group.

BOARD OF DIRECTORS' PROFILE (Cont'd)

CHEW CHEE KHONG, aged 60, Malaysian, male, is an Executive Director of CAB and was appointed to the Board on February 1, 2007. He obtained his Bachelor Degree of Economics with Honours from the University of Malaya in 1980 and his Chartered Institute of Management Accountants ("CIMA") qualification 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, aged 53, Malaysian, male, is an Executive Director of CAB and was appointed to the Board on August 11, 2003. 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, aged 61, Malaysian, male, is an Independent Non-Executive Director of CAB and was appointed to the Board on September 1, 2004. He was re-designated as the Senior Independent Non-Executive Director on August 26, 2011. He is the Chairman of Nomination Committee and Halal Committee. He is also a member of the Audit Committee and Remuneration Committee.

He 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.

BOARD OF DIRECTORS' PROFILE (Cont'd)

GOH CHOON AIK, aged 43, Malaysian, male, is an Independent Non-Executive Director of CAB and was appointed to the Board on March 29, 2011. He is a member of the Audit Committee, Nomination Committee and Risk Management Committee. He obtained his Bachelor of Urban & Regional Planning from Universiti Teknologi Malaysia. He is a Registered Town Planner and a corporate member of the Malaysia Institute of Planners.

Mr. Goh began his career with Penang Development Corporation as Town & Country Planning Officer in 1998, before joining GCA Planning Consultants & GCA Planning Sdn. Bhd in 2005, where he is currently the Principal. He also served as Municipal Councillor in Majlis Perbandaran Seberang Perai from 2008 to 2010 and 2016. He has accumulated 18 years of experience in the town planning. He holds directorships in several private limited companies.

LIM GHIM CHAI, aged 42, Malaysian, male, is an Independent Non-Executive Director of CAB and was appointed to the Board on March 23, 2016. He is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of Nomination Committee and Risk Management Committee. He obtained his Bachelor of Commerce (Accounting) Degree from La Trobe University of Melbourne, Australia. He is a qualified Chartered Accountant with membership of the Malaysian Institute of Accountants and Chartered Accountants of Australia since year 2003.

Mr. Lim began his career in finance and accounting with international companies in Malaysia as Financial Accountant and Financial Analyst. He subsequently assumed senior managerial position 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 and an Independent Non-Executive Director of AsiaEP Resources Berhad.

He also holds directorships in other private limited companies.

BOARD OF DIRECTORS' PROFILE (Cont'd)

NG SENG BEE, aged 63, Malaysian, male, is an Independent Non-Executive Director of CAB and was appointed to the Board on October 21, 2011. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He is a Chartered Accountant of the Malaysian Institute of Accountants and Fellow of the Association of Chartered Certified Accountants.

Mr. Ng started his accountancy career in the United Kingdom and was trained with Deloitte Haskins & Sells. He subsequently assumed senior managerial position with other international accounting firms in Malaysia which were involved in the audit of financial institutions, multi-national companies, properties developers, etc.

Mr. Ng is the former Director/ Head of Dealing of P M Securities Sdn. Bhd., a participating organization of Bursa Malaysia Securities Berhad and member of the MUI Group. He previously served as the Executive Director Operations of Sarawak Securities Sdn. Bhd. and sat on the board of several related companies engaged in the business of trading in options and futures, fund management and mezzanine financing.

Mr. Ng is also an Independent Non-Executive Director of Central Industrial Corporation Berhad, a company listed on Bursa Malaysia Securities Berhad.

NG SENG BEE
Independent Non-Executive Director

WIJANTI TJENDERA
Non-Independent Non-Executive Director

WIJANTI TJENDERA, aged 58, Indonesian, female, is a Non-Independent Non-Executive Director of CAB and was appointed to the Board on August 26, 2016. 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 units 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, who had resigned as a Director of Kyros Food Industries Sdn. Bhd. on January 28, 2016 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 January 27, 2016.

(5) Attendance at Board Meetings
Please refer to Statement Accompanying Notice of AGM on page 8 of this Annual Report.

KEY SENIOR MANAGEMENT'S PROFILES

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

KOAY LAY EAN
Director of CAB Group's Finance Division

Koay Lay Ean, aged 43, Malaysian, female, is the Director of CAB Group's Finance Division. She is an Associate of Chartered Management Accountant and obtained her CIMA qualification from Tunku Abdul Rahman College in 1998. She started her accountancy career with accounting firms and gained her experience in auditing of various companies ranging from small to medium sized companies. She joined CAB Cakaran Sdn. Bhd. as an internal auditor in May 2002 and was subsequently transferred to the Accounts Department as an Accounts Manager in October 2002. She was promoted to the Group Finance Director in the year 2013. At present, she is responsible for the accounting and finance functions of CAB Group.

LIM CHIN SENG
Director of Breeding Farm Division

Lim Chin Seng, aged 55, Malaysian, male, is the Director of CAB Cakaran Breeding Farm Sdn. Bhd. ("CABBF") and was appointed to the Board of Directors of CABBF on May 03, 2012. Upon completing his primary education in 1974, he immediately began his career with various companies involved in hatching of eggs into day-old-chicks. He has more than 30 years of experience in managing various breeder farms and hatching of eggs into day-old-chicks. At present, he is incharge of the day-to-day operations of CABBF's breeder farms and hatchery centers.

VINCENT LEONG WENG FAI
Director of Food Processing Division

Vincent Leong Weng Fai, aged 37, Malaysian, male, is the Director of Jimat Jaya Sdn. Bhd. ("JJSB") and was appointed to the Board of Directors of JJSB on May 08, 2012. He holds his Advanced Diploma in Business Studies from International College, Penang in 2000. Upon graduation in 2001, he joined JJSB as a Marketing Executive and undertook various job responsibilities in JJSB until his current position as a Director of JJSB. He is currently in charge of the day-to-day operations and management decisions of JJSB.

YAP KIM HWAH
Managing Director of East Coast Poultry and Director of Supermarket Divisions

Yap Kim Hwah, aged 63, Malaysian, male, is the Managing Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on June 20, 1986. He completed his secondary education and immediately joined the poultry industries. He joined JGF since the incorporation of JGF on February 21, 1984 and has over 32 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.

KEY SENIOR MANAGEMENT'S PROFILES (Cont'd)

LEONG YOUK LEEN
Director of East Coast Poultry and Supermarket Divisions

Leong Youk Leen, aged 48, Malaysian, female, is the Director of Jaya Gading Farm Sdn. Bhd. ("JGF") and was appointed to the Board of Directors of JGF on August 10, 1999. She completed her secondary education and joined JGF since the incorporation of JGF on February 21, 1984. She has over 29 years of experience in poultry industry and 9 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 responsibility for the accounting and finance functions.

TOO SIEW DIN
Managing Director of Singapore's Food Processing Division

Too Siew Din, aged 49, Singaporean, male, is the Managing Director of Tong Huat Poultry Processing Factory Pte. Ltd. ("THPPF") and was appointed to the Board of Directors of THPPF on June 01, 1998. He holds a Bachelor of Business Administration Degree from the National University of Singapore. Upon graduation in 1993, he joined THPPF as a junior manager and undertook various job responsibilities in THPPF until his current position as the Managing Director of THPPF. He is currently in charge of all day-to-day operations and management decisions of THPPF.

DR. HUANG LIP CHIN
Senior Group Manager of Poultry Technical Division

Dr. Huang Lip Chin (DVM, MBA), aged 42, Malaysian, male, 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 was holding various senior management positions in multinational livestock industry companies covering Malaysia and Asia Pacific Region prior to joining CAB Group in November 2015 to helm the Grant Parent Stock operation of Cabin Premier GPS Farm Sdn. Bhd. He is technically supporting all Parent Stock & Hatchery divisions of CAB Group.

GAN CHIN NAM
General Manager of Southern Poultry Division

Gan Chin Nam, aged 52, Malaysian, male, 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 19 years of experience in poultry industry. He joined CABS since 2014 and currently in charge of the day-to-day operations and management decisions of CABS.

(1) Family Relationships and Major Shareholders
None of the Key Senior Management has family relationship with any Directors or Major Shareholders of the Company.

(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.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW

Dear Shareholders,

On behalf of the Board of Directors of CAB Cakaran Corporation Berhad ("the Group" or "the Company"), it is my privilege to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended September 30, 2016.

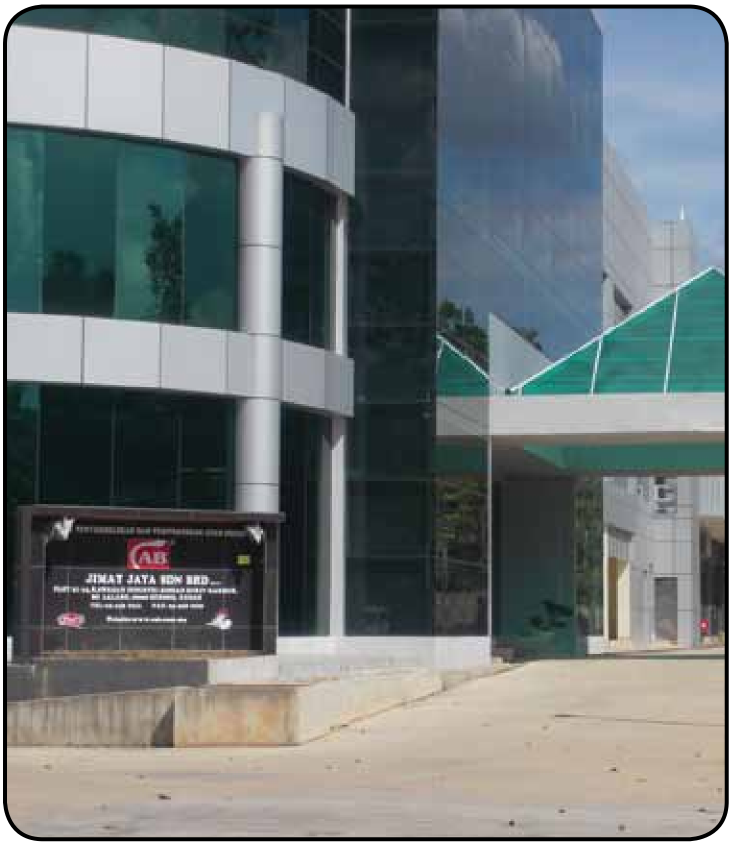
GROUP FINANCIAL REVIEW

During the financial year under review, the Group achieved a historical high in revenue of RM1.10 billion, an increase of 23.51% over the previous year's revenue of RM891.69 million resulted mainly from the strong growth in sales of integrated poultry farming and processing division. This division's business will continue to be the main contributor to the Group's revenue which represented approximately 84% of the Group's total revenue.

Profit before tax also registered record high at RM46.71 million after including the gain on fair value adjustment of investment properties amounted to RM6.95 million as compared to RM29.29 million achieved in the previous year. As a result, the earnings per share increased from 11.54 sen to 16.09 sen.

Overall, the Group's performance during the year under review has improved significantly with the Group achieving a profit after tax and non-controlling interest of RM26.00 million from RM16.04 million in 2015. Our strong performance is the result of both organic growth and acquisitions which were completed over the years.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)



INTEGRATED POULTRY FARMING AND PROCESSING

The integrated poultry farming and processing division was the major contributor to the overall improvement of the Group's revenue in the financial year under review.The total revenue for the division was RM950.42 million with a segment profit of RM54.34 million as compared with RM732.21 million of revenue and a segment profit of RM31.87 million in the prior year. The increase in the production and sales of day-old-chicks broilers as well as the higher trading volumes of feeds coupled with the higher average selling price of broilers have contributed to the significant improvement in the result of this division.

Business Strategy

Being in the livestock industry, we are always mindful of the risk associated with the outbreaks of infectious diseases such as Newcastle disease and bird flu. The management has taken decisive steps over the past years to reduce the Group's exposure to such risk by diversifying its operations over a larger geographical area. Presently, the Group's farm operations are located throughout Peninsular Malaysia from the Northen 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.

In addition, the Group has been and will continue to progressively convert its open house farms to closed house farms. The closed house farms will not only help to increase the production efficiency but also help to mitigate the risk of outbreaks of infectious diseases. Moving forward, the local poultry industry is expected to see significant changes in the implementation of new regulations such as animal welfare law and the use of closed house system for all farms. The Group has over the years invested in modernizing and promoting bio-security in our farms to comply with the new regulations which are expected to be implemented in the near future.

The Group will continue to embark on expansion program to increase production capacity and market presence in Malaysia via both organic growth and acquisitions.

The Group has also started to look for opportunities to invest in the Asean region as one of the ways to reduce its reliance on a single market. In 2015, the Group acquired a controlling stake in the Tong Huat Group in Singapore, which provided an immediate market for live birds from our farms located in Johore. In line with this business strategy, the Group is also actively engaging with the Salim Group of Indonesia with the view of starting a joint venture to set up an integrated poultry business in Indonesia. Our appointed consultant is in the process of finalising the feasibility study on the project and we are confident that this proposed joint venture will materialise in due time.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)

INTEGRATED POULTRY FARMING AND PROCESSING (Cont'd)

Prospect

The integrated poultry farming and processing division will continue to remain as the main contributor to the Group's revenue and profit. Although operating cost is expected to increase and profit margin being reduced, the profitability of the division will be boosted by growth in capacity once the acquisition of the breeder and broiler farms from the Farm's Best group is completed as this will increase the Group's broiler output by about 2.5 million birds per month within the next 6 months.

With the completion of the acquisition of Farm's Best Food Industries Sdn. Bhd. ("FBFI") in November 2016, the Group's total production capacity for slaughtering has increased by about 36,000 birds per day to 110,000 birds per day. With this additional slaughtering capacity, the Group will be able to undertake further expansion of its upstream activities which will bring greater cost savings via better economy of scale in its operation. In addition, the factory which is Agri-Food & Veterinary Authority of Singapore ("AVA") accredited will allow the Group to explore the opportunity of exporting frozen halal dressed chicken to Singapore. This is a viable proposition considering that there will be minimal logistic and handling cost given the Group's existing presence in Singapore and that the product will be distributed to the same group of customers.

The Group is currently exploring to enter into a joint venture with the Salim group to set up an integrated poultry business in Indonesia. If the joint venture materialised, it will allow the Group to expand its poultry business to a country which has a population of more than 250 million people. We believe that this investment will have positive significant impact on the Group's earnings in the long term.

Despite the challenging landscape confronting the local poultry industry, the management is confident that the Group, given its past investments in improving and expanding the various stages of the integrated poultry production process, will be capable of weathering through the anticipated tough economic environment and will continue to show profits in the coming financial year.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)

SUPERMARKET

The total revenue for the division was RM124.03 million with a segment profit of RM0.52 million as compared with prior year's revenue of RM140.27 million and segment profit of RM0.28 million. The decrease in revenue by 11.58% as compared to prior year was mainly due to the overall lower consumer spending after the implementation of the Goods and Services Tax in April 2015 and the overall weaker consumer sentiment. The division recorded only a slight increase in segmental profit of RM0.236 million resulting from management's initiatives in improving operational efficiency and reducing operation costs.

Business strategy

Currently, the supermarket division, which operates as a medium-sized supermarket under the name of "Pasaraya Jaya Gading", has eight (8) outlets in Malaysia. These outlets are located either in small towns or at the fringes of the bigger towns, which is away from the bigger competitors. The Group's long-term strategy is to build a big network of such outlets throughout the Peninsular as a distribution channel for the Group's products.

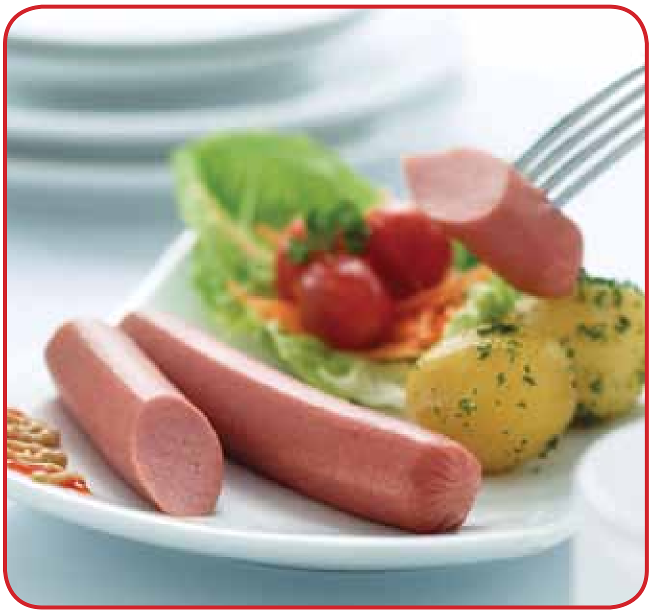
Prospect

The supermarket division will continue to take all the necessary actions to improve its operational efficiencies. However, due to the overall weak consumer sentiment, this division is not expected to make a major contribution to the Group.

VALUE-ADDED FOOD PRODUCTS MANUFACTURING AND TRADING

The value-added food products manufacturing and trading division achieved a higher revenue of RM53.88 million. However, the segmental profit decreased to RM1.32 million in the current year due partly to the weaker consumer sentiment and increased in the cost of imported raw materials arising from the weakness of the Malaysian Ringgit which inadvertently impacted negatively on its profit margin. In addition, the result of this division has been negatively impacted by the inclusion of the losses incurred by a newly incorporated company in Singapore due to the initial high start-up cost.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)



VALUE-ADDED FOOD PRODUCTS MANUFACTURING AND TRADING (Cont'd)

Business strategy

Upon the successful completion of the acquisition of FBFI in November 2016, the management is undertaking a detailed evaluation of the production facilities in both the factories of Kyros Food Industries Sdn. Bhd. ("KFI") and FBFI with the view of consolidating the Group's production of value-added food products in one location. By combining the current production of both factories in one location will help to improve the overall production efficiency and reduce unit cost of production.

In addition, both companies operate in different market segment for the value-added food products. FBFI's strength is in the retail segment where its products are sold mainly at supermarkets and hypermarkets. On the other hand, KFI uses a different distribution channel where it appoints agents and wholesalers to distribute its products. It also produces on OEM basis for certain of its large-scale customers.

Obviously, there will be synergistic advantage derived in combining the strength of both companies especially in procurement of raw materials, production and cost efficiency as well as having a wider market coverage for our products.

Moving forward, the Group will emphasise on the development of more value-added products especially for the export markets. The Group will leverage on FBFI to spearhead this export drive considering that presently it is already exporting to a few ASEAN countries including Hong Kong.

Prospect

With the re-alignment of the Group's production of value-added product in one location in Malacca as well as the push to open up more export markets, this division is expected to show improvement in its performance. The uncertainty surrounding the weakening Malaysian Ringgit is a cause of concern as this will affect the prices of imported raw materials which has a direct impact on the cost of production. Management will continue to monitor the situation closely and take appropriate actions as and when required.

MARINE PRODUCTS AND OTHERS

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

Business strategy and future prospect

Management is exploring new business opportunity in aquaculture relating to the farming of fish and shrimp. In the event that this proposal fails to materialise, the management will undertake a review on the viability of the existing business.

CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)

CORPORATE DEVELOPMENT

The major corporate development of the Group during the financial year under review and subsequent to the financial year under review are as follows:

(1) A total of 9,457,250 warrants were exercised during the financial year under review and the balance of unexercised warrants was 46,672,825. The Group has issued a total of 65,780,450 free warrants ("Warrants 2015/2020") on February 9, 2015 which were listed on the Main Market of Bursa Malaysia Securities Berhad ("BMSB") on February 13, 2015 with a 5 years' exercise period from February 9, 2015 to February 8, 2020.

Each warrant carries the entitlement to subscribe for one (1) new CAB Share at the exercise price of RM0.55 each for cash subject to adjustments in accordance with the provisions of the Deed Poll.

(2) The Company had announced the signing of a placement agreement with Plant Wealth Holdings Limited, to undertake a private placement of 15,064,400 Placement Shares at an issue price of RM2.07 per Placement Share. A total of 15,064,400 ordinary shares were allotted on April 5, 2016 and listed on the Main Market of BMSB on April 7, 2016.

(3) The Company had on November 17, 2015 announced that a new company, namely CAB Amesist Biomass Generation Sdn. Bhd. ("CABG") was incorporated on November 16, 2015. The initial issued and paid-up capital of CABG is RM100 divided into one hundred (100) ordinary shares of RM1.00 each, of which 51% is held by the Company and the remaining 49% is held by Seri Kedah Corporation Sdn. Bhd. ("SKC"). The Group had on June 30, 2016 further announced the acquisition of the remaining forty nine (49) ordinary shares of RM1.00 each, representing 49% of the total issued and paid-up share capital of CABG from SKC for a total cash consideration of RM49.00. In consequence thereof, CABG became a wholly-owned subsidiary of the Company.

(4) The Company had on June 23, 2016 announced that Tong Huat Poultry Processing Factory Pte. Ltd. ("THPPF"), a 51% owned subsidiary of the Company has on June 22, 2016 incorporated a new subsidiary, namely EC Grocer Pte. Ltd. in Singapore under the Singapore Companies Act, Cap 50. The initial issued and fully paid-up shares is SGD100 divided into 100 ordinary shares of SGD1.00 each, of which 50% is held by THPPF, 10% is held by a wholly-owned subsidiary, Likes Marketing Sdn. Bhd. and the balance of 40% is held by a non-controlling interest. Consequent thereto, the Company effectively holds 35.5% equity interest in EC Grocer Pte. Ltd.



CHAIRMAN'S MESSAGE AND OPERATIONS REVIEW (Cont'd)

CORPORATE DEVELOPMENT (Cont'd)

(5) The Company had on June 3, 2016 announced that the Company together with THPPF, a 51% owned subsidiary of the Company, Plant Wealth Holdings Limited and Brighton Property Pte. Ltd. had entered into a conditional Share Sale Agreement with Farm's Best Berhad to acquire the entire 50,000,000 ordinary shares of RM1.00 each in FBFI for an indicative purchase consideration of RM9,450,000 (the "Acquisition"). The Acquisition has been completed on November 8, 2016 for a total purchase consideration of RM13,384,099 (after the adjusted purchase price of RM3,934,099). Consequent thereto, the Company effectively holds 53.04% equity interest in FBFI.

(6) Subsequent to the financial year under review, the Company had on October 18, 2016, announced the incorporation of a new company, namely OTK Farm Equipment Sdn. Bhd. ("OTK") was incorporated. The issued and paid-up capital of OTK is RM100 divided into 100 ordinary shares of RM1.00 each, of which 55% is held by the Company.

(7) Subsequent to the financial year under review, the Company had on November 25, 2016 announced that FBFI has entered into four conditional sales and purchase agreements with Sinmah Breeders Sdn. Bhd. and Sinmah Multifeed Sdn. Bhd. for the proposed acquisition of 21 parcels of freehold agricultural lands measuring approximately 200.23 acres together with 6 breeder poultry farms and all equipment erected thereon for a total purchase consideration of RM63 million.

(8) Further to the announcement of the Group on the signing of a Memorandum of Understanding with KMP Private Ltd on December 6, 2015 to undertake a feasibility study on the possibility of establishing a fully integrated poultry business in Indonesia on a joint venture basis with the Salim Group, the Group has engaged Grant Thornton Consulting Sdn. Bhd. to carry out the said feasibility study.

DIVIDEND

The Board of Directors is pleased to recommend a final single-tier dividend of 2% for the financial year ended September 30, 2016 for the shareholders' approval at the forthcoming 15th Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Group takes cognizance of the importance of Corporate Social Responsibility ("CSR") which has become an integral part of its social objectives of doing good and giving back to the various communities from which the Group has thrived on. CSR initiatives and meaningful activities have been implemented in the Company's environment, workplace, community and market place. The Group recognizes its corporate citizenship and fulfills its responsibilities to its employees, customers, caring for society and greening the environment based on principles of business sustainability. The Group's CSR activities are set out in pages 25 and 26 of this Annual Report.

APPRECIATION

On behalf of the Board of Directors, I would like to express our appreciation to Mr. Ng Seng Bee who has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the forthcoming 15th Annual General Meeting, for his past contributions made to the Group. In addition, I would like to welcome Mr. Lim Ghim Chai and Ms. Wijanti Tjendera who have recently been appointed to the Board.

I would also like to express our appreciation to all our employees for their dedication and strong commitment towards the growth and continued success of the Group. My gratitude also goes to our valued customers, business associates, bankers, suppliers and regulatory bodies for their unwavering support and confidence in the Group.

Last but not least, my gratitude also goes to my fellow colleagues on the Board for their active participation and contribution and I look forward to their continuous support for the next financial year 2017.

CHUAH AH BEE
Executive Chairman
Date: December 30, 2016

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibility ("CSR") is an integral part of any modern organisation's way of succeeding in business by contributing to the welfare of its employees in particular and society at large and also to all communities in the environment it operates. This approach to business – balancing economic, social and environmental interests is commonly referred to as Corporate Social Responsibility or Sustainability. In this context, the Board of Directors of CAB Cakaran Corporation Berhad ("the Group") regards the need for emphasis on activities for sustainable business operations covering Environment, Workplace, Community and Marketplace as an integral part of its business operations and practices.

ENVIRONMENT

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

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

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

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

The Group also ensures compliance with all relevant laws and regulations governing food safety and quality, including the Malaysian Good Agricultural Practices (MyGAP) certification for its breeder and grand-parent stock farms, Veterinary Health Mark (VHM) and HALAL (by Jabatan Kemajuan Islam Malaysia) certifications for chilled/frozen chicken, frankfurters and nuggets and Hazard Analysis and Critical Control Point (HACCP) certification for its processing and manufacturing facilities. Furthermore, the Group has accredited farms with the certification from Agri-Food and Veterinary Authority of Singapore (AVA) which enables the broilers to be exported to Singapore.

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

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

Staff team building activity

Staff team building activity

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITIES (Cont'd)

Donation for Mentally Retarded Children Centre
Butterworth, Penang

Staff team building activity

WORKPLACE

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

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

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

COMMUNITY

The Group also acknowledges its responsibility to the community where it operates. As such, the Group has supported the charitable organizations and community fund raising activities during the financial year and pledged to continue helping the underprivileged in the future. The Group has also supported numerous local, cultural, social and sporting activities that were held in the state.

In addition, the Group regularly provides food such as chicken meat and chicken nuggets to orphanages and old folks home in Petaling Jaya as well as to welfare association such as Malaysian Association Welfare for Mentally Challenged Children.

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

MARKETPLACE

The Group also recognises the importance of practicing the highest standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance stakeholders' value and has taken all reasonable steps to ensure that the best practices are adopted and implemented wherever possible.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors continues with its commitment to achieve and maintain the highest standards of corporate governance throughout the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability and corporate performance.

The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing prescriptions of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). Though the Group is already in compliance with many aspects of MCCG 2012, the Board will continuously review the Group's corporate governance processes and will strive to make appropriate adjustments to reflect its position as a good corporate citizen. The key intention is to adopt the substance behind good corporate governance and not merely the form, with the aim of ensuring Board effectiveness in enhancing shareholders' value.

The Board is pleased to set out below how the Group has applied the principles and recommendations of MCCG 2012 and outlines the main corporate governance practices that were in place during the financial year under review.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and management

The Board is responsible for the overall corporate governance of the Group, including the strategic direction, risk management and sets out the corporate objectives of the Group for growth which include management development, succession planning and administrative policies to ensure all procedures within the Group are to be carried out in a systematic and orderly manner to ease the decision-making process. The Directors, with their different backgrounds and specialization, collectively bring with them many years of experience and expertise in areas such as financial, marketing and operations.

The Board has delegated to the Group Managing Director, the authority and responsibility for implementing of the Board policies, making operational decisions and monitoring the day-to-day running of the business, including defining the limits of the management's responsibilities.

The presence of the Independent Directors fulfill a pivotal role of corporate accountability. They provide unbiased and independent views, advice and judgment to take account of the interest of the Group, shareholders, employees and any party with whom the Group conducts business.

1.2 Clear roles and responsibilities

The role of the Board is to oversee the business and affairs of the Company with responsibilities and duties stipulated in the Company's Articles of Association, the Companies Act, 1965, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any applicable rules, laws and regulations.

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

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

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

1.2 Clear roles and responsibilities (Cont'd)

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

(i)	Audit Committee	-	refer to pages 44 to 46 of this Annual Report
(ii)	Nomination Committee	-	refer to pages 30 to 32 of this Annual Report
(iii)	Remuneration Committee	-	refer to pages 33 to 34 of this Annual Report
(iv)	Halal Committee	-	refer to pages 34 to 35 of this Annual Report
(v)	Risk Management Committee	-	refer to page 39 of this Annual Report

All committees have written terms of reference. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company and the Group.

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

1.3 Formalized ethical standards through Code of Ethics and Conduct

The Board shall observe and adhere to the Company's Code of Ethics and Conduct for Directors which provide guidance regarding ethical and behavioral considerations or actions in discharging their duties and responsibilities.

The Board will review the Code of Ethics and Conduct when necessary 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.

1.4 Whistle-blowing policy

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

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

1.5 Strategies promoting sustainability

The Board shall endeavour to implement sustainability strategies which yield environmental, economic and social benefits to all its various stakeholder and the communities in which it operate. For further information, please refer to our Statement of Corporate Social Responsibilities on pages 25 to 26 this Annual Report.

1.6 Access to information and advice

The Board recognizes that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group.

The Chairman ensures that all Directors have full and timely access to information with Board papers distributed in advance of each meeting. This ensures that all Directors have sufficient time to appreciate issues to be deliberated at the Board meetings and expedite the decision making process effectively.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

1.6 Access to information and advice (Cont'd)

External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Senior management team from different business units are also invited to participate at the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team. All proceedings at the Board meetings are minuted and signed by the Chairman of the meetings.

Every Director has also unhindered access to the advice and services of the Company Secretaries and independent professional as and when required.

1.7 Company secretaries

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

The Company Secretaries carry out the following tasks:

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

1.8 Board Charter

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 reviews the Board Charter annually and make any changes whenever necessary.

The details of the Board Charter are available for reference at the Company's website at www.cab.com.my.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination Committee

The Nomination Committee ("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
Goh Choon Aik (Independent Non-Executive Director)	Member
Lim Ghim Chai* (Independent Non-Executive Director)	Member
Ng Seng Bee** (Independent Non-Executive Director)	Member

* Appointed on December 22, 2016
** Will retire on March 23, 2017

The NC held three (3) meetings during the financial year ended September 30, 2016.

The NC is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors. The NC reviews the required mix of skills, experience, diversity and other qualities of the Director, including core competencies and time commitment. The NC also makes assessment on the effectiveness of the Board and evaluation of the Board as a whole, including individual Director and Board Committees.

2.1.1 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors

Appointment process

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

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

1. The candidate identified upon the recommendation by the existing Directors, Senior Management and/or major shareholders;

2. In evaluating the suitability of candidates to the Board, the Nomination Committee considers, inter-alia, the skillset, expertise, experience, time commitment and contribution of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independency;

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

4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

During the year under review, the appointment of Mr. Lim Ghim Chai and Ms. Wijanti Tjendera on March 23, 2016 and August 26, 2016 respectively, followed the above process.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (Cont'd)

2.1 Nomination Committee (Cont'd)

2.1.1 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors (Cont'd)

Board Orientation Programme

The newly appointed Directors have undergone the Company's Orientation Programme with the Internal Secretary together with the Head of Finance with the objectives of providing newly appointed Directors the necessary information and to assist them in understanding the operations, current issues and challenges, structure and management of the Company as well as site visits for better understanding the operation aspect of the Company.

Re-election

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

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

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

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

(a) The re-election of two (2) directors, namely Mr. Loo Choo Gee and Mr. Chew Chee Khong, retiring by rotation and eligible for re-election pursuant to Article 97 of the Company's Articles of Association at the forthcoming AGM; and

(b) The re-appointment of two (2) directors, namely Mr. Lim Ghim Chai and Ms. Wijanti Tjendera, who were appointed during the year, will also retire at the forthcoming AGM pursuant to Article 104 of the Company's Articles of Association.

The profiles of these Directors are set out on pages 13 to 15 of the Annual Report.

Mr. Ng Seng Bee, who will retire at the forthcoming 15th AGM, has expressed his intention not to seek for re-election and hence, he will hold office until the closed of 15th AGM of the Company.

Annual Assessment

The NC carried out the annual review on the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluations are guided by the Corporate Governance Guide – Towards Boardroom Excellence. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the NC in the discharge of its duties are properly documented.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (Cont'd)

2.1 Nomination Committee (Cont'd)

2.1.1 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors (Cont'd)

Annual Assessment (Cont'd)

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

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

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

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

(iv) reviewed and recommended to the Board for re-appointment of Director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and to seek shareholders' approval at the forthcoming AGM by giving strong justification on the re-appointment;

(v) assessed the independence of each of the existing Independent Directors with each director abstaining from deliberation on his own assessment;

(vi) reviewed and assessed the character, experience, integrity and competency of the Head of Finance;

(vii) deliberated the newly appointed Directors;

(viii) reviewed the term of office and performance of the Audit Committee and each of its members; and

(ix) review the Terms of Reference of the NC.

Gender diversity policy

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG 2012 to the establishment of boardroom and workforce gender diversity policy. The Board currently has two (2) female directors which the Board is of the view, is in line with the gender diversity recommended by MCCG 2012.

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

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

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

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (Cont'd)

2.2 Remuneration Committee

The Remuneration Committee of the Company comprises majority of Independent 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
Chuah Ah Bee (Executive Chairman)	Member
Ng Seng Bee** (Independent Non-Executive Director)	Member

* Appointed on December 22, 2016
** Will retire on March 23, 2017

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

2.2.1 Remuneration policies and procedures

The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. The Directors' fees for the Non-Executive Directors are recommended by the Board and to be approved by the shareholders at the AGM. Individual Director is not allowed to participate in discussion of his/ her own remuneration.

2.2.2 Details of the Directors' remuneration

The details of the Directors' remuneration comprising remuneration received/ receivable from the Company and subsidiaries respectively in financial year 2016 are as follows:

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

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Company				
Executive	–	–	–	–
Non-Executive	–	145,200	12,763	–
	–	145,200	12,763	–
Group				
Executive	2,182,100	214,884	225,073	96,167
Non-Executive	–	145,200	12,763	–
	2,182,100	360,084	237,836	96,167

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (Cont'd)

2.2 Remuneration Committee (Cont'd)

2.2.2 Details of the Directors' remuneration (Cont'd)

(b) Directors' remuneration are broadly categorised into the following bands:

Range of remuneration RM	Company		Group	
	Number of Directors		Number of Directors	
	Executive	Non-Executive	Executive	Non-Executive
50,000 and below	–	1	–	1
50,001 to 100,000	–	3	–	3
100,001 to 150,000	–	–	–	–
150,001 to 200,000	–	–	–	–
200,001 to 250,000	–	–	–	–
250,001 to 300,000	–	–	1	–
300,001 to 350,000	–	–	–	–
350,001 to 400,000	–	–	1	–
400,001 to 450,000	–	–	–	–
450,001 to 500,000	–	–	–	–
500,001 to 550,000	–	–	1	–
550,001 to 600,000	–	–	1	–
600,001 to 650,000	–	–	–	–
650,001 to 700,000	–	–	–	–
700,001 to 750,000	–	–	–	–
750,001 to 800,000	–	–	–	–
800,001 to 850,000	–	–	–	–
850,001 to 900,000	–	–	1	–

The Board is of the view that it is inappropriate to disclose the remuneration of individual Director so as to preserve a degree of privacy and confidentiality.

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

2.3 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

* Appointed on November 1, 2016

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (Cont'd)

2.3 Halal Committee (Cont'd)

The objective of the Halal Committee is to ensure that the relevant products produced by the Group comply with the requirements of the Malaysian Halal Standards in accordance with the Syariah Law in ensuring that products produced are halal, clean and safe for consumption.

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

3. REINFORCE OF INDEPENDENCE

3.1 Annual assessment of Independent Directors

The Board shall perform an annual assessment of the Independent Directors with the aim of strengthening the role of Independent Directors to facilitate independent and objective decision making in the Company, free from undue influence and bias.

The Independent Directors namely, Tuan Haji Ahmad Fazil Bin Haji Hashim, Mr. Goh Choon Aik, Mr. Lim Ghim Chai and Mr. Ng Seng Bee fulfill the criteria of "Independence" as prescribed under the Listing Requirements. The Board composition complies with the Listing Requirements which requires that at least two (2) Directors or one third (1/3) of the Board, whichever is the higher, to be independent Directors.

3.2 Tenure of Independent Directors

The Board noted the MCCG 2012 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

Tuan Haji Ahmad Fazil Bin Haji Hashim, an Independent Non-Executive Director has served on the Board for more than nine years. The Board believes that although Tuan Haji Ahmad Fazil Bin Haji Hashim has served more than nine (9) years on the Board, he remains unbiased, objective and independent in expressing his opinions and in participating in decision making of the Board. The length of his service on the Board has not in any way interfered with his objective and independent judgement in carrying out his role as member of the Board and Committees. Accordingly, the Board is making a recommendation to shareholders for approval at the forthcoming Annual General Meeting of the Company that Tuan Haji Ahmad Fazil Bin Haji Hashim remains as an Independent Non-Executive Director.

3.3 Separation of positions of the Chairman and Group Managing Director

MCCG 2012 recommends that the positions of Chairman and Group Managing Director should be held by different individuals, and the Chairman must be a non-executive member of the board.

There is a clear division of responsibility between the Executive Chairman, Mr. Chuah Ah Bee and the Group Managing Director, Mr. Chuah Hoon Phong to ensure there is a balance of power and authority. However, whilst the Code recommends that the Chairman should be a non-executive member, the Board is of the view that the existing measures and the presence of independent oversight by the Independent Non-Executive Directors, are sufficient to ensure the balance of accountability and authority within the Board.

MCCG 2012 also recommends that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

Mr. Chuah Ah Bee is currently the Executive Chairman of the Board and is not an Independent Director by virtue of his substantial interest in the Group. Given the scope and nature of business activities of the Group, the Board is of the view that with Mr. Chuah Ah Bee's extensive knowledge, experience, entrepreneurial quality and him being actively involved in the business, it is more effective for him to continue to guide the Board on discussions of issues and challenges faced by the Group. The Board also believes that as the Executive Chairman has significant relevant interest in the Company, he is capable of acting on behalf of shareholders and stakeholders and in their best interests.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

3. REINFORCE OF INDEPENDENCE (Cont'd)

3.3 Separation of positions of the Chairman and Group Managing Director (Cont'd)

The Board is also mindful that the Board comprises less than a majority of independent directors since the Chairman is not an Independent Director. However, the Board is able to exercise objective judgment on business and corporate affairs with the presence of the current Independent Directors on the Board who provide unbiased and independent view, advice and judgement without fear or in favour on important issues that affect the Company and/or interest of the various stakeholders. Hence, the Board does not see the necessity of nominating an Independent Non-Executive Chairman at this juncture.

3.4 Board composition and balance

As at the date of this statement, the Board consists of ten (10) members; comprising one (1) Executive Chairman, one (1) Group Managing Director, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. A brief profile of each Director is presented in the Board of Directors' Profile section of this Annual Report.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Together with the Executive Directors who have in-depth knowledge of the business, the Board constitutes of individuals who are committed to business coupled with integrity and professionalism in all its activities.

Tuan Haji Ahmad Fazil Bin Haji Hashim is the Senior Independent Non-Executive Director to whom concerns pertaining to the Group may be conveyed by shareholders and the public.

4. FOSTER COMMITMENT

4.1 Time commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended September 30, 2016, the Board held six (6) meetings and the details of each Director's attendance are set out on page 8 of this Annual Report.

4.2 Directors' training

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

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

Name of Directors	Date	Programmes
Chuah Ah Bee	September 22, 2016	Director and Shareholders Disclosures of Interest to Company, Bursa Securities & Securities Commission & Secretary Role in a Take Over Exercise
Chuah Hoon Phong	August 3, 2016	Financial Statement Frauds
Chan Kim Keow	March 02, 2016	Managing Boardroom Dynamics in Turbulent Times
Chew Chee Khong	May 09, 2016	The Interplay between CG, Non-Financial Information (NFI) and Investment Decisions

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

4. FOSTER COMMITMENT (Cont'd)

4.2 Directors' training (Cont'd)

Name of Directors	Date	Programmes
Loo Choo Gee	November 11, 2015	Summary & Highlights for Corporate Accountants
Haji Ahmad Fazil Bin Haji Hashim	August 04, 2016	I am Ready to Manage Risks
Goh Choon Aik	August 18, 2016	Tax Implication and Practical Application on Intercompany Loan Transactions
Lim Ghim Chai	August 18, 2016	Tax Implication and Practical Application of Intercompany Loan Transactions
Ng Seng Bee	June 15, 2016	Sustainability Strategy & Reporting

Ms Wijanti Tjendera, who was appointed as Non-Independent Non-Executive Director on August 26, 2016 has completed the Mandatory Accreditation Programme on November 9 – 10, 2016.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

Financial Reporting

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

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that Applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 and the Listing Requirements of the Bursa Securities have been applied.

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

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

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

Related party transactions and conflict of interest situations

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

Further details of these transactions are set out in the Recurrent Related Party Transactions Circular to Shareholders dated January 25, 2017.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (Cont'd)

5.2 Assessment of suitability and independence of external auditors

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

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

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

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, 1965 in Malaysia.

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

During the financial year ended September 30, 2016, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditor of the Company were as follows:

	Group (RM)	Company (RM)
Audit Fees	243,900	28,500
Non-Audit Fees	80,600	9,000

The non-audit fees were in respect of tax compliance, annual review of the Risk Management and Internal Control Statement.

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

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

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

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

6. RECOGNIZE AND MANAGE RISKS

6.1 Sound framework to manage risks

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.

Risk Management Committee

The Risk Management Committee ("RMC") of the Company comprises of majority of Independent Directors and its composition is as follows:

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

The RMC was established on November 29, 2016. The primary responsibility and purpose of the RMC is to assist the Board in fulfilling its responsibility with respect to reviewing and monitoring the Group's risk management framework and activities. The RMC reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's Business Unit.

The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control of the Company as set out on pages 41 to 43 of this Annual Report.

6.2 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 41 to 43 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company is committed to a policy to provide a detailed and complete disclosure of corporate information and in this respect the Company follows the disclosure guidelines and regulations of Bursa Malaysia Securities Berhad. The release of material information will be made publicly via Bursa Malaysia Securities Berhad. Members of the public can also obtain the full financial results and the Company's announcements from the Bursa Malaysia Securities Berhad's website.

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

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage shareholders participation at general meetings

The Annual General Meeting is the principal forum for dialogue with shareholders. The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the Annual General Meeting. It is also a requirement for the Company to send the Notice of the Annual General Meeting and related circular to its shareholders at least twenty one (21) days before the meeting. At the Annual General Meeting, shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general to seek more information. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the Annual General Meeting.

In addition to shareholders participation at general meetings, the Board also encourages other channel of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Senior Independent Director, Tuan Haji Ahmad Fazil Bin Haji Hashim (through the Company Secretaries at the contact details set out in the corporate information section of this Annual Report).

8.2 Effective communication and proactive engagement

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

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

8.3 Poll Voting

Pursuant to the Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

Therefore all the resolutions to be passed at the forthcoming Fifteenth Annual General Meeting of the Company will be voted by poll. The Board will make announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended September 30, 2016, the Company has applied the principles and recommendations of the corporate governance set out in MCCG 2012, where necessary and appropriate.

This Statement is made at the Board of Directors' Meeting held on December 22, 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

Risk Management Committee

To reinforce overseeing role, the Board has empowered the Risk Management Committee ("RMC") to review the adequacy, integrity and implementation of appropriate systems for risk management and internal controls.

The members of the RMC are as follows:

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

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

To foster ownership and accountability, the Group Managing Director, Head of Finance and all business unit heads are collectively involved in the identification and treatment of significant 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 heads 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 taken efforts to establish the Halal Committee, which is directly overseen by the Senior Independent Non-Executive Director, Tuan Haji Ahmad Fazil Bin Haji Hashim. Meanwhile, the Halal Committee has also appointed Professor Datuk Dr. Mohd Fakhrudin Bin Abdul Mukti as the Halal Committee Patron and Syariah Advisor. 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 and/ or feasibility study should be engaged in due course, to enhance success rate. During the financial year ended September 30, 2016, as part of investment risk assessment exercise, the Company engaged the services of Messrs Grant Thornton for the conduct of due diligence review at Farm's Best Food Industries Sdn Bhd, to facilitate corporate acquisition, as well as feasibility study for the proposed joint venture in Indonesia with Salim Group of Companies.

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

The key risk areas that the Board and Management continually address consist of: (Cont'd)

Corporate Exercise (Cont'd)

The principal responsibility of the Internal Audit Department is to conduct periodic audits on internal control matters to ensure their compliance with the systems and standard operating procedures within each of the Group's operations. The main objective of these audits is to provide reasonable assurance that these operations operate satisfactorily and effectively. Investigations are also made at the request of the Audit Committee and senior management on specific areas of concern. These investigations provide additional assurance and comfort on the integrity and robustness of the internal control systems.

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

KEY PROCESSES OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key processes that have been established to ensure the adequacy and effectiveness of the risk management and internal control system include the following:

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

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

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

(iv) Employee handbook is availed to employees, for understanding of employment terms and conditions, entitlements, discipline, code of ethics and job grading system;

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

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

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

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

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

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

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 Head of Finance that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the existing risk management and internal control system of the Group. The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investments and the Group's assets. The review process has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

Pursuant to paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended September 30, 2016 and reported to the Board that nothing has come to their attention that caused them to believe that this statement was inconsistent with their understanding of the process, adequacy and integrity of the risk management and internal control system.

This Statement was approved by the Board on December 22, 2016.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee 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
Ng Seng Bee** (Independent Non-Executive Director)	Member

* Appointed on March 23, 2016
** Will retire on March 23, 2016

TERMS OF REFERENCE

The terms of reference of the Audit Committee is made available on the Company's website, at www.cab.com.my.

MEETINGS

The Committee met eight (8) times during the financial year ended September 30, 2016.

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

	No. of Meetings Attended
Lim Ghim Chai*	3/3
Haji Ahmad Fazil Bin Haji Hashim	8/8
Goh Choon Aik	8/8
Ng Seng Bee	7/8

* Appointed on March 23, 2016

SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

A. Financial Reporting

The Audit Committee reviewed the unaudited quarterly financial results at the meetings held on November 27, 2015, February 25, 2016, May 25, 2016 and August 26, 2016 respectively.

On January 4, 2016, the Audit Committee reviewed the audited financial statements for the financial year ended September 30, 2015.

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

AUDIT COMMITTEE REPORT (Cont'd)

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

B. Internal Audit

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

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

During the financial year under review, the Internal Audit Department had presented internal audit reports in quarterly Audit Committee Meetings on November 27, 2015, February 25, 2016, May 25, 2016 and August 26, 2016 respectively, for review.

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

C. External Audit

On January 4, 2016, the Audit Committee reviewed the extent of assistance and cooperation during the conduct of external auditing and issues as well as reservations arising from audit for the financial year ended September 30, 2015 with Messrs Deloitte.

On January 4, 2016, the audit engagement partner of Messrs Deloitte declared their independence to the Group and their compliance with By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants – Section 290.

On January 4, 2016, the Audit Committee deliberated on the final report presented by Messrs Deloitte in regard to matters arising from the statutory audit of the Company and its subsidiaries for the financial year ended September 30, 2015. The Audit Committee was also briefed on the following significant risks and areas of audit focus:

Significant risks

- Presumed risk of management override of controls
- Assessment for related party transactions and balances
- Presumed risk of revenue recognition

Areas of audit focus

- Assessment for impairment of property, plant and equipment and investment in subsidiaries
- Assessment for collectability of debts
- Assessment for impairment of goodwill
- Consolidation process

Messrs Deloitte informed that there were no significant issues that had arisen.

The Audit Committee was satisfied with the professionalism of Messrs Deloitte and subsequently recommended to the Board the re-appointment of Messrs Deloitte for the financial year ended September 30, 2016.

On August 26, 2016, Messrs Deloitte briefed the Audit Committee on the Audit Planning Memorandum for the financial year ended September 30, 2016, for assessment over scope adequacy and audit coverage comprehensiveness. Matters that were brought into attention consisted of the scope of work, key areas of audit emphasis, audit approach and audit timetable.

The Audit Committee had two (2) private sessions with Messrs Deloitte in the absence of Management staffs and executive Board members on January 4, 2016 and August 26, 2016. There was no area of concern raised by Messrs Deloitte, for which escalation to the Board was necessitated.

AUDIT COMMITTEE REPORT (Cont'd)

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

D. Related Party Transactions

The Audit Committee reviewed and noted all the Related Party Transactions ("RPT") including the Recurrent Related Party Transactions ("RRPT") that took place among the related parties within the Group, as presented by the Management and Internal Audit Department, for the period ended October 31, 2015, January 31, 2016, April 30, 2016 and July 31, 2016.

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

The internal auditors conducted reviews routinely on RRPT and RPT (whenever occurred) and presented the memorandums in quarterly Audit Committee Meetings on November 27, 2015, February 25, 2016, May 25, 2016 and August 26, 2016 respectively.

E. Other Matters

On January 4, 2016, the Audit Committee reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions.

On January 4, 2016, the Audit Committee reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2015 of CAB Cakaran Corporation Berhad.

F. Statement on Employee Share Option Scheme

There was no such scheme in place during the financial year ended September 30, 2016.

WORK OF THE INTERNAL AUDIT DEPARTMENT

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

The activities carried out by the internal auditors during the financial year ended September 30, 2016 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 RM210,592.

OTHER INFORMATION REQUIRED

by Bursa Malaysia Securities Berhad Main Market Listing Requirements

MATERIAL CONTRACTS

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

AUDIT AND NON-AUDIT FEES

During the financial year ended September 30, 2016, the total audit and non-audit fees paid by Company and the Group to the external auditors of the Company are as follows:

	Group (RM)	Company (RM)
Audit Fees	243,900	28,500
Non-Audit Fees	80,600	9,000

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

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

As at September 30, 2016, 19,107,625 warrants were exercised and the balance of unexercised warrants was 46,672,825.

Saved as disclosed above, there were no options, warrants or convertible securities exercised during the financial year ended September 30, 2016.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Shareholders' Mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature was obtained at the Annual General Meeting held on March 23, 2016. Details of such transactions during the financial year are disclosed in Note 37 to the financial statements.

The said Mandate is subject to renewal at the forthcoming Annual General Meeting. Details of the Shareholders' Mandate to be sought will be furnished in the Circular to Shareholders' dated January 25, 2017.

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

On April 7, 2016, the Company announced that the Private Placement of 15,064,400 new ordinary shares of RM0.50 each in the Company to Plant Wealth Holdings Limited had been granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on April 7, 2016.

The Company had raised total gross proceeds of approximately RM31.183 million from the Private Placement.

The proceeds had been fully utilised in accordance with the approved utilisation plan.

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

FINANCIAL STATEMENTS 2016

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 September 30, 2016.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiaries are as stated in Note 17 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

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
Net profit after tax for the year	35,957,346	3,376,435
Profit attributable to:		
Owners of the Company	25,997,971	3,376,435
Non-controlling interests	9,959,375	–
	35,957,346	3,376,435

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

No dividend has been paid or declared by the Company since the end of the previous financial year.

Subsequent to September 30, 2016, the Company proposed to declare a final single tier dividend of RM0.01 per ordinary share of RM0.50 each for the financial year ended September 30, 2016. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending September 30, 2017.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The issued and paid-up ordinary share capital of the Company was increased from RM75,321,995 to RM87,582,820 during the financial year by way of:

(a) issuance of 9,457,250 new ordinary shares of RM0.50 each at an exercise price of RM0.55 per ordinary share pursuant to the exercise of Warrants; and

(b) a private placement of 15,064,400 shares of RM0.50 each at an issuance price of RM2.07 per placement share pursuant to an agreement with Plant Wealth Holdings Limited.

DIRECTORS' REPORT (Cont'd)

ISSUE OF SHARES AND DEBENTURES (Cont'd)

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

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

SHARE OPTIONS

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

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

WARRANTS

On February 9, 2015, the Company issued a total of 65,889,550 free Warrants to the shareholders pursuant to the Bonus Issue of one (1) Warrant for every two (2) existing ordinary shares of RM0.50 each in the Company. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on February 13, 2015.

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

The salient features of the Warrants are as follows:

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

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

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

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

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

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

	Number of Warrants (Unit)			
	Balance as of 1.10.2015	Granted	Exercised	Balance as of 30.9.2016
Number of unexercised Warrants	56,130,075	–	(9,457,250)	46,672,825

DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

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

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

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

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

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

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

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in which this report is made other than those disclosed in Note 39 to the financial statements.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Chuah Ah Bee	
Chan Kim Keow	
Tuan Haji Ahmad Fazil Bin Haji Hashim	
Loo Choo Gee	
Chew Chee Khong	
Chuah Hoon Phong	
Goh Choon Aik	
Ng Seng Bee	
Lim Ghim Chai	(appointed on March 23, 2016)
Wijanti Tjendera	(appointed on August 26, 2016)

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM0.50 each			
Shares in the Company	**Balance as of 1.10.2015**	**Bought**	**Sold**	**Balance as of 30.9.2016**
Direct interest:				
Chuah Ah Bee	47,688,094	2,609,000	–	**50,297,094**
Chan Kim Keow	25,806,000	3,268,000	–	**29,074,000**
Tuan Haji Ahmad Fazil Bin Haji Hashim	5,000	–	–	**5,000**
Loo Choo Gee	3,609,975	–	(2,000,000)	**1,609,975**
Chuah Hoon Phong	2,997,400	94,000	–	**3,091,400**
Goh Choon Aik	550	–	–	**550**
Indirect interest:				
Chuah Ah Bee	32,403,400	4,562,000	–	**36,965,400**
Chan Kim Keow	54,285,494	3,903,000	–	**58,188,494**
Chuah Hoon Phong	99,000	–	(94,000)	**5,000**

	No. of warrants over ordinary shares of RM0.50 each				
Warrants in the Company	**Balance as of 1.10.2015**	**Entitled/ acquired**	**Exercised**	**Disposal**	**Balance as of 30.9.2016**
Direct interest:					
Chuah Ah Bee	20,828,047	–	(2,500,000)	(5,000,000)	13,328,047
Chan Kim Keow	2,268,000	3,000,000	(3,268,000)	–	2,000,000
Tuan Haji Ahmad Fazil Bin Haji Hashim	2,500	–	–	–	2,500
Loo Choo Gee	2,304,987	–	–	–	2,304,987
Chuah Hoon Phong	1,498,700	–	–	–	1,498,700
Goh Choon Aik	275	–	–	–	275
Indirect interest:					
Chuah Ah Bee	5,566,700	5,000,000	(4,468,000)	(841,000)	5,257,700
Chan Kim Keow	24,126,747	2,000,000	(3,700,000)	(5,841,000)	16,585,747
Chuah Hoon Phong	49,500	–	–	–	49,500

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

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

DIRECTORS' REPORT (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions mentioned in Note 37 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

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

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

CHUAH AH BEE

CHUAH HOON PHONG

Penang,

December 22, 2016

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

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CAB Cakaran Corporation Berhad, which comprise the statements of financial position of the Group and of the Company as of September 30, 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 155.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of September 30, 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' report of the subsidiaries, of which we have not acted as auditors, which are indicated in Note 17 to the financial statements;

(c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAB CAKARAN CORPORATION BERHAD (Cont'd)

(Incorporated in Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE
AF 0080
Chartered Accountants

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

December 22, 2016

Penang

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended September 30, 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Revenue	5	**1,101,305,723**	891,692,385	**5,352,157**	5,320,275
Cost of sales		**(994,425,771)**	(817,828,055)	**–**	–
Gross profit		**106,879,952**	73,864,330	**5,352,157**	5,320,275
Investment revenue	6	**552,282**	605,676	**330,023**	–
Other income		**10,962,358**	9,639,412	**–**	–
Other gains and losses	7	**4,757,864**	5,139,475	**–**	(31,752)
Distribution costs		**(28,661,620)**	(24,885,127)	**–**	–
Administrative expenses		**(36,344,621)**	(25,492,702)	**(2,305,745)**	(1,446,190)
Finance costs	8	**(11,090,530)**	(9,263,061)	**–**	–
Other expenses		**(343,954)**	(322,291)	**–**	(1,847)
Profit before tax		**46,711,731**	29,285,712	**3,376,435**	3,840,486
Tax expense	9	**(10,754,385)**	(8,342,665)	**–**	(29,367)
Profit for the year	10	**35,957,346**	20,943,047	**3,376,435**	3,811,119
Other comprehensive (loss)/ income					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**(492,192)**	3,106,064	**–**	–
Other comprehensive (loss)/ income for the year, net of tax		**(492,192)**	3,106,064	**–**	–
Total comprehensive income for the year		**35,465,154**	24,049,111	**3,376,435**	3,811,119
Profit attributable to:					
Owners of the Company		**25,997,971**	16,040,994	**3,376,435**	3,811,119
Non-controlling interests		**9,959,375**	4,902,053	**–**	–
		35,957,346	20,943,047	**3,376,435**	3,811,119
Total comprehensive income attributable to:					
Owners of the Company		**25,758,126**	17,646,857	**3,376,435**	3,811,119
Non-controlling interests		**9,707,028**	6,402,254	**–**	–
		35,465,154	24,049,111	**3,376,435**	3,811,119
Earnings per share:					
Basic (sen per share)	11	**16.09**	11.54		
Diluted (sen per share)	11	**13.29**	10.25		

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

STATEMENTS OF FINANCIAL POSITION

as of September 30, 2016

		The Group		The Company	
	Note	2016	2015	2016	2015
		RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	12	**318,584,558**	266,683,562	**2,142**	3,346
Investment properties	13	**78,409,000**	71,257,000	**–**	–
Prepaid lease payments on leasehold land	14	**9,473,027**	9,106,023	**–**	–
Other intangible assets	15	**12,498,749**	13,672,884	**–**	–
Goodwill	16	**6,218,940**	6,218,940	**–**	–
Investments in subsidiaries	17	**–**	–	**84,346,624**	71,046,624
Other financial asset	18	**715,385**	260,000	**–**	–
Agricultural development expenditures	19	**40,693**	37,438	**–**	–
Deferred tax assets	20	**15,000**	22,000	**–**	–
Total non-current assets		**425,955,352**	367,257,847	**84,348,766**	71,049,970
Current assets					
Inventories	21	**52,231,417**	49,411,441	**–**	–
Trade and other receivables	22	**128,817,193**	106,907,491	**24,567,692**	6,216,845
Current tax assets	9	**408,811**	768,709	**1,375**	1,628
Other assets	23	**14,710,595**	7,714,989	**4,691,850**	1,000
Short-term deposits with licensed banks	24	**36,013,720**	9,031,746	**–**	–
Cash and bank balances	25	**33,827,611**	28,536,476	**3,727,077**	111,856
		266,009,347	202,370,852	**32,987,994**	6,331,329
Non-current assets classified as held for sale	26	**125,000**	125,000	**–**	–
Total current assets		**266,134,347**	202,495,852	**32,987,994**	6,331,329
Total assets		**692,089,699**	569,753,699	**117,336,760**	77,381,299
Equity and liabilities					
Capital and reserves					
Share capital	27	**87,582,820**	75,321,995	**87,582,820**	75,321,995
Treasury shares	27	**(69,304)**	(69,304)	**(69,304)**	(69,304)
Reserves	28	**66,374,969**	42,857,158	**28,363,673**	4,239,703
Retained earnings/ (Accumulated losses)	29	**92,390,789**	66,055,157	**1,172,720**	(2,203,715)
Equity attributable to owners of the Company		**246,279,274**	184,165,006	**117,049,909**	77,288,679
Non-controlling interests	30	**54,141,979**	45,203,073	**–**	–
Total equity		**300,421,253**	229,368,079	**117,049,909**	77,288,679

STATEMENTS OF FINANCIAL POSITION (Cont'd)
as of September 30, 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Non-current liabilities					
Borrowings	31	**103,131,998**	80,785,749	**–**	–
Deferred tax liabilities	20	**18,425,629**	17,653,089	**–**	–
Deferred revenue	32	**105,969**	132,845	**–**	–
Total non-current liabilities		**121,663,596**	98,571,683	**–**	–
Current liabilities					
Trade and other payables	33	**145,945,793**	126,750,910	**286,851**	92,620
Borrowings	31	**119,216,371**	112,342,308	**–**	–
Other financial liability	18	**8,190**	14,562	**–**	–
Current tax liabilities	9	**4,784,340**	2,651,121	**–**	–
Deferred revenue	32	**50,156**	55,036	**–**	–
Total current liabilities		**270,004,850**	241,813,937	**286,851**	92,620
Total liabilities		**391,668,446**	340,385,620	**286,851**	92,620
Total equity and liabilities		**692,089,699**	569,753,699	**117,336,760**	77,381,299

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended September 30, 2016

The Group

	Note	Share capital RM	Treasury shares RM	Share premium RM	Property revaluation reserve RM	Translation reserve RM	Retained Earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Balance as of October 1, 2014		65,889,550	(69,304)	71,379	37,609,956	(35,496)	48,928,689	152,394,774	21,204,938	173,599,712
Profit for the year		–	–	–	–	–	16,040,994	16,040,994	4,902,053	20,943,047
Other comprehensive income		–	–	–	–	1,605,863	–	1,605,863	1,500,201	3,106,064
Total comprehensive income for the year		–	–	–	–	1,605,863	16,040,994	17,646,857	6,402,254	24,049,111
Additional non-controlling interests arising on the acquisition of a subsidiary		–	–	–	–	–	–	–	14,679,453	14,679,453
Issuance of ordinary shares pursuant to:										
- Exchange for shares	27	4,607,257	–	3,685,805	–	–	–	8,293,062	–	8,293,062
- Exercise of warrants	27	4,825,188	–	482,519	–	–	–	5,307,707	–	5,307,707
Subscription of ordinary shares by non-controlling interests in subsidiaries		–	–	–	–	–	–	–	3,564,022	3,564,022
Disposal of partial interest in a subsidiary	17	–	–	–	–	–	522,606	522,606	(522,594)	12
Dividend paid to non-controlling interests of a subsidiary		–	–	–	–	–	–	–	(125,000)	(125,000)
Transfer to retained earnings		–	–	–	(562,868)	–	562,868	–	–	–
Balance as of September 30, 2015		75,321,995	(69,304)	4,239,703	37,047,088	1,570,367	66,055,157	184,165,006	45,203,073	229,368,079

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the year ended September 30, 2016

The Group

	Note	Share capital RM	Treasury shares RM	Share premium RM	Property revaluation reserve RM	Translation reserve RM	Retained Earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Balance as of October 1, 2015		75,321,995	(69,304)	4,239,703	37,047,088	1,570,367	66,055,157	184,165,006	45,203,073	229,368,079
Profit for the year		–	–	–	–	–	25,997,971	25,997,971	9,959,375	35,957,346
Other comprehensive income		–	–	–	–	(239,845)	–	(239,845)	(252,347)	(492,192)
Total comprehensive income for the year		–	–	–	–	(239,845)	25,997,971	25,758,126	9,707,028	35,465,154
Issuance of ordinary shares pursuant to:										
- Private placement	27	7,532,200	–	23,651,108	–	–	–	31,183,308	–	31,183,308
- Exercise of Warrants	27	4,728,625	–	472,862	–	–	–	5,201,487	–	5,201,487
Subscription of ordinary shares by non-controlling interest in a subsidiary		–	–	–	–	–	–	–	121	121
Dividend paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	–	(420,000)	(420,000)
Arising from increase in equity interest in a subsidiary		–	–	–	–	–	(28,653)	(28,653)	(348,243)	(376,896)
Transfer to retained earnings		–	–	–	(358,563)	–	358,563	–	–	–
Realisation of property revaluation reserve upon write-off of revalued properties		–	–	–	(7,751)	–	7,751	–	–	–
Balance as of September 30, 2016		**87,582,820**	**(69,304)**	**28,363,673**	**36,680,774**	**1,330,522**	**92,390,789**	**246,279,274**	**54,141,979**	**300,421,253**

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the year ended September 30, 2016

The Company

	Note	Share capital RM	Treasury shares RM	Share premium RM	(Accumulated losses)/ retained earnings RM	Total RM
Balance as of October 1, 2014		65,889,550	(69,304)	71,379	(6,014,834)	59,876,791
Profit for the year		–	–	–	3,811,119	3,811,119
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	–	3,811,119	3,811,119
Issuance of ordinary shares pursuant to:	27					
- Exchange for shares		4,607,257	–	3,685,805	–	8,293,062
- Exercise of warrants		4,825,188	–	482,519	–	5,307,707
Balance as of September 30, 2015		75,321,995	(69,304)	4,239,703	(2,203,715)	77,288,679
Balance as of October 1, 2015		75,321,995	(69,304)	4,239,703	(2,203,715)	77,288,679
Profit for the year		–	–	–	3,376,435	3,376,435
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	–	3,376,435	3,376,435
Issuance of ordinary shares pursuant to:	27					
- Private placement		7,532,200	–	23,651,108	–	31,183,308
- Exercise of warrants		4,728,625	–	472,862	–	5,201,487
Balance as of September 30, 2016		**87,582,820**	**(69,304)**	**28,363,673**	**1,172,720**	**117,049,909**

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

STATEMENTS OF CASH FLOWS

for the year ended September 30, 2016

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash flows from operating activities				
Profit for the year	**35,957,346**	20,943,047	**3,376,435**	3,811,119
Depreciation and amortisation of non-current assets	**21,916,691**	17,587,568	**1,204**	300
Tax expense recognised in profit or loss	**10,754,385**	8,342,665	**–**	29,367
Interest expense	**10,148,851**	8,307,177	**–**	–
Impairment loss recognised on receivables	**1,178,029**	485,061	**–**	31,752
Amortisation of intangible assets	**1,154,828**	149,418	**–**	–
Unrealised loss/ (gain) on foreign exchange	**308,807**	(67,045)	**–**	–
Property, plant and equipment written off	**219,842**	123,398	**–**	–
Bad debts written off	**58,265**	529,636	**–**	–
Inventories written down	**19,740**	–	**–**	–
Inventories written off	**13,650**	290,788	**–**	–
Impairment loss recognised on property, plant and equipment	**4,841**	42,676	**–**	–
Deposits written off	**750**	151,160	**–**	–
Gain on fair value adjustment of investment properties	**(6,954,550)**	(6,443,000)	**–**	–
Interest revenue recognised in profit or loss	**(596,671)**	(341,242)	**(330,023)**	–
Reversal of impairment loss recognised on receivables	**(459,467)**	(248,063)	**–**	–
Gain on disposal of property, plant and equipment	**(54,886)**	(85,718)	**–**	–
Amortisation of deferred revenue on:				
- government grant	**(47,209)**	(15,327)	**–**	–
- franchise fee income	**(6,510)**	(6,250)	**–**	–
Net fair value (gain)/ loss on other financial liability	**(6,372)**	4,079	**–**	–
Gross dividend income from available-for-sale investment	**(5,000)**	(5,000)	**–**	–
Agricultural development expenditures written off	**–**	155,607	**–**	–
Gain on disposal of non-current assets classified as held for sale	**–**	(108,000)	**–**	–
Gross dividend received from a subsidiary	**–**	–	**(5,025,000)**	(5,000,000)
	73,605,360	49,792,635	**(1,977,384)**	(1,127,462)
Movements in working capital:				
Increase in inventories	**(2,923,219)**	(9,448,008)	**–**	–
(Increase)/ decrease in trade and other receivables	**(23,159,906)**	(25,676,461)	**833,173**	(833,173)
Increase in other assets	**(7,054,038)**	(312,047)	**(4,690,850)**	–
Increase in deferred revenue	**26,594**	50,000	**–**	–
Increase in trade and other payables	**19,168,163**	26,658,311	**194,231**	20,646

STATEMENTS OF CASH FLOWS (Cont'd)

for the year ended September 30, 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Cash generated from/ (used in) operations		**59,662,954**	41,064,430	**(5,640,830)**	(1,939,989)
Taxes refunded		**527,528**	1,018,310	**1,776**	–
Interest received		**322,176**	61,867	**–**	–
Taxes paid		**(7,990,434)**	(7,855,102)	**(1,523)**	(29,081)
Net cash from/ (used in) operating activities		**52,522,224**	34,289,505	**(5,640,577)**	(1,969,070)
Cash flows from investing activities					
Interest received		**255,594**	256,970	**330,023**	–
Proceeds from disposal of property, plant and equipment		**193,501**	684,075	**–**	–
Dividend received from available-for-sale investment		**5,000**	5,000	**–**	–
Payments for property, plant and equipment	34	**(67,609,573)**	(73,733,649)	**–**	(3,646)
Payments for prepaid lease payments on leasehold land	14	**(600,000)**	–	**–**	–
Payments for purchase of available-for-sale investment		**(447,675)**	–	**–**	–
Payments for investment properties	13	**(197,450)**	–	**–**	–
Payments for agricultural development expenditures		**(10,535)**	(35,185)	**–**	–
Proceeds from disposal of non-current assets classified as held for sale		**–**	819,477	**–**	–
Proceeds on disposal of partial interests in a subsidiary that does not involve loss of control	17	**–**	12	**–**	–
Net cash outflow on acquisition of subsidiaries	17	**–**	(6,915,509)	**–**	(11,534,286)
Payments for intangible assets		**–**	(638,346)	**–**	–
Dividend received from a subsidiary		**–**	–	**5,025,000**	5,000,000
Advances granted to subsidiaries		**–**	–	**(23,383,920)**	(883,819)
Payments for purchase of additional shares in subsidiaries		**–**	–	**(9,100,100)**	–
Net cash used in investing activities		**(68,411,138)**	(79,557,155)	**(27,128,997)**	(7,421,751)

STATEMENTS OF CASH FLOWS (Cont'd)

for the year ended September 30, 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Cash flows from financing activities					
Proceeds from long-term loans		**33,870,000**	58,837,673	**–**	–
Proceeds from private placement		**31,183,308**	–	**31,183,308**	–
Proceeds from Warrants exercise		**5,201,487**	5,307,707	**5,201,487**	5,307,707
Increase in short-term borrowings		**4,231,814**	20,821,705	**–**	–
Proceeds from hire-purchase		**2,185,037**	–	**–**	–
Proceeds from issuance of shares by subsidiaries to non-controlling interests		**121**	3,564,022	**–**	–
Interest paid		**(10,067,705)**	(8,309,622)	**–**	–
Repayment of hire-purchase payables		**(9,712,732)**	(7,478,005)	**–**	–
Repayment of long-term loans		**(7,364,185)**	(9,231,377)	**–**	–
Short-term deposits pledged as securities		**(2,424,275)**	(542,655)	**–**	–
Dividend paid to non-controlling interests of subsidiaries		**(420,000)**	(125,000)	**–**	–
Increase in equity interest in a subsidiary		**(376,896)**	–	**–**	–
Repayment to non-controlling interests of a subsidiary		**–**	(1,696,775)	**–**	–
Repayments to directors - net		**–**	(11,260)	**–**	(11,260)
Net cash from financing activities		**46,305,974**	61,136,413	**36,384,795**	5,296,447
Net increase/ (decrease) in cash and cash equivalents		**30,417,060**	15,868,763	**3,615,221**	(4,094,374)
Cash and cash equivalents at the beginning of the year		**30,018,169**	13,324,724	**111,856**	4,206,230
Effects of exchange rates changes on the balances of cash held in foreign currencies		**(47,074)**	824,682	**–**	–
Cash and cash equivalents at the end of the year	34	**60,388,155**	30,018,169	**3,727,077**	111,856

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

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

1. GENERAL INFORMATION

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

The Company is principally involved in investment holding and provision of management services. The principal activities of the subsidiaries are as stated in Note 17. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

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

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

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on December 22, 2016.

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 provisions of the Companies Act, 1965 in Malaysia.

Adoption of the Malaysian Financial Reporting Standards

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (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 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.

Adoption of New and Revised FRSs

In the current financial year, the Group and the Company have applied a number of amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2015.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

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

New and revised standards in issue but not yet effective

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

FRS 9	Financial Instruments [c]
FRS 14	Regulatory Deferral Accounts [a]
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception [a]
Amendments to FRS 101	Disclosure Initiative [a]
Amendments to FRS 107	Disclosure Initiative [b]
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses [b]
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation [a]
Amendments to FRS 127	Equity Method in Separate Financial Statements [a]
Amendments to FRSs	Annual Improvements to FRSs 2012 – 2014 Cycle [a]

[a] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[b] Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
[c] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

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

Amendments to FRS 101 Disclosure Initiative

The amendments to FRS 101 aim at clarifying FRS 101 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The amendments make the following changes:

(a) They clarify that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.

(b) They introduce a clarification that the list of line items to be presented in the statement of financial position and the statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

(c) They add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The directors of the Group and the Company do not anticipate that the application of these amendments to FRS 101 will have a material impact on the Group's and the Company's financial statements as these amendments deal with the presentation of financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiaries and Basis of Consolidation (Cont'd)

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

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

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

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

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

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

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

Business Combinations

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business Combinations (Cont'd)

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

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

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

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

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

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

Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Non-current assets held for sale

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

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

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

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

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

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) Rendering of services

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

(c) Rental revenue

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

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (Cont'd)

(e) Dividend and interest revenue

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

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

(f) Other income

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

Borrowing costs

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

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

Taxation

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

(a) Current tax

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

(b) Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

(b) Deferred tax (Cont'd)

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

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

(c) Current and deferred tax for the period

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

Leasing

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

(a) The Group as lessor

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

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

(b) The Group as lessee

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasing (Cont'd)

(b) The Group as lessee (Cont'd)

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 to Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions, are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity, and attributed to non-controlling interests as appropriate.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

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 is demonstrably committed to terminate the employment of an employee or group of employees before the normal retirement date.

Government grants

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

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

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

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

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

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	1.8% - 21%
Plant, machinery and equipment	2% - 33%
Electrical installation	10% & 50%
Office equipment	10% - 100%
Furniture, fixtures and fittings	10% - 33%
Motor vehicles	10% - 20%
Renovation	10% - 50%
Pasaraya equipment	10% & 33%
Warehouse	10%

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

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

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

Investment properties

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

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

Intangible assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets (Cont'd)

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

Distribution network	15 years
Customer lists	5 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.

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%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Inventories

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

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

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

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

Cost of finished goods consists of cost of 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, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets

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

(i) Effective interest method

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

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

(ii) Available-for-sale financial assets

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

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

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

(iii) Loans and receivables

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

(iv) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(v) Derecognition of financial assets

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

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

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

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

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

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

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

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

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 34.

(iv) Other financial liabilities

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

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

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

(v) Derecognition of financial liabilities

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

(c) Derivative financial instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and cash equivalents

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

(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 assess whether there are any indicators of impairment for their 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 carry 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 and the Company as of September 30, 2016 was RM318,584,558 (2015: RM266,683,562) and RM2,142 (2015: RM3,346) after impairment losses recognised of RM169,375 (2015: RM164,534) and Nil (2015: Nil) respectively and the carrying amounts of intangible assets of the Group is RM12,498,749 (2015: RM13,672,884).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

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

(ii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

The carrying amount of goodwill at the end of the reporting period was RM6,218,940 (2015: RM6,218,940). No impairment was required on goodwill as the recoverable amounts estimated have exceeded the carrying amounts of the respective cash-generating units to which goodwill has been allocated.

(iii) 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 in order to calculate present value. The carrying amount of investments in subsidiaries as of September 30, 2016 was RM84,346,624 (2015: RM71,046,624) after impairment losses recognised of RM20,755,865 (2015: RM20,755,865).

(iv) Impairment of receivables

The carrying amount of trade and other receivables of the Group and of the Company as of September 30, 2016 were RM128,817,193 and RM24,567,692 (2015: RM106,907,491 and RM6,216,845) 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

5. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sale of goods	**1,101,019,254**	891,174,955	**–**	–
Rendering of service	**123,959**	355,180	**–**	–
Rental of poultry farm	**156,000**	156,000	**–**	–
Franchise fee	**6,510**	6,250	**–**	–
Gross dividend income from investment in a subsidiary	**–**	–	**5,025,000**	5,000,000
Management fee	**–**	–	**309,600**	294,307
Internal audit charges	**–**	–	**17,557**	25,968
	1,101,305,723	891,692,385	**5,352,157**	5,320,275

6. INVESTMENT REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest revenue on:				
Short-term deposits	**248,383**	241,809	**–**	–
Bank balances	**26,112**	37,566	**–**	–
Amount owing by a subsidiary	**–**	–	**330,023**	–
Rental revenue from:				
Premises	**223,011**	247,921	**–**	–
Vegetable farm	**49,776**	73,380	**–**	–
Gross dividend income from available-for-sale investment	**5,000**	5,000	**–**	–
	552,282	605,676	**330,023**	–

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

	The Group		The Company	
	2016	2015	2016	2015
	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)	**274,495**	279,375	**330,023**	–
Rental revenue on investment properties	**272,787**	321,301	**–**	–
Gross dividend income from available-for-sale investment	**5,000**	5,000	**–**	–
	552,282	605,676	**330,023**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Gain on fair value adjustment of investment properties (Note 13)	**6,954,550**	6,443,000	**–**	–
Reversal of impairment loss recognised on receivables	**459,467**	248,063	**–**	–
Realised gain/ (loss) on foreign exchange	**343,935**	(237,967)	**–**	–
Gain on contract farming	**231,772**	538,544	**–**	–
Gain on disposal of property, plant and equipment	**54,886**	85,718	**–**	–
Amortisation of deferred revenue on government grant	**47,209**	15,327	**–**	–
Net fair value gain/ (loss) on other financial liability	**6,372**	(4,079)	**–**	–
Bad debts recovered	**2,510**	40,000	**–**	–
Impairment loss recognised on receivables	**(1,178,029)**	(485,061)	**–**	(31,752)
Amortisation of intangible assets (Note 15)	**(1,154,828)**	(149,418)	**–**	–
Performance incentives	**(417,475)**	(236,432)	**–**	–
Unrealised (loss)/gain on foreign exchange	**(308,807)**	67,045	**–**	–
Property, plant and equipment written off	**(219,842)**	(123,398)	**–**	–
Bad debt written off	**(58,265)**	(529,636)	**–**	–
Impairment loss recognised on property, plant and equipment	**(4,841)**	(42,676)	**–**	–
Deposits written off	**(750)**	(151,160)	**–**	–
Gain on disposal of non-current assets classified as held for sale	**–**	108,000	**–**	–
Inventories written off	**–**	(290,788)	**–**	–
Agricultural development expenditures written off (Note 19)	**–**	(155,607)	**–**	–
	4,757,864	5,139,475	**–**	(31,752)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

8. FINANCE COSTS

	The Group	
	2016	2015
	RM	RM
Interest expenses for financial liabilities not classified as fair value through profit or loss:		
Long-term loans	**4,817,566**	3,549,496
Short-term borrowings	**3,929,000**	3,518,948
Hire-purchase	**1,402,285**	1,238,733
Bank commission	**877,717**	881,796
Bank charges	**63,962**	74,088
	11,090,530	9,263,061

9. TAX EXPENSE

Tax expense recognised in profit or loss

Tax expense comprises:

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current year:				
Current tax expense:				
Malaysian	**7,634,620**	6,275,227	**–**	–
Foreign	**2,173,549**	697,388	**–**	–
Deferred tax expense/ (income):				
Recognition of deferred real property gains tax on fair value adjustment of investment properties	**358,600**	310,000	**–**	–
Relating to the origination and reversal of temporary differences:				
Crystallisation of deferred tax liabilities on property revaluation surplus	**(203,527)**	(284,507)	**–**	–
Other temporary differences	**663,607**	1,544,398	**–**	–
Adjustment to deferred tax attributable to changes in tax rates and laws	**–**	(240,000)	**–**	–
	10,626,849	8,302,506	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

9. TAX EXPENSE (Cont'd)

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Adjustments recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	**139,153**	(249,841)	**–**	29,367
Foreign	**22,088**	–	**–**	–
Deferred tax:				
Malaysian	**(76,718)**	290,000	**–**	–
Foreign	**43,013**	–	**–**	–
Total tax expense	**10,754,385**	8,342,665	**–**	29,367

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

	The Group	
	2016 RM	2015 RM
Unused tax losses	**210,000**	126,000
Unused tax capital allowances	**7,000**	89,000
Unused reinvestment allowances	**–**	101,000

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	**46,711,731**	29,285,712	**3,376,435**	3,840,486
Tax expense calculated using the Malaysian income tax rate of 24% (2015: 25%)	**11,211,000**	7,321,000	**810,000**	960,000
Effect of expenses that are not deductible in determining taxable profit	**1,997,249**	2,101,506	**396,000**	290,000
Effect of revenue that is not taxable	**(2,108,000)**	(1,886,000)	**(1,206,000)**	(1,250,000)
Net deferred tax assets not recognised	**701,000**	1,584,000	**–**	–
Deferred real property gains tax on fair value adjustment of investment properties	**358,600**	310,000	**–**	–
Effect of different tax rate of subsidiaries operating in other jurisdiction	**(1,004,000)**	(269,000)	**–**	–
Effect of previously unrecognised deductible temporary differences now recognised as deferred tax assets	**(529,000)**	(451,000)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

9. TAX EXPENSE (Cont'd)

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Effect on deferred tax attributable to the change in tax rates and law	–	(307,000)	–	–
Utilisation of reinvestment allowances	–	(101,000)	–	–
	10,626,849	8,302,506	–	–
Adjustments recognised in the current year in relation to prior years:				
Current tax	**161,241**	(249,841)	–	29,367
Deferred tax	**(33,705)**	290,000	–	–
Tax expense recognised in profit or loss	**10,754,385**	8,342,665	–	29,367

The Group is operating in the jurisdictions of Malaysia and Republic of Singapore. The applicable domestic statutory income tax rates are 24% (2015: 25%) for Malaysia and 17% (2015: 17%) for Republic of Singapore. The applicable tax rate of 24% (2015: 25%) 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.

The Finance (No. 2) Act 2014 gazetted on December 30, 2014 enacted the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016.

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

% of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point reduction in tax rate	Tax rate after reduction (%)
Less than 5%	Nil	24
5% to 9%	1	23
10% to 14.99%	2	22
15% to 19.99%	3	21
20% and above	4	20

Current tax assets/ (liabilities)

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax assets				
Tax refund receivables	**408,811**	768,709	**1,375**	1,628
Current tax liabilities				
Income tax payables	**(4,784,340)**	(2,651,121)	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

9. TAX EXPENSE (Cont'd)

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

As of September 30, 2016, the approximate amounts of unused tax losses, unused tax capital allowances, unused reinvestment allowances, unused allowance for increased export and unused agricultural allowances of the Group, which are available for set off against future taxable income are as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Unused tax capital allowances	**28,572,000**	28,334,000	**–**	4,000
Unused tax losses	**17,015,000**	18,223,000	**–**	–
Unused allowance for increased export	**1,155,000**	1,155,000	**–**	–
Unused reinvestment allowances	**368,000**	368,000	**–**	–
Unused agricultural allowances	**35,000**	27,000	**–**	–

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
After charging:				
Depreciation of property, plant and equipment (Note 12)	**21,676,415**	17,358,680	**1,204**	300
Rental of:				
Premises	**3,621,906**	3,349,941	**–**	–
Fowl house	**2,716,177**	2,704,996	**–**	–
Stall	**1,616,489**	566,104	**–**	–
Cold room	**518,198**	265,512	**–**	–
Room	**356,516**	87,187	**–**	–
Motor vehicles	**152,028**	104,940	**–**	–
Machinery and equipment	**38,099**	33,690	**–**	–
Parking lot	**15,600**	15,600	**–**	–
Office and office equipment	**–**	–	**24,000**	12,000
Directors' remuneration:				
Directors of the Company:				
Fee	**360,084**	202,222	**145,200**	149,500
Contribution to employees provident funds	**219,646**	200,059	**1,238**	1,561
Other emoluments	**2,200,290**	1,992,019	**11,525**	13,576
Directors of subsidiaries:				
Fee	**113,582**	38,500	**–**	–
Contribution to employees provident fund	**242,413**	130,710	**–**	–
Other emoluments	**2,099,394**	1,350,155	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

10. PROFIT FOR THE YEAR (Cont'd)

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
After charging: (Cont'd)				
Audit fee:				
Current year	**363,616**	313,919	**26,500**	27,000
Prior years	**3,000**	4,000	**2,000**	–
Amortisation of prepaid lease payments on leasehold land (Note 14)	**232,996**	226,933	**–**	–
Pre-operating expenses:				
Preliminary expenses	**22,708**	–	**–**	–
Others	**171,167**	147,853	**–**	–
Inventories written down	**19,740**	–	**–**	–
Inventories written off	**13,650**	–	**–**	–
Amortisation of agricultural development expenditures (Note 19)	**7,280**	1,955	**–**	–
And crediting:				
Rental revenue on:				
Fowl house and equipment	**7,516,466**	6,900,686	**–**	–
Warehouse	**231,200**	30,000	**–**	–
Cold room	**191,463**	353,282	**–**	–
Pasaraya store	**183,042**	223,092	**–**	–
Motor vehicles	**5,500**	4,500	**–**	–
Office and office equipment	**500**	–	**–**	–
Premises	**283**	659	**–**	–
Interest revenue on:				
Bank balances	**314,086**	3,627	**–**	–
Trade receivable	**8,090**	58,240	**–**	–

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Contribution to employees provident fund	**4,790,905**	3,428,675	**52,264**	46,496
Termination costs	**22,829**	–	**–**	–
Other employee benefits expenses	**65,881,772**	49,376,951	**598,341**	586,641
	70,695,506	52,805,626	**650,605**	633,137

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

10. PROFIT FOR THE YEAR (Cont'd)

Details of remuneration of executive directors, who are also the only key management personnel of the Group and of the Company, are as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Directors of the Company:				
Fee	**214,884**	52,722	**–**	–
Contribution to employees provident fund	**218,408**	198,498	**–**	–
Other emoluments	**2,188,765**	1,978,443	**–**	–
Directors of subsidiaries:				
Fee	**113,582**	38,500	**–**	–
Contribution to employees provident fund	**242,413**	130,710	**–**	–
Other emoluments	**2,099,394**	1,350,155	**–**	–
	5,077,446	3,749,028	**–**	–

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	
	2016	**2015**
Net profit for the year attributable to owners of the Company (RM)	**25,997,971**	16,040,994
Weighted average number of ordinary shares for the purpose of basic earnings per share	**161,619,703**	138,970,223
Basic earnings per share (sen)	**16.09**	11.54

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	
	2016	**2015**
Net profit for the year attributable to owners of the Company (RM)	**25,997,971**	16,040,994
Weighted average number of ordinary shares for the purpose of basic earnings per share	**161,619,703**	138,970,223
Warrant shares deemed to be issued for no consideration	**33,961,908**	17,474,257
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**195,581,611**	156,444,480
Diluted earnings per share (sen)	**13.29**	10.25

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT

The Group

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	Acquisition of a subsidiary RM	Currency translation differences RM	End of year RM
2015:							
Freehold land							
- at 2012 valuation	1,520,000	–	–	–	–	–	1,520,000
Freehold land and buildings							
- at cost	21,700,823	55,471,037	–	4,274,301	–	–	81,446,161
- at 2012 valuation	78,228,000	–	–	–	–	–	78,228,000
Buildings							
- at cost	168,499	516,101	–	12,851,512	5,958,705	900,789	20,395,606
- at 2012 valuation	21,593,000	–	–	–	–	–	21,593,000
Plant, machinery and equipment	77,804,771	10,129,597	(976,630)	5,730,409	6,542,622	1,000,430	100,231,199
Electrical installation	2,125,046	47,978	–	55,037	–	–	2,228,061
Office equipment	3,623,190	461,687	(13,158)	1,200	36,949	6,712	4,116,580
Furniture, fixtures and fittings	2,617,111	197,662	(41,685)	2,500	2,383,780	362,414	5,521,782
Motor vehicles	16,662,872	5,710,642	(2,617,217)	–	5,181,350	797,392	25,735,039
Renovation	3,432,267	568,939	(6,700)	–	348,799	52,729	4,396,034
Pasaraya equipment	5,714,005	86,707	(11,783)	(19,458)	–	–	5,769,471
Warehouse	64,839	–	–	18,258	–	–	83,097
Construction-in-progress	19,280,525	12,176,487	–	(22,913,759)	–	–	8,543,253
	254,534,948	85,366,837	(3,667,173)	–	20,452,205	3,120,466	359,807,283

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

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

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	Acquisition of a subsidiary RM	Currency translation differences RM	End of year RM
2015:							
Freehold land							
- at 2012 valuation	–	–	–	–	–	–	–
Freehold land and buildings							
- at cost	759,055	1,703,344	–	–	–	–	2,462,399
- at 2012 valuation	4,687,672	2,221,929	–	–	–	–	6,909,601
Buildings							
- at cost	18,924	893,921	–	–	3,977,513	609,766	5,500,124
- at 2012 valuation	1,871,403	744,553	–	–	–	–	2,615,956
Plant, machinery and equipment	36,703,194	7,941,293	(898,667)	–	5,411,270	812,613	49,969,703
Electrical installation	647,944	223,124	–	–	–	–	871,068
Office equipment	2,373,523	304,894	(12,594)	370	28,867	5,607	2,700,667
Furniture, fixtures and fittings	1,502,062	275,791	(22,451)	–	1,472,882	229,022	3,457,306
Motor vehicles	10,003,860	2,043,026	(2,004,053)	–	3,574,277	520,895	14,138,005
Renovation	1,144,537	387,336	(1,758)	–	212,769	32,931	1,775,815
Pasaraya equipment	1,912,793	611,160	(5,892)	(5,885)	–	–	2,512,176
Warehouse	32,543	8,309	–	5,515	–	–	46,367
Construction-in-progress	–	–	–	–	–	–	–
	61,657,510	17,358,680	(2,945,415)	–	14,677,578	2,210,834	92,959,187

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group

Accumulated impairment losses	Beginning of year RM	Charge for the year RM	Disposal/ write-off RM	End of year RM
2016:				
Plant, machinery and equipment	**103,882**	**4,841**	**–**	**108,723**
Office equipment	**25,856**	**–**	**–**	**25,856**
Furniture, fixtures and fittings	**34,796**	**–**	**–**	**34,796**
	164,534	**4,841**	**–**	**169,375**
2015:				
Plant, machinery and equipment	99,482	4,400	–	103,882
Office equipment	18,307	7,549	–	25,856
Furniture, fixtures and fittings	4,069	30,727	–	34,796
	121,858	42,676	–	164,534

The Company

Cost	Beginning of year RM	Additions RM	Disposal/ write-off RM	End of year RM
2016:				
Office equipment	**3,646**	**–**	**–**	**3,646**
2015:				
Office equipment	–	3,646	–	3,646

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposal/ write-off RM	End of year RM
2016:				
Office equipment	**300**	**1,204**	**–**	**1,504**
2015:				
Office equipment	–	300	–	300

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Net book value:				
Freehold land				
- at cost	**42,587,325**	–	**–**	–
- at 2012 valuation	**1,520,000**	1,520,000	**–**	–
Freehold land and buildings				
- at cost	**82,661,257**	78,983,762	**–**	–
- at 2012 valuation	**69,183,137**	71,318,399	**–**	–
Buildings				
- at cost	**24,130,797**	14,895,482	**–**	–
- at 2012 valuation	**17,979,198**	18,977,044	**–**	–
Plant, machinery and equipment	**46,629,008**	50,157,614	**–**	–
Electrical installation	**1,165,136**	1,356,993	**–**	–
Office equipment	**1,140,254**	1,390,057	**2,142**	3,346
Furniture, fixtures and fittings	**2,217,721**	2,029,680	**–**	–
Motor vehicles	**14,307,136**	11,597,034	**–**	–
Renovation	**2,513,294**	2,620,219	**–**	–
Pasaraya equipment	**2,699,271**	3,257,295	**–**	–
Warehouse	**28,422**	36,730	**–**	–
Construction-in-progress	**9,822,602**	8,543,253	**–**	–
	318,584,558	266,683,562	**2,142**	3,346

The land and buildings of the Group were revalued by the directors on September 30, 2012, based on valuations carried out by independent firms of professional valuers. The valuations were based on market value using comparison method of valuation, comparison and cost replacement methods of valuation, depreciated replacement cost approach of valuation, market value for the existing use using cost method, depreciated cost method of valuation, and/ or market evidence of transaction prices for similar properties.

Details of Group's freehold land and building and information about the fair value hierarchy are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Fair Value as of September 30, 2015			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
The Group				
Freehold land	–	1,520,000	–	1,520,000
Freehold land and buildings	–	78,228,000	–	78,228,000
Buildings	–	21,593,000	–	21,593,000
	–	101,341,000	–	101,341,000

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

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	
	2016	2015
	RM	RM
Cost:		
Freehold land	**55,162**	55,162
Freehold land and buildings	**41,322,906**	41,336,443
Buildings	**26,432,006**	26,432,006
	67,810,074	67,823,611
Accumulated depreciation:		
Freehold land	**–**	–
Freehold land and buildings	**(16,426,242)**	(15,523,339)
Buildings	**(9,009,776)**	(8,079,498)
	(25,436,018)	(23,602,837)
Carrying amount	**42,374,056**	44,220,774

As of September 30, 2016, certain property, plant and equipment of the Group with a total carrying value of RM186,226,757 (2015: RM144,989,645) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 31.

As of September 30, 2016, 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	
	2016	2015
	RM	RM
Plant, machinery and equipment	**14,235,972**	17,234,980
Motor vehicles	**9,708,678**	7,792,899
Buildings	**5,614,218**	3,743,544
Freehold land and buildings	**895,796**	946,028
Pasaraya equipment	**764,132**	913,105
Office equipment	**19,111**	278,669
	31,237,907	30,909,225

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

13. INVESTMENT PROPERTIES

	The Group	
	2016	2015
	RM	RM
At fair value:		
At beginning of year	**71,257,000**	64,814,000
Additions during the year	**197,450**	–
Gain on fair value adjustment at end of year (Note 7)	**6,954,550**	6,443,000
At end of year	**78,409,000**	71,257,000

The investment properties as of September 30, 2016 are as follows:

	The Group	
	2016	2015
	RM	RM
Freehold land	**53,676,000**	48,029,000
Freehold land and buildings	**23,533,000**	22,073,000
Long leasehold land and buildings	**950,000**	915,000
Short leasehold land	**250,000**	240,000
	78,409,000	71,257,000
Leased out under operating lease	**27,080,000**	27,535,000
Vacant	**51,329,000**	43,722,000
	78,409,000	71,257,000

The fair values of certain buildings included under investment properties of the Group as of September 30, 2016 with a total carrying value of RM60,000 (2015: RM80,000) are determined by the directors by reference to market evidence of transaction prices for similar properties.

The fair values of other investment properties of the Group as of September 30, 2016 have been arrived at on the basis of valuations carried out by an independent firm of professional valuers. The fair values of investment properties are categorised into Level 2 of the fair value hierarchy. There was no transfer between Level 1 and 2 during the year. The valuations were arrived at by reference to market evidence of transaction prices for similar properties.

The rental income earned by the Group from investment properties during the financial year is RM428,787 (2015: RM477,301). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2016	2015
	RM	RM
Leased out under operating lease	**12,706**	7,989
Vacant	**8,885**	8,747
	21,591	16,736

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

13. INVESTMENT PROPERTIES (Cont'd)

As of September 30, 2016, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 30, 83 and 877 years respectively.

As of September 30, 2016, certain investment properties of the Group with a total carrying value of RM33,275,000 (2015: RM31,251,500) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 31.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2016	**2015**
	RM	**RM**
At beginning of year	**9,106,023**	9,332,956
Additions during the year	**600,000**	–
Amortisation during the year (Note 10)	**(232,996)**	(226,933)
At end of year	**9,473,027**	9,106,023

The prepaid lease payments on leasehold land as of September 30, 2016 are as follows:

	The Group	
	2016	**2015**
	RM	**RM**
Long leasehold land	**5,264,739**	4,753,937
Short leasehold land	**4,208,288**	4,352,086
	9,473,027	9,106,023

As of September 30, 2016, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 1, 34, 35, 38, 50, 51, 82 and 97 years respectively.

As of September 30, 2016, certain leasehold land of the Group with a total carrying value of RM5,122,074 (2015: RM5,250,742) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 31.

15. OTHER INTANGIBLE ASSETS

The Group

	Distribution network	Customer lists	Total
	RM	**RM**	**RM**
2016:			
Cost			
At beginning of year	**13,183,956**	**638,346**	**13,822,302**
Currency translation differences	**–**	**(17,028)**	**(17,028)**
At end of year	**13,183,956**	**621,318**	**13,805,274**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

15. OTHER INTANGIBLE ASSETS (Cont'd)

The Group

	Distribution network RM	Customer lists RM	Total RM
2016:			
Accumulated amortisation			
At beginning of year	**149,418**	**–**	**149,418**
Amortisation during the year (Note 7)	**1,022,489**	**132,339**	**1,154,828**
Currency translation differences	**–**	**2,279**	**2,279**
At end of year	**1,171,907**	**134,618**	**1,306,525**
Net	**12,012,049**	**486,700**	**12,498,749**
2015:			
Cost			
At beginning of year	–	–	–
Acquired through business combination (Note 17)	13,183,956	–	13,183,956
Addition from acquisition of business	–	638,346	638,346
At end of year	13,183,956	638,346	13,822,302
Accumulated amortisation			
At beginning of year	–	–	–
Amortisation during the year (Note 7)	149,418	–	149,418
At end of year	149,418	–	149,418
Net	13,034,538	638,346	13,672,884

16. GOODWILL

	The Group 2016 RM	2015 RM
At beginning of year	**6,218,940**	1,670,128
Acquired through business combination (Note 17)	**–**	4,548,812
Impairment loss recognised during the year	**–**	–
At end of year	**6,218,940**	6,218,940

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

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	
	2016	**2015**
	RM	**RM**
Poultry farming, trading in poultry and other related business under Jaya Gading Farm Sdn. Bhd.	**1,670,128**	1,670,128
Slaughtering, processing and marketing of poultry under Tong Huat Poultry Processing Factory Pte. Ltd. and its wholly-owned subsidiary, Ban Hong Poultry Pte. Ltd.	**4,548,812**	4,548,812
	6,218,940	6,218,940

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

The recoverable amount of the cash-generating unit is determined based on the value in use. The value in use calculations are based on the discounted net cash projections based on financial budgets approved by management covering a period of 3 years with an estimated growth rate of 1% and 4% (2015: 3%) and a discount rate of 8% (2015: 8%), reflecting the effective interest rate on borrowings.

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

17. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2016	**2015**
	RM	**RM**
Unquoted shares, at cost	**105,102,489**	91,802,489
Less: Impairment losses	**(20,755,865)**	(20,755,865)
	84,346,624	71,046,624

The subsidiaries are as follows:

Direct subsidiaries	Country of incorporation	Effective percentage of ownership 2016	Effective percentage of ownership 2015	Principal activities
CAB Amesist Biomass Generation Sdn. Bhd.	Malaysia	**100%**	–	Dormant
CAB Cakaran Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of broiler chicken and trading of broiler chicken, poultry feeds and other farm consumables

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The subsidiaries are as follows: (Cont'd)

Direct subsidiaries	Country of incorporation	Effective percentage of ownership 2016	2015	Principal activities
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
HK Foods (M) Sdn. Bhd.	Malaysia	**100%**	100%	Processing, exporting, wholesaling and distributing of frozen marine and value added products
Kyros Food Industries Sdn. Bhd.	Malaysia	**100%**	100%	Processing of meat products and trading
Kyros International Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and fast food franchising business
Likes Marketing Sdn. Bhd.	Malaysia	**100%**	100%	Distributing and marketing of food products
Tong Huat Poultry Processing Factory Pte. Ltd.*	Republic of Singapore	**51%**	51%	Investment holding and operating of poultry slaughter house and supplier of slaughtered poultry and provision of marinating and other services

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2016	2015	Principal activities
Antik Kualiti Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Ban Hong Poultry Pte. Ltd.*	Republic of Singapore	**51%**	51%	Importing and marketing of poultry products
CAB Cakaran Breeding Farm Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of parent stocks to produce broiler eggs and chicks
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken and frozen foods. However, the Company has ceased its business of processing of chicken during the financial year
CAB Cakaran Southern Sdn. Bhd.	Malaysia	**51%**	51%	Breeding of black chickens and colour birds and trading of chickens, poultry feeds and other farm consumables
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	**58.02%**	55%	Trading of poultry and other related products with poultry contract farmers
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	**67.94%**	67.94%	Breeding of grandparent stocks to produce breeder chicks

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The subsidiaries are as follows: (Cont'd)

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2016	2015	Principal activities
EC Grocer Pte. Ltd.*	Republic of Singapore	**35.5%**	–	Wholesaler of food products
Gourmet Chefs Pte. Ltd.*	Republic of Singapore	**30.6%**	30.6%	Manufacturing of value added food products
Home Mart Fresh & Frozen Sdn. Bhd. (formerly known as CAB Food Sdn. Bhd.)	Malaysia	**100%**	100%	Providing repacking service and distributing of food products. However, on April 1, 2016, the Company ceased its business operations. The intended activity is to involve in trading of supermarket products
Jaya Gading Farm Sdn. Bhd.	Malaysia	**58.02%**	55%	Poultry farming, trading in poultry and other related business
Jimat Jaya Pemasaran Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Jimat Jaya Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Kyros Kebab Sdn. Bhd.	Malaysia	**100%**	100%	Fast food restaurants operators and trading
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	**58.02%**	55%	Trading of supermarket products
Protheme Pte. Ltd.*	Republic of Singapore	**30.6%**	30.6%	Wholesale of livestock, meat and poultry products
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	**50%**	50%	Renting of property, plant and equipment to generate rental income

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

The Group considers Shin Hong Breeding Farm Sdn. Bhd. as a subsidiary as the Group has power to exercise control through a casting vote given to the managing director of the Company who is also the Chairman of the Board of Directors of this subsidiary.

On June 11, 2015, the Company acquired 235,000 ordinary shares of SGD1 each and 20,000 management shares of SGD1 each in Tong Huat Poultry Processing Factory Pte. Ltd. ("THPP"), representing 51% of the issued and paid up share capital of Tong Huat Poultry Processing Factory Pte. Ltd. for a total purchase consideration of RM19,827,426. Consequently, Tong Huat Poultry Processing Factory Pte. Ltd. and its wholly-owned subsidiary, Ban Hong Poultry Pte. Ltd. became a 51% owned subsidiaries of the Company.

Consideration transferred

	The Group 2015 RM
Cash	11,534,364
Exchange of shares	8,293,062
	19,827,426

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Assets acquired and liabilities recognised at the date of acquisition

	THPP and its subsidiary 2015 RM
Non-current assets	
Property, plant and equipment	5,774,627
Intangible assets	13,183,956
Total non-current assets	18,958,583
Current assets	
Inventories	1,313,790
Trade and other receivables	13,299,258
Other assets	663,007
Cash and bank balances	4,618,855
Total current assets	19,894,910
Total assets	38,853,493
Non-current liabilities	
Borrowing	(602,355)
Deferred tax liabilities	(3,411,751)
Total non-current liabilities	(4,014,106)
Current liabilities	
Trade and other payables	(3,775,858)
Deferred revenue	(139,382)
Tax liabilities	(738,062)
Borrowing	(228,018)
Total current liabilities	(4,881,320)
Total liabilities	(8,895,426)
Net assets acquired	29,958,067

Goodwill arising on acquisition

	The Group 2015 RM
Consideration transferred	19,827,426
Add: Non-controlling interests	14,679,453
Less: fair values of identifiable net assets acquired	(29,958,067)
Goodwill (Note 16)	4,548,812

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Net cash outflow on acquisition of subsidiaries

	The Group 2015 RM
Consideration paid in cash	11,534,364
Less: cash and cash equivalent balances acquired	(4,618,855)
	6,915,509

Impact of acquisitions on the results of the Group

The effect of the acquired subsidiaries on the results of the Group for the period from June 11, 2015 to September 30, 2015 are as follows:

	The Group 2015 RM
Revenue	45,623,882
Profit for the year	2,755,469

Had these business combination been effected at October 1, 2014, the revenue of the Group would have been RM943,567,471, and the net profit after tax for the year would have been RM26,453,985. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future period.

In the previous financial year, the wholly-owned subsidiary, Likes Marketing Sdn. Bhd. entered into a Share Sales Agreement with CAB Cakaran Southern Sdn. Bhd. (formerly known as Like's Store Sdn. Bhd.) and an external party for the disposal of 100,000 ordinary shares of SGD1 each, representing 100% equity interest in Protheme Pte. Ltd. for a total consideration of SGD 10 (equivalent to RM29). Upon completion of the aforesaid disposal on July 21, 2015, Protheme Pte. Ltd. became a 30.6% owned subsidiary of the Group. An amount of RM522,594 (being the proportionate share of the carrying amount of the net liabilities of Protheme Pte. Ltd. at the date of disposal) has been transferred to non-controlling interests (see note 30). The difference of RM522,606 between the increase in the non-controlling interests and the consideration received has been credited to retained earnings.

On August 14, 2015, Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company, incorporated a new subsidiary, namely Gourmet Chefs Pte. Ltd. in Singapore under Singapore Companies Act, Cap 50. The initial issued and fully paid up share capital is SGD10 divided into 10 ordinary shares of SGD1 each, of which 90% is held by Tong Huat Poultry Processing Factory Pte. Ltd. and the balance of 10% is held by its wholly-owned subsidiary, Ban Hong Poultry Pte. Ltd.. Consequently, Gourmet Chefs Pte. Ltd. became a 51% owned subsidiary of the Group.

On September 30, 2015, Gourmet Chefs Pte. Ltd. increased its issued and fully paid-up share capital from 10 ordinary shares of SGD1 each to 1,050,000 ordinary shares of SGD1 each. The 51% owned subsidiary of the Company, Tong Huat Poultry Processing Factory Pte. Ltd. subscribed for the additional of 629,990 ordinary shares of SGD1 each in Gourmet Chefs Pte. Ltd., by way of cash injection. Accordingly, Gourmet Chefs Pte. Ltd. became a 30.6% owned subsidiary of the Group.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

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

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

On September 1, 2016, the wholly-owned subsidiary, CAB Amesist Biomass Generation Sdn. Bhd., increased its issued and fully paid up share capital from RM100 to RM8,3000,000 by the issuance of 8,299,900 new ordinary shares of RM1 each. The Company subscribed for the entire additional 8,299,900 ordinary shares of RM1 each in CAB Amesist Biomass Generation Sdn. Bhd. by way of cash injection. Accordingly, the Company's equity interest in CAB Amesist Biomass Generation Sdn. Bhd. remains unchanged.

Composition of the Group

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

Principal Activities	Number of wholly-owned subsidiaries 2016	2015
Agricultural/ poultry farming/ food processing	**7**	6
Operator of fast food restaurants	**2**	2
Processing and distribution of marine products	**2**	2
Trading/ manufacturing of value added products	**3**	3
	14	13

Principal Activities	Number of non wholly-owned subsidiaries 2016	2015
Agricultural/ poultry farming/ food processing	**8**	7
Supermarket	**1**	1
Trading/ manufacturing of value added products	**2**	2
	11	10

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

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

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 30)	
	2016	2015	2016 RM	2015 RM	2016 RM	2015 RM
Tong Huat Poultry Processing Factory Pte. Ltd.	**49%**	49%	**3,716,310**	779,775	**18,834,113**	15,297,692
Ban Hong Poultry Pte. Ltd.	**49%**	49%	**1,577,656**	570,405	**3,840,062**	2,296,492
CAB Cakaran Southern Sdn. Bhd.	**49%**	49%	**2,058,407**	1,518,877	**5,171,622**	3,113,215
CAB Cakaran (Timur) Sdn. Bhd.	**41.98%**	45%	**314,683**	(388,001)	**(518,973)**	(896,189)
Cabin Premier GPS Farm Sdn. Bhd.	**32.06%**	32.06%	**87,717**	175,307	**1,462,433**	1,374,716
EC Grocer Pte. Ltd.	**64.50%**	–	**(163,315)**	–	**(165,177)**	–
Gourmet Chefs Pte. Ltd.	**69.40%**	69.40%	**(477,704)**	(53,946)	**710,954**	1,256,076
Jaya Gading Farm Sdn. Bhd.	**41.98%**	45%	**517,718**	(331,756)	**5,570,409**	5,688,856
Pasaraya Jaya Gading Sdn. Bhd.	**41.98%**	45%	**76,215**	(163,462)	**624,467**	592,863
Protheme Pte. Ltd.	**69.40%**	69.40%	**883,676**	(5,719)	**322,041**	(592,664)
Shin Hong Breeding Farm Sdn. Bhd.	**50%**	50%	**1,368,012**	2,800,573	**18,290,028**	17,072,016
Total			**9,959,375**	4,902,053	**54,141,979**	45,203,073

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

Tong Huat Poultry Processing Factory Pte. Ltd.	2016 RM	2015 RM
Current assets	**26,546,402**	18,533,296
Non-current assets	**21,619,997**	21,644,261
Current liabilities	**(6,172,026)**	(5,016,495)
Non-current liabilities	**(3,557,408)**	(3,941,283)
Equity attributable to owners of the Company	**(19,602,852)**	(15,922,087)
Non-controlling interests	**(18,834,113)**	(15,297,692)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Tong Huat Poultry Processing Factory Pte. Ltd. (Cont'd)	2016 RM	2015 RM
Revenue	**107,390,795**	34,060,286
Other income	**910,831**	113,220
Other gains and losses	**(1,158,104)**	68,945
Expenses (including tax expense)	**(99,559,216)**	(32,651,074)
Profit for the year	**7,584,306**	1,591,377
Other comprehensive (loss)/ income	**(367,120)**	2,742,312
Total comprehensive income for the year	**7,217,186**	4,333,689
Profit attributable to:		
Owners of the Company	**3,867,996**	811,602
Non-controlling interests	**3,716,310**	779,775
Profit for the year	**7,584,306**	1,591,377
Total comprehensive income attributable to:		
Owners of the Company	**3,680,765**	2,210,181
Non-controlling interests	**3,536,421**	2,123,508
Total comprehensive income for the year	**7,217,186**	4,333,689
Net cash inflow from operating activities	**12,240,119**	1,960,342
Net cash outflow from investing activities	**(2,477,872)**	(2,873,614)
Net cash (outflow)/ inflow from financing activities	**(170,785)**	131,376
Net cash inflow/ (outflow)	**9,591,462**	(781,896)

Ban Hong Poultry Pte. Ltd.	2016 RM	2015 RM
Current assets	**11,179,088**	11,073,503
Non-current assets	**1,261,189**	753,930
Current liabilities	**(4,298,527)**	(6,736,785)
Non-current liabilities	**(304,889)**	(403,929)
Equity attributable to owners of the Company	**(3,996,799)**	(2,390,227)
Non-controlling interests	**(3,840,062)**	(2,296,492)
Revenue	**87,680,053**	29,630,527
Other income	**136,729**	23,701
Other gains and losses	**(46,367)**	57,827
Expenses (including tax expense)	**(84,550,709)**	(28,547,963)
Profit for the year	**3,219,706**	1,164,092
Other comprehensive (loss)/ income	**(69,564)**	450,650
Total comprehensive income for the year	**3,150,142**	1,614,742

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Ban Hong Poultry Pte. Ltd. (Cont'd)	2016 RM	2015 RM
Profit for the year attributable to:		
Owners of the Company	**1,642,050**	593,687
Non-controlling interests	**1,577,656**	570,405
Profit for the year	**3,219,706**	1,164,092
Total comprehensive income attributable to:		
Owners of the Company	**1,606,572**	823,518
Non-controlling interests	**1,543,570**	791,224
Profit and total comprehensive income for the year	**3,150,142**	1,614,742
Net cash inflow from operating activities	**4,218,242**	936,625
Net cash outflow from investing activities	**(149,646)**	(1,003,610)
Net cash outflow from financing activities	**(3,736,439)**	(224,202)
Net cash inflow/ (outflow)	**332,157**	(291,187)

CAB Cakaran Southern Sdn. Bhd.	2016 RM	2015 RM
Current assets	**31,531,252**	21,287,111
Non-current assets	**50,295,167**	49,312,299
Current liabilities	**(38,468,156)**	(28,887,769)
Non-current liabilities	**(32,803,932)**	(35,358,141)
Equity attributable to owners of the Company	**(5,382,709)**	(3,240,285)
Non-controlling interests	**(5,171,622)**	(3,113,215)
Revenue	**295,425,797**	152,850,031
Other income	**2,912,084**	1,779,528
Other gains and losses	**(66,149)**	3
Expenses (including tax expense)	**(294,070,901)**	(151,529,814)
Profit and total comprehensive income for the year	**4,200,831**	3,099,748
Profit and total comprehensive income attributable to:		
Owners of the Company	**2,142,424**	1,580,871
Non-controlling interests	**2,058,407**	1,518,877
Profit and total comprehensive income for the year	**4,200,831**	3,099,748
Net cash inflow from operating activities	**6,076,085**	12,673,781
Net cash outflow from investing activities	**(3,059,583)**	(45,646,890)
Net cash (outflow)/ inflow from financing activities	**(4,105,001)**	36,256,547
Net cash (outflow)/ inflow	**(1,088,499)**	3,283,438

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

CAB Cakaran (Timur) Sdn. Bhd.	2016 RM	2015 RM
Current assets	**2,400,932**	611,442
Non-current assets	**4**	4
Current liabilities	**(2,583,619)**	(1,549,421)
(Equity)/ capital deficiency attributable to owners of the Company	**(336,290)**	41,786
Non-controlling interests	**518,973**	896,189
Revenue	**9,143,304**	3,822,976
Other income	**310**	22,400
Other gains and losses	**390,309**	(94,391)
Expenses (including tax expense)	**(8,778,631)**	(4,613,209)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**755,292**	(862,224)
Profit/ (loss) and total comprehensive income/ (loss) attributable to:		
Owners of the Company	**440,609**	(474,223)
Non-controlling interests	**314,683**	(388,001)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**755,292**	(862,224)
Net cash inflow/ (outflow) from operating activities	**38,223**	(725,966)
Net cash inflow from investing activities	**47,676**	68,364
Net cash (outflow)/ inflow from financing activities	**(47,642)**	610,917
Net cash inflow/ (outflow)	**38,257**	(46,685)

Cabin Premier GPS Farm Sdn. Bhd.	2016 RM	2015 RM
Current assets	**4,705,241**	3,605,279
Non-current assets	**8,929,494**	7,894,188
Current liabilities	**(8,266,849)**	(6,575,267)
Non-current liabilities	**(805,928)**	(635,869)
Equity attributable to owners of the Company	**(3,099,525)**	(2,913,615)
Non-controlling interests	**(1,462,433)**	(1,374,716)
Revenue	**8,486,382**	6,978,786
Investment revenue	**2,218**	2,155
Other income	**–**	59,554
Other gains and losses	**(159,530)**	(64,810)
Expenses (including tax expense)	**(8,055,443)**	(6,428,828)
Profit and total comprehensive income for the year	**273,627**	546,857

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Cabin Premier GPS Farm Sdn. Bhd. (Cont'd)	2016 RM	2015 RM
Profit and total comprehensive income for the year attributable to:		
Owners of the Company	**185,910**	371,550
Non-controlling interests	**87,717**	175,307
Profit and total comprehensive income for the year	**273,627**	546,857
Net cash inflow from operating activities	**1,866,821**	1,429,875
Net cash outflow from investing activities	**(1,595,032)**	(63,663)
Net cash outflow from financing activities	**(234,447)**	(867,509)
Net cash inflow	**37,342**	498,703

EC Grocer Pte. Ltd.	2016 RM	2015 RM
Current assets	**828,499**	–
Non-current assets	**26,594**	–
Current liabilities	**(1,111,067)**	–
Capital deficiency to owners of the Company	**90,797**	–
Non-controlling interests	**165,177**	–
Revenue	**144,699**	–
Other gains and losses	**(147)**	–
Expenses (including tax expense)	**(397,754)**	–
Loss for the year	**(253,202)**	–
Other comprehensive loss	**(3,074)**	–
Total comprehensive loss for the year	**(256,276)**	–
Loss attributable to:		
Owners of the Company	**(89,887)**	–
Non-controlling interests	**(163,315)**	–
Loss for the year	**(253,202)**	–
Total comprehensive loss attributable to:		
Owners of the Company	**(90,978)**	–
Non-controlling interests	**(165,298)**	–
Total comprehensive loss for the year	**(256,276)**	–
Net cash outflow from operating activities	**(745,254)**	–
Net cash outflow from investing activities	**(27,595)**	–
Net cash inflow from financing activities	**794,774**	–
Net cash inflow	**21,925**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Gourmet Chefs Pte. Ltd.	2016 RM	2015 RM
Current assets	**3,474,314**	1,967,806
Non-current assets	**2,296,898**	2,690,913
Current liabilities	**(3,359,369)**	(1,461,398)
Equity attributable to owners of the Company	**(1,700,889)**	(1,941,245)
Non-controlling interests	**(710,954)**	(1,256,076)
Revenue	**8,329,677**	–
Other income	**434,630**	–
Other gains and losses	**(132,339)**	–
Expenses (including tax expense)	**(9,320,303)**	(77,734)
Loss for the year	**(688,335)**	(77,734)
Other comprehensive loss	**(97,143)**	–
Total comprehensive loss for the year	**(785,478)**	(77,734)
Loss attributable to:		
Owners of the Company	**(210,631)**	(23,788)
Non-controlling interests	**(477,704)**	(53,946)
Loss for the year	**(688,335)**	(77,734)
Total comprehensive loss attributable to:		
Owners of the Company	**(240,356)**	(23,788)
Non-controlling interests	**(545,122)**	(53,946)
Total comprehensive loss for the year	**(785,478)**	(77,734)
Net cash outflow from operating activities	**(262,019)**	(587,620)
Net cash outflow from investing activities	**(223,900)**	(2,720,773)
Net cash inflow from financing activities	**7,411**	4,585,108
Net cash (outflow)/ inflow	**(478,508)**	1,276,715

Jaya Gading Farm Sdn. Bhd.	2016 RM	2015 RM
Current assets	**12,871,524**	11,516,670
Non-current assets	**23,681,173**	23,832,844
Current liabilities	**(19,782,930)**	(18,392,937)
Non-current liabilities	**(3,500,568)**	(4,314,674)
Equity attributable to owners of the Company	**(7,698,790)**	(6,953,047)
Non-controlling interests	**(5,570,409)**	(5,688,856)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Jaya Gading Farm Sdn. Bhd. (Cont'd)	2016 RM	2015 RM
Revenue	**106,316,393**	99,999,768
Investment revenue	**73,578**	132,262
Other income	**1,529,406**	1,444,529
Other gains and losses	**254,685**	(207,810)
Expenses (including tax expense)	**(106,946,767)**	(102,105,982)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**1,227,295**	(737,233)
Profit/ (loss) and total comprehensive income/ (loss) attributable to:		
Owners of the Company	**709,577**	(405,477)
Non-controlling interests	**517,718**	(331,756)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**1,227,295**	(737,233)
Dividend paid to non-controlling interests	**(270,000)**	–
Net cash inflow from operating activities	**4,087,225**	2,043,708
Net cash outflow from investing activities	**(1,298,153)**	(748,181)
Net cash (outflow)/ inflow from financing activities	**(2,090,838)**	(493,624)
Net cash inflow	**698,234**	801,903

Pasaraya Jaya Gading Sdn. Bhd.	2016 RM	2015 RM
Current assets	**15,025,362**	19,643,272
Non-current assets*	**9,555,373**	9,751,987
Current liabilities	**(18,601,035)**	(24,364,757)
Non-current liabilities	**(2,492,166)**	(1,713,030)
Equity attributable to owners of the Company*	**(2,863,067)**	(2,724,609)
Non-controlling interests	**(624,467)**	(592,863)
Revenue	**124,025,532**	140,278,318
Investment revenue	**75,057**	54,693
Other income	**1,596,955**	1,824,270
Other gains and losses	**(60,306)**	(310,633)
Expenses* (including tax expense)	**(125,467,176)**	(142,210,289)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**170,062**	(363,641)

* Adjusted for impact on different accounting framework

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Pasaraya Jaya Gading Sdn. Bhd. (Cont'd)	2016 RM	2015 RM
Profit/ (loss) and total comprehensive income/ (loss) attributable to:		
Owners of the Company*	**93,847**	(200,179)
Non-controlling interests*	**76,215**	(163,462)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**170,062**	(363,641)
Net cash (outflow)/ inflow from operating activities	**(1,844,647)**	2,887,770
Net cash outflow from investing activities	**(755,334)**	(281,766)
Net cash outflow from financing activities	**(310,295)**	(203,077)
Net cash (outflow)/ inflow	**(2,910,276)**	2,402,927

* Adjusted for impact on different accounting framework

Protheme Pte. Ltd.	2016 RM	2015 RM
Current assets	**2,656,838**	–
Current liabilities	**(2,192,791)**	(853,972)
(Equity)/ capital deficiency attributable to owners of the Company	**(142,006)**	261,308
Non-controlling interests	**(322,041)**	592,664
Revenue	**12,956,237**	–
Other gains and losses	**(10,198)**	–
Expenses (including tax expense)	**(11,672,729)**	(16,552)
Profit/(loss) for the year	**1,273,310**	(16,552)
Other comprehensive income/ (loss)	**44,709**	(86,898)
Profit/ (loss) and total comprehensive income/ (loss) for the year	**1,318,019**	(103,450)
Profit/ (loss) attributable to:		
Owners of the Company	**389,634**	(10,833)
Non-controlling interests	**883,676**	(5,719)
Profit/ (loss) for the year	**1,273,310**	(16,552)
Total comprehensive income/ (loss) attributable to:		
Owners of the Company	**403,314**	(33,380)
Non-controlling interests	**914,705**	(70,070)
Total comprehensive income/ (loss) for the year	**1,318,019**	(103,450)
Net cash inflow from operating activities	**497,265**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

17. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Composition of the Group (Cont'd)

Shin Hong Breeding Farm Sdn. Bhd.	2016 RM	2015 RM
Current assets	**1,464,014**	1,253,955
Non-current assets	**37,613,834**	35,161,770
Current liabilities	**(9,433)**	(11,185)
Non-current liabilities	**(2,488,359)**	(2,260,509)
Equity attributable to owners of the Company	**(18,290,028)**	(17,072,015)
Non-controlling interests	**(18,290,028)**	(17,072,016)
Revenue	**468,000**	468,000
Investment revenue	**33,652**	23,630
Other income	**4,518**	383
Other gains and losses	**2,578,101**	5,603,000
Expenses (including tax expense)	**(348,246)**	(493,867)
Profit and total comprehensive income for the year	**2,736,025**	5,601,146
Profit and total comprehensive income attributable to:		
Owners of the Company	**1,368,013**	2,800,573
Non-controlling interests	**1,368,012**	2,800,573
Total comprehensive income for the year	**2,736,025**	5,601,146
Dividend paid to non-controlling interests	**(150,000)**	(125,000)
Net cash inflow from operating activities	**351,633**	540,476
Net cash inflow from investing activities	**89,206**	16,750
Net cash outflow from financing activities	**(302,185)**	(247,815)
Net cash inflow	**138,654**	309,411

18. OTHER FINANCIAL ASSET/ (LIABILITY)

	The Group	
	2016 RM	2015 RM
Available-for-sale financial asset:		
Unquoted shares, at cost	**715,385**	260,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

18. OTHER FINANCIAL ASSET/ (LIABILITY) (Cont'd)

	The Group	
	2016	**2015**
	RM	**RM**
Financial liability carried at fair value through profit or loss:		
Derivative financial instrument:		
Foreign currency forward contracts	**(8,190)**	(14,562)

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.

19. AGRICULTURAL DEVELOPMENT EXPENDITURES

	The Group	
	2016	**2015**
	RM	**RM**
At beginning of year	**37,438**	159,815
Additions during the year	**10,535**	35,185
Amortisation during the year (Note 10)	**(7,280)**	(1,955)
Written off during the year (Note 7)	**–**	(155,607)
At end of year	**40,693**	37,438

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

20. DEFERRED TAX ASSETS/ (LIABILITIES)

The Group

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

20. DEFERRED TAX ASSETS/ (LIABILITIES) (Cont'd)

The Group

	Opening balance RM	Recognised in profit or loss (Note 9) RM	Acquisition of subsidiary RM	Currency translation RM	Closing Balance RM
2015:					
Deferred tax assets					
Unused tax capital allowances	3,530,000	519,000	–	–	4,049,000
Receivables	1,118,000	(159,000)	–	–	959,000
Unused tax losses	763,700	124,744	19,015	1,541	909,000
Others	280,000	88,707	18,425	2,766	389,898
	5,691,700	573,451	37,440	4,307	6,306,898
Deferred tax liabilities					
Property, plant and equipment	(11,417,700)	(2,088,849)	(285,042)	(41,088)	(13,832,679)
Gain on revaluation of properties	(4,846,109)	284,507	–	–	(4,561,602)
Intangible assets	–	–	(3,164,149)	–	(3,164,149)
Real property gains tax on investment property	(1,985,557)	(310,000)	–	–	(2,295,557)
Others	(5,000)	(79,000)	–	–	(84,000)
	(18,254,366)	(2,193,342)	(3,449,191)	(41,088)	(23,937,987)
Net	(12,562,666)	(1,619,891)	(3,411,751)	(36,781)	(17,631,089)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

20. DEFERRED TAX ASSETS/ (LIABILITIES) (Cont'd)

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

	The Group	
	2016	**2015**
	RM	**RM**
Deferred tax assets	**15,000**	22,000
Deferred tax liabilities	**(18,425,629)**	(17,653,089)
	(18,410,629)	(17,631,089)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of September 30, 2016, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group	
	2016	**2015**
	RM	**RM**
Unused tax losses	**15,036,000**	14,442,000
Unused tax capital allowances	**12,013,000**	11,458,000
Temporary differences arising from:		
Receivables	**1,482,000**	2,071,000
Property, plant and equipment	**398,000**	1,000
Allowance for increased export	**1,155,000**	1,155,000
	30,084,000	29,127,000

21. INVENTORIES

	The Group	
	2016	**2015**
	RM	**RM**
Raw materials:		
Meats and dressings	**3,222,963**	2,815,581
Medicine and chemicals	**954,516**	752,177
Feeds and consumables	**666,507**	789,275
Packing materials	**357,413**	375,246
Unprocessed marine products	**61,341**	23,191
Others	**14,238**	15,988
	5,276,978	4,771,458

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

21. INVENTORIES (Cont'd)

	The Group	
	2016	2015
	RM	RM
Work-in-progress:		
Parent stocks	**9,499,419**	10,006,695
Eggs	**5,512,048**	4,274,848
Broiler chicken	**4,350,797**	4,140,799
Grandparent stocks	**2,513,572**	1,845,636
Frozen food	**64,152**	151,884
Pullet	**–**	62,442
	21,939,988	20,482,304
Finished goods:		
Processed chicken	**11,891,875**	9,420,815
Supermarket products	**9,196,484**	11,370,121
Frozen food	**2,250,038**	1,977,507
Trading products	**1,013,237**	486,691
Processed marine products	**255,479**	375,614
	24,607,113	23,630,748
Goods-in-transit	**407,338**	526,931
	52,231,417	49,411,441

22. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade receivables	**144,821,178**	121,821,558	**–**	–
Less: Allowance for impairment losses	**(18,857,066)**	(19,385,958)	**–**	–
	125,964,112	102,435,600	**–**	–
Amount owing by subsidiaries	**–**	–	**26,525,142**	7,341,122
Less: Allowance for impairment losses	**–**	–	**(1,957,450)**	(1,957,450)
	–	–	**24,567,692**	5,383,672
Other receivables	**2,857,343**	4,471,891	**–**	833,173
Less: Allowance for impairment losses	**(4,262)**	–	**–**	–
	2,853,081	4,471,891	**–**	833,173
	128,817,193	106,907,491	**24,567,692**	6,216,845

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

22. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Ringgit Malaysia	**107,309,422**	89,007,394	**24,567,692**	6,216,845
Singapore Dollar	**21,031,601**	16,735,404	**–**	–
United States Dollar	**335,234**	1,164,693	**–**	–
Euro Dollar	**140,936**	–	**–**	–
	128,817,193	106,907,491	**24,567,692**	6,216,845

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

	The Group	
	2016	2015
	RM	RM
YWT Contract Farming [a]	**4,098,018**	3,124,304
Wei Heng Maju Farm Sdn. Bhd. [b]	**211,371**	–
Jaya Gading Marketing [c]	**55,785**	30,967
Chuah Ah Chui [d]	**15,351**	9,697
Maju Jaya Farm [b]	**85**	441,209
Chyuan Heng Farming Sdn. Bhd. [a]	**–**	208
Unisetali Sdn. Bhd. [e]	**–**	24

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

The average credit periods granted to trade receivables of the Group range from 7 to 90 days (2015: 7 to 90 days). No interest is charged on outstanding trade receivables. Allowance for doubtful debts are recognised against trade receivables on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

22. TRADE AND OTHER RECEIVABLES (Cont'd)

Ageing of past due but not impaired trade receivables:

	The Group	
	2016	**2015**
	RM	**RM**
Number of days past due:		
1 - 30 days	**21,214,339**	15,412,298
31 - 60 days	**4,888,356**	4,975,462
61 - 90 days	**1,505,200**	3,534,795
Over 90 days	**3,561,939**	4,227,995
Total	**31,169,834**	28,150,550

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

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

	The Group	
	2016	**2015**
	RM	**RM**
Balance at beginning of the year	**19,385,958**	9,111,262
Impairment loss recognised during the year	**1,173,767**	485,061
Amount written off during the year as uncollectible	**(926,461)**	(1,653,774)
Impairment loss reversed during the year	**(459,467)**	(247,172)
Currency translation differences	**(316,731)**	1,516,175
Arising from subsidiary acquired	**–**	10,174,406
Balance at end of the year	**18,857,066**	19,385,958

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

The allowance for impairment loss on trade receivables are made for individually impaired receivables, relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral over these balances.

Ageing of impaired trade receivables:

	The Group	
	2016	**2015**
	RM	**RM**
Less than 1 year	**–**	24,981
1 - 2 years	**1,080,456**	1,274,957
2 - 3 years	**1,514,715**	1,399,844
3 - 4 years	**1,320,724**	1,930,433
4 - 5 years	**50,773**	67,034
More than 5 years	**15,996,347**	16,529,326
Total	**19,963,015**	21,226,575

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

22. TRADE AND OTHER RECEIVABLES (Cont'd)

The amount owing by subsidiaries are as follows:

	The Company	
	2016	2015
	RM	RM
CAB Cakaran Sdn. Bhd.	**19,689,686**	2,397,646
CAB Marine Resources Sdn. Bhd.	**4,910,214**	4,910,014
CAB Amesist Biomass Generation Sdn. Bhd.	**1,902,016**	–
Tong Huat Poultry Processing Factory Pte. Ltd.	**7,500**	19,315
Gourmet Chefs Pte. Ltd.	**5,726**	–
Jaya Gading Farm Sdn. Bhd.	**4,800**	7,407
Ban Hong Poultry Pte. Ltd.	**3,600**	2,240
Kyros Food Industries Sdn. Bhd.	**700**	–
Likes Marketing Sdn. Bhd.	**600**	–
Home Mart Fresh & Frozen Sdn. Bhd. (formerly known as CAB Food Sdn. Bhd.)	**100**	–
Kyros International Sdn. Bhd.	**100**	50
HK Foods (M) Sdn. Bhd.	**50**	–
Kyros Kebab Sdn. Bhd.	**50**	50
Pasaraya Jaya Gading Sdn. Bhd.	**–**	4,000
CAB Cakaran (Timur) Sdn. Bhd.	**–**	250
Shin Hong Breeding Farm Sdn. Bhd.	**–**	150
	26,525,142	7,341,122

The amount owing by a subsidiary, CAB Cakaran Sdn. Bhd. arose mainly from unsecured advances which bears interest at a rate of 3% (2015: Nil) per annum and are repayable on demand.

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

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

	The Company	
	2016	2015
	RM	RM
Balance at beginning of the year	**1,957,450**	1,925,698
Impairment loss recognised during the year	**–**	31,752
Balance at end of the year	**1,957,450**	1,957,450

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

22. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	The Group	
	2016	2015
	RM	RM
DES Food Manufacturing Pte. Ltd. [a]	**65,472**	–
Syarikat Sin Long Heng Breeding Farm [a]	**64,000**	–
Unisetali Sdn. Bhd. [a]	**19,989**	21,392

[a] A company in which a director of a subsidiary is also a director and has interest.

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

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

	The Group	
	2016	2015
	RM	RM
Balance at beginning of the year	**–**	891
Impairment loss recognised during the year	**4,262**	–
Impairment loss reversed during the year	**–**	(891)
Balance at end of the year	**4,262**	–

The allowance for impairment loss on other receivables are made for individually impaired receivables, relating to entities that are in significant financial difficulties and have defaulted on payments. The Group does not hold any collateral over these balances.

23. OTHER ASSETS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deposits	**11,651,597**	3,089,694	**4,686,850**	1,000
Prepayments	**3,058,998**	4,625,295	**5,000**	–
	14,710,595	7,714,989	**4,691,850**	1,000

24. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of September 30, 2016, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 1.00% to 3.90% (2015: 2.10% to 3.90%) per annum and are maturing within October 2016 to September 2017.

As of September 30, 2016, the short-term deposits with licensed banks of the Group with a total carrying value of RM8,920,271 (2015: RM6,495,996) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 31.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

25. CASH AND BANK BALANCES

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

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Ringgit Malaysia	**18,370,595**	22,774,632	**3,727,077**	111,856
Singapore Dollar	**15,415,374**	5,451,073	**–**	–
United States Dollar	**41,642**	310,771	**–**	–
	33,827,611	28,536,476	**3,727,077**	111,856

26. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2016 RM	2015 RM
Freehold land and buildings:		
At beginning of the year	**125,000**	836,477
Disposal during the year	**–**	(711,477)
At end of the year	**125,000**	125,000

In previous financial year, CAB Cakaran Sdn. Bhd., a direct wholly-owned subsidiary, entered into a sale and purchase agreement with an external party for the disposal of leasehold land and building for a total sale consideration of RM273,000. The disposal was completed as of September 30, 2015.

In previous financial year, Jimat Jaya Sdn. Bhd., an indirect wholly-owned subsidiary, received an offer from the land office of the state government to acquire its freehold land for a total consideration of RM546,477. The disposal was completed as of September 30, 2015.

In 2012, Kyros Food Industries Sdn. Bhd. acquired a freehold land and building from a debtor of Kyros International Sdn. Bhd. by way of a debt settlement arrangement for a purchase consideration of RM125,000. Kyros Food Industries Sdn. Bhd. entered into a sale and purchase agreement with an external party to dispose of the freehold land buildings for a consideration of RM125,000. The disposal transaction has not been completed as of September 30, 2016.

27. SHARE CAPITAL

	The Company			
	2016		2015	
	No. of shares	RM	No. of shares	RM
Authorised:				
Ordinary shares of RM0.50 each:				
At the beginning of year	**1,000,000,000**	**500,000,000**	200,000,000	100,000,000
Addition during the year	**–**	**–**	800,000,000	400,000,000
At end of year	**1,000,000,000**	**500,000,000**	1,000,000,000	500,000,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

27. SHARE CAPITAL (Cont'd)

	The Company			
	2016		2015	
	No. of shares	RM	No. of shares	RM
Issued and fully paid:				
Ordinary shares of RM0.50 each:				
At the beginning of year	**150,643,989**	**75,321,995**	131,779,100	65,889,550
Private placement	**15,064,400**	**7,532,200**	–	–
Exercise of Warrants	**9,457,250**	**4,728,625**	9,650,375	4,825,188
Exchange for shares	**–**	**–**	9,214,514	4,607,257
At end of year	**175,165,639**	**87,582,820**	150,643,989	75,321,995

The issued and paid-up ordinary share capital of the Company was increased from RM75,321,995 to RM87,582,820 during the financial year by way of:

(a) issuance of 9,457,250 new ordinary shares of RM0.50 each at an exercise price of RM0.55 per ordinary share pursuant to the exercise of Warrants; and

(b) a private placement of 15,064,400 shares of RM0.50 each at an issuance price of RM2.07 per placement share pursuant to an agreement with Plant Wealth Holdings Limited.

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

As of September 30, 2016, out of the total number of 175,165,639 (2015: 150,643,989) ordinary shares of RM0.50 each issued and paid-up, 218,200 (2015: 218,200) shares are held as treasury shares. Hence, the number of outstanding ordinary shares of RM0.50 each in issue and fully paid is 174,947,439 (2015: 150,425,789) shares.

WARRANTS

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

The salient features of the Warrants are as follows:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

27. SHARE CAPITAL (Cont'd)

WARRANTS (Cont'd)

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

	Number of Warrants (Unit)			
	Balance as of 1.10.2015	Granted	Exercised	Balance as of 30.9.2016
Number of unexercised Warrants	56,130,075	–	(9,457,250)	**46,672,825**

28. RESERVES

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-distributable:				
Property revaluation reserve	**36,680,774**	37,047,088	**–**	–
Share premium	**28,363,673**	4,239,703	**28,363,673**	4,239,703
Translation reserve	**1,330,522**	1,570,367	**–**	–
	66,374,969	42,857,158	**28,363,673**	4,239,703

The movement in property revaluation reserve is as follows:

	The Group	
	2016 RM	2015 RM
Balance at beginning of year	**37,047,088**	37,609,956
Transferred to retained earnings	**(358,563)**	(562,868)
Realisation of property revaluation reserve upon write-off of revalued properties	**(7,751)**	–
Balance at end of year	**36,680,774**	37,047,088

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

28. RESERVES (Cont'd)

The movement in foreign currency translation reserve is as follows:

	The Group	
	2016	2015
	RM	RM
Balance at beginning of year	**1,570,367**	(35,496)
Exchange differences arising on translating the net assets of foreign operations	**(239,845)**	1,026,970
Exchange differences arising on acquisition of interests in a foreign operation	**–**	516,577
Loss reclassified to non-controlling interests on partial disposal of interest in a foreign operation	**–**	62,316
Balance at end of year	**1,330,522**	1,570,367

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. 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.

30. NON-CONTROLLING INTERESTS

	The Group	
	2016	2015
	RM	RM
At beginning of the year	**45,203,073**	21,204,938
Share of total comprehensive income for the year	**9,707,028**	6,402,254
Subscription of ordinary shares by non-controlling interests in subsidiaries	**121**	3,564,022
Dividend paid to non-controlling interests of subsidiaries	**(420,000)**	(125,000)
Arising from increase in equity interest in a subsidiary	**(348,243)**	–
Arising on acquisition of a subsidiary	**–**	14,679,453
Share of losses by non-controlling interests in Protheme Pte. Ltd. upon partial disposal	**–**	(522,594)
At end of the year	**54,141,979**	45,203,073

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

31. BORROWINGS

	The Group 2016 RM	The Group 2015 RM
Secured:		
Long-term loans	**100,758,508**	74,252,693
Bankers' acceptances	**85,110,000**	78,246,000
Hire-purchase payables	**20,970,943**	21,967,108
Bank overdrafts	**831,864**	1,298,256
Unsecured:		
Bankers' acceptances	**14,677,054**	17,364,000
	222,348,369	193,128,057
Less: current portion	**(119,216,371)**	(112,342,308)
Non-current portion	**103,131,998**	80,785,749

The foreign currency exposure profile of borrowings is as follows:

	The Group 2016 RM	The Group 2015 RM
Ringgit Malaysia	**221,177,173**	192,042,893
Singapore Dollar	**1,171,196**	1,085,164
	222,348,369	193,128,057

The long-term loans are as follows:

	The Group 2016 RM	The Group 2015 RM
Amount outstanding	**100,758,508**	74,252,693
Less: current portion	**(10,037,141)**	(7,292,593)
Non-current portion	**90,721,367**	66,960,100

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

	The Group 2016 RM	The Group 2015 RM
Later than one year and not later than two years	**9,888,554**	7,614,077
Later than two years and not later than five years	**28,275,917**	22,573,143
Later than five years	**52,556,896**	36,772,880
	90,721,367	66,960,100

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

31. BORROWINGS (Cont'd)

The hire-purchase payables are as follows:

	The Group	
	2016	2015
	RM	RM
Total outstanding	**22,973,871**	24,281,889
Less: Interest-in-suspense outstanding	**(2,002,928)**	(2,314,781)
Principal outstanding	**20,970,943**	21,967,108
Less: Current portion	**(8,560,312)**	(8,141,459)
Non-current portion	**12,410,631**	13,825,649

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

	The Group	
	2016	2015
	RM	RM
Later than one year and not later than two years	**6,193,196**	6,651,850
Later than two years and not later than five years	**6,217,435**	7,173,799
	12,410,631	13,825,649

The long-term loans of the Group bear interests at rates ranging from 2.2% (2015: 2.2%) per annum below the lending banks' base lending rates to 1.5% (2015: 1.5%) per annum above the lending banks' base lending rates, 2.3% (2015: 2.3%) per annum below the lending bank's base financing rates, 1.5% and 2.5% (2015: 1.5% and 2.5%) per annum above the lending bank's cost of funds and 1.6% (2015: Nil) per annum above the lending bank's effective cost of funds. The bankers' acceptances of the Group bear interests at rates ranging from 0.75% to 1.5% (2015: 0.75% to 1.5%) per annum above the lending banks' cost of funds. The bank overdrafts of the Group bear interests at rates ranging from 0.5% to 1.6% (2015: 0.5% to 1.6%) per annum above the lending banks' base lending rates.

The effective interest rates per annum for the financial year ended September 30, 2016 are as follows:

	The Group	
	2016	2015
	%	%
Long-term loans	**4.37 - 8.15**	4.55 - 8.35
Bankers' acceptances	**3.30 - 4.50**	3.63 - 5.46
Hire-purchase payables	**4.51 - 8.06**	4.51 - 8.06
Bank overdrafts	**7.22 - 8.30**	7.35 - 8.45

The bankers' acceptances of the Group as of September 30, 2016 are repayable within October 2016 to January 2017. The terms for hire-purchase of the Group range from one to five years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

31. 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 24;
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 RM195,061,000 (2015: RM141,762,000);
g. joint guarantees by the Company and non-controlling interests of a subsidiary for RM27,500,000 (2015: RM27,500,000);
h. corporate guarantees by a subsidiary for RM24,070,000 (2015: RM24,070,000);
i. joint guarantees by certain directors of the Group for RM19,185,000 (2015: RM19,460,000);
j. a joint guarantee by the Company, a subsidiary and non-controlling interests of a subsidiary for RM11,992,000 (2015: RM11,992,000);
k. a joint guarantee by certain directors and certain former directors of the Group for RM9,793,000 (2015: RM9,793,000);
l. joint corporate guarantees by the company and subsidiaries for RM5,700,000 (2015: RM5,700,000);
m. joint guarantees by certain directors of the Group and a subsidiary for RM2,670,000 (2015: RM1,500,000); and
n. a joint guarantee by certain directors of the Company and certain director of a subsidiary for RM275,000 (2015: 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 directors and former directors of the Group for RM122,000 (2015: RM442,000), and the Company for RM30,298,526 (2015: RM29,809,731).

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 RM16,000,000 (2015: RM16,000,000); and
c. corporate guarantee by a subsidiary for RM6,700,000 (2015: RM6,700,000).

32. DEFERRED REVENUE

	The Group	
	2016 RM	2015 RM
Franchise fee (i)	**62,240**	43,750
Government grant (ii)	**93,885**	144,131
	156,125	187,881
Less: current portion	**(50,156)**	(55,036)
Non-current portion	**105,969**	132,845

(i) The deferred revenue arose from franchise fee received from franchisee for the non-executive right to operate a Kyros Kebab franchise unit over a period of 8 years.

(ii) The deferred revenue arose from interest-free government loan received which is amortised over periods from 3 to 8 years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

33. TRADE AND OTHER PAYABLES

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade payables:				
Ringgit Malaysia	**118,634,720**	104,209,176	**–**	–
Singapore Dollar	**1,580,087**	1,720,929	**–**	–
United States Dollar	**1,525,109**	372,859	**–**	–
Euro Dollar	**53,371**	–	**–**	–
	121,793,287	106,302,964	**–**	–
Other payables:				
Ringgit Malaysia	**15,369,115**	11,757,451	**159,925**	2
Singapore Dollar	**1,456,720**	531,454	**–**	–
United States Dollar	**–**	1,850,755	**–**	–
	16,825,835	14,139,660	**159,925**	2
Accrued expenses:				
Ringgit Malaysia	**5,275,036**	4,341,603	**126,926**	92,618
Singapore Dollar	**2,051,635**	1,966,683	**–**	–
	7,326,671	6,308,286	**126,926**	92,618
	145,945,793	126,750,910	**286,851**	92,620

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 (2015: 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 RM69,760,000 (2015: RM50,260,000).

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

	The Group	
	2016	2015
	RM	RM
YWT Contract Farming [(a)]	**853,975**	877,789
Chyuan Heng Farming Sdn. Bhd. [(a)]	**115,379**	–
Wei Heng Maju Farm Sdn. Bhd. [(b)]	**83,494**	–
Maju Jaya Farm [(b)]	**78,487**	–
Unisetali Sdn. Bhd. [(c)]	**52,728**	126,634

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

33. TRADE AND OTHER PAYABLES (Cont'd)

Other payables of the Group and of the Company comprised mainly amounts outstanding for ongoing costs and deposits received.

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

	The Group	
	2016	2015
	RM	RM
DES Food Manufacturing Pte. Ltd. [(a)]	**281,225**	–
Yi Da Agricultural Food Trading Sdn. Bhd. [(a)]	**50,974**	21,354
Chuah Ah Bee Sdn. Bhd. [(b)]	**20,820**	43,237
Unisetali Sdn. Bhd. [(a)]	**–**	13,250
Yi Da Agricultural Farming Sdn.Bhd. [(a)]	**–**	5,000
Fah Leong Sdn. Bhd. [(c)]	**–**	57

(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.
(c) A company in which a director of a subsidiary is also a director.

34. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Short-term deposits with licensed banks	**36,013,720**	9,031,746	**–**	–
Cash and bank balances	**33,827,611**	28,536,476	**3,727,077**	118,856
Bank overdrafts	**(532,905)**	(1,054,057)	**–**	–
	69,308,426	36,514,165	**3,727,077**	118,856
Less: Short-term deposits pledged as security	**(8,920,271)**	(6,495,996)	**–**	–
	60,388,155	30,018,169	**3,727,077**	111,856

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM74,168,103 (2015: RM85,366,837) of which RM6,558,530 (2015: RM11,633,188) was financed by means of hire-purchase and the balance of RM67,609,573 (2015: RM73,733,649) by cash payment.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of Nil (2015: RM3,646) by cash payment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. 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 2015.

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.

b. Categories of financial instruments

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial assets				
Loan and receivables:				
Trade and other receivables	**128,817,193**	106,907,491	**24,567,692**	6,216,845
Refundable deposits	**11,651,597**	3,089,694	**4,686,850**	1,000
Short-term deposits	**36,013,720**	9,031,746	**–**	–
Cash and bank balances	**33,827,611**	28,536,476	**3,727,077**	111,856
Available-for-sale asset:				
Unquoted shares, at cost	**715,385**	260,000	**–**	–
Financial liabilities				
Other financial liabilities:				
Trade and other payables	**145,945,793**	126,750,910	**286,851**	92,620
Borrowings	**222,348,369**	193,128,057	**–**	–
At fair value though profit or loss:				
Derivative other financial liability:				
Foreign currency forward contracts	**8,190**	14,562	**–**	–

c. Financial risk management objectives

The operations of the Group are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/ or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives (Cont'd)

i. Market risk management

The Group has in place policies to manage the Group's exposures to fluctuation in the prices of the raw materials used in the operations.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

ii. Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The following table details the Group's sensitivity to a 12% (2015: 5%) increase and decrease in Ringgit Malaysia (RM) against the relevant foreign currencies. 12% (2015: 5%) 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 12% (2015: 5%) change in foreign currency rates. A positive number below indicates a decrease in profit net of tax and a negative number below indicates an increase in profit net of tax where the RM strengthens 12% (2015: 5%) against the relevant currency. For a 12% (2015: 5%) weakening of the RM against the relevant currency, there would be a comparable reverse impact on the profit net of tax.

	The Group	
	2016	**2015**
	RM	**RM**
Impact on profit or loss		
United States Dollar	**73,553**	37,408
Singapore Dollar	**(4,850,034)**	(1,411,766)
Euro Dollar	**(10,508)**	–

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. The Group has 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 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.

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 7% of gross trade receivables of the Group at the end of reporting period.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable banks.

The carrying amounts of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives (Cont'd)

iv. Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

At the end of the reporting period, if interest rates increase/decrease by 100 (2015: 100) basis points with all other variables held constant, the Group's profit net of tax would have been RM1,414,000 (2015: RM1,016,000) lower/higher arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date of which the Group and the Company are required to pay. The table includes cash flows for both interest and principal. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	The Group	
	2016 RM	2015 RM
Trade and other payables		
Not later than one year	**145,945,793**	126,750,910
Long-term loans		
Not later than one year	**15,794,642**	11,987,715
Later than one year and not later than two years	**15,028,860**	11,926,356
Later than two years and not later than five years	**39,920,119**	32,298,882
Later than five years	**64,053,393**	45,361,818
	134,797,014	101,574,771
Bankers' acceptances		
Not later than one year	**99,787,054**	95,610,000
Hire-purchase payables		
Not later than one year	**9,264,729**	9,108,662
Later than one year and not later than two years	**6,599,643**	6,351,795
Later than two years and not later than five years	**5,823,695**	7,680,991
	21,688,067	23,141,448

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

	The Group	
	2016 RM	2015 RM
Bank overdrafts		
Not later than one year	**831,864**	1,298,256
Other financial liability		
Not later than one year	**8,190**	14,562

	The Company	
	2016 RM	2015 RM
Trade and other payables		
Not later than one year	**286,851**	92,620

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	
	2016 RM	2015 RM
Secured	**69,218,000**	38,168,000
Unsecured	**8,023,000**	5,336,000
	77,241,000	43,504,000

vi. Cash flow risk management

The Group reviews its cash flow position regularly to manage its exposures to fluctuations in future cash flows associated with its monetary financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. FINANCIAL INSTRUMENTS (Cont'd)

d. Forward foreign currency contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated foreign sales and purchase transactions.

The following table details the foreign currency forward contracts outstanding as at the end of the reporting period:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value loss RM
2016:				
Sell USD				
Less than 3 months	**4.0189**	**57,238**	**230,313**	**6,940**
3 to 6 months	**4.1025**	**22,867**	**93,813**	**1,250**
2015:				
Sell USD				
Less than 3 months	3.6762	11,825	44,252	7,848
3 to 6 months	3.8360	11,397	43,744	6,714

e. Fair value measurements

This note provides financial information about how the Group determines fair values of various financial assets and financial liabilities.

i. Fair value of financial liability that is measured at fair value on a recurring basis

	2016 RM	2015 RM
Derivatives other financial liability:		
Fair value:		
Foreign currency forward contracts	**8,190**	14,562

Fair value hierarchy	Level 2
Valuation technique and key input	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Significant unobservable input	None
Relationship of unobservable input to fair value	Not applicable

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

35. FINANCIAL INSTRUMENTS (Cont'd)

e. Fair value measurements (Cont'd)

ii. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The fair values of the available-for-sale investment on unquoted shares are not established as it cannot be measured reliably without incurring excessive cost. Investments in unquoted shares are measured at cost. The Group intends to hold the unquoted investments on a long-term basis and the directors of the Group believe that the carrying amount of the investment approximate its recoverable value.

The directors consider that the carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair values of hire-purchase payables and term loans are included in Level 2 category of the fair value hierarchy and have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase and term loans arrangements and approximate their carrying amounts.

The fair value of contingent liability in respect of corporate guarantees given by the Company to local banks for credit facilities granted to certain subsidiaries is Nil (2015: Nil), as the directors of the Company consider that the probability of the subsidiaries to default in repayments of their credit facilities is unlikely.

36. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2016	2015
	RM	RM
Estimated cash value of benefits-in-kind provided to directors	**126,174**	147,189

37. 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
With subsidiaries:				
CAB Cakaran Sdn. Bhd.				
Dividend received	**–**	–	**5,025,000**	5,000,000
Interest revenue received	**–**	–	**330,023**	–
Management fee received	**–**	–	**151,200**	151,200
Management fee paid	**–**	–	**24,000**	12,000
Rental paid	**–**	–	**24,000**	12,000
Jimat Jaya Sdn. Bhd.				
Management fee received	**–**	–	**33,600**	33,600
CAB Cakaran Southern Sdn. Bhd.				
Management fee received	**–**	–	**26,400**	26,400

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

37. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
With subsidiaries: (Cont'd)				
Pasaraya Jaya Gading Sdn. Bhd.				
Management fee received	–	–	24,000	24,000
Sundry purchases	–	–	189	–
Jaya Gading Farm Sdn. Bhd.				
Management fee received	–	–	19,200	19,200
Tong Huat Poultry Processing Factory Pte. Ltd.				
Management fee received	–	–	15,000	4,667
Kyros Food Industries Sdn. Bhd.				
Management fee received	–	–	8,400	8,400
Sundry purchases	–	–	1,600	1,600
CAB Cakaran Breeding Farm Sdn. Bhd.				
Management fee received	–	–	7,800	7,800
Likes Marketing Sdn. Bhd.				
Management fee received	–	–	7,200	7,200
Ban Hong Poultry Pte. Ltd.				
Management fee received	–	–	7,200	2,240
CAB Cakaran (Timur) Sdn. Bhd.				
Management fee received	–	–	3,000	3,000
CAB Cakaran (Langkawi) Sdn. Bhd.				
Management fee received	–	–	1,200	1,200
Cabin Premier GPS Farm Sdn. Bhd.				
Management fee received	–	–	1,200	1,200
Antik Kualiti Sdn. Bhd.				
Management fee received	–	–	600	600
Sundry purchases	–	–	145	–
CAB Marine Resources Sdn. Bhd.				
Management fee received	–	–	600	600
HK Foods (M) Sdn. Bhd.				
Management fee received	–	–	600	600
Home Mart Fresh & Frozen Sdn. Bhd. (formerly known as CAB Food Sdn. Bhd.)				
Management fee received	–	–	600	600
Kyros International Sdn. Bhd.				
Management fee received	–	–	600	600
Kyros Kebab Sdn. Bhd.				
Management fee received	–	–	600	600
Shin Hong Breeding Farm Sdn. Bhd.				
Management fee received	–	–	600	600
With directors of the Company:				
Chuah Ah Bee				
Rental paid	58,400	54,752	–	–
Chan Kim Keow				
Rental paid	40,600	39,600	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

37. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
With other related parties:				
YWT Contract Farming [(a)]				
Purchases	**29,625,341**	33,043,962	**–**	–
Sales	**28,567,608**	29,331,682	**–**	–
Rental received	**1,026,004**	993,174	**–**	–
Transportation charges received	**18,745**	–	**–**	–
Chyuan Heng Farming Sdn. Bhd. [(a)]				–
Purchases	**14,656,178**	7,062,851	**–**	–
Sales	**9,331,008**	5,233,222	**–**	–
Rental received	**196,163**	30,400	**–**	–
Transportation charges received	**1,439**	–	**–**	–
Wei Heng Maju Farm Sdn. Bhd. [(b)]				
Purchases	**4,860,134**	–	**–**	–
Sales	**4,362,594**	–	**–**	–
Rental received	**201,792**	–	**–**	–
Transport charges received	**799**	–	**–**	–
Maju Jaya Farm [(b)]				
Purchases	**2,937,926**	8,755,118	**–**	–
Sales	**2,401,203**	6,744,485	**–**	–
Rental received	**62,144**	311,200	**–**	–
Transportation charges received	**2,210**	5,672	**–**	–
Unisetali Sdn. Bhd. [(c)]				
Purchases	**1,493,988**	1,444,565	**–**	–
Transportation charges paid	**64,028**	12,500	**–**	–
Scrap sales	**36,000**	15,000	**–**	–
Rental received	**24,000**	–	**–**	–
Transportation charges received	**12,586**	7,477	**–**	–
Sales	**604**	7,456	**–**	–
Banghong Livestock Trading Sdn. Bhd. [(c)]				
Purchase of property, plant and equipment	**1,550,000**	–	**–**	–
Yi Da Agricultural Food Trading Sdn. Bhd. [(c)]				
Purchase of property, plant and equipment	**450,000**	72,576	**–**	–
Rental of lorry and permit paid	**99,700**	102,600	**–**	–
Transport charges paid	**–**	150,775	**–**	–
Jaya Gading Marketing [(d)]				
Sales	**431,378**	519,809	**–**	–
Chuah Ah Bee Sdn. Bhd. [(e)]				
Rental paid	**423,600**	440,500	**–**	–
Purchases	**–**	3,486	**–**	–
Sales	**–**	2,825	**–**	–
Chuah Ah Chui [(f)]				
Sales	**366,335**	376,462	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

37. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
With other related parties: (Cont'd)				
DES Food Manufacturing Pte. Ltd. [c]				
Labour charges paid	**317,372**	1,600	**–**	–
Fah Leong Sdn. Bhd. [g]				
Rental paid	**228,000**	228,000	**–**	–
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [h]				
Rental received	**156,000**	156,000	**–**	–
Sundry purchases	**64,000**	–	**–**	–
Late payment charges	**11**	–	**–**	–
Yi Da Agricultural Farming Sdn. Bhd. [c]				
Rental of fowl house paid	**60,000**	531,495	**–**	–
Purchases	**–**	715,811	**–**	–
License and permit fee paid	**–**	321,376	**–**	–
Sales	**–**	79,585	**–**	–
Purchase of motor vehicles	**–**	60,000	**–**	–
Kebun Ngohoch (P.W.) Sdn. Bhd. [e]				
Sundry purchases	**–**	1,600	**–**	–
Asiawe Resources Sdn. Bhd.[i]				
Transportation charges paid	**–**	800	**–**	–

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

38. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

As of September 30, 2016, the Group has the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group	
	2016	2015
	RM	RM
Approved and contracted for	**864,887**	3,301,284
Approved but not contracted for	**6,164,928**	18,014,068

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:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
September 30, 2016

38. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (Cont'd)

	The Group	
	2016	**2015**
	RM	**RM**
Not later than one year	**249,795**	504,306
Later than one year and not later than five years	**148,460**	360,878
	398,255	865,184

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	
	2016	**2015**
	RM	**RM**
Non-cancellable operating lease commitments:		
Not later than one year	**5,816,078**	4,933,289
Later than one year and not later than five years	**7,988,758**	7,316,813
Later than five years	**3,042,930**	4,096,530
	16,847,766	16,346,632

39. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS

a. On March 20, 2015, the Company entered into a Memorandum of Understanding ("MOU") with Seri Kedah Corporation Sdn. Bhd. ("SKC") and New Chemical Trading Co., Ltd. to explore the possibilities to set up joint ventures to operate a biomass power generation business in Malaysia by producing fertilizer as by-product through incinerating chicken dropping and marketing and selling thereof and utilizing the plant area for solar photovoltaic power generation.

   On November 16, 2015, a new company, namely CAB Amesist Biomass Generation Sdn. Bhd. ("CABG") was incorporated in Malaysia. The initial issued and paid-up capital of CABG is RM100 divided into 100 ordinary shares of RM1.00 each, of which 51% is held by the Company and the remaining 49% is held by SKC.

   On March 19, 2016, the MOU lapsed and all the Parties were not able to reach an agreement on the renewal terms.

b. On December 6, 2015, the Company entered into a MOU with KMP Private Ltd., a company incorporated in Singapore and is Salim Group's investment holding company which holds the investment in Salim Group's subsidiary companies in Indonesia, to undertake a feasibility study on the possibilities of establishing a fully integrated poultry business in Indonesia on a joint venture basis.

   On June 30, 2016, the Company announced that the Company has undertaken a feasibility study on the proposed investment in Indonesia and the study is still in the progress. The Company has also submitted an application to Badan Koordinasi Penanaman Modal (BKPM) Indonesia in relation to the proposed investment in Indonesia.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

39. SIGNIFICANT EVENTS DURING THE YEAR AND SUBSEQUENT EVENTS (Cont'd)

c. On February 5, 2016, the Company issued letters of intent to Farm's Best Food Industries Sdn. Bhd. ("FBF"), Sinmah Breeders Sdn. Bhd. ("SBSB") and Sinmah Livestocks Sdn. Bhd. ("SLSB") for the proposed acquisition of the assets of FBF, SBSB and SLSB for an indicative cash consideration of RM80,000,000, RM88,000,000 and RM74,000,000 respectively. The Vendors had, on February 5, 2016 accepted the terms therein mentioned in the letters of intent.

Subsequently on June 3, 2016 and November 25, 2016, the Company executed letters of termination to terminate the proposed acquisition of FBF's and SBSB's assets. In lieu thereof the Company had:

On June 3, 2016, the Company together with Tong Huat Poultry Processing Factory Pte. Ltd., a 51% owned subsidiary of the Company, Plant Wealth Holdings Limited and Brighton Property Pte. Ltd. had entered into a conditional Share Sale Agreement with Farm's Best Berhad to acquire the entire 50,000,000 ordinary shares of FBF for a total purchase consideration of RM13,384,099 (as subsequently adjusted vide announcement dated November 8, 2016). The acquisition has been completed on November 8, 2016 and consequently FBF became a 53.04% owned subsidiary of the Company.

Due to the short period of time, the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue by the Board of Directors.

On November 25, 2016, FBF has entered into four conditional sales and purchase agreements with SBSB and Sinmah Multifeed Sdn. Bhd. for the proposed acquisition of 21 parcels of freehold of freehold agricultural lands measuring approximately 200.23 acres together with 6 breeder poultry farms and all equipments erected thereon for a total purchase consideration of RM63 million.

d. OTK Farm Equipment Sdn. Bhd. with a registered capital of RM100 was incorporated on October 18, 2016. OTK Farm Equipment Sdn. Bhd. is a 55% owned subsidiary of the Group. The intended principal activity of OTK Farm Equipment Sdn. Bhd. is to carry on the business of manufacturers, producers, designers, makers in electrical and electronic appliance and apparatus of every description, farming equipment, evaporate cooling pads, etc.

e. subsequent to September 30, 2016, the Company proposed to declare a final single tier dividend of RM0.01 per ordinary share of RM0.50 each for the financial year ended September 30, 2016. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending September 30, 2017.

f. Subsequent to September 30, 2016, the Company increased its issued and fully paid-up ordinary share capital from RM87,582,820 to RM88,763,020 by the issuance of 2,360,400 new ordinary shares of RM0.50 each at an exercise price of RM0.55 per ordinary share pursuant to the exercise of Warrants.

40. 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, and supermarket products);
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);
e. trading/ value added products manufacturing (including processing, exporting, wholesaling, distributing and marketing of frozen marine and value added products, chicken products, and other food products and trading); and
f. supermarket.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

40. SEGMENT INFORMATION (Cont'd)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2016:								
Revenue								
External revenue	–	923,611,502	259,842	3,193,372	50,226,982	124,014,025	–	1,101,305,723
Inter-segment revenue	5,352,157	26,809,228	614	819,252	3,657,463	11,507	(36,650,221)	–
Total revenue	5,352,157	950,420,730	260,456	4,012,624	53,884,445	124,025,532	(36,650,221)	1,101,305,723
Results								
Segment profit/ (loss)	3,046,412	54,341,016	(747,322)	(356,359)	1,319,770	520,418	(5,631,820)	52,492,115
Investment revenue								552,282
Other gains and losses								4,757,864
Finance costs								(11,090,530)
Profit before tax								46,711,731
Tax expense								(10,754,385)
Profit for the year								35,957,346

40. SEGMENT INFORMATION (Cont'd)

Segment revenue and results (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2015:								
Revenue								
External revenue	–	701,393,227	2,156,399	3,997,415	43,903,936	140,241,408	–	891,692,385
Inter-segment revenue	5,320,275	30,817,703	5,450	800,093	2,721,856	31,499	(39,696,876)	–
Total revenue	5,320,275	732,210,930	2,161,849	4,797,508	46,625,792	140,272,907	(39,696,876)	891,692,385
Results								
Segment profit/ (loss)	3,872,238	31,866,915	(340,490)	(123,784)	2,047,452	284,284	(4,802,993)	32,803,622
Investment revenue								605,676
Other gains and losses								5,139,475
Finance costs								(9,263,061)
Profit before tax								29,285,712
Tax expense								(8,342,665)
Profit for the year								20,943,047

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit/ (loss) represents the profit earned/ loss suffered by each segment without investment revenue, other gains and losses, finance costs and tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
September 30, 2016

40. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2016:								
Assets								
Segment assets	92,767,693	603,461,370	6,236,961	3,475,079	38,610,252	22,831,350	(111,730,537)	655,652,168
Interest revenue producing assets								36,013,720
Income tax assets								423,811
Consolidated total assets								692,089,699
Liabilities								
Segment liabilities	286,851	126,513,260	234,152	399,451	4,670,744	14,011,150	(5,500)	146,110,108
Borrowings								222,348,369
Income tax liabilities								23,209,969
Consolidated total liabilities								391,668,446

40. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2015:								
Assets								
Segment assets	71,995,999	504,482,626	7,132,109	3,454,019	39,247,392	26,387,489	(92,768,390)	559,931,244
Interest revenue producing assets								9,031,746
Income tax assets								790,709
Consolidated total assets								569,753,699
Liabilities								
Segment liabilities	92,620	102,700,941	284,353	380,809	3,739,692	19,760,438	(5,500)	126,953,353
Borrowings								193,128,057
Income tax liabilities								20,304,210
Consolidated total liabilities								340,385,620

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.

40. SEGMENT INFORMATION (Cont'd)

Other segment information

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2016:								
Other information								
Additions to non-current assets	–	71,410,211	131,428	210,706	1,958,193	1,437,552	(172,002)	74,976,088
Depreciation and amortisation expenses	1,204	17,617,446	343,591	185,104	1,877,340	1,515,640	1,531,194	23,071,519
Impairment loss recognised on receivables	–	642,738	529,989	–	5,302	–	–	1,178,029
Impairment loss recognised on property, plant and equipment	–	–	4,841	–	–	–	–	4,841
Other non-cash expenses	–	367,175	169,873	51,187	64,265	42,957	(74,403)	621,054

40. SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2015:								
Other information								
Additions to non-current assets	3,646	81,367,729	12,000	519,638	4,759,633	334,768	16,775,722	103,773,136
Depreciation and amortisation expenses	300	13,423,019	372,938	154,093	1,503,954	1,479,893	802,789	17,736,986
Impairment loss recognised on receivables	31,752	1,414,140	–	–	475,139	–	(1,435,970)	485,061
Impairment loss recognised on property, plant and equipment	–	–	–	42,676	–	–	–	42,676
Other non-cash expenses	–	771,603	–	162,905	9,527	310,633	–	1,254,668

Revenue from major products and services

Analysis of revenue from major products and services was not disclosed due to it is not practical to analyse these information without incurring excessive cost.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

40. 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	
	2016	**2015**
	RM	**RM**
Malaysia	**942,332,766**	846,068,503
Republic of Singapore	**158,972,957**	45,623,882
	1,101,305,723	891,692,385

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

	The Group	
	2016	**2015**
	RM	**RM**
Malaysia	**929,886,817**	794,150,958
Republic of Singapore	**169,386,205**	93,877,405
Pakistan	**957,662**	819,374
Bangladesh	**674,312**	217,568
United States of America	**39,054**	2,045,068
Others	**361,673**	582,012
	1,101,305,723	891,692,385

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

	The Group	
	2016	**2015**
	RM	**RM**
Malaysia	**414,452,905**	339,452,380
Republic of Singapore	**10,772,062**	27,523,467
	425,224,967	366,975,847

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

Information about major customers

Information about major customers was not disclosed as there was no customer that contributed 10% or more to the Group's revenue for both 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

September 30, 2016

41. RETAINED EARNINGS/ (ACCUMULATED LOSSES) (Supplementary Information)

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

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

The breakdown of the retained earnings/ (accumulated losses) of the Group and of the Company as of September 30, 2016 into realised and unrealised amounts, pursuant to the directive, is as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Total retained earnings/ (accumulated losses):				
Realised	**124,082,344**	88,219,630	**1,172,720**	(2,203,715)
Unrealised	**45,477,192**	40,319,066	**–**	–
	169,559,536	128,538,696	**1,172,720**	(2,203,715)
Less: Consolidation adjustments	**(77,168,747)**	(62,483,539)	**–**	–
Total retained earnings/ (accumulated losses) as per statements of financial position	**92,390,789**	66,055,157	**1,172,720**	(2,203,715)

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

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

STATEMENT BY DIRECTORS

The directors of **CAB CAKARAN CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of September 30, 2016 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

CHUAH AH BEE

CHUAH HOON PHONG

Penang,

December 22, 2016

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHUAH AH BEE**, the director primarily responsible for the financial management of **CAB CAKARAN CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **CHUAH AH BEE** at **GEORGETOWN** in the State of **PENANG** on December 22, 2016

Before me,

HAJI MOHAMED YUSOFF BIN MOHD. IBRAHIM
P156
COMMISSIONER FOR OATHS

LIST OF TOP TEN (10) PROPERTIES

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2016 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	414,401,282/ -	–	Grant in perpetuity	42,587,325	30.08.16
Lot No. 26260, Lot No. 26261 and PT92181, Title Nos GRN 95669, GRN 95670 and HSD 109633 respectively, Town of Sungai Petani, District of Kuala Muda, Kedah / Plot 21-24, Bukit Makmur Industrial Estate, Sungai Lalang, 08100 Bedong, Kedah	Three parcels of industrial lands erected upon it a three-storey office cum a single-storey factory/ processing factory	35,008/ 12,314.58	4	Grant in perpetuity	20,701,668	30.09.12
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 - 35,146.87	2	Sub-Lease for 30 years expiring on August 29, 2040	17,819,685	Dec'14 & Sept'16
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 for residential used/renting as breeder farms	91,667.22/ 15,063.73	26 - 31	Grant in perpetuity	15,930,000	30.09.16
Lot Nos. 1512 & 3037, Title Nos. GRN 38752 & GRN 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural lands for residential used/breeder farms	168,264.23/ 24,140.41	26 - 31	Grant in perpetuity	14,006,934	30.09.12

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

Location/address	Description of Property/ Existing Use	Land/ Built-Up Area (sq.m.)	Approximate Age of Building (year)	Tenure	Net Book Value as at September 30, 2016 RM	Date of Valuation/ Acquisition
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 /breeder farms	49,699.44/ Breeder house - 13,804.18/ Other - 1,899.75	14 - 21	Grant in perpetuity	13,556,888	30.09.12
Lot No. 39, Title No. GM 1133, Mukim of Hosba, District of Kubang Pasu, State of Kedah/ Situated off Jitra-Bukit Kayu Hitam highway, within Kampung Tengah, Napoh, Jitra, Kedah	A parcel of agricultural land which is zoned for industries used/vacant	84,641/ -	–	Grant in perpetuity	8,040,000	30.09.16
Lot 30, Title No. GM 59, Pekan of Sg. Karangan (Mukim of Padang Meha), District of Kulim, State of Kedah	A parcel of agricultural land erected upon it two warehouses, workers quarters & other supportive buildings/ renting	116,765/ 5,394.98	10 - 16	Grant in perpetuity	7,872,308	Nov'14 & Sept'16
Lot No. 16471, Title No. PN 24529, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur /No. 12, Jalan Segambut Lentang, Segambut Industrial Area, 51200 Segambut, Kuala Lumpur	A parcel of industrial land erected upon it a double-storey office cum a single-storey-factory/ processing factory	3,150.05/ 3,490.17	12	Leasehold interest 99 years expiring on June 16, 2067	6,567,030	30.09.12
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 farming	72,389/ Poultry farm - 16,769.67 Other - 204.55	2 - 20	Grant in perpetuity	6,339,612	30.09.12 & Mar'15

ANALYSIS OF SHAREHOLDINGS

Share Capital as at December 30, 2016

Authorised	:	RM500,000,000.00
Issued and Fully paid-up	:	RM88,758,519.50 #
Class of Share	:	Ordinary Shares of RM0.50 each
Voting Right	:	One voting right for one ordinary share

The issued and paid up capital is as per Record of Depositors as at December 30, 2016 exclusive of 218,200 treasury shares bought back.

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 – 99	45	2,035	0.00
100 – 1,000	152	94,375	0.05
1,001 – 10,000	880	4,022,150	2.27
10,001 – 100,000	381	12,923,622	7.28
100,001 – 8,875,850 (*)	90	48,107,663	27.10
8,875,851 and above (**)	4	112,367,194	63.30
Total	**1,552**	**177,517,039**	**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)*	34,496,100	19.43
2	Chuah Ah Bee	28,308,744	15.95
3	Chuah Ah Bee	20,488,350	11.54
4	Chan Kim Keow	19,185,900	10.81
5	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Chan Kim Keow)(Margin)*	9,358,000	5.27
6	Chuah Hoon Teng	3,000,000	1.69
7	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Soon Hui)(E-SJA)*	2,747,800	1.55
8	Chuah Hoon Hong	2,300,000	1.30
9	Tan Chin Tee	2,055,000	1.16
10	Maybank Securities Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Chuah Ah Bee)(Margin)*	2,000,000	1.13
11	RHB Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Wen Lee)*	1,991,100	1.12
12	RHB Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Chin Tee)*	1,930,400	1.09
13	Chuah Teh Chai	1,681,125	0.95
14	Chuah Hoon Phong	1,666,450	0.94
15	Cheng Mooh Tat	1,507,200	0.85
16	Chuah Hoon Phong	1,392,950	0.78
17	Tan Wen Lee	1,095,500	0.62
18	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Loo Choo Gee)*	1,048,875	0.59
19	Lee Yew Aun	1,000,000	0.56
20	Lim Kah Eng	897,900	0.51
21	Affin Hwang Nominees (Tempatan) Sdn Bhd *(Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd) (Clients)*	830,000	0.47

ANALYSIS OF SHAREHOLDINGS (Cont'd)

Share Capital as at December 30, 2016

LIST OF TOP THIRTY (30) HOLDERS (Cont'd)

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

	Name	Shareholdings	%
22	Kenanga Nominees (Asing) Sdn Bhd *(Exempt AN for Phillip Securities Pte Ltd) (Client account)*	798,354	0.45
23	Tan Chooi Ho	781,100	0.44
24	Seah Mok Khoon	720,000	0.41
25	Maybank Securities Nominees (Asing) Sdn Bhd *(Maybank Kim Eng Securities Pte Ltd for Lim Geok Meng)*	718,400	0.40
26	CIMB Group Nominees (Tempatan) Sdn Bhd *(CIMB Commerce Trustee Berhad for TA Growth Fund)*	655,300	0.37
27	Hong Nguen Joh	627,100	0.35
28	Affin Hwang Nominees (Asing) Sdn Bhd *(Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd) (Clients)*	562,000	0.32
29	Loo Choo Gee	561,100	0.32
30	Oo Kwang Tung	546,800	0.31

SUBSTANTIAL SHAREHOLDERS

		Shareholdings			
	Name	Direct	%	Indirect	%
1	Chuah Ah Bee	50,797,094	28.62	5,300,000 #	2.99
2	Chan Kim Keow	29,074,000	16.38	5,300,000 #	2.99
3	Plant Wealth Holdings Limited	34,110,600	19.22	–	–
4	KMP Private Ltd	–	–	34,110,600 ##	19.22
5	KMP Investments Pte Ltd	–	–	34,110,600 ##	19.22
6	Mariton International Limited	–	–	34,110,600 ##	19.22
7	Antoni Salim	–	–	34,110,600 ##	19.22

DIRECTORS' SHAREHOLDINGS

	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	50,797,094	28.62	5,300,000 #	2.99
2	Chan Kim Keow	29,074,000	16.38	5,300,000 #	2.99
3	Chuah Hoon Phong	3,091,400	1.74	5,000 **	– *
4	Loo Choo Gee	1,609,975	0.91	–	–
5	Chew Chee Khong	–	–	–	–
6	Haji Ahmad Fazil Bin Haji Hashim	5,000	– *	–	–
7	Goh Choon Aik	550	– *	–	–
8	Ng Seng Bee	–	–	–	–
9	Lim Ghim Chai	–	–	–	–
10	Wijanti Tjendera	–	–	–	–

Notes :

* Negligible

** Other interest of his spouse by virtue of Section 134 (12)(c) of the Companies Act, 1965

\# Other interest of their children by virtue of Section 134 (12)(c) of the Companies Act, 1965

\#\# Deemed interested under Section 6A of the Companies Act, 1965 by virtue of Plant Wealth Holdings Limited's shareholdings in CAB Cakaran Corporation Berhad.

ANALYSIS OF WARRANT HOLDINGS

as at December 30, 2016

WARRANTS 2015/2020

No. of outstanding Warrants	:	44,103,225
Exercise/Conversion Price	:	RM0.55
Exercise/Conversion Ratio	:	1 warrant for 1 ordinary share of RM0.50 each
Maturity Date	:	February 8, 2020

ANALYSIS BY SIZE OF HOLDINGS

Holdings	No. of Holders	No. of Warrants	%
1 - 99	98	3,929	0.01
100 - 1,000	224	155,625	0.35
1,001 - 10,000	457	2,093,950	4.75
10,001 - 100,000	226	7,894,362	17.90
100,001 - 2,205,160 (*)	54	23,127,312	52.44
2,205,161 and above (**)	1	10,828,047	24.55
Total	**1,060**	**44,103,225**	**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	10,244,175	23.23
2	Chuah Hoon Hong	2,159,000	4.90
3	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Loo Choo Gee)*	2,024,437	4.59
4	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Soon Hui)(E-SJA)*	1,808,700	4.10
5	Chan Kim Keow	1,734,950	3.93
6	Chuah Hoon Teng	1,100,000	2.49
7	Chuah Hoon Phong	786,225	1.78
8	Maybank Nominees (Tempatan) Sdn Bhd *(Tan Wai Heng)*	737,000	1.67
9	Chuah Hoon Phong	696,475	1.58
10	Cheng Mooh Tat	598,450	1.36
11	Chuah Ah Bee	583,872	1.32
12	Sai Yee @ Sia Say Yee	570,000	1.29
13	Oo Kwang Tung	551,700	1.25
14	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Tan Chung Ching)(E-PTS)*	532,200	1.21
15	Seah Mok Khoon	500,000	1.13
16	Tan Wen Lee	478,900	1.09
17	TA Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Yap Tuan Tay)*	470,250	1.07
18	RHB Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Kho Ping)*	399,200	0.91
19	AMSEC Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Goik Kenzu)*	360,000	0.82
20	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Ting Choong Sing)(E-KPG)*	333,000	0.76
21	Alliancegroup Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Yap Tuan Tay)*	320,000	0.73

ANALYSIS OF WARRANT HOLDINGS (Cont'd)

as at December 30, 2016

LIST OF TOP THIRTY (30) HOLDERS (Cont'd)

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

	Name	Warrant holdings	%
22	HSBC Nominees (Asing) Sdn Bhd *(Exempt AN for Morgan Stanley & Co. International PLC)(Client)*	314,000	0.71
23	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Kho Ping)*	304,000	0.69
24	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Kean Leong Poultry Trading Sdn Bhd)(E-BMM)*	300,000	0.68
25	Public Nominees (Tempatan) Sdn Bhd *(Pledged securities account for Cheng Lin Chin)(E-BPT)*	296,500	0.67
26	Ooi Chin Hock	294,900	0.67
27	Loo Choo Gee	280,550	0.64
28	Ang Hui Chan	279,900	0.63
29	Ng Lian Hock	273,500	0.62
30	Chan Chooi Foong	266,900	0.61

DIRECTORS' WARRANT HOLDINGS

	Name	Direct No. of warrants held	%	Indirect No. of warrants held	%
1	Chuah Ah Bee	10,828,047	24.55	3,259,000 #	7.39
2	Chan Kim Keow	2,000,000	4.53	3,259,000 #	7.39
3	Loo Choo Gee	2,304,987	5.23	–	–
4	Chuah Hoon Phong	1,498,700	3.40	49,500 **	0.11
5	Chew Chee Khong	–	–	–	–
6	Haji Ahmad Fazil Bin Haji Hashim	2,500	– *	–	–
7	Goh Choon Aik	275	– *	–	–
8	Ng Seng Bee	–	–	–	–
9	Lim Ghim Chai	–	–	–	–
10	Wijanti Tjendera	–	–	–	–

Notes :

* Negligible

** Other interest of his spouse by virtue of Section 134 (12)(c) of the Companies Act, 1965

Other interest of their children by virtue of Section 134 (12)(c) of the Companies Act, 1965

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 Fifteenth 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, 13700 Perai, Penang on Thursday, March 23, 2017 at 10.00 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 2%		
Ordinary Resolution 2	Re-election of Mr. Loo Choo Gee		
Ordinary Resolution 3	Re-election of Mr. Chew Chee Khong		
Ordinary Resolution 4	Re-election of Mr. Lim Ghim Chai		
Ordinary Resolution 5	Re-election of Ms. Wijanti Tjendera		
Ordinary Resolution 6	Re-appointment of Messrs Deloitte as Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
Ordinary Resolution 7	Continuing in office for Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director		
Ordinary Resolution 8	Approval of an additional Directors' fees of RM23,310.34 for financial year ended September 30, 2016		
Ordinary Resolution 9	Approval of Directors' fees of RM219,600 for financial year ending September 30, 2017		
Ordinary Resolution 10	Authority to Issue Shares		
Ordinary Resolution 11	Renewal of share buy-back authority		
Ordinary Resolution 12	Renewal and additional of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific to voting is given, the proxy may vote as he thinks fit.
* Strike out whichever not applicable

For appointment of two proxies, number of shares and percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%

Signed this __________ day of ____________________, 2017.

Number of shares held	

Signature/Common Seal of Shareholder

Contact no. of Shareholder/Proxy:

Notes:

1. A Member of the Company entitled to attend and vote is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to 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 the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
6. Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
7. Only members registered in the Record of Depositors as at March 16, 2017 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

fold here

fold here

STAMP HERE

To

The Secretaries

CAB CAKARAN CORPORATION BERHAD **(583661 W)**
Suite A, Level 9, Wawasan Open University
54, Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Malaysia

fold here

CAB CAKARAN CORPORATION BERHAD (583661 W)
Plot 21, Lorong Jelawat 4
Seberang Jaya Industrial Park
Seberang Jaya, 13700 Perai
Penang, Malaysia
Tel : 604-398 2233
Fax : 604-398 0137 / 398 0370
E-mail : cab@cab.com.my

www.cab.com.my