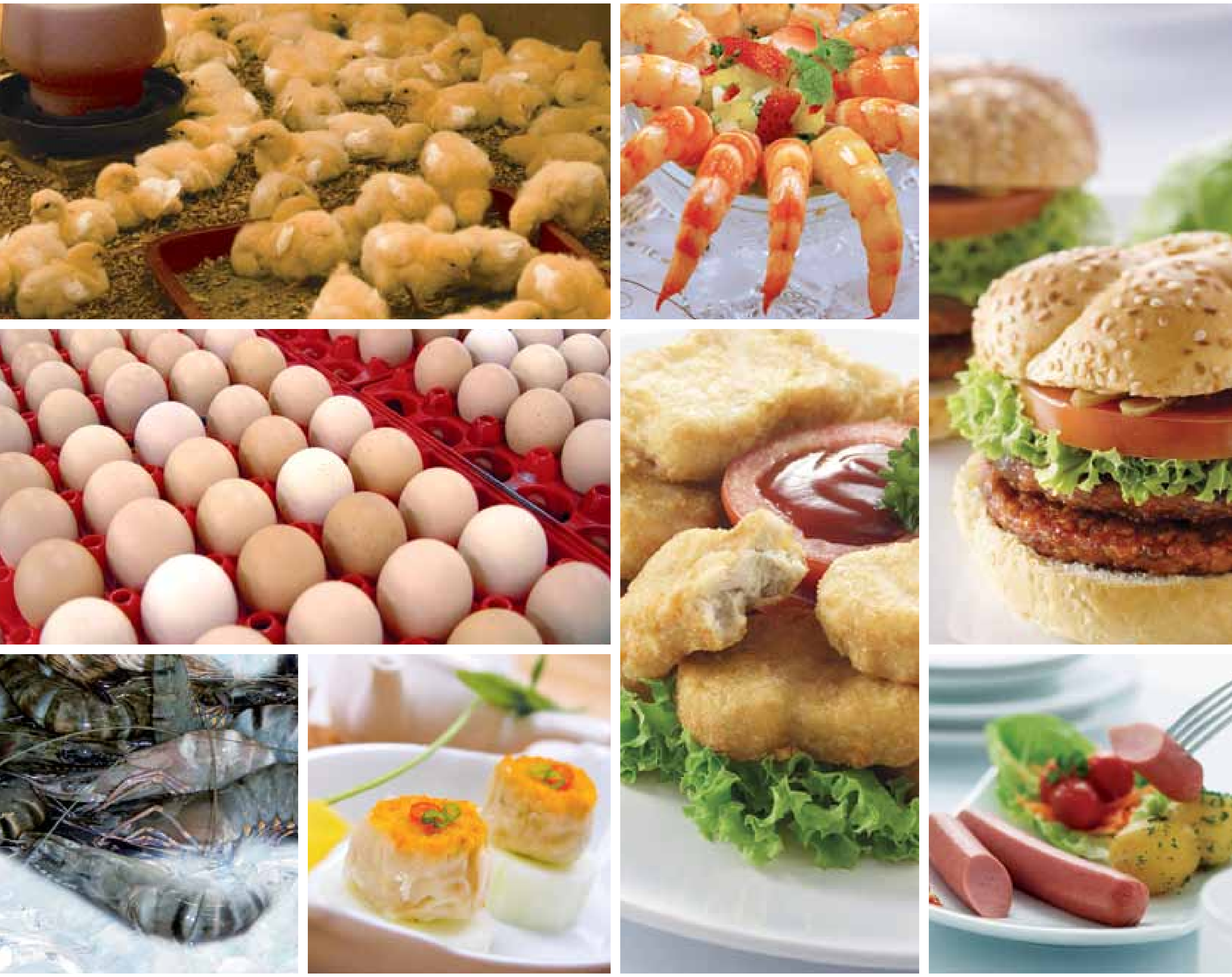
CAB CAKARAN CORPORATION BERHAD
(Company No.: 583661 W)
(Incorporated in Malaysia)



Enhancing the flavours of life

Annual Report 2011

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth 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, 29 March 2012 at 10.00 a.m.

A G E N D A

1. To receive the Audited Financial Statements of the Company for the year ended 30 September 2011 together with the Reports of the Directors and of the Auditors thereon. **Please refer to Note A**

2. 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 1**

   b) Mr. Chew Chee Khong **Ordinary Resolution 2**

3. 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. Goh Choon Aik **Ordinary Resolution 3**

   b) Mr. Ng Seng Bee **Ordinary Resolution 4**

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

SPECIAL BUSINESS

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

5. To approve the Directors' Fees of RM110,000 and the payment of such fees to the Directors of the Company for year ending 30 September 2012. **Ordinary Resolution 6**

6. **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 7**

SPECIAL BUSINESS (Cont'd)

7. **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 ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

And that the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **Ordinary Resolution 8**

SPECIAL BUSINESS (Cont'd)

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

"That subject always to the provisions of the Companies Act, 1965 ("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 5 March 2012 (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;

(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 9**

9. 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,

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

Penang

Date : 5 March 2012

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. A Member of the Company entitled to attend and vote is entitled to appoint 2 or more 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.

2. If a Member appoints 2 or more 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 exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. The instrument appointing a proxy must be deposited at the Registered Office at Suite 12-02, 12th Floor, Menara MAA, 170, Jalan Argyll, 10050 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 22 March 2012 shall be eligible to attend the meeting or appoint proxies to attend and vote on their behalf.

Explanatory Notes on Special Business

Directors' Fees

The proposed Ordinary Resolution 6, if passed, will authorize the payment of Directors' fees for the financial year ending 30 September 2012 amounting to RM110,000.

Authority to Issue Shares

This new 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 7, 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.

Proposed Renewal of Share Buy-Back Authority

This proposed Ordinary Resolution 8, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the 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.

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 9, if passed, will authorise the Company and/or its subsdiaries 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 5 March 2012 for more information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Pursuant to Paragraph 8.27(2) of the 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 Tenth Annual General Meeting.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2011 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended September 30, 2011 are as follows:-

Name	Meetings attended
Mr. Chuah Ah Bee	6/6
Mdm. Chan Kim Keow	6/6
Mr. Loo Choo Gee	6/6
Mr. Chew Chee Khong	6/6
Mr. Chuah Hoon Phong	6/6
Haji Ahmad Fazil Bin Haji Hashim	6/6
Mr. Goh Choon Aik (Appointed on March 29, 2011)	3/3
Mr. Kim Lim Chong (resigned on August 26, 2011)	6/6
Dato' Haji Zakaria Bin Hashim (resigned on February 17, 2011)	2/2

CORPORATE INFORMATION

BOARD OF DIRECTORS
Chuah Ah Bee
Executive Chairman
Chuah Hoon Phong
Group Managing Director
Chan Kim Keow
Executive Director
Loo Choo Gee
Executive Director
Chew Chee Khong
Executive Director
Ng Seng Bee
Independent Non-Executive Director
Haji Ahmad Fazil Bin Haji Hashim
Independent Non-Executive Director
Goh Choon Aik
Independent Non-Executive Director

AUDIT COMMITTEE
Ng Seng Bee
Chairman
Haji Ahmad Fazil Bin Haji Hashim
Member
Goh Choon Aik
Member

REMUNERATION COMMITTEE
Haji Ahmad Fazil Bin Haji Hashim
Chairman
Chuah Ah Bee
Member
Ng Seng Bee
Member

NOMINATION COMMITTEE
Haji Ahmad Fazil Bin Haji Hashim
Chairman
Ng Seng Bee
Member
Goh Choon Aik
Member

REGISTERED OFFICE
Suite 12-02,12th Floor
Menara MAA
170 Jalan Argyll, 10050 Penang
Telephone Number : 04-2296 318
Facsimile Number : 04-2282 118

COMPANY SECRETARIES
Gunn Chit Geok
(MAICSA 0673097)
Chew Siew Cheng
(MAICSA 7019191)

SHARE REGISTRAR
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone Number : 03-2264 3883
Facsimile Number : 03-2282 1886

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

AUDITORS
Deloitte KassimChan
Chartered Accountants
4th Floor, Wisma Wang
251-A Jalan Burma
10350 Penang

PRINCIPAL BANKERS
Malayan Banking Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

CORPORATE STRUCTURE

CORPORATE STRUCTURE OF CAB CAKARAN CORPORATION BERHAD ("CAB" or "the Company") AND ALL ITS SUBSIDIARIES ("CAB GROUP" OR "THE GROUP")

Holding Company:
CAB Cakaran Corporation Berhad

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

MARINE DIVISION:

- **100%** CAB Marine Resources Sdn. Bhd.

RESTAURANTS & FRANCHISING DIVISION

- **100%** Kyros International Sdn. Bhd.
- **100%** Kyros Kebab Sdn. Bhd.
- **36.60%** Shanghai Kyros Kebab Co. Ltd.

OTHERS:

- **100%** Ladang Ternakan Asun Sdn. Bhd.
- **70.96%** Kyros Kebab Overseas Ventures Sdn. Bhd.

INTEGRATED POULTRY DIVISION:

- **100%** Antik Kualiti Sdn. Bhd.
- **100%** CAB Cakaran Sdn. Bhd.
- **100%** CAB Cakaran Breeding Farm Sdn. Bhd.
- **100%** Jimat Jaya Sdn. Bhd.
- **100%** Jimat Jaya Pemasaran Sdn. Bhd.
- **70%** CAB Cakaran (Langkawi) Sdn. Bhd.
- **67.94%** Cabin Premier GPS Farm Sdn. Bhd.
- **55%** CAB Cakaran (Timur) Sdn. Bhd.
- **55%** Jaya Gading Farm Sdn. Bhd.
- **55%** Pasaraya Jaya Gading Sdn. Bhd.
- **50%** Shin Hong Breeding Farm Sdn. Bhd.

VALUE-ADDED FOOD PRODUCTS MANUFACTURING DIVISION:

- **100%** CAB Food Sdn. Bhd.
- **100%** HK Foods (M) Sdn. Bhd.
- **100%** Kyros Food Industries Sdn. Bhd.
- **100%** Likes Marketing Sdn. Bhd.
- **100%** Like's Store Sdn. Bhd.
- **100%** Protheme Pte. Ltd.

SUMMARY OF PAST FIVE-YEAR GROUP FINANCIAL RESULTS

Financial Years Ended September 30	**2007 RM '000**	**2008 RM '000**	**2009 RM '000**	**2010 RM '000**	**2011 RM '000**
Revenue	442,934	556,047	494,417	508,148	**490,966**
Profit Before Taxation	1,626	3,356	1,627	11,136	**19,554**
Net profit attributable to equity holders	619	830	1,905	7,208	**12,631**
Share Capital	65,890	65,890	65,890	65,890	**65,890**
Shareholders' Equity	77,481	78,309	80,431	87,667	**97,622**
Net Earnings Per Share (sen)	0.47	0.63	1.45	5.48	**9.60**
Return On Equity (ROE)	0.8%	1.06%	2.37%	8.22%	**12.94%**
Gross Dividend (%)	N/A	N/A	N/A	N/A	**N/A**

BOARD OF DIRECTORS' PROFILE

Chuah Ah Bee
Executive Chairman

Chuah Ah Bee, aged 61, a Malaysian, is the Executive Chairman of CAB and was appointed to the Board on August 11, 2003. He was appointed as Executive Chairman on February 17, 2011. He is also a member of the Remuneration Committee. Mr. Chuah is the founder of the Group and has more than 30 years of experience in the poultry industry. He is the Chairman of Persatuan Penjual-Penjual Ayam Itik Pulau Pinang since 2004 and had served as the Vice Chairman from 1995 to 2003. He is also a Committee Member of Penang & Province Wellesley Farmers Association since 2003.

Chuah Hoon Phong
Group Managing Director

Chuah Hoon Phong, aged 33, a Malaysian, is the Group Managing Director of CAB and was appointed to the Board on May 29, 2007. He was appointed as the Group Managing Director on February 17, 2011. He obtained his Advanced Diploma in Business Studies from International College, Penang in 2000. He joined the Group as a Marketing Manager in 2000 and was subsequently promoted as a Chief Operating Officer of the Group's food processing division in October 2002.

Chan Kim Keow (Madam)
Executive Director

Chan Kim Keow (Madam), aged 54, a Malaysian, is an Executive Director of CAB and was appointed to the Board on August 11, 2003. She is one of the founding members of the CAB Group and is instrumental in assisting her husband, Chuah Ah Bee in the day-to-day operations of the Group.

Loo Choo Gee
Executive Director

Loo Choo Gee, aged 48, a Malaysian, 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 20 years experience in the poultry industry. He 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 the Kedah Darul Aman/Perlis Indera Kayangan region since 2001 to 2007. Meanwhile, he was a committee member of Federation of Livestock Farmers' Association of Malaysia since 2004 and the Secretary of Penang & Province Wellesley Farmers' Association since 2007.

Chew Chee Khong
Executive Director

Chew Chee Khong, aged 55, a Malaysian, 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") qualifications in 1983. He 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.

Ng Seng Bee
Independent Non-Executive Director

Ng Seng Bee, aged 58, a Malaysian, is an Independent Non-Executive Director of CAB and was appointed to the Board on October 21, 2011. He is the Chairman of the Audit Committee, a member of the 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. He 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 organisation 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.

Haji Ahmad Fazil Bin Haji Hashim
Independent Non-Executive Director

Haji Ahmad Fazil Bin Haji Hashim, aged 56, a Malaysian, is an Independent Non-Executive Director of CAB and was appointed to the Board on September 1, 2004. He was redesignated as the Senior Independent Non-Executive Director on August 26, 2011. He serves as a member of the Audit Committee and was appointed as the Chairman of the Nomination Committee and Remuneration Committee of CAB on August 25, 2005. He holds a Diploma in Technical Teaching. He 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. His business interests in several core businesses operate under the aegis of IBF International Network Sdn. Bhd. Currently, he is involved in the news programme in Television Worldview Broadcast Channel (WBC) which is free to air call.

Goh Choon Aik
Independent Non-Executive Director

Goh Choon Aik, aged 38, a Malaysian, 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 and Nomination Committee of CAB. 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. He 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. He has accumulated 14 years of experience in the town planning. He holds directorships in several private limited companies.

Notes:

(i) 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.

(ii) Directors' Shareholdings

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

(iii) No Conflict of Interest

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

(iv) Non-Conviction of Offences

All the Directors have not been convicted with any offences other than traffic offences in the past ten (10) years.

(v) Attendance at Board Meetings

[Please refer to Statement Accompanying Notice of AGM]

CHAIRMAN'S STATEMENT

Economic Review

The world economy in 2011 witnessed a sluggish growth in the OECD countries and a slowdown in exports in developing nations due to the continued unfolding Euro zone debt crisis and a stubbornly slow recovery in the USA. The IMF has lowered its 2011 forecast for global growth to 4% from its earlier forecast of 5.1%. For 2012, the world economy is expected to face greater uncertainties with significant downside risks in the Euro zone and fragilities in the other economies.

The Malaysian economy registered an average growth rate of 5.1% during the first three quarters of 2011 but growth in the last quarter was expected to be much lower due to external factors. With the continuing uncertainties in the global economy, the Malaysian economy is expected to grow at a lower pace of 4% in 2012. The growth in the local economy is expected to be driven by the continuing expansion in domestic demand supported mainly by expansion in private consumption and public spending.

The year under review also witnessed a sharp rise in the prices of major commodities arising from supply shortages due to lower harvest and higher demand especially from the BRIC countries. This inadvertently had an adverse effect on the price of food and animal feed which saw significant increases over the past year. Therefore rising feed cost will continue to pose a strict challenge to the industry players.

Overview on Group Financial Performances

During the year under review, the Group achieved satisfactory performance despite the uncertainties and volatilities in the global environment. The Group's recorded revenue of RM490.97 million, a decrease of RM17.18 million compared with RM508.15 million in the previous year. This was mainly due to the reduction in the volume of production and sales of broilers during the period.

However, the Group saw its profit before tax rose to RM19.55 million from RM11.14 million in the previous year, a strong improvement of 75.50%. Likewise, earnings per share also rose from 5.48 sen to 9.60 sen.

The Group's improved performance was mainly attributed to the strong performance of the poultry division which accounted for 90% of the Group's revenue and net profit. The higher average ex–farm price of broilers during the year under review resulted in better profit margin which more than offset the lower contribution from the reduction in the volume of broilers sold.

The other divisions are still relatively small in terms of revenue and profit contributions and are not expected to show any significant changes in 2012.

Dear Shareholders,

On behalf of the Board of Directors of CAB, it is my privilege to present to you the Annual Report and Audited Financial Statements of CAB for the financial year ended September 30, 2011.

CORPORATE DEVELOPMENTS

During the current financial year under review, the Group undertook the following changes in its Group composition :-

1. On March 2, 2011, Likes Marketing Sdn. Bhd., a wholly-owned subsidiary of CAB, acquired 28,490 ordinary shares of SGD1.00 each, representing 28.49% equity interest in Protheme Pte. Ltd. ("PPL") for a total purchase consideration of SGD1.00. In consequence thereof, PPL becomes a wholly-owned subsidiary of the Group.

2. On August 15, 2011, CAB Cakaran Sdn. Bhd., a wholly-owned subsidiary of CAB, disposed of its equity interest of 5,500 ordinary shares of RM1.00 each in Jaya Gading Farm Sdn. Bhd. to its wholly-owned subsidiary, Jimat Jaya Sdn. Bhd. for a sale consideration of RM28,424.00. Accordingly, the Group's equity interest in Jaya Gading Farm Sdn. Bhd. remains unchanged.

3. On September 23, 2011, Kyros International Sdn. Bhd., a wholly-owned subsidiary of CAB, disposed of its entire equity interest of 100,000 ordinary shares of RM1.00 each in Kyros Properties Sdn. Bhd. ("KPSB") for a total sale consideration of RM2.00. Upon the disposal, KPSB ceased to be a subsidiary of the Group.

DIVIDEND

The Board of Directors did not recommend any dividend for the financial year ended September 30, 2011.


CAB GROUP
GARING
The state-of-the-art
Breeder Farm
Hatchery Centre
B.B.Q Sliced Meat

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group takes cognizance of the importance of CSR which has become an integral part of its social objectives of doing good and giving back to the various communities from which CAB has thrived on. CSR initiatives and meaningful activities have been implemented in the Company's workplace, market place, community and environment. CAB 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 page 36 of this Annual Report.

DIRECTORATE

On behalf of the Board of Directors, I would like to record our sincere appreciation and gratitude to our former Audit Committee Chairman, Mr. Kim Lim Chong who had resigned from the Board, for his past contributions and counsel.

The Board is pleased to welcome Mr. Goh Choon Aik and Mr. Ng Seng Bee who joined the Company as Independent Non-Executive Directors on March 29, 2011 and October 21, 2011 respectively.

PROSPECTS

The current Malaysian population of 28 million, which is growing steadily at about 2.50% annually, has seen a steady increase in the standard of living and purchasing power over the years. Malaysia's per capital consumption of chicken meat at 35 kg is one of the highest in the world. In addition, lifestyle changes have led to an increase in the demand for convenient food such as nuggets, frankfurters and other ready-to-eat meals. Going forward the demand for chicken meat and convenient food in Malaysia is expected to grow at a steady rate in line with the overall population growth rate.

Despite the uncertainties faced by the world economies, the Malaysian economy is expected to grow at a modest rate of 4% in 2012 supported by strong domestic demand. Given the fact that more than 98% of the Group's revenue is derived from the domestic market, we are confident that the Group's performance for 2012 will not be adversely affected by the unfavourable global economic conditions.

The Board is of the opinion that the overall Group's financial position is healthy and that with the strategic business initiatives undertaken by the management over the past few years to control cost and improve the overall efficiency in the Group's operations, the Group should, barring any unforeseen circumstances, continue to remain profitable in the coming year.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would 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.

Chuah Ah Bee
Executive Chairman
Date: February 2012

PERFORMANCE REVIEW BY GROUP MANAGING DIRECTOR

On behalf of the management of the Group, I am pleased to report the performance of the Group for the financial year ended September 30, 2011.

PERFORMANCE REVIEW BY BUSINESS SEGMENT

The Group recorded a revenue of RM490.97 million for the financial year ended September 30, 2011, a decrease of 3.40% as compared to the prior's year revenue of RM508.15 million,. However, the Group's profit before tax improved to RM19.55 million, representing an increase of 75.50% over the previous year.

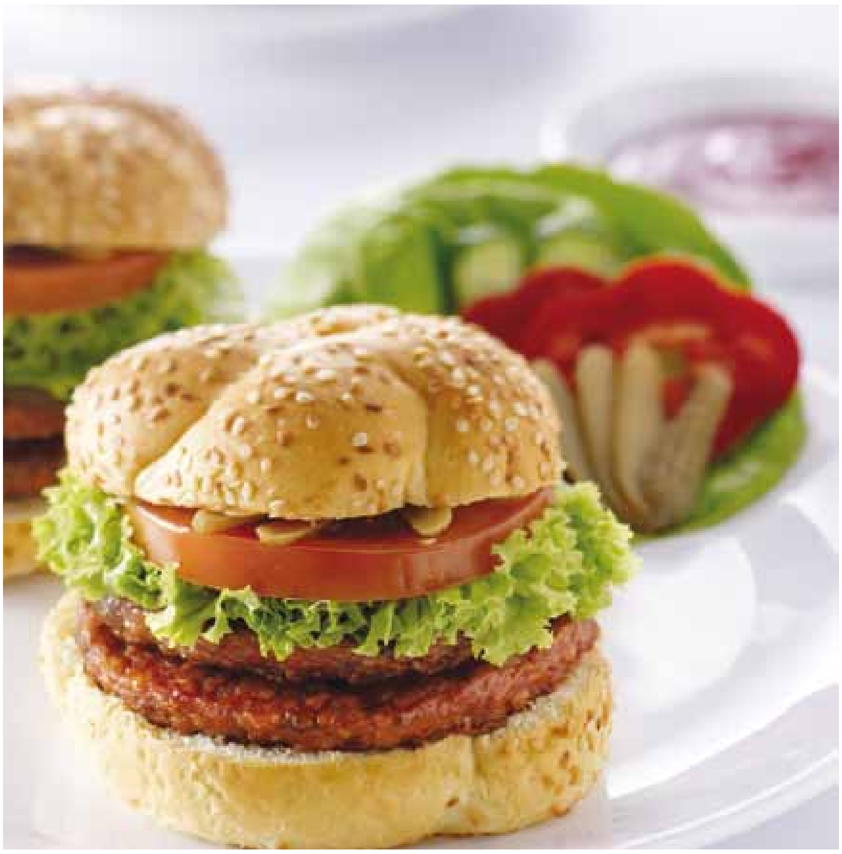
The integrated poultry farming and processing division continues to be the Group's main business activity accounting for 90% of the Group's revenue and net profit in the financial year under review. It recorded a revenue of RM451.00 million and a segment profit of RM20.96 million as compared to RM460.99 million and RM15.75 million respectively in 2010. The better financial performance in 2011 was mainly due to the higher average ex-farm price of broilers and the resulting cost savings arising from the several strategic business initiatives undertaken in the past years in upgrading and expanding the production capacities in the Grand Parent Stock farm, the hatcheries and the breeder farms.

The construction of the Group's new high technology slaughtering and processing plant in Sungai Petani costing RM27 million which was initially targeted for completion in August 2011 has been delayed due to unforeseen circumstances and is now expected to be completed in April 2012. Upon the completion of this project, the Group will have more flexibility in managing the marketing of live birds to the local market as well as enhancing the Group's downstream food processing activities.

The Group's trading and value-added products manufacturing division saw a slightly improvement in performance with an increase in revenue by 14.18% to RM41.14 million with a segment profit of RM1.48 million during the financial year under review. The improved performance was attributed mainly to the higher turnover resulting from the more aggressive introduction of new products in the local market.

The restaurant and franchising division showed a segment profit of RM0.18 million as compared to a segment loss of RM0.18 million in the previous year. This was mainly due to the recognition of deferred tax asset not recognized previously amounting to RM0.22 million.

The marine products manufacturing division continues to suffer losses in its operations with segment loss of RM0.37 million. The Management has since taken appropriate measures to improve the business. The division has started to show positive result in the beginning of this financial year.



LOOKING FORWARD

Despite the uncertainties and the expected slower growth rate in the global economy in 2012, the Malaysian economy is expected to continue to expand albeit at a slower pace of 4% supported by strong domestic demand. The various stimulus measures undertaken by the Government via more public spending on infrastructure projects and the strong domestic consumption will provide strong support for domestic growth.

Over the past few years, the Group has undertaken significant investments and improvement to the various production facilities along the integrated poultry line. The Group is now more equipped to face the challenges facing the local poultry industry and is in a better position to benefit from the various business opportunities that may arise in the future.

The expected strong domestic demand will benefit the Group as about 98% of the Group's sales are derived from the domestic market. Therefore barring any unforeseen circumstances, the Management is confident that the Group will continue to perform profitably in 2012.

APPRECIATION

On behalf of the management, I would like to thank all our customers, stakeholders, shareholders and business associates for their continued trust and confidence in us. I would also like to extend my appreciation to our employees for their unwavering dedication and commitment in delivering value and quality products and services to our customers.

Thank you.

Chuah Hoon Phong
Group Managing Director
Date : February 2012

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 entirely committed to the maintenance of high standards of corporate governance by supporting and implementing prescriptions of the principles and best practices set out in parts 1 and 2 respectively of the Malaysian Code of Corporate Governance ("the Code"). Though the Group is already in compliance with many aspects of the Code, 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 of the Code and outline the main corporate governance practices that were in place during the financial year under review.

BOARD OF DIRECTORS

Board Responsibilities

The Board is responsible for the overall corporate governance of the Group, including the strategic direction, risk management and establishes the corporate objectives of the Group for growth which includes 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.

Meetings

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. Meeting agenda includes review and approve the quarterly financial results before announcement, business reviews, macro strategies and other major corporate matters arising such as acquisitions, mergers and disposals (if any). 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.

During the financial year ended September 30, 2011, the Board met six (6) times, where it deliberated upon and considered various important matters including approval for quarterly financial results for announcement, strategic decisions and directions of the Group.

Details of Directors' meeting attendances are provided in the Attendance at Board Meetings, page 6 in this Annual Report.

Board Committees

The Board of Directors has delegated specific responsibilities to the following Committees :-

(i) Audit Committee;
(ii) Remuneration Committee;
(iii) Nomination Committee;
(iv) ESOS Committee; and
(v) Risk Management Committee.

These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of these committees report to the Board the outcome (including their recommendations) 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 ESOS Committee was dissolved in consequence thereof following the lapse of the last batch of ESOS on June 14, 2011.

The Risk Management Committee was dissolved on January 27, 2012 and certain functions of the committee had been undertaken by the Audit Committee.

Board Balance and Board Effectiveness

As at the date of this statement, the Board consists of eight (8) members; comprising one (1) Executive Chairman, three (3) Independent Non-Executive Directors with one (1) of them as Senior Independent Non-Executive Director and four (4) Executive Directors. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

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.

The concept of independence adopted by the Board is in tandem with the definition of an independent director in paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and Practice Note 13 of the Main Market Listing Requirements. The key elements for fulfilling the criteria are the appointment of independent Directors who are not members of management (non-executive) and who are free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board complies with paragraph 15.02 of the Main Market Listing Requirements which requires that at least two (2) directors or one third (1/3) of the Board of Directors of the Company, whichever is higher, are Independent Directors.

The Directors, with their different backgrounds and specialisation, collectively bring with them many years of experience and expertise in areas such as financial, marketing and operations. The executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies of the Group.

The presence of these Independent Directors fulfills a pivotal role of corporate accountability. They provide unbiased and independent views, advice and judgement to take account of the interest of the Group, shareholders, employees and any party with whom the Group conducts business. Together with the Executive Directors who have intimate knowledge of their respective fields and businesses, the Board is comprised of individuals who are committed to business integrity and professionalism in all its activities and have a proper understanding and competency to deal with the current and emerging business related issues locally and internationally.

The roles of the Chairman and the Group Managing Director are distinct and separate and each has a clearly accepted division of duties and responsibilities so as to ensure a balance of power and authority. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters of the Group so as to enable them to participate actively and effectively in Board meetings. The Group Managing Director is responsible to carry out the implementation of Board policies and decisions as well as to oversee the day-to-day management of the Group.

The Board is satisfied that the current Board composition fairly reflects the interests of all shareholders in the Company.

Supply of Information

The Board recognises 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 meetings. 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.

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

Appointment to the Board

Nomination Committee

The Nomination Committee currently comprises the following:-

Name	Position
Haji Ahmad Fazil Bin Haji Hashim (Independent Non-Executive Director)	Chairman
Ng Seng Bee (Appointed on October 21, 2011) (Independent Non-Executive Director)	Member
Goh Choon Aik (Appointed on March 29, 2011) (Independent Non-Executive Director)	Member

The Nomination Committee consists entirely of Non-Executive Directors, all of whom are independent.

The Nomination Committee is empowered by the Board and its terms of reference include bringing to the Board recommendations on the appointment of new directors besides assessing the effectiveness of Board Committees and the Board, as a whole. The Nomination Committee is also entrusted to systematically assess the contribution of each Director due for retirement before recommending to the Board for their re-election.

The Board, through the Nomination Committee, appraises the composition of the Board and believes that the current composition brings the required mix of skills and core competencies required for the Board to discharge its duties effectively. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Directors' Training

All Directors have completed the Mandatory Accreditation Programme prescribed by the 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.

The Directors will continue to undergo other relevant training programmes to be determined by the Board from time to time to enhance their skills and knowledge. Mr. Chuah Ah Bee, Mr. Loo Choo Gee, Madam Chan Kim Keow, Mr. Chuah Hoon Phong and Mr. Chew Chee Khong have attended seminar entitled "Company Secretary's Guide to Financial Reporting Standards on August 24, 2011, organised by MAICSA. Mr. Goh Choon Aik attended the Mandatory Accreditation Programme for Directors of Public Listed Companies on April 20 and 21, 2011 organised by Bursatra Sdn Bhd. Haji Ahmad Fazil Bin Haji Hashim attended the half day governance program titled "Assessing the Risk and Control Environment" on March 24, 2011 organised by Bursa Malaysia Berhad. Mr. Ng Seng Bee attended the Mandatory Accreditation Programme for Directors of Public Listed Companies on January 30 and 31, 2012 organised by Bursatra Sdn Bhd.

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, but not more than one third (1/3) of the total 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.

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.

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.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee currently comprises the following:-

Name	Position
Haji Ahmad Fazil Bin Haji Hashim (Independent Non-Executive Director)	Chairman
Chuah Ah Bee (Executive Chairman)	Member
Ng Seng Bee (Appointed on October 21, 2011) (Independent Non-Executive Director)	Member

The Remuneration Committee consists largely of Non-Executive Directors, the majority of whom are independent.

The Remuneration Committee is responsible for, inter-alia recommending to the Board the remuneration framework for Directors as well as the remuneration packages of Executive Directors.

The Executive Directors do not participate directly in determining their individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. In deciding an appropriate level of fees and benefits of each Non-Executive Directors, the Board considers the responsibility and time commitments taking into account the number of Board meetings, special meetings and the time required for reading Board and other papers, as well as the membership and chairmanship of Board Committees.

The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Group and to align the interest of the Directors with those of the shareholders.

Further details of Directors' remuneration are set out below and in the Notes to the financial statements.

Details of the Directors' Remuneration

Details of the nature and amount of each major element of the remuneration of the Directors of the Company for the financial year ended September 30, 2011 are as follows:-

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits–in–kind RM
Executive Directors				
- Company	–	–	–	–
- Subsidiaries	1,741,360	–	175,628	76,350
Subtotal	1,741,360	–	175,628	76,350
Non-Executive Directors				
- Company	–	92,500	8,570	–
- Subsidiaries	–	–	–	2,500
Total	**1,741,360**	**92,500**	**184,198**	**78,850**

The number of Directors whose remuneration falls into the following bands comprises:-

Range of remuneration RM	Number of Directors Executive	Non–Executive
50,000 and below	–	4
50,001 to 100,000	–	–
100,001 to 150,000	–	–
150,001 to 200,000	–	–
200,001 to 250,000	2	–
250,001 to 300,000	–	–
300,001 to 350,000	1	–
350,001 to 400,000	–	–
400,001 to 450,000	1	–
450,001 to 500,000	–	–
500,001 to 550,000	–	–
550,001 to 600,000	–	–
600,001 to 650,000	–	–
650,001 to 700,000	1	–

The Board feels that it is inappropriate to disclose the remuneration of individual Director and has opted not to do so.

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 and position as possible.

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 ("AGM"). It is also a requirement for the Company to send the Notice of the AGM and related circular to its shareholders at least twenty one (21) days before the meeting. At the AGM, 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 AGM.

The Company's website, www.cab.com.my provides a comprehensive avenue for information dissemination, such as dedicated sections on corporate information including financial information, press releases and company news.

The Company is also 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.

ACCOUNTABILITY AND AUDIT

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 as well as the Chairman and Group Managing Director's statements in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the completeness 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 have been applied.

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

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

Internal Control

The Statement on Internal Control set out in that particular section of this Annual Report provides an overview on the state of internal controls within the Group.

ACCOUNTABILITY AND AUDIT (Cont'd)

Relationship with External Auditors

The external auditors of the Company fulfill an essential role on behalf of Company shareholders in giving an assurance to the shareholders and others 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 approved accounting standards and regulatory requirements. The external auditors of the Company are invited to attend two (2) meetings of the Audit Committee a year.

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 the Compliance with the Best Practices of the Code

The Board is committed to achieve high standards of corporate governance throughout the Group and high level of integrity and ethics in its business dealings. The Board has taken steps to ensure that the Group has implemented as far as possible the Best Practices as set out in the Code. The Board considers that all other Best Practices have been implemented in accordance with the Code.

STATEMENT ON INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors of public listed companies shall include in their Annual Report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the financial year.

Board Responsibility

The Board is ultimately responsible for the Group's system of internal control and for reviewing its adequacy and integrity. In view of the inherent limitations in any system of internal control, this 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, organisational, operational and compliance matters.

Internal Control and Risk Assessment

The Board and the management of the Company and the Group continue to strengthen the Group's control environment and processes taking into consideration the key risks in their review of strategic and business plans of the Group. Management of the Group is responsible for the identification and evaluation 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 sources including control breakdowns, disease outbreaks, disruption in information systems, competition, natural catastrophe and regulatory requirements.

The principal responsibility of the internal audit department is to conduct periodic audits on internal control matters to ensure their compliance with 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 operated satisfactorily and effectively. Investigations are also made at the request of the Committee and senior management on specific areas of concern to follow-up on in relation to high-risk areas identified in the regular reports. These investigations provide additional assurance and comfort on the integrity and robustness of the internal control systems.

Presently, part of the Internal Audit function is outsourced to KPMG to perform an Enterprise Risk Management update of the Group. The Board had extended KPMG services up to financial year ending 2012. However the Internal Audit Function of the Group is also supported and coordinated by an in-house Internal Audit Manager who works closely with KPMG. The total cost incurred for the Internal Audit function in respect of the financial year under review was about RM107,717.

Key Elements of Internal Control

The key elements of internal control of the Group are as follows:-

(i) A formal organisational structure which defines the functions and responsibilities and segregation of duties of the key management team of the Group;

(ii) Annual budgets for the entire Group are prepared by the management and approved by the Board of Directors;

(iii) Regular supervisory checks are performed to ensure strict adherence to operations, administration and accounting procedures of the Group;

(iv) Centralisation of procurement functions for major purchases and maintenance expenditures;

(v) Centralisation of accounting functions; and

(vi) Adherence to health, safety, environmental and quality standards of the Group as enforced by the regulatory authorities.

Internal Control Review

During the financial year ended September 30, 2011 and up to the date of this Annual Report, no significant control weaknesses were identified in the Group. However, a number of other minor internal control weaknesses were identified during the period, all of which have been, or are being addressed. These weaknesses have not been specifically disclosed as they are not expected to result in any material loss, contingency or uncertainty that would require disclosure in the Company's Annual Report.

This statement had been reviewed by the Audit Committee and approved by the Board of Directors in accordance with the resolution dated January 27, 2012. It had also been reviewed by the external auditors in compliance with Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

AUDIT COMMITTEE REPORT

The Audit Committee currently comprises the following:-

Name	Position
Ng Seng Bee (Appointed on October 21, 2011) (Independent Non-Executive Director)	Chairman
Haji Ahmad Fazil Bin Haji Hashim (Senior Independent Non-Executive Director)	Member
Goh Choon Aik (Appointed on March 29, 2011) (Independent Non-Executive Director)	Member

Terms of Reference

The Committee is governed by the following terms of reference:-

Membership

The Committee shall be appointed by the Board from among its members and shall consist of not less than three (3) members of whom all must be Non-Executive Directors with a majority of them being Independent Directors. An Independent Director shall be the one who fulfills the requirements as provided in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants, or if he is not a member of the Malaysian Institute of Accountants, must have at least three (3) years working experience and either have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967, or a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967 or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The members of the Committee shall elect a Chairman from among their number who is an Independent Non-Executive Director. All members of the Committee, including the Chairman, will hold office until otherwise determined by the Board. No alternate director shall be appointed as a member of the Committee.

If the number of members is reduced to below three, due to whatsoever reasons, the Board shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have the resources required to perform its duties. The Committee has full and unrestricted access to all information and documents relevant to its activities as well as to the internal and external auditors and employees of the Group.

The Committee is authorised by the Board to obtain external legal, independent or other professional advice and be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

It shall also have the power to establish Sub-Audit Committee(s) to carry out certain investigations on behalf of the Committee in such manner, as the Committee shall deemed fit and necessary.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee are:-

- to review with the external auditors the audit plan, evaluation on the internal controls and their audit report;
- to discuss with the external auditors before the audit commences, the nature and scope of the audit;
- to review the assistance given by the employees of the Company to the external auditors;
- to review the external auditors' management letter and management's response;
- to consider the appointment of external auditors, the audit fee and any question of resignation and dismissal;
- to review the internal audit programs and results of the internal audit process and where necessary to ensure that appropriate action is taken on the recommendations of the internal audit function;
- to review the adequacy of the scope, functions, competency and resources of the internal audit functions;
- to review any related party transactions and conflict of interest situation that may arise within the Company or Group and to monitor any inter-company transaction or any transactions between the Company and any related parties outside the Group;
- to propose that the management has in place an adequate system of risk management to safeguard the Company's assets;
- to review all areas of significant business and financial risk and that the said risks be contained at an acceptable levels;
- to review the quarterly and year-end financial statements of the Company and the Group prior to presentation to the Board for approval; focusing particularly on the changes in and implementation of major accounting policies and compliance with accounting standards and other legal requirements;
- to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls; and
- to perform such other duties if any as may be agreed to by the Committee and the Board.

Attendance, Quorum and Frequency of Meetings

The Group Accounts Manager, the Internal Audit Manager and representatives of the external auditors shall normally be invited to attend meetings. Other Board members and employees may also be invited to attend any of its meetings to assist in resolving and clarifying matters raised. However, the Committee should meet with the external auditors without executive Board members present at least twice a year.

The Company Secretary shall be the secretary of the Committee.

In order to form a quorum for a Committee meeting, the majority of members present must be independent Directors.

The Committee shall meet not less than four (4) times a year. The external auditors may request for a meeting if they consider it necessary.

Reporting Procedures

The Committee is authorised to regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such minutes.

The Minutes of the meetings shall be circulated by the Secretary to the Committee members and all the other Board members.

MEETINGS

The Committee met seven (7) times during the financial year ended September 30, 2011.

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

	No. of Meetings attended
Ng Seng Bee (Appointed on October 21, 2011)	-
Haji Ahmad Fazil Bin Haji Hashim	7/7
Goh Choon Aik (Appointed on March 29, 2011)	3/3
Kim Lim Chong (Resigned on August 26, 2011)	7/7
Datuk Haji Zakaria Bin Hashim (Resigned on February 17, 2011)	3/3

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended September 30, 2011, the Audit Committee carried out the following activities in the discharge of its functions and duties:

(i) Reviewed the internal audit plan and scope of work;

(ii) Reviewed with internal auditors (both in-house and outsourced) on their audit findings, recommendations and management's response;

(iii) Reviewed the audit plan with the external auditors;

(iv) Reviewed the quarterly unaudited interim financial results announcements before recommending them for Board's approval;

(v) Reviewed annual financial statements of the Group and management letters of the external auditors;

(vi) Reviewed with the external auditors on the financial reporting requirements of the Group so as to comply with Approved Accounting Standards and Listing Requirements of Bursa Malaysia Securities Berhad;

(vii) Reviewed the re-appointment of external auditors for the ensuing year;

(viii) Reviewed the related party transactions of the Group and conflict of interest situation that may arise;

(ix) Reviewed and verified the allocation of ESOS Options for the financial year ended September 30, 2011 in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements; and

(x) Reviewed the cashflow situation of the Group.

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.

NON-AUDIT FEES

The total non-audit fees paid to a company affiliated to the external auditors by the Group for the financial year ended September 30, 2011 amounted to RM65,070.00.

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year ended September 30, 2011.

The total number of shares bought back and held as treasury shares as at September 30, 2011 was 218,200.

The Company has not resold or cancelled its treasury shares during the financial year ended September 30, 2011.

VARIATIONS IN RESULTS

The Company did not issue or announce any profit estimate, forecast or projection to the public for the financial year ended September 30, 2011 which differed by 10% or more from the audited results.

PROFIT GUARANTEE

There was no profit guarantee given by the Company for the financial year ended September 30, 2011.

IMPOSITION OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended September 30, 2011, which have material impact on the operations or financial position of the Group.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised during the financial year ended September 30, 2011 save for the share options as follows:-

		No. of options over ordinary shares of RM0.50 each				
Date of Offer	Exercise price per ordinary share RM	Balance as of 01.10.2010	Granted	Exercised	Lapsed	Balance as of 30.09.2011
15.6.2006	0.60	774,000	–	–	(774,000)	–

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended September 30, 2011.

RECURRENT RELATED PARTY TRANSACTIONS

Significant transactions between the Group and its related parties during the financial year were as follows:

	RM
With directors of the Company	
Loo Choo Gee	
- Purchase of property	184,000
Chuah Ah Bee	
- Rental paid	79,830
With other related parties	
YWT Contract Farming [a]	
- Purchases	17,984,692
- Sales	14,307,243
- Rental received	260,173
- Transportation charges paid	34,029
- Interest received	19,440
Maju Jaya Farm [b]	
- Purchase	1,445,880
- Sales	1,367,693
- Rental received	41,977
Chyuan Heng Farming [a]	
- Sales	665,051
- Purchases	534,938
- Sale of property	405,000
- Interest received	25,521
Jaya Gading Marketing [c]	
- Sales	844,642
Chuah Ah Chui [d]	
Sales	466,688
Fah Leong Sdn. Bhd. [e]	
- Rental paid	210,850
Chuah Ah Bee Sdn. Bhd. [f]	
- Rental paid	196,000
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [g]	
- Rental received	156,000

[a] Entities which are owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah.

[b] An entity which is owned by a son-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.

[c] An entity which is owned by a brother-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.

[d] A brother of Mr. Chuah Ah Bee, a director of the Company.

[e] A company in which a director of this company, Mr. Yap Kim Hwah is also a director of a subsidiary.

[f] A company in which certain directors of the Company, Mr. Chuah Ah Bee and Madam Chan Kim Keow are also directors and have interests in this company.

[g] A company in which certain directors of a subsidiary, Mr. Tan Ah Baa @ Tan Chye Khoon and Mr. Tan Chee Hee are also directors and have interests in this company.

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITIES (CSR)

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 regards the need for CSR as an integral part of its business operations and practices.

CSR initiatives undertaken by the Group are summarized below:-

1. The Group constantly provides food such as chicken meat to handicap centre and made contributions to numerous causes, schools, associations in Mainland Penang during the year.

2. The Group has continued to put in place more waste disposal and environmental treatment facilities at its chicken processing and other manufacturing plants to avoid contamination from its production effluents. 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 management also encourages the staff to participate in recycling activities. Old newspapers and magazines and used writing paper are periodically sent to nearby recycling centre.

3. Compliance with all relevant laws and regulations governing food safety and quality, including Skim Akreditasi Ladang Ternakan (SALT) certification for its breeder and grand parent stock farms, Veterinary Health Mark (VHM) certification for chilled/frozen chicken, frankfurters and nuggets. Additionally, the Group also obtained HALAL and Hazard Analysis and Critical Control Point (HACCP) certification for its processing and manufacturing facilities.

4. As an employer, the Group recognizes and accepts its responsibilities for providing and maintaining a safe and healthy workplace for all its employees, contractors and visitors.

5. The Group also undertook regular staff development initiatives to equip employees with the necessary skill sets to undertake their tasks better.

Information on safety matters is communicated through various Health and Safety Committees, Safety Representatives, Notice Boards and regular management briefings.

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, 2011.

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 16 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/ (loss) after tax for the year	14,559,245	(201,542)
Profit attributable to:		
Owners of the Company	12,630,511	(201,542)
Non-controlling interests	1,928,734	–
	14,559,245	(201,542)

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. The directors also do not recommend any dividend payment in respect of the current financial year.

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 Company has not issued any new shares or debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

Under the Company's Employees' Share Option Scheme ("ESOS") which became effective on July 16, 2004, options to subscribe for unissued new ordinary shares of RM0.50 each in the Company were granted to eligible directors and employees of the Company and its subsidiaries.

The salient features of the ESOS are as follows:

(a) the maximum number of new ordinary shares to be issued pursuant to the exercise of the options which may be granted under the scheme shall not exceed fifteen percent of the issued and paid-up share capital of the Company or such maximum percentages as may be allowed by the relevant authorities at any point of time throughout the duration of the scheme;

(b) any employee of the Group shall be eligible to participate in the scheme if, as of the date of the offer, the employee:

  (i) is at least eighteen years of age;

  (ii) is employed full time by and on the payroll of a company in the Group; and

  (iii) is confirmed in writing as a full time employee and has been in the employment of the Group for a period of at least one year of continuous service prior to the date of offer, including service during the probation period;

(c) any director of the Group shall be eligible to participate in the scheme if, as of the date of the offer, such director:

  (i) is at least eighteen years of age;

  (ii) has been appointed as a director of a company within the Group for a period of at least three months; and

  (iii) where the eligible director is a director of the Company, such entitlement under the scheme must have been approved by the shareholders of the Company in general meeting;

(d) the actual number of options which may be offered to an eligible employee shall be at the discretion of the Option Committee provided that the options so offered shall be in multiples of and not less than one hundred shares subject to the maximum allowable allotment;

(e) the option price shall be fixed based on the higher of the following:

  (i) the five days weighted average market price of the ordinary shares of the Company, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the date of offer with a discount of not more than ten percent; or

  (ii) the par value of the ordinary shares of the Company; and

(f) the scheme shall be in force for a period of five calendar years from the effective date and may be extended or renewed and the options granted may be exercised at any time within the option period.

EMPLOYEES' SHARE OPTION SCHEME (Cont'd)

The share options granted and exercised during the financial year are as follows:

		No. of options over ordinary shares of RM0.50 each				
Date of offer	**Exercise price per ordinary share RM**	**Balance as of 1.10.2010**	**Granted**	**Exercised**	**Lapsed**	**Balance as of 30.9.2011**
15.6.2006	0.60	774,000	–	–	(774,000)	–

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and 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 have 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 for 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 except for those disclosed in Note 38 to the financial statements.

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 for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Group and 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	(appointed on March 29, 2011)
Ng Seng Bee	(appointed on October 21, 2011)
Datuk Haji Zakaria Bin Hashim	(resigned on February 17, 2011)
Kim Lim Chong	(resigned on August 26, 2011)

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 1.10.2010/ date of appointment**	**Bought**	**Sold**	**Balance as of 30.9.2011**
Direct interest:				
Chuah Ah Bee	45,625,994	–	–	45,625,994
Chan Kim Keow	18,050,000	644,600	–	18,694,600
Tuan Haji Ahmad Fazil Bin Haji Hashim	5,000	–	–	5,000
Loo Choo Gee	7,712,425	–	–	7,712,425
Chew Chee Khong	10,000	–	–	10,000
Chuah Hoon Phong	6,026,750	–	(3,600,000)	2,426,750
Goh Choon Aik	–	550	–	550
Indirect interest:				
Chuah Ah Bee	24,076,750	4,244,600	(3,600,000)	24,721,350
Chan Kim Keow	51,652,744	3,600,000	(3,600,000)	51,652,744
Chuah Hoon Phong	667,650	–	–	667,650

In addition to the above, the following director is deemed to have interest in the shares of the Company to the extent as follows:

	No. of options over ordinary shares of RM0.50 each			
Options over shares in the Company	**Balance as of 1.10.2010**	**Granted**	**Lapsed**	**Balance as of 30.9.2011**
Direct interest:				
Chew Chee Khong	50,000	–	(50,000)	–

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.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration and directors' benefits-in-kind in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions mentioned in Note 34 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 except for options over shares granted by the Company to eligible employees including a director of the Company to subscribe for shares in the Company pursuant to the Company's Employees' Share Option Scheme.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, 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,

January 27, 2012

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, 2011, and the statements of 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 45 to 124.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and 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 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 have been properly drawn up in accordance with Financial Reporting Standards and 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, 2011 and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its 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 subsidiary of which we have not acted as auditors as mentioned in Note 16 to the financial statements, being accounts that have been included in the financial statements of the Group;

(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 were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 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 KASSIMCHAN
AF 0080
Chartered Accountants

LEE CHENG HEOH
Partner - 2225/04/12(J)
Chartered Accountant

January 27, 2012

Penang

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended September 30, 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Revenue	5	**490,966,219**	508,147,767	**120,000**	120,000
Cost of sales		**(445,596,395)**	(470,514,562)	**–**	–
Gross profit		**45,369,824**	37,633,205	**120,000**	120,000
Investment revenue	6	**1,767,595**	1,646,848	**–**	–
Other income		**1,630,970**	1,150,230	**–**	110,917
Other gains and losses	7	**1,679,989**	(1,412,269)	**(61,843)**	–
Distribution costs		**(10,009,763)**	(8,660,532)	**–**	–
Administrative expenses		**(15,754,966)**	(14,827,420)	**(259,521)**	(283,550)
Finance costs	8	**(4,727,007)**	(4,342,389)	**–**	–
Other expenses		**(402,474)**	(52,124)	**–**	–
Profit/ (loss) before tax		**19,554,168**	11,135,549	**(201,364)**	(52,633)
Tax (expense)/ income	9	**(4,994,923)**	(3,440,292)	**(178)**	5,394
Profit/ (loss) for the year	10	**14,559,245**	7,695,257	**(201,542)**	(47,239)
Other comprehensive income					
Exchange differences on translating foreign operations		**(60,062)**	65,779	**–**	–
Total comprehensive income/ (loss) for the year		**14,499,183**	7,761,036	**(201,542)**	(47,239)
Profit attributable to:					
Owners of the Company		**12,630,511**	7,208,098	**(201,542)**	(47,239)
Non-controlling interests		**1,928,734**	487,159	**–**	–
		14,559,245	7,695,257	**(201,542)**	(47,239)
Total comprehensive income attributable to:					
Owners of the Company		**12,599,801**	7,236,603	**(201,542)**	(47,239)
Non-controlling interests		**1,899,382**	524,433	**–**	–
		14,499,183	7,761,036	**(201,542)**	(47,239)
Earnings per share:	11				
Basic (sen per share)		**9.60**	5.48		
Diluted (sen per share)		**Not applicable**	5.48		

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

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Assets					
Non-current assets					
Property, plant and equipment	12	**125,481,274**	108,574,334	**–**	–
Investment properties	13	**32,709,000**	29,941,000	**–**	–
Prepaid lease payments on leasehold land	14	**7,044,100**	7,216,320	**–**	–
Goodwill	15	**1,670,128**	2,353,857	**–**	–
Investments in subsidiaries	16	**–**	–	**38,958,430**	39,588,241
Other financial asset	17	**260,000**	260,000	**–**	–
Agricultural development expenditure	18	**290,614**	295,804	**–**	–
Deferred tax assets	19	**458,000**	–	**–**	–
Total non-current assets		**167,913,116**	148,641,315	**38,958,430**	39,588,241
Current assets					
Inventories	20	**30,323,355**	21,930,973	**–**	–
Trade and other receivables	21	**50,363,740**	60,325,889	**13,837,985**	15,150,476
Current tax assets		**88,275**	75,711	**3,113**	–
Other assets	22	**3,660,617**	3,048,355	**1,000**	1,000
Short-term deposits with licensed banks	23	**4,280,339**	4,163,419	**–**	–
Cash and bank balances	24	**6,388,272**	7,814,253	**3,954**	4,061
		95,104,598	97,358,600	**13,846,052**	15,155,537
Non-current assets classified as held for sale	25	**1,158,985**	3,558,568	**–**	–
Total current assets		**96,263,583**	100,917,168	**13,846,052**	15,155,537
Total assets		**264,176,699**	249,558,483	**52,804,482**	54,743,778

STATEMENTS OF FINANCIAL POSITION (Cont'd)
AS OF SEPTEMBER 30, 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Equity and liabilities					
Capital and reserves					
Share capital	26	**65,889,550**	65,889,550	**65,889,550**	65,889,550
Treasury shares	26	**(69,304)**	(69,304)	**(69,304)**	(69,304)
Reserves	27	**5,165,560**	5,339,705	**71,379**	71,379
Retained earnings/ (accumulated losses)		**26,635,772**	16,507,325	**(13,149,576)**	(11,189,259)
Equity attributable to owners of the Company		**97,621,578**	87,667,276	**52,742,049**	54,702,366
Non-controlling interests		**14,147,291**	12,497,749	**–**	–
Total equity		**111,768,869**	100,165,025	**52,742,049**	54,702,366
Non-current liabilities					
Borrowings	28	**19,458,774**	12,663,972	**–**	–
Deferred tax liabilities	19	**7,802,346**	6,815,785	**–**	–
Total non-current liabilities		**27,261,120**	19,479,757	**–**	–
Current liabilities					
Trade and other payables	29	**50,148,350**	51,207,298	**62,433**	36,075
Borrowings	28	**72,511,107**	76,599,554	**–**	–
Other financial liability	30	**29,861**	–	**–**	–
Current tax liabilities		**2,457,392**	2,106,849	**–**	5,337
Total current liabilities		**125,146,710**	129,913,701	**62,433**	41,412
Total liabilities		**152,407,830**	149,393,458	**62,433**	41,412
Total equity and liabilities		**264,176,699**	249,558,483	**52,804,482**	54,743,778

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2011

The Group

	Share capital RM	Treasury shares RM	Share premium RM	Properties 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, 2009	65,889,550	(69,304)	71,379	5,431,523	(18,405)	9,125,930	80,430,673	12,374,783	92,805,456
Profit for the year	–	–	–	–	–	7,208,098	7,208,098	487,159	7,695,257
Other comprehensive income	–	–	–	–	28,505	–	28,505	37,274	65,779
Total comprehensive income for the year	–	–	–	–	28,505	7,208,098	7,236,603	524,433	7,761,036
Realisation of properties revaluation reserve upon disposal of revalued properties	–	–	–	(29,616)	–	29,616	–	–	–
Transfer to retained earnings	–	–	–	(143,681)	–	143,681	–	–	–
Decrease in non-controlling interests arising from purchase of shares from non-controlling interests in subsidiaries	–	–	–	–	–	–	–	(280,160)	(280,160)
Dividend paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	(120,000)	(120,000)
Non-controlling interests arising from acquisition of a subsidiary	–	–	–	–	–	–	–	(1,307)	(1,307)
Balance as of September 30, 2010	65,889,550	(69,304)	71,379	5,258,226	10,100	16,507,325	87,667,276	12,497,749	100,165,025

The Group

	Share capital RM	Treasury shares RM	Share premium RM	Properties 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, 2010	65,889,550	(69,304)	71,379	5,258,226	10,100	16,507,325	87,667,276	12,497,749	100,165,025
Effect of adoption of FRS 139 (Note 2)	–	–	–	–	–	(2,633,318)	(2,633,318)	22,223	(2,611,095)
As restated	65,889,550	(69,304)	71,379	5,258,226	10,100	13,874,007	85,033,958	12,519,972	97,553,930
Profit for the year	–	–	–	–	–	12,630,511	12,630,511	1,928,734	14,559,245
Other comprehensive income	–	–	–	–	(30,710)	–	(30,710)	(29,352)	(60,062)
Total comprehensive income/ (loss) for the year	–	–	–	–	(30,710)	12,630,511	12,599,801	1,899,382	14,499,183
Decrease in non-controlling interest arising from purchase of shares from non-controlling interest in a subsidiary	–	–	–	–	–	(12,181)	(12,181)	12,181	–
Realisation of properties revaluation reserve upon disposal of revalued assets	–	–	–	(3,124)	–	3,124	–	–	–
Transfer to retained earnings	–	–	–	(140,311)	–	140,311	–	–	–
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	(284,244)	(284,244)
Balance as of September 30, 2011	**65,889,550**	**(69,304)**	**71,379**	**5,114,791**	**(20,610)**	**26,635,772**	**97,621,578**	**14,147,291**	**111,768,869**

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

The Company

	Note	Share capital RM	Treasury shares RM	Share premium RM	Accumulated losses RM	Total RM
Balance as of October 1, 2009		65,889,550	(69,304)	71,379	(11,142,020)	54,749,605
Loss for the year		–	–	–	(47,239)	(47,239)
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive loss for the year		–	–	–	(47,239)	(47,239)
Balance as of September 30, 2010		65,889,550	(69,304)	71,379	(11,189,259)	54,702,366
Balance as of October 1, 2010		65,889,550	(69,304)	71,379	(11,189,259)	54,702,366
Effect of adoption of FRS 139	2	–	–	–	(1,758,775)	(1,758,775)
As restated		65,889,550	(69,304)	71,379	(12,948,034)	52,943,591
Loss for the year		–	–	–	(201,542)	(201,542)
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive loss for the year		–	–	–	(201,542)	(201,542)
Balance as of September 30, 2011		**65,889,550**	**(69,304)**	**71,379**	**(13,149,576)**	**52,742,049**

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash flows from operating activities				
Profit/ (loss) for the year	**14,559,245**	7,695,257	**(201,542)**	(47,239)
Depreciation and amortisation of non-current assets	**8,864,716**	8,815,669	**–**	–
Tax expense/ (income) recognised in profit or loss	**4,994,923**	3,440,292	**178**	(5,394)
Interest expense	**4,236,873**	3,843,172	**–**	–
Impairment loss recognised on receivables	**1,925,105**	954,941	**–**	–
Impairment loss recognised on goodwill	**683,729**	213,764	**–**	–
Bad debts written off	**210,297**	56,635	**–**	–
Property, plant and equipment written off	**119,163**	545,536	**–**	–
Impairment loss recognised on property, plant and equipment	**117,036**	–	**–**	–
Net fair value loss on other financial liability	**45,859**	–	**–**	–
Deposits written off	**28,054**	23,800	**–**	–
Inventories written down	**2,650**	–	**–**	–
Gain on fair value adjustment of investment properties	**(2,768,000)**	(944,946)	**–**	–
Net fair value gain on loans and receivables	**(739,508)**	–	**(567,968)**	–
Gain on disposal of property, plant and equipment	**(692,951)**	(104,785)	**–**	–
Reversal of impairment loss recognised on receivables	**(369,524)**	(37,029)	**–**	–
Unrealised (gain)/ loss on foreign exchange	**(237,454)**	96,067	**–**	–
Interest revenue recognised in profit or loss	**(200,694)**	(153,439)	**–**	(110,917)
Gross dividend income from available-for-sale investment	**(10,000)**	(10,000)	**–**	–
Gain on disposal of investment in a subsidiary	**(2)**	–	**–**	–
Write-off of goodwill arising from purchase of shares from non-controlling interests in subsidiaries	**–**	469,840	**–**	–
Agricultural development expenditure written off	**–**	23,850	**–**	–
Impairment loss recognised on investments in subsidiaries	**–**	–	**629,811**	–
	30,769,517	24,928,624	**(139,521)**	(163,550)
Movements in working capital:				
(Increase)/ decrease in inventories	**(8,388,618)**	2,917,139	**–**	–
Decrease in trade and other receivables	**6,479,674**	5,161,534	**–**	–
Decrease in other financial asset	**28,066**	–	**–**	–
(Increase)/ decrease in other assets	**(670,995)**	442,809	**–**	–
(Decrease)/ increase in trade and other payables	**(1,191,488)**	(7,859,004)	**1,941**	500
Cash generated from/ (used in) operations	**27,026,156**	25,591,102	**(137,580)**	(163,050)
Taxes refunded	**179,461**	79,543	**–**	11,039
Interest received	**40,758**	55,727	**–**	–
Taxes paid	**(4,305,344)**	(2,100,848)	**(8,628)**	(20,606)
Net cash generated by/ (used in) operating activities	**22,941,031**	23,625,524	**(146,208)**	(172,617)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Note	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**3,469,746**	1,058,154	**–**	–
Interest received		**158,652**	97,288	**–**	110,917
Dividend received		**7,500**	7,500	**–**	–
Proceeds from disposal of investment in a subsidiary	16	**2**	–	**–**	–
Payments for property, plant and equipment and investment properties	31	**(20,155,109)**	(14,021,637)	**–**	–
Payments for purchase of shares from non-controlling interests in subsidiaries		**(2)**	(750,000)	**–**	(750,000)
Repayments from subsidiaries		**–**	–	**121,684**	2,068,653
Payments for purchase of additional shares in subsidiaries		**–**	–	**–**	(1,225,000)
Net cash (used in)/ generated by investing activities		**(16,519,211)**	(13,608,695)	**121,684**	204,570
Cash flows from financing activities					
Proceeds from long-term loans		**11,474,480**	4,110,000	**–**	–
Increase in short-term borrowings		**1,330,549**	1,948,000	**–**	–
Advances from/ (repayments to) directors		**31,679**	(38,767)	**24,417**	(32,000)
Repayment of long-term loans		**(5,400,100)**	(4,662,015)	**–**	–
Interest paid		**(4,135,709)**	(3,947,065)	**–**	–
Repayment of hire-purchase payables		**(3,461,116)**	(3,676,955)	**–**	–
Dividend paid to non-controlling interests of subsidiaries		**(284,244)**	(120,000)	**–**	–
Short-term deposits pledged as security		**(116,920)**	(190,721)	**–**	–
Net cash generated by/ (used in) financing activities		**(561,381)**	(6,577,523)	**24,417**	(32,000)
Net increase/ (decrease) in cash and cash equivalents		**5,860,439**	3,439,306	**(107)**	(47)
Cash and cash equivalents at the beginning of the year		**(591,618)**	(4,029,742)	**4,061**	4,108
Effects of exchange rates changes on the balances of cash held in foreign currencies		**2,838**	(1,182)	**–**	–
Cash and cash equivalents at the end of the year	31	**5,271,659**	(591,618)	**3,954**	4,061

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

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and 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 16. 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 12-02, 12th Floor, Menara MAA, 170, Jalan Argyll, 10500 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 January 27, 2012.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the provisions of the Companies Act, 1965 in Malaysia.

Adoption of new and revised Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the new and revised Standards and Issues Committee ("IC") Interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for the Group's financial period beginning on October 1, 2010 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (revised)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – Effective date and transition and embedded derivatives)
Improvements to FRSs issued in 2009	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes

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

Adoption of new and revised Financial Reporting Standards (Cont'd)

The adoption of these new and revised Standards and IC Interpretations have not materially affected the amounts reported on the financial statements of the Group and of the Company except for those Standards and IC Interpretations as set out below. Details of other Standards and IC Interpretations adopted in the financial statements of the Group and of the Company that have had no effect on these financial statements are also set out below.

Standards affecting presentation and disclosure

(a) FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital.

Comparative disclosures have not been presented upon initial adoption of this Standard as the Group and the Company had availed themselves of the transitional provision in this Standard.

(b) FRS 101 Presentation of Financial Statements (revised)

FRS 101 has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position as of October 1, 2009, in the event that the entity has applied new accounting policies retrospectively.

Standards affecting the reported results or financial position

(a) FRS 127 Consolidated and Separate Financial Statements (revised)

The revisions to FRS 127 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. The adoption of the revised Standard has affected the accounting for the Group's acquisition of the remaining interest in Protheme Pte. Ltd. in the year and the accounting for the non-controlling interests.

FRS 127 (revised) has been adopted for the Group's financial periods beginning on or after October 1, 2010 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under FRS 127 (revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

In respect of the acquisition of the remaining interest in Protheme Pte. Ltd., the change in policy has resulted in the difference of RM12,181 between the consideration paid and the non-controlling interests derecognised being recognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in an increase in the profit for the year of RM12,181.

The revised Standard has also affected the Group's accounting policies for the non-controlling interests. Non-controlling interests shall be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Standards affecting the reported results or financial position (Cont'd)

(b) FRS 139 Financial Instruments: Recognition and Measurement

The Group and the Company have adopted FRS 139 prospectively on October 1, 2010 in accordance with the transitional provisions in FRS 139. On that date, financial assets were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were either classified as financial liabilities at fair value through profit or loss or other financial liabilities.

All financial assets and financial liabilities within the scope of FRS 139 are recognised and re-measured accordingly, with the related adjustments taken to opening retained earnings as of October 1, 2010, as appropriate. The adoption of FRS 139 which have affected the amounts reported in these financial statements are as follows:

(i) Non-current equity investment

Previously, the Group's non-current equity investment, other than investments in subsidiaries, were carried at cost less allowance for diminution in value, which is other than a temporary decline in the value of the investment.

Upon adoption of FRS 139, this investment was classified as available-for-sale financial asset and was measured at cost less allowance for impairment loss on October 1, 2010.

(ii) Impairment of receivables

Prior to October 1, 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As of October 1, 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference of RM2,677,382 was recognised as adjustment to the opening balance of retained earnings of the Group as at that date.

(iii) Derivative financial instruments

Previously, derivative financial instruments were recognised on settlement date and not upon inception of the contract.

Upon adoption of FRS 139, all derivative financial instruments held by the Group were recognised in the statements of financial position as financial assets or financial liabilities through profit or loss at the date the contracts were entered into. Consequently, on October 1, 2010, derivative financial instrument which was not designated as hedging instruments held by the Group was measured at fair value on that date.

(iv) Inter-company advances

Previously, the inter-company interest free advances granted to subsidiaries were stated at cost in the Company's financial statements. Upon adoption of FRS 139, the interest free advances were remeasured initially at fair value that was lower than its carrying amount. Subsequent to initial recognition, the inter-company advances are measured at amortised cost and net fair value gain/ loss arising is recognised in profit or loss. As of October 1, 2010, the Company has remeasured such inter-company advances at their amortised cost and the adjustment to their previous carrying amount of RM1,758,775 was recognised as adjustment to the opening balance of accumulated losses of the Company as at that date.

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

Standards affecting the reported results or financial position (Cont'd)

(b) FRS 139 Financial Instruments: Recognition and Measurement (Cont'd)

(iv) Inter-company advances (Cont'd)

The change in accounting policy following the adoption of FRS 139 has been accounted for by restating the opening balance of the statements of financial position as of October 1, 2010:

	As previously reported as of October 1, 2010 RM	Change in accounting policy RM	As restated as of October 1, 2010 RM
The Group			
Trade and other receivables	60,325,889	(2,677,382)	57,648,507
Other financial assets	260,000	44,064	304,064
Retained earnings	16,507,325	(2,633,318)	13,874,007
Non-controlling interests	12,497,749	22,223	12,519,972
The Company			
Trade and other receivables	15,150,476	(1,758,775)	13,391,701
Accumulated losses	11,189,259	1,758,775	12,948,034

As the change in accounting policy has been applied prospectively, the change has no impact on the amounts reported for 2010 or prior periods.

Standards and IC Interpretations adopted with no effect on financial statements

The following new and revised Standards and IC Interpretations have also been adopted in the financial statements of the Group and of the Company. Their adoption has not had any significant impact on the amounts reported in the financial statements of the Group and of the Company but may affect the accounting for future transactions or arrangements.

(a) FRS 1 First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)

The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting FRSs for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

(b) FRS 1 First-time Adoption of Financial Reporting Standards (revised)

In general, FRS 1 (revised) requires an entity to comply with each FRS effective at the end of its first FRS reporting period. In particular, the FRS requires an entity to do the following in the opening FRS statement of financial position that it prepares as a starting point for its accounting under FRSs:

(i) recognise all assets and liabilities whose recognition is required by FRSs;

(ii) not recognise items as assets or liabilities if FRSs do not permit such recognition;

(iii) reclassify items that it recognised under previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under FRSs; and

(iv) apply FRSs in measuring all recognised assets and liabilities.

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

Standards and IC Interpretations adopted with no effect on financial statements (Cont'd)

(c) FRS 2 Share-based Payment (Amendments relating to vesting conditions and cancellations)

The amendments clarify the definition of vesting conditions for the purposes of FRS 2, introduce the concept of "non-vesting" conditions, and clarify the accounting treatment for cancellations.

(d) FRS 2 Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)

As noted in paragraph 2 of FRS 2, this amendment applies to share-based payment transactions in which an entity acquires or receives goods or services. However, an entity shall not apply this FRS to transactions in which the entity acquires goods as part of the net assets acquired in a business combination as defined by FRS 3 Business Combinations (as revised in 2010), in a combination of entities or business under common control as described in FRS 3, or the contribution of a business on the formation of a joint venture as defined by FRS 131 Interests in Joint Ventures. Similarly, the cancellation, replacement or other modification of share-based payment arrangements because of a business combination or other equity restructuring shall be accounted for in accordance with this FRS. FRS 3 provides guidance on determining whether equity instruments issued in a business combination are part of the consideration transferred in exchange for control of the acquiree (and therefore within the scope of FRS 3) or are in return for continued service to be recognised in the post-combination period (and therefore within the scope of this FRS).

(e) FRS 3 Business Combinations (revised)

The revised FRS 3:

(i) allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority interests") at the date of acquisition either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree;

(ii) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;

(iii) requires the recognition of a settlement gain and loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

(iv) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

(f) FRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)

The amendment made to FRS 5 clarified that the disclosure requirements in Standards other than FRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

(g) FRS 123 Borrowing Costs (revised)

The principal change to the Standard was to eliminate the option to expense all borrowing when incurred.

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

Standards and IC Interpretations adopted with no effect on financial statements (Cont'd)

(h) FRS 127 Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in loss of control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised when appropriate; for decreases in interest in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under the FRS 127 (revised in 2010), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of the transactions prior to the date of adoption.

(i) FRS 132 Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)

The revisions to FRS 132 amend the criteria for debt/ equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.

(j) FRS 132 Financial Instruments: Presentation (Amendments relating to classification of rights issue)

The amendments set out amendments related to Classification of Rights Issues issued by the International Accounting Standards Board in October 2009.

(k) FRS 138 Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)

As part of Improvements to IFRSs issued in 2009, FRS 138 has been amended to state that an entity is permitted to recognise a prepayment asset for advertising or promotional expenditure only up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues have been specifically identified as a form of advertising and promotional activities.

(l) FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – Effective date and transition and embedded derivatives)

The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

(m) Improvements to FRSs issued in 2009

In addition to the changes affecting presentation and disclosure in the financial statements and changes affecting amounts reported in the financial statements described above, the Improvements have led to a number of changes in the detail of the Group's and the Company's accounting policies, some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

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

Standards and IC Interpretations adopted with no effect on financial statements (Cont'd)

(n) IC Interpretation 9 Reassessment of Embedded Derivatives

This Interpretation clarifies that an entity should reassess whether an embedded derivative needs to be separated from the host contract after the initial hybrid contract is recognised only when there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

(o) IC Interpretation 9 Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)

This Interpretation requires that an entity shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is either a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, or a reclassification of a financial asset out of the fair value through profit or loss category, in which cases an assessment is required.

(p) IC Interpretation 9 Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)

This Interpretation does not apply to embedded derivatives in contracts acquired in:

(i) a business combination (as defined in FRS 3 Business Combinations (as revised in 2010));

(ii) a combination of entities or businesses under common control as described in paragraphs B1–B4 of FRS 3 (revised 2010); or

(iii) the formation of a joint venture as defined in FRS 131 Interests in Joint Ventures

or their possible reassessment at the date of acquisition.

(q) IC Interpretation 10 Interim Financial Reporting and Impairment

This Interpretation requires that when an impairment loss is recognised in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements nor in annual financial statements.

(r) IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions

This Interpretation addresses two issues.

The first is whether the following transactions should be accounted for as equity-settled or as cash-settled under the requirements of FRS 2:

(i) an entity grants to its employees rights to equity instruments of the entity (eg share options), and either chooses or is required to buy equity instruments (i.e. treasury shares) from another party, to satisfy its obligations to its employees; and

(ii) an entity's employees are granted rights to equity instruments of the entity (eg share options), either by the entity itself or by its shareholders, and the shareholders of the entity provide the equity instruments needed.

The second issue concerns share-based payment arrangements that involve two or more entities within the same group.

(s) IC Interpretation 13 Customer Loyalty Programmes

This Interpretation applies to customer loyalty award credits that an entity grants to its customers as part of a sales transaction, i.e. a sale of goods, rendering of services or use by a customer of entity assets; and subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services.

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

Standards and IC Interpretations in issue but not yet effective

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

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters) (a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters) (a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to accounting policy changes in the year of adoption, revaluation basis as deemed cost, and use of deemed cost for operations subject to rate regulation) (a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to severe hyperinflation and removal of fixed dates for first-time adopters) (b)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions) (a)
FRS 3	Business Combinations (revised in 2010) (Amendments relating to measurement of non-controlling interests, and un-replaced and voluntarily replaced share-based payment awards) (a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) (a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to clarification of disclosures, and transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from improvements to FRSs (2010) – FRS 3) (a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to disclosures: transfers of financial assets) (b)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) (c)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) (c)
FRS 10	Consolidated Financial Statements (c)
FRS 11	Joint Arrangements (c)
FRS 12	Disclosure of Interests in Other Entities (c)
FRS 13	Fair Value Measurement (c)
FRS 101	Presentation of Financial Statements (Amendments relating to clarification of statement of changes in equity) (a)
FRS 101	Presentation of Financial Statements (Amendments relating to presentation of items of other comprehensive income) (d)
FRS 112	Income Taxes (Amendments relating to deferred tax: recovery of underlying assets) (b)
FRS 119	Employee Benefits (2011) (c)
FRS 121	The Effects of Changes in Foreign Exchange Rates (Amendments relating to transition requirements arising as result of FRS 127 (revised in 2010)) (a)
FRS 124	Related Party Disclosures (revised) (b)
FRS 127	Separate Financial Statements (2011) (c)
FRS 128	Investments in Associates and Joint Ventures (2011) (c)
FRS 128	Investments in Associates (Amendments relating to transition requirements arising as a result of FRS 127 (revised in 2010) (a)
FRS 131	Interests in Joint Ventures (Amendments relating to transition requirements arising as a result of FRS 127 (revised in 2010) (a)

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

Standards and IC Interpretations in issue but not yet effective (Cont'd)

FRS 132	Financial Instruments: Presentation (Amendments relating to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from improvements to FRSs (2010) – FRS 3) [a]
FRS 134	Interim Financial Reporting (Amendments relating to significant events and transactions) [a]
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from improvements to FRSs (2010) – FRS 3) [a]
Improvements to FRSs 2010 [a]	
IC Interpretation 4	Determining whether an Arrangement contains a Lease [a]
IC Interpretation 13	Customer Loyalty Programmes (Amendments relating to fair value of award credits) [a]
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement) [e]
IC Interpretation 15	Agreements for the Construction of Real Estate [f]
IC Interpretation 15	Agreements for the Construction of Real Estate (Amendments) [g]
IC Interpretation 18	Transfer of Assets from Customers [h]
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments [e]
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine [c]

[a] Effective for annual periods beginning on or after January 1, 2011
[b] Effective for annual periods beginning on or after January 1, 2012
[c] Effective for annual periods beginning on or after January 1, 2013
[d] Effective for annual periods beginning on or after July 1, 2012
[e] Effective for annual periods beginning on or after July 1, 2011
[f] Withdrawn for application for annual periods beginning on or after January 1, 2012, supersedes FRS 201_{2004} Property Development Activities upon application
[g] Original effective date of July 1, 2009 deferred to January 1, 2012 via amendment issued by MASB on August 30, 2010
[h] Applied prospectively to transfers of assets received on or after the date specified

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

(a) FRS 7 Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

(b) FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) introduces new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

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

Standards and IC Interpretations in issue but not yet effective (Cont'd)

(b) FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010) (Cont'd)

Key requirements of FRS 9 are described as follows:

(i) FRS 9 requires all recognised financial assets that are within the scope of FRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

(ii) The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

(c) FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of Interests in Other Entities
FRS 127 Separate Financial Statements (2011)
FRS 128 Investments in Associates and Joint Ventures (2011)

In November 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including FRS 10, FRS 11, FRS 12, FRS 127 (as revised in 2011) and FRS 128 (as revised in 2011).

Key requirements of these five Standards are described below.

FRS 10 replaces the parts of FRS 127 Consolidated and Separate Financial Statements (revised in 2010) that deal with consolidated financial statements. IC Interpretation 112 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of FRS 10. Under FRS 10, there is only one basis for consolidation, that is control. In addition, FRS 10 includes a new definition of control that contains three elements:

(i) power over an investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Extensive guidance has been added in FRS 10 to deal with complex scenarios.

FRS 11 replaces FRS 131 Interests in Joint Ventures. FRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. IC Interpretation 113 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of FRS 11. Under FRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under FRS 131, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under FRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under FRS 131 can be accounted for using the equity method of accounting or proportionate accounting.

FRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/ or unconsolidated structured entities. In general, the disclosure requirements in FRS 12 are more extensive than those in the current standards.

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

Standards and IC Interpretations in issue but not yet effective (Cont'd)

(d) FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of FRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in FRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 7 Financial Instruments: Disclosures will be extended by FRS 13 to cover all assets and liabilities within its scope.

The directors anticipate that FRS 13 will be adopted in the Group's and the Company's financial statements for the annual period beginning October 1, 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

(e) FRS 101 Presentation of Financial Statements (Amendments relating to presentation of items of other comprehensive income)

The amendments to FRS 101 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

The amendments to FRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to FRS 101 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories:

(i) items that will not be reclassified subsequently to profit or loss; and
(ii) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

(f) FRS 112 Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)

The amendments to FRS 112 provide an exception to the general principles in FRS 112 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with FRS 140 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The directors anticipate that the application of the amendments to FRS 112 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

(g) FRS 124 Related Party Disclosures (revised)

FRS 124 (revised in 2010) has been revised on the following two aspects:

(i) FRS 124 (revised in 2010) has changed the definition of a related party; and
(ii) FRS 124 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

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

Standards and IC Interpretations in issue but not yet effective (Cont'd)

(g) FRS 124 Related Party Disclosures (revised) (Cont'd)

The Company and its subsidiaries are not government-related entities. Thus, the disclosure exemptions introduced in FRS 124 (revised in 2010) do not affect the Group and the Company. However, disclosures regarding related party transactions and balances in the Group's and Company's financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

(h) Improvements to FRSs (2010)

Improvements to FRSs (2010) contain amendments to 11 FRSs/ IC Interpretations. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following four of the improvements are expected to have an impact on the Group's and the Company's financial statements.

(i) Amendments to FRS 3 Business Combinations clarifies that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by other Standards.

(ii) Amendments to FRS 7 Financial Instruments: Disclosures providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. The interaction between qualitative and quantitative disclosures contributes to disclosure of information in a way that better enables users to evaluate an entity's exposure to risks. This amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans.

(iii) Amendments to FRS 101 Presentation of Financial Statements clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

(iv) Amendments to FRS 134 Interim Financial Reporting clarifies that an entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.

In addition, on November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/ or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1) in their financial statements for the financial year ending September 30, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

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

Standards and IC Interpretations in issue but not yet effective (Cont'd)

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis, unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of 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, the profit or loss on disposal 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.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 jointly controlled entity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiaries

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 for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, 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.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant FRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) 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.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively;

(b) liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 Share-based Payment; and

(c) 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.

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, 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 as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Goodwill (Cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than 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 asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(a) Sale of goods

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

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

(b) Rental revenue

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

(c) Royalty revenue

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

(d) Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that the economic benefits will flow to the Group and 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 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.

(e) Other income

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 as reported in the statements of 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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other 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 expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 tax is also recognised outside profit or loss.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasing (Cont'd)

(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 archive a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company, and 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 (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the 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 period in which they arise except for:

(a) exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gain 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; and

(b) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the investment.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies (Cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM 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 (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

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.

Share-based payments

The Company has an Employees' Share Option Scheme whereby options to subscribe for ordinary shares in the Company were granted by the Company to eligible employees, including directors of the Group. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period.

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 properties 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 properties revaluation reserve is transferred directly to retained earnings.

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

Freehold land is not depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

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 less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	1.5% - 20%
Plant, machinery and equipment	2% - 50%
Electrical installation	10% & 12%
Office equipment	10% - 50%
Furniture, fixtures and fittings	10% - 50%
Motor vehicles	10% - 50%
Renovation	2% - 15%
Pasaraya equipment	10% & 33%
Warehouse	10%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, 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.

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 sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties, which are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes), 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 property are included in profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of tangible and intangible assets excluding goodwill (Cont'd)

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 expenditure

Agricultural development expenditure on timber trees 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 timber trees.

New planting expenditure on oil palm incurred to the point of harvesting is also capitalised at cost as agricultural development expenditure. Expenditure on new planting and replanting and upkeep of immature areas until the planted areas attain maturity is amortised at 5% per annum.

Inventories

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

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

Cost of eggs consists of cost of raw materials, direct labour and a proportion of farm overheads. 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.

Non-current assets held for sale

Non-current assets 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 sale is highly probable and the non-current asset is available for immediate sale in its present condition. 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets

Financial assets of the Group and of the Company are classified into the following specified categories: financial assets 'at fair value through profit or loss', '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.

(a) 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.

(b) Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

(c) 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. All 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 investments 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 investments 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 value 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.

(d) 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.

(e) 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.

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) default or delinquency in interest or principal payments; or
(iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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 of 7 to 90 days, 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.

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 credited 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

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

With the exception of available-for-sale equity instruments, 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 investment 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.

(f) 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.

Financial liabilities and equity instruments issued by the Group and the Company

(a) 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.

(b) 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 the Company are recognised at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'.

(d) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

(d) 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 in the statements of comprehensive income.

(e) Other financial liabilities

Other financial liabilities, 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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(f) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, including 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. The Group designates derivatives as hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges).

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.

Treasury shares

Shares bought back are retained as treasury shares under the treasury stock method. Shares repurchased and held as treasury shares are accounted for at the cost of repurchase and set off against equity. Where such treasury shares are subsequently sold or reissued, the net consideration received is included in shareholders' equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Treasury shares (Cont'd)

Where the Company reacquires its own equity share capital, the consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in statement of comprehensive income on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

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, bank overdrafts 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 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 accounting policies

In the process of applying the Group'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 investment properties

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

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

During the financial year, the Group assessed and determined that certain property, plant and equipment was impaired and an impairment loss of RM117,036 (2010: Nil) has been recognised to profit or loss of the Group.

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 required 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.

The carrying amount of goodwill at the end of the reporting period was RM1,670,128 (2010: RM2,353,857) after an impairment loss of RM683,729 (2010: RM213,764) was recognised during the financial year.

(iii) Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the cash-generating units. 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, 2011 was RM38,958,430 (2010: RM39,588,241) after impairment losses of RM20,441,711 (2010: RM19,811,900).

(iv) Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers 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, 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 value of the receivables in the period in which such estimate has been changed.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profit together with future tax planning strategies.

Assumptions about generation of future taxable profit depend on management's estimates of future cash flows. This depends on estimates of future revenue, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of the deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

5. REVENUE

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Sale of goods	**490,807,498**	508,012,316	**–**	–
Rental revenue	**156,000**	135,451	**–**	–
Royalty revenue	**2,721**	–	**–**	–
Management fee	**–**	–	**120,000**	120,000
	490,966,219	508,147,767	**120,000**	120,000

6. INVESTMENT REVENUE

	The Group	
	2011	**2010**
	RM	**RM**
Rental revenue from:		
Land and poultry farm	**1,345,660**	1,328,060
Premises	**147,098**	141,962
Pasaraya store	**107,872**	69,120
Interest revenue on:		
Short-term deposits	**130,263**	91,226
Late payments	**26,702**	6,480
Gross dividend income from available-for-sale investment	**10,000**	10,000
	1,767,595	1,646,848

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

	The Group	
	2011	**2010**
	RM	**RM**
Rental revenue on:		
Investment properties	**202,960**	278,141
Other non-financial assets	**1,397,670**	1,261,001
Interest revenue for financial assets not designated as at fair value through profit or loss:		
Loan and receivables (including cash and bank balances)	**156,965**	97,706
Gross dividend income from available-for-sale investment	**10,000**	10,000
	1,767,595	1,646,848

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Gain on fair value adjustment of investment properties	**2,768,000**	944,946	**–**	–
Net fair value gain on loans and receivables	**739,508**	–	**567,968**	–
Gain on disposal of property, plant and equipment	**692,951**	104,785	**–**	–
Reversal of impairment loss recognised on receivables	**369,524**	37,029	**–**	–
Net foreign exchange gain/ (loss)	**242,975**	(37,919)	**–**	–
Gain on disposal of investment in a subsidiary	**2**	–	**–**	–
Impairment loss recognised on receivables	**(1,925,105)**	(954,941)	**–**	–
Impairment loss recognised on goodwill	**(683,729)**	(213,764)	**–**	–
Bad debts written off	**(210,297)**	(56,635)	**–**	–
Property, plant and equipment written off	**(119,163)**	(545,536)	**–**	–
Impairment loss recognised on property, plant and equipment	**(117,036)**	–	**–**	–
Net fair value loss on other financial liability	**(45,859)**	–	**–**	–
Loss on contract farms	**(2,732)**	(31,462)	**–**	–
Inventories written down	**(2,650)**	–	**–**	–
Write-off of goodwill arising from acquisition of shares from non-controlling interests in subsidiaries	**–**	(469,840)	**–**	–
Money loss on burglary	**–**	(165,302)	**–**	–
Agricultural development expenditure written off	**–**	(23,850)	**–**	–
Impairment loss recognised on investments in subsidiaries	**–**	–	**(629,811)**	–
Sundry (expenses)/ gain	**(26,400)**	220	**–**	–
	1,679,989	(1,412,269)	**(61,843)**	–

8. FINANCE COSTS

Interest expense for financial liabilities not classified as fair value through profit or loss is as follows:

	The Group	
	2011	2010
	RM	RM
Interest on:		
Short-term borrowings	**2,829,770**	2,408,393
Long-term loans	**848,088**	729,179
Hire-purchase	**531,438**	681,659
Others	**27,577**	23,941
Bank commission	**476,229**	493,065
Bank charges	**13,905**	6,152
	4,727,007	4,342,389

9. TAX EXPENSE/ (INCOME)

Income tax recognised in profit or loss

Tax expense/ (income) comprises:

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current year:				
Current tax expense:				
Malaysian	**4,499,041**	3,468,783	**–**	9,000
Foreign	**–**	–	**–**	–
Deferred tax (income)/ expense:				
Relating to the origination and reversal of temporary differences:				
Crystallisation of deferred tax liabilities on properties revaluation surplus	**(235,397)**	(286,867)	**–**	–
Other temporary differences	**766,000**	237,700	**–**	–
Reversal upon disposal/ write-off of revalued properties	**(1,042)**	(22,852)	**–**	–
	5,028,602	3,396,764	**–**	9,000
Adjustments recognised in the current year in relation to prior years:				
Current tax	**(32,679)**	79,528	**178**	(14,394)
Deferred tax	**(1,000)**	(36,000)	**–**	–
Total tax expense/ (income)	**4,994,923**	3,440,292	**178**	(5,394)

Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

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

	The Group	
	2011	**2010**
	RM	**RM**
Unused tax capital allowances	**258,000**	204,000
Unused tax losses	**111,000**	26,000
Unused reinvestment allowances	**64,000**	116,000

9. TAX EXPENSE/ (INCOME) (Cont'd)

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

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Profit/ (loss) before tax	**19,554,168**	11,135,549	**(201,364)**	(52,633)
Tax expense calculated using the Malaysian income tax rate of 25% (2010: 25%)	**4,889,000**	2,784,000	**(50,000)**	(13,000)
Effect of expenses that are not deductible in determining taxable profit	**1,756,644**	1,255,616	**192,000**	22,000
Effect of revenue that is exempt from taxation	**(1,477,000)**	(779,000)	**(142,000)**	–
Effect of tax exempt income on pioneer business	**–**	(1,000)	**–**	–
Tax savings from the claim of relief from utilisation of tax losses of the Group	**(37,000)**	–	**–**	–
Utilisation of reinvestment allowances	**(64,000)**	(116,000)	**–**	–
Effect of different tax rate of a subsidiary operating in other jurisdiction	**11,000**	11,000	**–**	–
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**413,000**	597,000	**–**	–
Recognition of deferred tax asset not recognised previously	**(348,000)**	–	**–**	–
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets:				
Unused tax capital allowances and unused tax losses	**(99,000)**	(230,000)	**–**	–
Other temporary differences	**(15,000)**	(102,000)	**–**	–
Reversal of deferred tax liabilities upon disposal/ write-off of revalued properties	**(1,042)**	(22,852)	**–**	–
	5,028,602	3,396,764	**–**	9,000
Adjustments recognised in the current year in relation to prior years	**(33,679)**	43,528	**178**	(14,394)
Tax expense/ (income) recognised in profit or loss	**4,994,923**	3,440,292	**178**	(5,394)

The Group is operating in the jurisdictions of Malaysia, Republic of Singapore and People's Republic of China. The applicable domestic statutory income tax rates are 25% (2010: 25%) for Malaysia, 17% (2010: 17%) for Republic of Singapore and 33% (2010: 33%) for People's Republic of China. The applicable tax rate of 25% (2010: 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.

A subsidiary had been granted pioneer status by the Ministry of International Trade and Industry Malaysia for the breeding of chicken. Under this incentive, 100% of the subsidiary's statutory income from the breeding of chicken in Kelantan was exempted from income tax for a period of five years commencing October 14, 2004.

9. TAX EXPENSE/ (INCOME) (Cont'd)

As of September 30, 2011, the approximate amounts of unused tax losses, unused tax capital allowances, unused reinvestment allowances and unused allowance for increased export of the Group for which no deferred tax asset is recognised in the financial statements, which are available for set off against future taxable income are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Unused tax losses	**15,260,000**	17,117,000
Unused tax capital allowances	**12,874,000**	11,850,000
Unused reinvestment allowances	**4,110,000**	4,323,000
Unused allowance for increased export	**1,155,000**	1,155,000

The unused tax benefits are subject to agreement by the tax authority.

Out of the total unused tax losses of the Group of approximately RM15,260,000 (2010: RM17,117,000), a total amount of approximately RM295,000 (2010: RM893,000) is available for set off against future taxable income of a subsidiary of not exceeding five years as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Expiring on September 30,		
2011	**–**	620,000
2012	**292,000**	270,000
2013	**3,000**	3,000
	295,000	893,000

10. PROFIT/ (LOSS) FOR THE YEAR

Profit/ (loss) for the year has been arrived at:

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
After charging:				
Depreciation of property, plant and equipment	**8,687,306**	8,638,498	**–**	–
Interest on:				
Short-term borrowings	**2,829,770**	2,408,393	**–**	–
Long-term loans	**848,088**	729,179	**–**	–
Hire-purchase	**531,438**	681,659	**–**	–
Others	**27,577**	23,941	**–**	–
Rental of:				
Premises	**1,842,332**	1,645,186	**–**	–
Land and poultry farm	**774,555**	831,388	**–**	–
Cold room	**303,671**	308,283	**–**	–
Machinery and equipment	**33,060**	48,668	**–**	–
Parking lot	**15,600**	9,100	**–**	–
Motor vehicles	**13,434**	12,874	**–**	–
Directors' remuneration:				
Directors of the Company:				
Fee	**92,500**	114,000	**92,500**	114,000
Contribution to employees provident funds	**171,306**	158,334	**570**	480
Other emoluments	**1,754,252**	1,632,553	**8,000**	8,800
Directors of subsidiaries:				
Fee	**–**	–	**–**	–
Contribution to employees provident fund	**73,398**	74,700	**–**	–
Other emoluments	**838,293**	813,885	**–**	–
Impairment loss recognised on receivables	**1,925,105**	954,941	**–**	–
Impairment loss recognised on goodwill	**683,729**	213,764	**–**	–
Audit fee:				
Current year	**217,872**	210,860	**23,500**	23,500
Overprovision in prior years	**–**	(11,250)	**–**	–
Bad debts written off	**210,297**	56,635	**–**	–
Amortisation of prepaid lease payments on leasehold land	**172,220**	172,698	**–**	–
Property, plant and equipment written off	**119,163**	545,536	**–**	–
Impairment loss recognised on property, plant and equipment	**117,036**	–	**–**	–
Net fair value loss on other financial liability	**45,859**	–	**–**	–
Deposits written off	**28,054**	23,800	**–**	–
Amortisation of agricultural development expenditure	**5,190**	4,473	**–**	–
Inventories written down	**2,650**	–	**–**	–
Write-off of goodwill arising from purchase of shares from non-controlling interests in subsidiaries	**–**	469,840	**–**	–
Unrealised loss on foreign exchange	**–**	96,067	**–**	–
Agricultural development expenditure written off	**–**	23,850	**–**	–
Impairment loss recognised on investments in subsidiaries	**–**	–	**629,811**	–

10. PROFIT/ (LOSS) FOR THE YEAR (Cont'd)

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
And crediting:				
Gain on fair value adjustment of investment properties	**2,768,000**	944,946	**–**	–
Rental revenue on:				
Land and poultry farm	**1,733,427**	1,260,693	**–**	–
Premises	**135,298**	153,662	**–**	–
Cold room	**117,646**	50,685	**–**	–
Pasaraya store	**107,872**	69,120	**–**	–
Net fair value gain on loans and receivables	**739,508**	–	**567,968**	–
Gain on disposal of property, plant and equipment	**692,951**	104,785	**–**	–
Reversal of impairment loss recognised on receivables	**369,524**	37,029	**–**	–
Gain on foreign exchange:				
Unrealised	**237,454**	–	**–**	–
Realised	**5,521**	5,036	**–**	–
Interest revenue on:				
Short-term deposits	**133,234**	91,228	**–**	–
Amount owing by subsidiaries	**–**	–	**–**	110,917
Others	**67,460**	62,211	**–**	–
Gross dividend income from available-for-sale investment	**10,000**	10,000	**–**	–
Gain on disposal of investment in a subsidiary	**2**	–	**–**	–

Employee benefits expense recognised as an expense during the financial year is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Contribution to employees provident fund/ central provident fund	**1,761,221**	1,614,555	**570**	480
Other employee benefits expense	**24,603,941**	22,293,682	**104,050**	127,570
	26,365,162	23,908,237	**104,620**	128,050

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

10. PROFIT/ (LOSS) FOR THE YEAR (Cont'd)

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

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Directors of the Company:				
Fee	**92,500**	114,000	**92,500**	114,000
Contribution to employees provident fund	**171,306**	158,334	**570**	480
Other emoluments	**1,754,252**	1,632,553	**8,000**	8,800
Directors of subsidiaries:				
Contribution to employees provident fund	**73,398**	74,700	**–**	–
Other emoluments	**838,293**	813,885	**–**	–
	2,929,749	2,793,472	**101,070**	123,280

11. EARNINGS PER SHARE

Basic earnings per share

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

	The Group	
	2011	**2010**
	RM	**RM**
Profit for the year attributable to owners of the Company	**12,630,511**	7,208,098
Weighted average number of ordinary shares for the purpose of basic earnings per share	**131,560,900**	131,560,900
Basic earnings per share	**9.60 sen**	5.48 sen

Diluted earnings per share

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

	The Group
	2010
	RM
Profit for the year attributable to owners of the Company	7,208,098
Weighted average number of ordinary shares for the purpose of diluted earnings per share	131,560,900
Diluted earnings per share	5.48 sen

As of September 30, 2010, the effect of the assumed conversion of the outstanding employees' share options of 774,000 units to ordinary shares would be anti-dilutive due to the market price of the ordinary shares was lower than the subscription price.

12. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write–off RM	Transfers RM	Currency translation differences RM	End of year RM
2011:						
Freehold land						
- at 2007 valuation	14,390,000	–	–	–	–	14,390,000
Freehold land and buildings						
- at cost	1,393,248	39,162	–	–	–	1,432,410
- at 2007 valuation	21,714,000	–	–	–	–	21,714,000
Buildings						
- at cost	6,913,564	1,581,148	–	3,175,236	–	11,669,948
- at 2007 valuation	26,861,000	–	(143,440)	–	–	26,717,560
Plant, machinery and equipment	42,164,590	3,480,530	(84,960)	663,227	1,037	46,224,424
Electrical installation	688,631	–	(5,978)	197,832	–	880,485
Office equipment	2,200,668	372,999	(136,445)	–	1,018	2,438,240
Furniture, fixtures and fittings	1,533,776	143,300	(57,412)	121,060	–	1,740,724
Motor vehicles	11,068,829	2,000,387	(865,948)	–	–	12,203,268
Renovation	2,416,405	239,523	(152,887)	559,939	–	3,062,980
Pasaraya equipment	1,504,340	63,215	(16,291)	1,130,188	–	2,681,452
Warehouse	64,839	–	–	–	–	64,839
Construction-in-progress	13,772,105	18,286,645	–	(5,847,482)	–	26,211,268
	146,685,995	26,206,909	(1,463,361)	–	2,055	171,431,598

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

The Group (Cont'd)

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write–off RM	Transfers RM	Currency translation differences RM	End of year RM
2010:						
Freehold land						
- at 2007 valuation	14,390,000	–	–	–	–	14,390,000
Freehold land and buildings						
- at cost	865,780	527,468	–	–	–	1,393,248
- at 2007 valuation	21,714,000	–	–	–	–	21,714,000
Buildings						
- at cost	5,065,755	1,501,141	–	346,668	–	6,913,564
- at 2007 valuation	27,141,000	–	(280,000)	–	–	26,861,000
Plant, machinery and equipment	42,500,200	1,536,304	(2,433,744)	562,901	(1,071)	42,164,590
Electrical installation	736,885	2,296	(50,550)	–	–	688,631
Office equipment	2,289,670	163,415	(251,374)	–	(1,043)	2,200,668
Furniture, fixtures and fittings	1,692,417	34,000	(192,641)	–	–	1,533,776
Motor vehicles	10,581,201	1,165,768	(678,140)	–	–	11,068,829
Renovation	3,693,636	40,358	(1,317,589)	–	–	2,416,405
Pasaraya equipment	1,413,875	124,570	(34,105)	–	–	1,504,340
Warehouse	43,870	20,969	–	–	–	64,839
Construction-in-progress	7,676,982	7,078,642	(73,950)	(909,569)	–	13,772,105
	139,805,271	12,194,931	(5,312,093)	–	(2,114)	146,685,995

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

The Group (Cont'd)

Accumulated depreciation	**Beginning of year RM**	**Charge for the year RM**	**Disposals/ write–off RM**	**Currency translation differences RM**	**End of year RM**
2011:					
Freehold land and buildings					
- at cost	**58,825**	**44,223**	**–**	**–**	**103,048**
- at 2007 valuation	**3,277,034**	**1,088,659**	**–**	**–**	**4,365,693**
Buildings					
- at cost	**586,112**	**418,629**	**–**	**–**	**1,004,741**
- at 2007 valuation	**3,438,705**	**1,155,919**	**(64,288)**	**–**	**4,530,336**
Plant, machinery and equipment	**19,878,519**	**3,974,247**	**(54,916)**	**387**	**23,798,237**
Electrical installation	**263,693**	**69,219**	**(5,381)**	**–**	**327,531**
Office equipment	**1,689,833**	**269,392**	**(101,358)**	**922**	**1,858,789**
Furniture, fixtures and fittings	**1,141,953**	**105,511**	**(55,179)**	**–**	**1,192,285**
Motor vehicles	**6,145,551**	**1,104,991**	**(517,757)**	**–**	**6,732,785**
Renovation	**1,182,251**	**241,334**	**(152,887)**	**–**	**1,270,698**
Pasaraya equipment	**436,157**	**208,697**	**(8,800)**	**–**	**636,054**
Warehouse	**6,606**	**6,485**	**–**	**–**	**13,091**
	38,105,239	**8,687,306**	**(960,566)**	**1,309**	**45,833,288**
2010:					
Freehold land and buildings					
- at cost	21,222	37,603	–	–	58,825
- at 2007 valuation	2,187,134	1,089,900	–	–	3,277,034
Buildings					
- at cost	310,895	275,217	–	–	586,112
- at 2007 valuation	2,318,694	1,152,016	(32,005)	–	3,438,705
Plant, machinery and equipment	18,087,065	4,060,705	(2,268,964)	(287)	19,878,519
Electrical installation	223,686	76,197	(36,190)	–	263,693
Office equipment	1,674,789	230,097	(214,244)	(809)	1,689,833
Furniture, fixtures and fittings	1,160,509	134,955	(153,511)	–	1,141,953
Motor vehicles	5,641,361	956,827	(452,637)	–	6,145,551
Renovation	1,662,623	401,297	(881,669)	–	1,182,251
Pasaraya equipment	232,852	217,456	(14,151)	–	436,157
Warehouse	378	6,228	–	–	6,606
	33,521,208	8,638,498	(4,053,371)	(1,096)	38,105,239

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

The Group (Cont'd)

Accumulated impairment losses	**Beginning of year RM**	**Charge for the year RM**	**Disposal/ write–off RM**	**End of year RM**
2011:				
Plant, machinery and equipment	**6,422**	**98,782**	**(6,422)**	**98,782**
Office equipment	**–**	**14,296**	**–**	**14,296**
Furniture, fixtures and fittings	**–**	**3,958**	**–**	**3,958**
	6,422	**117,036**	**(6,422)**	**117,036**
2010:				
Plant, machinery and equipment	6,422	–	–	6,422

	The Group 2011 RM	**2010 RM**
Net book value:		
Freehold land		
- at 2007 valuation	**14,390,000**	14,390,000
Freehold land and buildings		
- at cost	**1,329,362**	1,334,423
- at 2007 valuation	**17,348,307**	18,436,966
Buildings		
- at cost	**10,665,207**	6,327,452
- at 2007 valuation	**22,187,224**	23,422,295
Plant, machinery and equipment	**22,327,405**	22,279,649
Electrical installation	**552,954**	424,938
Office equipment	**565,155**	510,835
Furniture, fixtures and fittings	**544,481**	391,823
Motor vehicles	**5,470,483**	4,923,278
Renovation	**1,792,282**	1,234,154
Pasaraya equipment	**2,045,398**	1,068,183
Warehouse	**51,748**	58,233
Construction-in-progress	**26,211,268**	13,772,105
	125,481,274	108,574,334

The land and buildings of the Group were revalued by the directors on September 30, 2007 based on valuations carried out by an independent firm of professional valuer. The valuations were based on market values using comparison method of valuation, comparison and cost methods of valuation, depreciated replacement cost method of valuation and market values for existing use using depreciated replacement cost method of valuation.

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

The Group (Cont'd)

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

	The Group	
	2011	**2010**
	RM	**RM**
Cost:		
Freehold land	**982,132**	982,132
Freehold land and buildings	**22,707,727**	22,707,727
Buildings	**15,143,158**	15,290,465
	38,833,017	38,980,324
Accumulated depreciation:		
Freehold land and buildings	**(7,218,611)**	(6,367,863)
Buildings	**(3,226,900)**	(2,878,457)
	(10,445,511)	(9,246,320)
Carrying amount	**28,387,506**	29,734,004

As of September 30, 2011, certain property, plant and equipment of the Group with a total carrying value of RM36,253,706 (2010: RM24,400,246) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

As of September 30, 2011, 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	
	2011	**2010**
	RM	**RM**
Plant, machinery and equipment	**3,947,617**	6,277,075
Motor vehicles	**2,957,579**	2,029,277
Pasaraya equipment	**1,264,525**	498,366
Construction-in-progress	**10,171,742**	7,073,742
	18,341,463	15,878,460

As of September 30, 2011, a motor vehicle of the Group with a carrying value of RM38,182 (2010: Nil) is registered in the name of a related party. As of September 30, 2011, a motor vehicle of the Group with a carrying value of RM325 (2010:RM455) is registered in the name of a director who holds it in trust for a subsidiary.

13. INVESTMENT PROPERTIES

	The Group	
	2011	**2010**
	RM	**RM**
At fair value:		
At beginning of year	**29,941,000**	28,638,000
Additions during the year	**–**	2,757,637
Transfer to assets held for sale	**–**	(2,399,583)
Gain on fair value adjustment at end of year	**2,768,000**	944,946
At end of year	**32,709,000**	29,941,000

The investment properties as of September 30, 2011 are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Freehold land	**19,882,000**	17,749,000
Freehold land and buildings	**11,933,000**	11,330,000
Long leasehold land and buildings	**715,000**	695,000
Short leasehold land	**179,000**	167,000
	32,709,000	29,941,000

The fair values of the Group's investment properties as of September 30, 2011 have been arrived at on the basis of valuations carried out by an independent firm of professional valuer that is not related to the Group. The valuations were arrived at by reference to market evidence of transaction prices for similar properties.

The rental income earned by the Group from the renting of its investment properties with a total carrying value of RM20,714,000 (2010: RM15,527,000) during the financial year is RM302,960 (2010: RM278,141). Direct operating expenses incurred by the Group on the investment properties during the financial year amounted to RM96,425 (2010: RM107,904).

As of September 30, 2011, certain freehold land of the Group which are included under investment properties with a total carrying value of RM2,690,000 (2010: RM3,020,000) are in the process of being transferred to the name of a subsidiary.

As of September 30, 2011, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 35, 88 and 883 years.

As of September 30, 2010, the strata titles of certain long leasehold land and buildings of the Group which were included under investment properties with a total carrying value of RM295,000 had not been issued by the relevant authority.

As of September 30, 2011, certain investment properties of the Group with a total carrying value of RM18,272,000 (2010: RM16,179,000) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2011	**2010**
	RM	**RM**
At beginning of year	**7,216,320**	7,629,201
Amortisation during the year	**(172,220)**	(172,698)
Disposals during the year	**–**	(240,183)
At end of year	**7,044,100**	7,216,320

The prepaid lease payments on leasehold land as of September 30, 2011 are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Long leasehold land	**3,812,401**	3,894,429
Short leasehold land	**3,231,699**	3,321,891
	7,044,100	7,216,320

As of September 30, 2011, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 6, 40, 43, 55 and 56 years.

As of September 30, 2011, certain leasehold land of the Group with a total carrying value of RM4,140,544 (2010: RM5,768,268) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

15. GOODWILL

	The Group	
	2011	**2010**
	RM	**RM**
At beginning of year	**2,353,857**	2,566,023
Arising from acquisition of a subsidiary	**–**	1,598
Impairment loss recognised during the year	**(683,729)**	(213,764)
At end of year	**1,670,128**	2,353,857

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segments as independent cash-generating units:

	The Group	
	2011	**2010**
	RM	**RM**
Agricultural/ poultry farming/ food processing	**1,670,128**	1,670,128
Trading/ value added food products manufacturing	**–**	683,729
	1,670,128	2,353,857

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

15. GOODWILL (Cont'd)

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 7% (2010: 7% and 10%) and a discount rate of 8% (2010: 17% and 18%), 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.

During the financial year, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's agricultural/ poultry farming/ food processing, and trading/ value added food products manufacturing activities were impaired by Nil (2010: RM1,598) and RM683,729 (2010:RM212,166) respectively. The main factor contributing to the impairment of these business segments was that the directors anticipated that there will be a reduction in the sales and financial performance of the subsidiaries operating under these cash-generating units. No write-down of the carrying amounts of other assets in the cash-generating unit was necessary.

16. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2011	**2010**
	RM	**RM**
Unquoted shares, at cost	**59,400,141**	59,400,141
Less: Impairment losses	**(20,441,711)**	(19,811,900)
	38,958,430	39,588,241

The subsidiaries are as follows:

Direct subsidiaries	**Country of incorporation**	**Effective percentage of ownership 2011**	**2010**	**Principal activities**
CAB Cakaran Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of broiler chicken, processing and marketing of chicken, and trading of broiler chicken, poultry feeds and other farm consumables
CAB Marine Resources Sdn. Bhd.	Malaysia	**100%**	100%	Processing of fresh and frozen fishes, prawns and other marine products and distribution of marine products in the international and domestic market
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

16. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2011	2010	Principal activities
Antik Kualiti Sdn. Bhd.	Malaysia	**100%**	100%	Cultivation of timber crops
CAB Cakaran Breeding Farm Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of parent stocks to produce broiler eggs
CAB Cakaran (Langkawi) Sdn. Bhd.	Malaysia	**70%**	70%	Processing and marketing of chicken and frozen foods
CAB Cakaran (Timur) Sdn. Bhd.	Malaysia	**55%**	55%	Breeding of broiler chicken
CAB Food Sdn. Bhd.	Malaysia	**100%**	100%	Processing and distributing of food products
Cabin Premier GPS Farm Sdn. Bhd.	Malaysia	**67.94%**	67.94%	Breeding of grand parent stocks to produce breeder eggs
Jaya Gading Farm Sdn. Bhd.	Malaysia	**55%**	55%	Poultry farming, trading in poultry, other related business and cultivation of oil palms
Jimat Jaya Pemasaran Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Jimat Jaya Sdn. Bhd.	Malaysia	**100%**	100%	Processing and marketing of chicken
Kyros Kebab Overseas Ventures Sdn. Bhd.	Malaysia	**70.96%**	70.96%	Investment holding
Kyros Kebab Sdn. Bhd.	Malaysia	**100%**	100%	Fast food restaurants operator
Kyros Properties Sdn. Bhd.	Malaysia	**-**	100%	Investment holding and letting of properties
Ladang Ternakan Asun Sdn. Bhd.	Malaysia	**100%**	100%	Inactive
Like's Store Sdn. Bhd.	Malaysia	**100%**	100%	Processing and wholesaling of chicken products and frozen foods
Pasaraya Jaya Gading Sdn. Bhd.	Malaysia	**55%**	55%	Trading of supermarket products
Protheme Pte. Ltd.*	Republic of Singapore	**100%**	71.51%	Wholesaling and retailing of confectionery and bakery products
Shanghai Kyros Kebab Co., Ltd.**	People's Republic of China	**36.6%**	36.6%	Master franchisee and restaurants operator, however, inactive since December 2006
Shin Hong Breeding Farm Sdn. Bhd.	Malaysia	**50%**	50%	Renting of property, plant and equipment to generate rental income

* The financial statements of this subsidiary were audited by auditors other than the auditors of the Company.

** This is an indirect subsidiary held through Kyros Kebab Overseas Ventures Sdn. Bhd.. The financial statements of this subsidiary were audited by the auditors of the Company for the purpose of consolidation with the financial statements of the Company.

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

On August 15, 2011, CAB Cakaran Sdn. Bhd. disposed its equity interest of 5,500 ordinary shares of RM1 each in Jaya Gading Farm Sdn. Bhd. to Jimat Jaya Sdn. Bhd. for a sale consideration of RM28,424. Accordingly, the Group's equity interest in Jaya Gading Farm Sdn. Bhd. remains unchanged.

16. INVESTMENTS IN SUBSIDIARIES (Cont'd)

On September 27, 2007, Kyros International Sdn. Bhd. entered into a conditional Share Sale Agreement with external parties for the disposal of its entire equity interest of 100,000 ordinary shares of RM1 each, representing 100% equity interest in Kyros Properties Sdn. Bhd., for a total sale consideration of RM2. The Share Sale Agreement has been terminated during the current financial year.

During the current financial year, Kyros International Sdn. Bhd. disposed of its entire equity interest of 100,000 ordinary shares of RM1 each, representing 100% equity interest in Kyros Properties Sdn. Bhd., to two employees of a subsidiary, for a total sale consideration of RM2. Upon completion of the disposal transaction on September 23, 2011, Kyros Properties Sdn. Bhd. ceased to be a subsidiary of the Group.

The asset and liability disposed are as follows:

	The Group 2011 RM
Consideration received	**2**
Net asset disposed off	**–**
Gain on disposal	**2**

On March 2, 2011, Likes Marketing Sdn. Bhd., purchased 28,490 ordinary shares of SGD1 each, representing 28.49% equity interest in Protheme Pte. Ltd. from the non-controlling interest for a total purchase consideration of RM2. Upon completion of the aforesaid purchase transaction, Protheme Ptd. Ltd. becomes a wholly-owned subsidiary of the Group.

On May 7, 2010, the Company purchased 750,000 ordinary shares of RM1 each, representing 25% equity interest in CAB Marine Resources Sdn. Bhd., and 50,000 ordinary shares of RM1 each, representing 25% equity interest in HK Foods (M) Sdn. Bhd., from the non-controlling interests for total purchase considerations of RM500,000 and RM250,000 respectively. Upon completion of the aforesaid purchase transactions, CAB Marine Resources Sdn. Bhd. and HK Foods (M) Sdn. Bhd. become wholly owned subsidiaries of the Company.

On July 21, 2010, CAB Marine Resources Sdn. Bhd. increased its issued and paid-up share capital from 3,000,000 ordinary shares of RM1 each to 4,000,000 ordinary shares of RM1 each, and HK Foods (M) Sdn. Bhd. increased its issued and paid-up share capital from 200,000 ordinary shares of RM1 each to 425,000 ordinary shares of RM1 each. The Company subscribed for the entire additional 1,000,000 ordinary shares of RM1 each in CAB Marine Resources Sdn. Bhd., and 225,000 ordinary shares of RM1 each in HK Foods (M) Sdn. Bhd., by way of converting the amount owing by the subsidiaries of RM1,000,000 and RM225,000 respectively into equity shares in these subsidiaries. Accordingly, the Company's equity interests in CAB Marine Resources Sdn. Bhd. and HK Foods (M) Sdn. Bhd. remain unchanged.

On February 19, 2010, Jimat Jaya Sdn. Bhd. increased its issued and paid-up share capital from RM1,020,000 to RM7,000,000 by way of a bonus issue of 5,980,000 new ordinary shares of RM1 each through capitalisation of RM5,980,000 from the retained earnings account on the basis of 299 new ordinary shares of RM1 each for every 51 existing ordinary shares of RM1 each held. The entire bonus issue was issued to CAB Cakaran Sdn. Bhd.. Accordingly, the Group's equity interest in Jimat Jaya Sdn. Bhd. remains unchanged.

During the financial year ended September 30, 2010, Jaya Gading Farm Sdn. Bhd. acquired 2 ordinary shares of RM1 each in Pasaraya Jaya Gading Sdn. Bhd., representing 100% of the equity interest in Pasaraya Jaya Gading Sdn. Bhd., from two employees of the Company, for a total purchase consideration of RM2. Upon completion of the aforesaid acquisition on November 20, 2009, Pasaraya Jaya Gading Sdn. Bhd. becomes a 55% owned subsidiary of the Group.

16. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The acquired subsidiary had contributed the following results to the Group:

	The Group 2010 RM
Revenue	32,827,573
Loss for the year	26,212

If the acquisition of subsidiary had occurred at beginning of year, the Group's revenue and profit for the year would have been as follows:

	The Group 2010 RM
Revenue	508,147,767
Profit for the year	7,692,352

The assets and liabilities arising from the acquisition were as follows:

	The Group 2010 RM
Cash and bank balances	2
Trade and other payables	(2,905)
Net liabilities as of date of acquisition	(2,903)
Non-controlling interest	1,307
Group's share of net liabilities	(1,596)
Goodwill	1,598
Purchase consideration	2
Cash and cash equivalents of subsidiary acquired	(2)
Net cash outflow of the Group	–

On June 28, 2010, Pasaraya Jaya Gading Sdn. Bhd. increased its issued and paid-up share capital from 2 ordinary shares of RM1 each to 2,000,000 ordinary shares of RM1 each. Jaya Gading Farm Sdn. Bhd. subscribed for the entire additional 1,999,998 ordinary shares of RM1 each in Pasaraya Jaya Gading Sdn. Bhd., for a total cash consideration of RM1,999,998. Accordingly, the Group's equity interest in Pasaraya Jaya Gading Sdn. Bhd. remains unchanged.

On January 6, 2010, CAB Cakaran Sdn. Bhd. disposed its equity interest of 1,000 ordinary shares of RM1 each in Shin Hong Breeding Farm Sdn. Bhd. to Jimat Jaya Sdn. Bhd. for a sale consideration of RM181,000. Accordingly, the Group's equity interest in Shin Hong Breeding Farm Sdn. Bhd. remains unchanged.

17. OTHER FINANCIAL ASSET

	The Group	
	2011 RM	2010 RM
Unquoted shares, at cost	**260,000**	260,000

17. OTHER FINANCIAL ASSET (Cont'd)

Prior to October 1, 2010, the non-current equity investment in unquoted shares was carried at cost less allowance for diminution in value which was other than a temporary decline in the value of the investment. Upon adoption of FRS 139, this investment was classified as available-for-sale financial asset, and is measured at cost less allowance for impairment loss.

18. AGRICULTURAL DEVELOPMENT EXPENDITURE

	The Group	
	2011	**2010**
	RM	**RM**
At beginning of year	**295,804**	324,127
Amortisation during the year	**(5,190)**	(4,473)
Write-off during the year	**–**	(23,850)
At end of year	**290,614**	295,804

19. DEFERRED TAX ASSETS/ (LIABILITIES)

The Group

	Opening balance RM	Recognised in profit or loss RM	Closing balance RM
2011:			
Deferred tax assets			
Receivables	**–**	**252,000**	**252,000**
Unused tax losses	**–**	**225,000**	**225,000**
Property, plant and equipment	**–**	**(19,000)**	**(19,000)**
	–	**458,000**	**458,000**
Deferred tax liabilities			
Unused tax losses	**690,000**	**(26,000)**	**664,000**
Receivables	**605,000**	**(325,000)**	**280,000**
Unused tax capital allowances	**317,000**	**(195,000)**	**122,000**
Property, plant and equipment	**(6,290,000)**	**(789,000)**	**(7,079,000)**
Gain on revaluation of properties	**(2,103,785)**	**236,439**	**(1,867,346)**
Others	**(34,000)**	**112,000**	**78,000**
	(6,815,785)	**(986,561)**	**(7,802,346)**
	(6,815,785)	**(528,561)**	**(7,344,346)**
2010:			
Deferred tax liabilities			
Unused tax losses	–	690,000	690,000
Receivables	387,000	218,000	605,000
Unused tax capital allowances	29,000	288,000	317,000
Property, plant and equipment	(4,915,300)	(1,374,700)	(6,290,000)
Gain on revaluation of properties	(2,408,375)	304,590	(2,103,785)
Others	(11,000)	(23,000)	(34,000)
	(6,918,675)	102,890	(6,815,785)

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

The Group (Cont'd)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of September 30, 2011, deferred tax assets have not been recognised in respect of the following temporary differences:

	The Group	
	2011	**2010**
	RM	**RM**
Unused tax losses	**13,642,000**	14,231,000
Unused tax capital allowances	**11,390,000**	10,679,000
Allowance for increased export	**1,155,000**	1,155,000
Temporary differences arising from:		
Receivables	**194,000**	799,000
Payables	**39,000**	87,000
Property, plant and equipment	**(5,649,000)**	(5,689,000)
Others	**30,000**	100,000
	20,801,000	21,362,000

20. INVENTORIES

	The Group	
	2011	**2010**
	RM	**RM**
Raw materials:		
Meats and dressings	**1,801,222**	1,176,676
Feeds and consumables	**1,742,686**	1,752,170
Medicine and chemicals	**546,354**	591,389
Packing materials	**356,603**	321,751
Unprocessed marine products	**148,792**	271,792
Others	**10,100**	6,258
	4,605,757	4,120,036
Work-in-progress:		
Parent stocks	**4,875,719**	3,821,523
Eggs	**3,398,231**	2,307,557
Pullet	**2,451,659**	1,594,268
Grand parent stocks	**1,641,453**	1,641,142
Broiler chicken	**462,765**	694,321
	12,829,827	10,058,811
Finished goods:		
Supermarket products	**8,771,296**	–
Processed chicken	**2,851,047**	2,439,632
Processed marine products	**761,562**	562,833
Frozen food	**282,544**	384,552
Trading products	**90,464**	4,349,142
Others	**33,658**	15,967
	12,790,571	7,752,126
Goods-in-transit	**97,200**	–
	30,323,355	21,930,973

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Trade receivables	**58,186,893**	64,301,046	**–**	–
Less: Allowance for impairment loss	**(8,376,330)**	(5,225,655)	**–**	–
	49,810,563	59,075,391	**–**	–
Amount owing by subsidiaries	**–**	–	**15,288,792**	15,410,476
Less: Allowance for impairment loss	**–**	–	**(1,450,807)**	(260,000)
	–	–	**13,837,985**	15,150,476
Other receivables	**563,140**	1,252,748	**–**	–
Less: Allowance for impairment loss	**(9,963)**	(2,250)	**–**	–
	553,177	1,250,498	**–**	–
	50,363,740	60,325,889	**13,837,985**	15,150,476

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

	The Group	
	2011	**2010**
	RM	**RM**
Ringgit Malaysia	**47,176,762**	54,335,166
United States Dollar	**2,569,813**	4,464,022
Singapore Dollar	**63,988**	276,203
	49,810,563	59,075,391

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

	The Group	
	2011	**2010**
	RM	**RM**
YWT Contract Farming [a]	**1,267,409**	1,488,055
Chyuan Heng Farming [a]	**204,850**	–
Maju Jaya Farm [b]	**181,420**	7,600
Jaya Gading Marketing [c]	**67,560**	108,921
Chuah Ah Chui [d]	**17,885**	–

[a] Entities which are owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah.
[b] An entity which is owned by a son-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.
[c] An entity which is owned by a brother-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.
[d] A brother of Mr. Chuah Ah Bee, a director of the Company.

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

21. TRADE AND OTHER RECEIVABLES (Cont'd)

The average credit periods granted to trade receivables of the Group range from 7 to 90 days (2010: 7 to 120 days). No interest is charged on trade receivables outstanding balance. Allowance for doubtful debts are recognised against trade receivables over credit period based 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.

Ageing of past due but not impaired trade receivables:

	The Group 2011 RM
1 - 30 days	**8,446,647**
31 - 60 days	**2,046,504**
61 - 90 days	**619,815**
More than 90 days	**3,614,047**
Total	**14,727,013**

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 2011 RM
Balance at beginning of the year	**5,225,655**
Impairment loss recognised upon adoption of FRS 139	**2,643,630**
Impairment loss recognised during the year	**1,925,105**
Impairment loss reversed during the year	**(179,072)**
Net fair value gain recognised in profit or loss	**(737,942)**
Amount recovered during the year	**(190,452)**
Amount written off during the year as uncollectible	**(310,594)**
Balance at end of the year	**8,376,330**

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

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

21. TRADE AND OTHER RECEIVABLES (Cont'd)

Ageing of impaired trade receivables:

	The Group 2011 RM
91 - 365 days	**7,797**
1 - 2 years	**1,936,597**
2 - 3 years	**1,777,586**
3 - 4 years	**883,442**
More than 5 years	**6,942,711**
Total	**11,548,133**

The amount owing by subsidiaries are as follows:

	The Company 2011 RM	2010 RM
Kyros Food Industries Sdn. Bhd.	**8,616,731**	8,616,731
CAB Marine Resources Sdn. Bhd.	**4,162,580**	1,429,283
Jimat Jaya Sdn. Bhd.	**1,218,000**	1,218,000
CAB Cakaran Sdn. Bhd.	**1,181,481**	4,072,913
Kyros International Sdn. Bhd.	**110,000**	73,200
HK Foods (M) Sdn. Bhd.	**–**	349
	15,288,792	15,410,476

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

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

	The Company 2011 RM
Balance at beginning of the year	**260,000**
Impairment loss recognised upon adoption of FRS 139	**1,758,775**
Net fair value gain recognised in profit or loss	**(567,968)**
Balance at end of the year	**1,450,807**

The allowance for impairment loss on amount owing by subsidiaries are made for individually impaired receivables, relating to entities that are in significant financial difficulties. The Company does not hold any collateral over these balances.

21. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	The Group	
	2011	2010
	RM	RM
Ringgit Malaysia	**531,394**	1,250,498
United States Dollar	**20,639**	–
Singapore Dollar	**1,144**	–
	553,177	1,250,498

Included in other receivables of the Group as of September 30, 2010 was an amount of RM3,025 owing by Syarikat Sin Long Heng Breeding Farm Sdn. Bhd., a company in which certain directors of a subsidiary, Mr. Tan Ah Ba @ Tan Chye Khoon and Mr. Tan Chee Hee are also directors and have interests in this company. This amount arose from rental receivable.

The other amounts of other receivables of the Group comprise mainly amounts receivable for the sale of property and insurance receivable.

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

	The Group
	2011
	RM
Balance at beginning of the year	**2,250**
Impairment loss recognised upon adoption of FRS139	**11,529**
Net fair value gain recognised in profit or loss	**(1,566)**
Amount written off during the year as uncollectible	**(2,250)**
Balance at end of the year	**9,963**

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

22. OTHER ASSETS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Prepayments	**1,576,162**	1,766,135	**–**	–
Deposits	**2,084,455**	1,282,220	**1,000**	1,000
	3,660,617	3,048,355	**1,000**	1,000

23. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of September 30, 2011, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 2.9% to 3.3% (2010: 2.5% to 2.95%) per annum and are maturing within October 2011 to September 2012.

As of September 30, 2011, the short-term deposits with licensed banks of the Group with a total carrying value of RM4,280,339 (2010: RM4,163,419) are pledged to the banks as securities for credit facilities granted to the Group as mentioned in Note 28.

24. CASH AND BANK BALANCES

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

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	**5,985,714**	7,456,525	**3,954**	4,061
United States Dollar	**386,114**	347,422	**–**	–
Singapore Dollar	**16,263**	10,139	**–**	–
Renminbi	**181**	167	**–**	–
	6,388,272	7,814,253	**3,954**	4,061

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2011	**2010**
	RM	**RM**
Freehold land	**–**	309,537
Freehold land and buildings	**463,906**	2,553,952
Buildings	**695,079**	695,079
Carrying amount at end of year	**1,158,985**	3,558,568

During the financial year ended September 30, 2010, a subsidiary entered into a sale and purchase agreement for the disposal of a parcel of freehold land to Chyuan Heng Farming, an entity which is owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah, for a sale consideration of RM450,000. The disposal transaction has been completed during the financial year.

During the financial year ended September 30, 2010, the directors of a subsidiary approved for the disposal of a parcel of freehold land and building to an external party for a total consideration of RM2,800,000. The disposal transaction has been completed during the financial year.

During the financial year ended September 30, 2006, a subsidiary entered into a sale and purchase agreement with an external party for the disposal of certain freehold land and buildings for a total sale consideration of RM550,000. The disposal transaction has not been completed as of September 30, 2011. Upon completion of the disposal transaction, there would be a gain on disposal of RM86,094.

During the financial year ended September 30, 2007, a subsidiary entered into a sale and purchase agreement with an external party for the disposal of certain buildings for a total sale consideration of RM700,000. The disposal transaction has not been completed as of September 30, 2011. Upon completion of the disposal transaction, there would be a gain on disposal of RM4,921.

As of September 30, 2010, certain freehold land and buildings of the Group classified as non-current assets classified as held for sale with a total carrying value of RM463,906 were charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

26. SHARE CAPITAL

	The Company	
	2011	2010
	RM	RM
Authorised:		
200,000,000 ordinary shares of RM0.50 each	**100,000,000**	100,000,000
Issued and fully paid:		
131,779,100 ordinary shares of RM0.50 each	**65,889,550**	65,889,550

As of September 30, 2011, out of the total number of 131,779,100 (2010: 131,779,100) of ordinary shares of RM0.50 each issued and paid-up, 218,200 (2010: 218,200) are held as treasury shares. Hence, the number of outstanding ordinary shares of RM0.50 each in issue and fully paid is 131,560,900 (2010: 131,560,900).

Under the Company's Employees' Share Option Scheme ("ESOS") which became effective on July 16, 2004, options to subscribe for unissued new ordinary shares of RM0.50 each in the Company were granted to eligible directors and employees of the Company and its subsidiaries.

The salient features of the ESOS are as follows:

a. the maximum number of new ordinary shares to be issued pursuant to the exercise of the options which may be granted under the scheme shall not exceed fifteen percent of the issued and paid-up share capital of the Company or such maximum percentages as may be allowed by the relevant authorities at any point of time throughout the duration of the scheme;

b. any employee of the Group shall be eligible to participate in the scheme if, as of the date of the offer, the employee:

    i. is at least eighteen years of age;

    ii. is employed full time by and on the payroll of a company in the Group; and

    iii. is confirmed in writing as a full time employee and has been in the employment of the Group for a period of at least one year of continuous service prior to the date of offer, including service during the probation period;

c. any director of the Group shall be eligible to participate in the scheme if, as of the date of the offer, such director:

    i. is at least eighteen years of age;

    ii. has been appointed as a director of a company within the Group for a period of at least three months; and

    iii. where the eligible director is a director of the Company, such entitlement under the scheme must have been approved by the shareholders of the Company in general meeting;

d. the actual number of options which may be offered to an eligible employee shall be at the discretion of the Option Committee provided that the options so offered shall be in multiples of and not less than one hundred shares subject to the maximum allowable allotment;

e. the option price shall be fixed based on the higher of the following:

    i. the five days weighted average market price of the ordinary shares of the Company, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the date of offer with a discount of not more than ten percent; or

    ii. the par value of the ordinary shares of the Company; and

26. SHARE CAPITAL (Cont'd)

f. the scheme shall be in force for a period of five calendar years from the effective date and may be extended or renewed and the options granted may be exercised at any time within the option period.

The share options granted and exercised during the financial year are as follows:

		No. of options over ordinary shares of RM0.50 each				
Date of offer	**Exercise price per ordinary share** RM	**Balance as of 1.10.2010**	**Granted**	**Exercised**	**Lapsed**	**Balance as of 30.9.2011**
15.6.2006	0.60	774,000	–	–	(774,000)	–

27. RESERVES

	The Group		The Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Non-distributable:				
Properties revaluation reserve	**5,114,791**	5,258,226	**–**	–
Share premium	**71,379**	71,379	**71,379**	71,379
Translation reserve	**(20,610)**	10,100	**–**	–
	5,165,560	5,339,705	**71,379**	71,379

The movement in properties revaluation reserve is as follows:

	The Group	
	2011 RM	**2010 RM**
Balance at beginning of year	**5,258,226**	5,431,523
Realisation of revaluation reserve upon disposal/ write-off of revalued properties	**(3,124)**	(29,616)
Transferred to retained earnings	**(140,311)**	(143,681)
Balance at end of year	**5,114,791**	5,258,226

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land and buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realised, 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 and bonus issue.

27. RESERVES (Cont'd)

The movement in foreign currency translation reserve is as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Balance at beginning of year	**10,100**	(18,405)
Exchange differences arising on translating the net assets of foreign operations	**(30,710)**	28,505
Balance at end of year	**(20,610)**	10,100

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.

28. BORROWINGS

	The Group	
	2011	**2010**
	RM	**RM**
Secured:		
Bankers' acceptance	**33,797,000**	36,156,000
Long-term loans	**16,217,759**	9,049,706
Hire-purchase payables	**10,801,659**	8,210,975
Bank overdrafts	**6,066,611**	7,254,607
Unsecured:		
Bankers' acceptance	**22,908,242**	25,299,000
Bank overdrafts	**1,130,309**	1,151,264
Long-term loans	**1,048,301**	2,141,974
	91,969,881	89,263,526
Less: Current portion	**(72,511,107)**	(76,599,554)
Non-current portion	**19,458,774**	12,663,972

The long-term loans are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Amount outstanding	**17,266,060**	11,191,680
Less: Current portion	**(4,822,900)**	(3,685,262)
Non-current portion	**12,443,160**	7,506,418

28. BORROWINGS (Cont'd)

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

	The Group	
	2011	**2010**
	RM	**RM**
Later than one year and not later than two years	**3,771,112**	3,051,353
Later than two years and not later than five years	**5,440,365**	3,026,181
Later than five years	**3,231,683**	1,428,884
	12,443,160	7,506,418

The hire-purchase payables are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Total outstanding	**12,017,630**	9,094,548
Less: Interest-in-suspense outstanding	**(1,215,971)**	(883,573)
Principal outstanding	**10,801,659**	8,210,975
Less: Current portion	**(3,786,045)**	(3,053,421)
Non-current portion	**7,015,614**	5,157,554

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

	The Group	
	2011	**2010**
	RM	**RM**
Later than one year and not later than two years	**3,472,982**	2,498,855
Later than two years and not later than five years	**3,542,632**	2,658,699
	7,015,614	5,157,554

The bankers' acceptance of the Group bear interests at rates ranging from 0.75% to 1.75% (2010: 0.75% to 1.75%) per annum above the lending banks' cost of funds. The long-term loans of the Group bear interests at rates ranging from 1.7% (2010: 1.55%) per annum below the lending banks' base lending rates to 1.75% (2010: 2%) per annum above the lending banks' base lending rates. The bank overdrafts of the Group bear interests at rates ranging from 1% to 2% (2010: 1% to 2%) per annum above the lending banks' base lending rates.

The effective interest rates per annum as of September 30, 2011 are as follows:

	The Group	
	2011	**2010**
	%	**%**
Bankers' acceptance	**3.27 – 5.45**	2.74 – 4.95
Long-term loans	**4.9 – 8.6**	4.75 – 8.3
Hire-purchase payables	**4.25 – 8.46**	4.67 – 8.89
Bank overdrafts	**7.6 – 8.6**	7.3 – 8.3

The bankers' acceptance of the Group as of September 30, 2011 are repayable within October 2011 to January 2012. The terms for hire-purchase of the Group range from two to five years.

28. BORROWINGS (Cont'd)

The secured short-term borrowings together with the secured long-term loans of the Group are secured, either singly or collectively as follows:

a. legal charges over certain landed properties of the Group;
b. legal charges over certain landed properties of a related party;
c. pledge of short-term deposits of the Group;
d. specific debentures on certain equipment of certain subsidiaries;
e. negative pledges over the assets of certain subsidiaries;
f. guarantees by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
g. joint guarantee by certain directors of the Group for RM4,700,000 (2010: Nil);
h. joint guarantees by certain directors and certain former directors of the Group for RM7,468,000 (2010: RM8,868,000);
i. corporate guarantees by the Company for RM83,792,000 (2010: RM76,442,000);
j. corporate guarantees by certain subsidiaries for RM26,715,000 (2010: RM11,745,000); and
k. joint corporate guarantees by the Company and a subsidiary for RM2,500,000 (2010: RM2,500,000).

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 of a subsidiary for RM63,000 (2010: RM151,000) and the Company for RM14,678,418 (2010: RM15,048,400).

The unsecured short-term borrowings together with the unsecured long-term loans of the Group are covered by:

a. negative pledge over the assets of a subsidiary;
b. a guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
c. corporate guarantee by the Company for RM35,200,000 (2010: RM41,900,000);
d. corporate guarantee by a subsidiary for RM6,700,000 (2010: Nil); and
e. joint guarantee by certain directors and certain former directors of a subsidiary, a subsidiary and the Company for RM1,170,000 (2010: RM1,170,000).

29. TRADE AND OTHER PAYABLES

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

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Trade payables:				
Ringgit Malaysia	**38,694,413**	36,797,477	**–**	–
United States Dollar	**742,474**	3,849,667	**–**	–
Singapore Dollar	**916**	20,025	**–**	–
Thai Baht	**–**	5,348	**–**	–
Euro	**–**	1,200	**–**	–
	39,437,803	40,673,717	**–**	–
Amount owing to directors:				
Ringgit Malaysia	**104,857**	72,474	**24,417**	–
Other payables:				
Ringgit Malaysia	**6,732,755**	6,981,241	**–**	–
United States Dollar	**–**	12,967	**–**	–
	6,732,755	6,994,208	**–**	–
Accrued expenses:				
Ringgit Malaysia	**3,832,253**	3,421,513	**38,016**	36,075
Singapore Dollar	**33,981**	–	**–**	–
United States Dollar	**6,701**	45,386	**–**	–
	3,872,935	3,466,899	**38,016**	36,075
	50,148,350	51,207,298	**62,433**	36,075

29. TRADE AND OTHER PAYABLES (Cont'd)

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases range from 7 to 120 days (2010: 7 to 120 days). Certain of the Group's trade payables are guaranteed by the Company for RM12,700,000 (2010: RM11,700,000). No interest is charged on trade payables outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Included in trade payables of the Group is an amount of RM758,717 (2010: RM198,233) owing to YWT Contract Farming, an entity which is owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah.

The amount owing to directors is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Director of the Company:				
Chuah Ah Bee	**65,000**	65,000	**–**	–
Goh Choon Aik	**12,445**	–	**12,445**	–
Ahmad Fazil Haji Hashim	**6,472**	–	**6,472**	–
Kim Lim Chong	**5,500**	–	**5,500**	–
Directors of subsidiaries:				
Lee Chan Nga	**8,079**	7,474	**–**	–
Irene Fong Fui Lee	**7,361**	–	**–**	–
	104,857	72,474	**24,417**	–

The amount owing to Mr. Chuah Ah Bee and Mr. Lee Chan Nga arose mainly from unsecured advances which are interest free and repayable on demand. The other amounts owing to other directors arose mainly from remuneration payable.

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

	The Group	
	2011	2010
	RM	RM
Fah Leong Sdn. Bhd. [a]	**36,775**	24,562
Chyuan Heng Farming [b]	**15,113**	–
Chuah Ah Bee Sdn. Bhd. [c]	**1,247**	–

[a] A company in which a director of this company, Mr. Yap Kim Hwah is also a director of a subsidiary.
[b] An entity which is owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah.
[c] A company in which a director of the Company, Mr. Chuah Ah Bee and is also a director and has interest in this company.

The amount owing to Fah Leong Sdn. Bhd. and Chuah Ah Bee Sdn. Bhd. arose mainly from rental payable. The amount owing to Chyuan Heng Farming arose mainly from payment of expenses made of behalf.

The other amounts of other payables comprise mainly amounts outstanding for ongoing costs and deposits received.

30. OTHER FINANCIAL LIABILITY

	The Group 2011 RM	2010 RM
Financial liability carried at fair value through profit or loss:		
Derivative financial instrument:		
Foreign currency forward contracts	**29,861**	–

The Group uses foreign currency forward contracts to manage some of the transaction exposure. 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.

Forward foreign exchange contracts are used to hedge the Group's exposure to foreign exchange risks. Forward foreign exchange contracts are measured using quoted forward exchange rates and yield curves derived from swap points matching maturities of the contracts. These contracts are maturing within October 2011 to February 2012.

31. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balances	**6,388,272**	7,814,253	**3,954**	4,061
Short-term deposits with licensed banks	**4,280,339**	4,163,419	**–**	–
Bank overdrafts	**(1,116,613)**	(8,405,871)	**–**	–
	9,551,998	3,571,801	**3,954**	4,061
Less: Short-term deposits pledged as security	**(4,280,339)**	(4,163,419)	**–**	–
	5,271,659	(591,618)	**3,954**	4,061

During the financial year, the Group acquired property, plant and equipment and investment properties with an aggregate cost of RM26,206,909 (2010: RM15,214,965) of which RM6,051,800 (2010: RM1,193,328) was financed by means of hire-purchase and the balance of RM20,155,109 (2010: RM14,021,637) was cash payment, after set off with a price reduction of Nil (2010: RM262,397) for the property, plant and equipment purchased in the previous financial years.

32. 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 shareholder 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 2010.

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 the 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.

32. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives

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

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

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

i. Market risk management

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

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk, forward foreign exchange contracts to hedge the exchange rate risk arising on foreign currency sales.

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 carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group	
	Assets 2011 RM	**Liabilities 2011 RM**
United States Dollar	**2,976,566**	**749,175**
Singapore Dollar	**81,395**	**34,897**
Renminbi	**181**	**–**

The following table details the Group's sensitivity to a 10% increase and decrease in the RM against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the RM strengthens 10% against the relevant currency. For a 10% weakening of the RM against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

32. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

ii. Foreign currency risk management (Cont'd)

	The Group 2011 RM
Impact on profit or loss	
United States Dollar	**222,739**
Singapore Dollar	**4,650**
Renminbi	**18**

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 reporting date, 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 5% of gross trade receivables of the Group at the end of reporting date.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are reputable banks.

The carrying amounts of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

iv. Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

No sensitivity analysis prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of reporting period.

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, and by matching the maturity profiles of financial assets and liabilities.

32. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

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

	The Group 2011 RM	The Group 2010 RM
Secured	**29,970,927**	32,917,719
Unsecured	**9,661,517**	7,251,000
	39,632,444	40,168,719

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.

c. 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 sales and purchase transactions. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the foreign currency forward contracts outstanding as at the end of the reporting date:

The Group

Outstanding contracts	Average exchange rate	Foreign currency	Contract value RM	Fair value RM
2011:				
Sell USD				
Less than 3 months	**3.0237**	**159,684**	**482,672**	**509,964**
3 - 6 months	**3.1735**	**22,551**	**71,550**	**72,166**
Buy USD				
Less than 3 months	**3.2050**	**67,522**	**216,407**	**215,326**
Buy Euro				
Less than 3 months	**4.3590**	**21,600**	**94,154**	**93,282**
2010:				
Sell USD				
Less than 3 months	3.2042	115,000	371,550	354,660
Buy USD				
Less than 3 months	3.1285	40,513	126,745	124,942
Buy JPY				
Less than 3 months	0.0369	5,600,000	206,388	207,299

32. FINANCIAL INSTRUMENTS (Cont'd)

d. Fair value of financial assets and liabilities

It is not practical to estimate the fair value of available-for-sale investment in unquoted shares due to the inability to estimate fair value without incurring excessive cost. However, the directors of the Group believe that the carrying amount represents the recoverable value.

The fair value of derivative financial instruments is set out in Note 30.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

The fair value of contingent liabilities in respect of corporate guarantees given by the Company to local banks and third parties is RM78,679,454 (2010: RM78,719,758). This fair value is determined based on the amount that would be payable to the banks and third parties for financing facilities granted to and utilised by the subsidiaries at the reporting date.

33. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2011	**2010**
	RM	**RM**
Estimated cash value of benefits-in-kind provided to directors	**103,696**	87,200

34. 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	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
With subsidiaries:				
CAB Cakaran Sdn. Bhd.				
Management fee received	**–**	–	**60,000**	60,000
Kyros International Sdn. Bhd.				
Management fee received	**–**	–	**60,000**	60,000
CAB Marine Resources Sdn. Bhd.				
Interest received	**–**	–	**–**	102,947
HK Foods (M) Sdn. Bhd.				
Interest received	**–**	–	**–**	7,970
With directors of the Company:				
Loo Choo Gee				
Purchase of property	**184,000**	–	**–**	–
Deposit paid for purchase of property	**–**	16,000	**–**	–
Chuah Ah Bee				
Rental paid	**79,830**	80,685	**–**	–

34. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
With other related parties:				
YWT Contract Farming [a]				
Purchases	**17,984,692**	18,133,427	**–**	–
Sales	**14,307,243**	14,949,832	**–**	–
Rental received	**260,173**	314,606	**–**	–
Transportation charges paid	**34,029**	10,795	**–**	–
Interest received	**19,440**	26,455	**–**	–
Maju Jaya Farm [b]				
Purchase	**1,445,880**	1,750,351	**–**	–
Sales	**1,367,693**	1,391,829	**–**	–
Rental received	**41,977**	36,840	**–**	–
Chyuan Heng Farming [a]				
Sales	**665,051**	–	**–**	–
Purchases	**534,938**	–	**–**	–
Sale of property	**405,000**	–	**–**	–
Interest received	**25,521**	6,480	**–**	–
Deposit received for sale of property	**–**	45,000	**–**	–
Jaya Gading Marketing [c]				
Sales	**844,642**	815,824	**–**	–
Chuah Ah Chui [d]				
Sales	**466,688**	–	**–**	–
Fah Leong Sdn. Bhd. [e]				
Rental paid	**210,850**	213,660	**–**	–
Chuah Ah Bee Sdn. Bhd. [f]				
Rental paid	**196,000**	35,000	**–**	–
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [g]				
Rental received	**156,000**	135,451	**–**	–
Loo Chu Hock [h]				
Sale of a motor vehicle	**–**	69,800	**–**	–

[a] Entities which are owned by a son of a director of a subsidiary, Mr. Yap Kim Hwah.
[b] An entity which is owned by a son-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.
[c] An entity which is owned by a brother-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.
[d] A brother of Mr. Chuah Ah Bee, a director of the Company.
[e] A company in which a director of this company, Mr. Yap Kim Hwah is also a director of a subsidiary.
[f] A company in which certain directors of the Company, Mr. Chuah Ah Bee and Madam Chan Kim Keow are also directors and have interests in this company.
[g] A company in which certain directors of a subsidiary, Mr. Tan Ah Ba @ Tan Chye Khoon and Mr. Tan Chee Hee are also directors and have interests in this company.
[h] A brother of Mr. Loo Choo Gee, a director of the Company.

35. COMMITMENTS

As of September 30, 2011, the Group has the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group	
	2011	**2010**
	RM	**RM**
Approved and contracted for	**8,908,820**	7,907,693

36. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements to lease out certain of its investment properties and property, plant and equipment. The future minimum lease payments receivable under operating leases contracted for as of the reporting date but not recognised as receivables, are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Not later than one year	**296,782**	306,012
Later than one year and not later than five years	**52,251**	133,850
	349,033	439,862

The Group has entered into operating lease agreements for the use of premises, poultry farm equipment, machinery and hostel. The future aggregate minimum lease payments under operating leases contracted for as of the reporting date but not recognised as liabilities are as follows:

	The Group	
	2011	**2010**
	RM	**RM**
Not later than one year	**2,701,231**	1,378,847
Later than one year and not later than five years	**2,369,433**	1,100,364
Later than five years	**358,750**	818,750
	5,429,414	3,297,961

37. CONTINGENT LIABILITIES

	The Company	
	2011	2010
	RM	RM
Unsecured:		
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	**78,679,454**	78,719,758

38. SUBSEQUENT EVENTS

Subsequent to September 30, 2011:

a. a subsidiary entered into a sale and purchase agreement for the purchase of a parcel of land from a third party for a purchase consideration of RM450,000;

b. certain subsidiaries purchased property, plant and equipment for a total purchase consideration of RM2,998,173; and

c. the Company is additional contingently liable to an extent of RM2,745,948 in respect of additional corporate guarantees given to local banks for credit facilities granted to certain subsidiaries.

39. 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 (including letting of properties and renting of property, plant and equipment);
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 broiler chicken, 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); and
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).

39. 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	Eliminations RM	Consolidated RM
2011:							
Revenue							
External revenue	–	445,734,917	5,262,283	2,228,515	37,740,504	–	490,966,219
Inter-segment revenue	120,000	5,267,000	193,423	780,000	3,401,577	(9,762,000)	–
Total revenue	120,000	451,001,917	5,455,706	3,008,515	41,142,081	(9,762,000)	490,966,219
Results							
Segment (loss)/ profit	(153,419)	20,961,009	(372,989)	184,155	1,483,801	(1,268,966)	20,833,591
Investment revenue							1,767,595
Other gains and losses							1,679,989
Finance costs							(4,727,007)
Profit before tax							19,554,168
Tax expense							(4,994,923)
Profit for the year							14,559,245

39. SEGMENT INFORMATION (Cont'd)

Segment revenue and results (Cont'd)

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Eliminations RM	Consolidated RM
2010:							
Revenue							
External revenue	–	456,090,568	15,650,871	2,488,795	33,917,533	–	508,147,767
Inter-segment revenue	120,000	4,901,552	200,099	781,100	2,115,752	(8,118,503)	–
Total revenue	120,000	460,992,120	15,850,970	3,269,895	36,033,285	(8,118,503)	508,147,767
Results							
Segment (loss)/ profit	(71,178)	15,747,302	(398,995)	(179,117)	1,414,585	(1,269,238)	15,243,359
Investment revenue							1,646,848
Other gains and losses							(1,412,269)
Finance costs							(4,342,389)
Profit before tax							11,135,549
Tax expense							(3,440,292)
Profit for the year							7,695,257

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.

39. 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	Eliminations RM	Consolidated RM
2011:							
Assets							
Segment assets	**38,968,037**	**248,015,117**	**7,133,550**	**1,034,701**	**27,756,911**	**(63,558,231)**	**259,350,085**
Income producing assets							**4,280,339**
Income tax assets							**546,275**
Consolidated total assets							**264,176,699**
Liabilities							
Segment liabilities	**70,891**	**45,639,350**	**777,611**	**221,276**	**3,454,011**	**15,072**	**50,178,211**
Borrowings							**91,969,881**
Income tax liabilities							**10,259,738**
Consolidated total liabilities							**152,407,830**
2010:							
Assets							
Segment assets	39,603,151	230,468,251	7,233,462	1,174,443	30,590,921	(63,750,875)	245,319,353
Income producing assets							4,163,419
Income tax assets							75,711
Consolidated total assets							249,558,483
Liabilities							
Segment liabilities	47,378	42,778,003	4,290,074	340,053	3,757,290	(5,500)	51,207,298
Borrowings							89,263,526
Income tax liabilities							8,922,634
Consolidated total liabilities							149,393,458

39. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities (Cont'd)

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 tax assets. Goodwill is allocated to reportable segments.

b. all liabilities are allocated to reportable segments other than borrowings, current tax liabilities and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

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	Eliminations RM	Consolidated RM
2011:							
Other information							
Additions to non-current assets	–	29,264,000	–	296,779	815,130	(4,169,000)	26,206,909
Depreciation and amortisation expense	–	5,974,255	398,480	132,966	1,338,782	1,020,233	8,864,716
Impairment loss recognised on receivables	–	2,040,295	–	47,328	58,256	(220,774)	1,925,105
Impairment loss recognised on goodwill	–	–	–	–	–	683,729	683,729
Impairment loss recognised on property, plant and equipment	–	117,036	–	–	–	–	117,036
Impairment loss recognised on investments in subsidiaries	629,811	2,378,000	–	–	–	(3,007,811)	–
Other non-cash expenses	–	184,304	–	27,929	152,478	41,312	406,023

39. SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Eliminations RM	Consolidated RM
2010:							
Other information							
Additions to non-current assets	–	20,528,062	4,222	13,740	1,425,128	(7,018,584)	14,952,568
Depreciation and amortisation expense	–	5,657,365	614,873	344,465	1,253,542	945,424	8,815,669
Impairment loss recognised on receivables	–	866,540	–	–	36,551	51,850	954,941
Write-off of goodwill arising from purchase of shares from non-controlling interests in subsidiaries	469,840	–	–	–	–	–	469,840
Impairment loss recognised on goodwill	212,166	1,598	–	–	–	–	213,764
Impairment loss recognised on investment in a subsidiary	–	–	–	–	163,594	(163,594)	–
Other non-cash expenses	–	149,071	85,227	408,506	177,149	(74,065)	745,888

Revenue from major products and services

Analysis of revenue from major products and services was not disclosed due to it is not practical to analyse these information without incurring excessive cost.

Geographical information

The Group's operations are located in Malaysia and Republic of Singapore. The Group's trading/ value added products manufacturing business is located in Malaysia and Republic of Singapore. All the other operations are located in Malaysia.

39. SEGMENT INFORMATION (Cont'd)

Geographical information (Cont'd)

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

	The Group	
	2011	**2010**
	RM	**RM**
Malaysia	**490,462,812**	507,533,694
Republic of Singapore	**503,407**	614,073
	490,966,219	508,147,767

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

	The Group	
	2011	**2010**
	RM	**RM**
Malaysia	**481,627,589**	488,720,457
United States of America	**4,307,177**	14,753,328
Republic of Singapore	**588,540**	741,086
Others	**4,442,913**	3,932,896
	490,966,219	508,147,767

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

	The Group	
	2011	**2010**
	RM	**RM**
Malaysia	**167,178,874**	148,364,706
Republic of Singapore	**16,242**	16,609
	167,195,116	148,381,315

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

Information about major customers

Information about major customers was not disclosed as there was no any customer contributed 10% or more to the Group's revenue for both 2011 and 2010.

40. 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 Securities 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, 2011 into realised and unrealised amounts, pursuant to the directive, is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Total retained earnings/ (accumulated losses):				
Realised	**48,150,748**	36,543,429	**(13,149,576)**	(11,189,259)
Unrealised	**(91,480)**	(2,146,144)	**–**	–
	48,059,268	34,397,285	**(13,149,576)**	(11,189,259)
Less: Consolidation adjustments	**(21,423,496)**	(17,889,960)	**–**	–
Total retained earnings/ (accumulated losses) as per statements of financial position	**26,635,772**	16,507,325	**(13,149,576)**	(11,189,259)

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 Securities 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, 2011 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 40, which is not part of the financial statements, is prepared in all material respects, 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,

January 27, 2012

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHEW CHEE KHONG**, 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 **CHEW CHEE KHONG** at
GEORGETOWN in the State of **PENANG**
on January 27, 2012

CHEW CHEE KHONG
Before me,

GOH SUAN BEE
NO:P125
COMMISSIONER FOR OATHS

LIST OF 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, 2011 (RM)	Date of Valuation/ Acquisition
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 Kuala Lumpur	A parcel of industrial land erected upon it a double–storey office cum a single–storey factory	3,150.05/ 2,923.32	7	Leasehold interest 99 years expiring on 16 June 2067	6,976,539	30.09.2007
Lot No. 4047, Title No. GM 2118, Mukim of Gurun, District of Kuala Muda, State of Kedah/ Situated off Jalan Gurun - Padang Lembu, Gurun, Kedah	A parcel of agricultural land / Breeder farm	23,949.70/ Farm 9,223.11	2	Grant in perpetuity	3,460,641	30.09.2007 & 28.02.2010 & 31.07.2011
Lot Nos. 4096 and 4099, Title Nos. GM 1446 and GM 1206 respectively, Mukim of Gurun, District of Kuala Muda, State of Kedah/ Situated off Jalan Jeniang - Padang Lembu, Gurun, Kedah	Two parcels of agricultural land for residential use/ Breeder Farm	43,780.97/ Breeder Farm 13,377.60/ Other – 872.48	7	Grant in perpetuity	4,013,380	30.09.2007
P.T. 3824, Title No.H.S.(D) 31357, Mukim 1, District of Seberang Perai Tengah, State of Penang/ Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Prai, Penang	A parcel of industrial land erected upon it a 2½–storey detached factory cum office/ Head office cum hatchery centre	9,248.00/ 4,580.70	14	Leasehold interest 60 years expiring on 6 December 2054	6,346,917	30.09.2007 & 30.09.2009 & 30.04.2011
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 used as a breeding farm	49,699.44/ Poultry farm – 13,804.18 Other – 1,899.75	9 – 16	Grant in perpetuity	4,205,746	30.09.2007

LIST OF 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, 2011 (RM)	Date of Valuation/ Acquisition
Lot 1798 Title No GM 1299, Mk 9, District of Seberang Perai Selatan, State of Penang	A parcel of vacant land	15,830.47	–	Grant in perpetuity	2,690,000	30.09.2010
Lot Nos 1512 & 3037, Grant 38752 & 7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural land for residential use/ breeder farms	168,264.23/ 24,140.41	21 – 26	Grant in perpetuity	9,285,967	30.09.2007
Lot Nos. 43, 49, 368, 373, 256, 255, 251, 252, 253, 249, 257, 258, 246, 247, 248 & 250, Mukim Grant No. 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 land for residential use/breeder farms/ rented out	91,667.21/ 15,063.73	21 – 26	Grant in perpetuity	9,083,000	30.09.2010
PT 542, Title No HSD 2/1985, Mukim of Padang Peliang, District of Pendang, State of Kedah	30 years lease/fowl houses used For Grant Parent Stock farming	44,515.9/ Farm House 7,023.47/ Other – 1,112.20	4	Leasehold Interest 30 years expiring on 20.11.2037	5,671,917	30.09.2007 & 24.02.2008 & 31.07.2008 & 07.04.2010
Lot No. 507 & 508, Title Nos. GM474 and GM475 respectively, Mukim 9, District of Seberang Perai Selatan, State of Penang / No. 2235, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang	A parcel of industrial land erected upon it a double–storey office cum factory and other ancillary buildings/ Seafood Processing Factory	11,123.78/ 6,728.55	20	Grant in perpetuity	4,470,609	30.09.2007

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT FEBRUARY 3, 2012

Authorised	:	RM100,000,000.00
Issued and Fully paid–up	:	RM65,780,450.00 *
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 February 3, 2012 exclusive of 218,200 treasury shares bought back.

DISTRIBUTION OF SHAREHOLDERS AS AT FEBRUARY 3, 2012

Holdings	No. of Holders	Total Shareholdings	%
1 – 99	41	2,027	0.00
100 – 1,000	94	58,686	0.04
1,001 – 10,000	1,087	4,882,650	3.71
10,001 – 100,000	579	19,189,218	14.59
100,001 – 6,578,044 (*)	96	43,086,325	32.75
6,578,045 and above (**)	2	64,341,994	48.91
Total	1,899	131,560,900	100.00

* Less than 5% of issued shares
** 5% and above of issued shares

THIRTY LARGEST (30) SECURITIES ACCOUNT HOLDERS AS AT FEBRUARY 3, 2012

	Name	Shareholdings	%
1	Chuah Ah Bee	25,137,644	19.11
2	Chuah Ah Bee	20,488,350	15.57
3	Chan Kim Keow	18,185,900	13.82
4	Mayban Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Loo Choo Gee)	4,681,925	3.56
5	EB Nominees (Tempatan) Sendirian Berhad (Pledged securities account for Tan Chee Hee)(PRA)	4,400,000	3.34
6	Cheng Mooh Tat	1,808,100	1.37
7	Chuah Hoon Hong	1,800,000	1.37
8	Chuah Hoon Teng	1,800,000	1.37
9	Loo Choo Gee	1,430,500	1.09
10	Chuah Hoon Phong	1,370,000	1.04
11	Chop Cheong Bee Sdn. Bhd.	1,274,800	0.97
12	Chuah Teh Chai	1,076,150	0.82
13	Loo Choo Gee	1,038,900	0.79
14	Seah Mok Khoon	1,020,000	0.78
15	Chuah Hoon Phong	1,003,800	0.76
16	Loo Chu Heng	791,950	0.60
17	Lee Cheong Keat @ Lee Chong Keat	669,800	0.51
18	Ng Honk Ling	619,900	0.47
19	Mayban Nominees (Tempatan) Sdn. Bhd. (Loo Choo Gee)	561,100	0.43
20	Malacca Equity Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Ho Kok Kiang)	547,900	0.42
21	Ng Lian Hock	540,000	0.41
22	Chan Kim Keow	530,100	0.40
23	Lee Wei Lim	507,150	0.39
24	Ong Wee Chin	503,900	0.38
25	Lee Sek Tah	450,000	0.34

THIRTY LARGEST (30) SECURITIES ACCOUNT HOLDERS AS AT FEBRUARY 3, 2012 (Cont'd)

	Name	Shareholdings	%
26	Tan Mok Kew	420,950	0.32
27	TA Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Foo Yin Kang)	405,000	0.31
28	Tan Theng Ong	398,100	0.30
29	Soo Chu	350,000	0.27
30	Khor Ah Yeam	345,000	0.26

SUBSTANTIAL SHAREHOLDERS AS AT FEBRUARY 3, 2012

		Shareholdings			
	Name	Direct	%	Indirect	%
1	Chuah Ah Bee	45,625,994	34.68	3,600,000#	2.74
2	Chan Kim Keow	18,716,000	14.23	3,600,000#	2.74
3	Loo Choo Gee	7,712,425	5.86	–	–

DIRECTORS' SHAREHOLDINGS AS AT FEBRUARY 3, 2012

	Name	Direct No. of ordinary shares held	%	Indirect No. of ordinary shares held	%
1	Chuah Ah Bee	45,625,994	34.68	3,600,000#	2.74
2	Chan Kim Keow	18,716,000	14.23	3,600,000#	2.74
3	Loo Choo Gee	7,712,425	5.86	–	–
4	Chuah Hoon Phong	2,426,750	1.84	667,650 **	0.51
5	Chew Chee Khong	10,000	0.01	–	–
6	Haji Ahmad Fazil Bin Haji Hashim	5,000	–*	–	–
7	Goh Choon Aik	550	–*	–	–
8	Ng Seng Bee	–	–	–	–

Notes :

* Negligible

** Other interest of his spouse by virtue of Section 134 (12)(c) of the Companies Act, 1965

Other interest of children by virtue of Section 134 (12)(c) of the Companies Act, 1965

CAB CAKARAN CORPORATION BERHAD

(Company No. 583661-W)
(Incorporated in Malaysia)

PROXY FORM

#CDS account no. of authorised nominee

*I / We,____
of____
being a member / members of the abovenamed Company, hereby appoint ______________________
of ____
or failing *him/her, ____
of ____
or failing *him/her, the Chairman of the Meeting as * my / our proxy to vote for * me / us on *my / our behalf at the Tenth 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, 29 March 2012 at 10.00 a.m. and any adjournment thereof.

		For	**Against**
Ordinary Resolution 1	Re-election of Mr Loo Choo Gee		
Ordinary Resolution 2	Re-election of Mr Chew Chee Khong		
Ordinary Resolution 3	Re-election of Mr Goh Choon Aik		
Ordinary Resolution 4	Re-election of Mr Ng Seng Bee		
Ordinary Resolution 5	Re-appointment of Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 6	Approval of Directors' Fees of RM110,000 for year ending 30 September 2012		
Ordinary Resolution 7	Authority to Issue Shares		
Ordinary Resolution 8	Renewal of share buy-back authority		
Ordinary Resolution 9	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……………….........., 2012.

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 2 or more 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.
2. If a Member appoints 2 or more 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 exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. The instrument appointing a proxy must be deposited at the Registered Office at Suite 12-02, 12th Floor, Menara MAA, 170, Jalan Argyll, 10050 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 22 March 2012 shall be eligible to attend the meeting or appoint proxies to attend and vote on their behalf.

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To

The Secretaries
CAB Cakaran Corporation Berhad
Suite 12-02, 12th Floor
Menara MAA
170, Jalan Argyll
10050 Penang, Malaysia

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CAB CAKARAN CORPORATION BERHAD (583661-W)
Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park
Seberang Jaya, 13700 Perai, Penang, Malaysia
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E-mail: cab@cab.com.my
www.cab.com.my