Delight in the Flavours of Life • Annual Report 2012

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

KYROS KEBAB · Likes · GARING · Ayam Like's · Jaya Gading · Hennie's

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh 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, 28 March 2013 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 2012 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

AS ORDINARY BUSINESS

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 Chuah Hoon Phong **Ordinary Resolution 1**

   b) Mr Chuah Ah Bee **Ordinary Resolution 2**

   c) Tuan Haji Ahmad Fazil Bin Haji Hashim **Ordinary Resolution 3**

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

AS SPECIAL BUSINESS

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

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

   "THAT subject to the passing of Ordinary Resolution 3, authority be and is hereby given to Tuan Haji Ahmad Fazil Bin Haji Hashim who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years by 1 September 2013 to continue to act as an Independent Non-Executive Director of the Company." **Ordinary Resolution 5**

5. To approve the Directors' Fees of RM114,000 and the payment of such fees to the Directors of the Company for year ending 30 September 2013. **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**

AS 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 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**

AS 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 ("the Act"), the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the related parties as set out in Sections 2.4.1 and 2.4.2 of the Circular to Shareholders dated 5 March 2013 ("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 resolution of the shareholders of the Company in 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. **Proposed Amendments to the Articles of Association**

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix I attached to the Annual Report 2012 be hereby approved." **Special Resolution**

10. 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)
Company Secretaries

Penang

Date : 5 March 2013

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 up to 2 proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint 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.
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. The instrument appointing a proxy must be deposited at the Registered Office at Suite 12-02, 12th Floor, Menara Zurich, 170, Jalan Argyll, 10050 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
6. Only members registered in the Record of Depositors as at 21 March 2013 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

Explanatory Notes on Special Business

Continuing in office as an Independent Non-Executive Director

The Nomination Committee had assessed the independence of Tuan Haji Ahmad Fazil Bin Haji Hashim, who will be serving on the Board as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years by 1 September 2013 and the Board has recommended that the approval of the shareholders be sought to re-appoint Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director as he possess the following attributes necessary in discharging his roles and functions as an Independent Non-Executive Director of the Company:

i) Has vast experience in the various industries the Group is involved in and as such could provide the Board with wide experience, expertise and independent judgement;

ii) Consistently challenge management in an effective and constructive manner;

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

iv) Actively participate in Board deliberations and decision making in an objective manner; and

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

Directors' Fees

The proposed Ordinary Resolution 6, if passed, will authorise the payment of Directors' fees for the financial year ending 30 September 2013 amounting to RM114,000.

Authority to Issue Shares

This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 28 March 2013, the Board is desirous of seeking a fresh mandate at the forthcoming AGM.

Authority to Issue Shares (Cont'd)

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

This proposed Ordinary Resolution 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 subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 5 March 2013 for more information.

Proposed Amendments to the Articles of Association

The Special Resolution, if passed will give authority to amend its Articles of Association to be aligned with the amendments to the Main Market Listing Requirements of Bursa Securities.

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
2	None	**"Share Issuance Scheme" means a scheme involving a new issuance of shares to the employees.**
	"Deposited Security" means the meaning given in Section 2 of the Central Depositories Act.	"Deposited Security" means **a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.**
	"Depositor" means a holder of securities account, as defined in Section 2 of the Central Depositories Act.	"Depositor" means a holder of a securities account **established by the Depository**.
	"Market Day" means any day on which there is official trading on the Bursa Securities.	"Market Day" means **a day of which the stock market of the Exchange is open for trading in securities.**
	"Securities" means the same meaning given in Section 2 of the Securities Commission Act 1993.	"Securities" has the same meaning given in **Section 2(1) of the Capital Markets and Services Act 2007.**
	"Securities Account" means an account established by the Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.	"Securities Account" means an account established by the **Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.**
To amend Article 3(d)	every issue of shares or options to employees and/or Directors of the Company or its subsidiaries shall be approved by the members in general meeting;	every issue of **options or Share Issuance Scheme** shall be approved by the members in general meeting. **No director shall participate in a Share Issuance Scheme unless shareholders in general meeting have approved the specific allotment to be made to such director.**
To amend Article 5	Subject to the approval of the shareholders of the Company, these Articles, the provisions of the Act, the requirements of the Bursa Securities, the Central Depositories Act and or any other relevant authority, the Company may upon the recommendation of the Directors remunerate any employees and/or Directors of the Company or its subsidiaries by establishing an employees' share option scheme to be referred to as ESOS. The terms and conditions of the ESOS shall be determined by the Board of Directors.	Subject to the approval of the shareholders of the Company, these Articles, the provisions of the Act, the requirements of the Bursa Securities, the Central Depositories Act and or any other relevant authority, the Company may upon the recommendation of the Directors remunerate any employees and/or Directors of the Company or its subsidiaries by establishing an ESOS or **Share Issuance Scheme**. The terms and conditions of the ESOS or **Share Issuance Scheme** shall be determined by the Board of Directors.

APPENDIX 1 (Cont'd)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (Cont'd)

ARTICLE	EXISTING PROVISIONS	AMENDED PROVISIONS
To amend Article 66	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint up to two proxies to attend and vote instead of him, and that a proxy need not also be a member of the Company and the provisions of Section 149 (1)(b) of the Act shall not apply to the Company, and that where a member appoints up to two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint up to two proxies to attend and vote instead of him, and that a proxy need not also be a member of the Company. **There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company**, and where a member appoints up to two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.**
To amend Article 67	Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, 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.	**(i)** Where a Member of the Company is an authorised nominee as defined **in the Securities Industry (Central Depositories) Act, 1991 ("SICDA")**, it may appoint **not more than two (2) proxies** in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. **(ii) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.** **An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.** **(iii) Where a Member of the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.**
To insert new Article 181	None	**REPORT IN CD-ROM or DVD-ROM FORMAT** **Subject to the compliance with the requirements of the Exchange and any other relevant laws and regulations, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital versatile disc read-only memory ("DVD-ROM") format or in a format that may be developed in future for the playback of images.**

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 Eleventh Annual General Meeting.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2012 AND DETAILS OF DIRECTORS' ATTENDANCE

Details of attendance of Directors at the Board Meetings held during the financial year ended September 30, 2012 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	5/6
Mr Chuah Hoon Phong	6/6
Mr Ng Seng Bee	6/6
Tuan Haji Ahmad Fazil Bin Haji Hashim	6/6
Mr Goh Choon Aik	6/6

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 Zurich
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 AS AT 06 FEBRUARY 2013

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

MARINE PRODUCTS MANUFACTURING DIVISION:

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

SUPERMARKET DIVISION:

- **55%** Pasaraya Jaya Gading Sdn. Bhd.

VALUE-ADDED FOOD PRODUCTS MANUFACTURING AND TRADING 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.

INTEGRATED POULTRY FARMING AND PROCESSING 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.
- **50%** Shin Hong Breeding Farm Sdn. Bhd.

OTHER DIVISION:

- **100%** Kyros International Sdn. Bhd.
- **100%** Kyros Kebab Sdn. Bhd.
- **36.60%** Shanghai Kyros Kebab Co.,Ltd.
- **100%** Ladang Ternakan Asun Sdn. Bhd.
- **70.96%** Kyros Kebab Overseas Ventures Sdn. Bhd.

SUMMARY OF PAST FIVE-YEARS GROUP FINANCIAL RESULTS

Financial Years Ended September 30	2008 RM '000	2009 RM '000	2010 RM '000	2011 RM '000	2012 RM '000
Revenue	556,047	494,417	508,148	490,966	**534,553**
Earning Before Interest, Depreciation & Taxation	16,922	14,677	23,617	32,478	**14,149**
Profit Before Taxation	3,356	1,627	11,136	19,554	**119**
Profit After Taxation	749	23	7,695	14,559	**1,401**
Net Profit / (Loss) Attributable To Owners of the Company	830	1,905	7,208	12,631	**(3,009)**
Share Capital	65,890	65,890	65,890	65,890	**65,890**
Total Assets	272,547	250,115	249,558	264,177	**335,992**
Total Borrowings	90,444	90,358	89,264	91,970	**113,961**
Equity Attributable to Owners of the Company	78,309	80,431	87,667	97,622	**129,630**
Net Earnings / (Loss) Per Share (Sen)	0.63	1.45	5.48	9.60	**(2.29)**
Return On Equity (ROE)	1.06%	2.37%	8.22%	12.94%	**(2.32%)**
Gross Dividend (%)	N/A	N/A	N/A	N/A	**N/A**
Share Price (RM)	0.35	0.31	0.32	0.33	**0.35**

BOARD OF DIRECTORS

BOARD OF DIRECTORS' PROFILE

Chuah Ah Bee
Executive Chairman

Chuah Ah Bee, aged 62, 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 34, 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 Chief Operating Officer of the Group's food processing division in October 2002.

Chan Kim Keow (Madam)
Executive Director

Chan Kim Keow (Madam), aged 55, 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 plays an active role 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 49, 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 56, 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 59, 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 57, a Malaysian, is an Independent Non-Executive Director of CAB and was appointed to the Board on September 1, 2004. He was re-designated as the Senior Independent Non-Executive Director on August 26, 2011. He 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 and has interest in several core businesses operate under the aegis of IBF International Network Sdn. Bhd.

Goh Choon Aik
Independent Non-Executive Director

Goh Choon Aik, aged 39, 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 15 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.

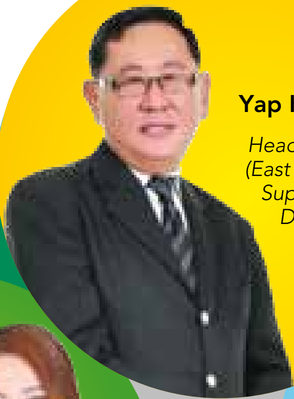
(v) Attendance at Board Meetings

[Please refer to Statement Accompanying Notice of AGM]

KEY MANAGEMENT TEAM

Koay Lay Ean

Head of Finance Division of the Group



Yap Kim Hwah

Head of Poultry (East Coast) and Supermarket Divisions

Leong Youk Leen

Head of Poultry Farming Division (Pahang)

Lim Chin Seng

Head of Poultry Farming Division (West Coast)

Yap Kim Seng

Head of Supermarket Division

Vincent Leong Weng Fai

Head of Poultry Processing Division (West Coast)

Khor Kiat Wah

Head of Marine Division

Yap Kim Soon

Head of Poultry Farming Division (Terengganu)

Dear Shareholders,

On behalf of the Board of Directors of CAB Cakaran Corporation Berhad (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, 2012.

ECONOMIC REVIEW

The world economy grew by an estimated 2.50% in 2012. The much slower growth rate was due to the sluggish growth in the OECD countries with the US economy growing at 2.20% while the Euro Zone contracted by 0.30%. The world economy in 2013 is expected to face even greater challenges and uncertainties with the US economy unexpectedly contracted in the fourth quarter of 2012 with GDP growth of 0.10%. Against a backdrop of tightening fiscal policy, this could spur fears of a new recession in the US. The economy of the Euro Zone is expected to stagnate due to the enforcement of the European Fiscal Compact to combat the respective countries' structural deficiencies. Elsewhere the emerging economies are expected to grow at a commendable rate with China again expected to show strong GDP growth in excess of 8.00%.

The Malaysian economy, grew by an estimated 5.10% in 2012 and is expected to remain resilent with growth of 5.00% in 2013. Strong domestic demand from private investments and private consumption will propel economic expansion this year.

The implementation of key projects under the Economic Transformation Programme, in particular the RM6 billion West Coast Expressway and the RM60 billion Petronas-initiated Refinery & Petrochemical Integrated Development project in Pengerang, Johore, is expected to provide strong impetus for domestic growth. The domestic monetary and financial conditions are expected to remain relatively stable while inflation would likely increase at a modest pace.

OVERVIEW ON GROUP FINANCIAL PERFORMANCE

During the year under review, the Group recorded revenue of RM534.553 million, an increase of RM43.587 million compared with RM490.966 million in the previous year. The increase in revenue was attributed mainly to the contribution from the two (2) additional supermarkets opened during the previous financial year and the higher sales volume of broilers.

Despite the higher revenue achieved during the financial year, the Group recorded a pretax loss of RM13.618 million before taken into the account of gain on fair value adjustment of investment properties. The Group recorded a gain on fair value adjustment of investment properties amounting to RM13.737 million during the year which resulted in the Group reporting a profit after tax of RM1.40 million. Excluding the gain on fair value adjustment mentioned above, after tax loss would be RM12.377 million. Likewise, earnings per share was reduced from 9.60 sen to -2.29 sen.

Overall, the Group's performance during the year under review was adversely affected by the oversupply situation for broilers and the higher cost of feed.

CORPORATE DEVELOPMENT

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

On May 3, 2012, Kyros Food Industries Sdn. Bhd., a wholly-owned subsidiary of CAB, increased its paid up capital from RM2,500,000 to RM6,000,000 by issuing an additional 3,500,000 ordinary shares of RM1.00 each to CAB.

DIVIDEND

The Board of Directors did not recommend any dividend for the financial year ended September 30, 2012.

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 44 of this Annual Report.

PROSPECTS

Despite the uncertainties and the expected slower growth rate of the global economy in 2013, the Malaysian economy is expected to continue to register a moderate growth rate of 5% supported by strong domestic demand. The implementation of a number of key projects under the Economic Transformation Programme, including the various stimulus measures being undertaken by the Government, will provide strong support for domestic growth.

The local poultry industry has always been operating in a very competitive environment. During the period under review, the Group's performance was adversely affected by both the oversupply situation and rising feed cost.

The Group will continue to focus on expanding and strengthening our core business to create better economy of scale in our operation so as to place the Group in a more competitive position.

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 2013

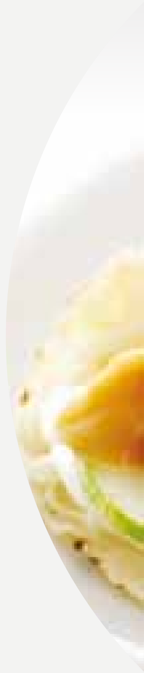
On behalf of the management of the Group, I am pleased to report the performance of the Group for the financial year ended September 30, 2012.

PERFORMANCE REVIEW BY BUSINESS SEGMENT

The Group recorded a revenue of RM534.553 million for the financial year ended September 30, 2012, representing a growth of 8.88% as compared to the prior's year revenue of RM490.966 million. The Group recorded a profit before tax of RM0.119 million after including the gain on fair value adjustment of investment properties amounting to RM13.737 million.

A new Supermarket Division was created during the financial year under review in view of its increasing contribution to Group's revenue and profit. Previously, the supermarket business unit was classified under the integrated poultry farming and processing division.

The integrated poultry farming and processing division, representing the Group's main business activity, accounted for 73% of the Group's revenue in the financial year under review. Revenue for the division was RM410.26 million with a segment loss of RM10.35 million as compared with RM396.66 million revenue with a segment profit of RM20.09 million in the prior year. The weaker performance of this division was due to the twin effects of higher feed cost and the lower average selling price of broilers resulting from an oversupply situation prevailing throughout the period under review.



The supermarket division saw a strong growth of 41% in revenue during the year due mainly to the contribution from the opening of two new outlets. Revenue increased to RM93.93 million from RM66.44 million in the prior year. This division reported a segment profit of RM0.84 million.

The value-added food products manufacturing and trading division saw a slight improvement in its performance with revenue increasing by 6.9% to RM43.99 million and a segment profit of RM0.77 million. The introduction of more new products in the local market has seen an improvement in sales but the intense price competition in the industry has put pressure on margins.

The marine products division continues to suffer losses in its operation and recorded a segment loss of RM0.30 million. The division experienced shortages of suitable supply of raw materials resulting in low trading volume for shrimps and fish.

LOOKING FORWARD

The local poultry industry continues to face many challenges and as in the past year the oversupply situation is expected to exert pressure on ex-farm price of broilers over the next couple of months. Again, the uncertainties of the world prices of commodities will have a direct impact on the price of feed. Against this backdrop, the performance of the integrated poultry farm and processing division is expected to be plagued by low price of broilers and higher feed cost in the coming financial year.

The Group's new slaughtering and processing plant in Sungai Petani, Kedah, which completion has been delayed for more than a year due to unforeseen circumstances, is now fully completed and is currently awaiting approval from the relevant authorities. This new facility which is expected to commence operation this year will provide the Group with more flexibility in managing the sale of live birds and also in enhancing the downstream food processing activity.

More than 98% of the Group's business is derived from the domestic market and with the Malaysian economy expecting to grow at a commendable rate of 5% in 2013, the Management is confident that the Group will be able to improve the performance in the coming year despite the stiff challenges facing the local poultry industry.

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 2013


JURUWANG

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 recommendations set out in the Malaysian Code on Corporate Governance 2012 ("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 and recommendations 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 include management development, succession planning and administrative policies to ensure all procedures within the Group are to be carried out in a systematic and orderly manner to ease the decision-making process.

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, 2012, the Board met six (6) times and the details of Directors' meeting attendances are provided in the Attendance at Board Meetings, page 9 in this Annual Report.

Board Committees

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

(i) Audit Committee;
(ii) Nomination Committee; and
(iii) Remuneration 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.

Board Balance and Board Effectiveness

As at the date of this statement, the Board consists of eight (8) members; comprising one (1) Executive Chairman, one (1) Group Managing Director, three (3) Independent Non-Executive Directors with one (1) of them as Senior Independent Non-Executive Director and three (3) other 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.

Board Balance and Board Effectiveness (Cont'd)

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 judgment 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 comprises 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 had individually assessed the independence of each of its existing Independent Directors and is satisfied that the Independent Directors still maintained their independency.

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 (Senior Independent Non-Executive Director)	Chairman
Ng Seng Bee (Independent Non-Executive Director)	Member
Goh Choon Aik (Independent Non-Executive Director)	Member

Terms of Reference

The Nomination Committee ("NC") is governed by the following terms of reference:

Authority and General Scope

The Board has constituted the NC with the authorities necessary to perform the duties as outlined in these Terms of Reference.

The NC is authorised to assess and propose new nominees for the Board and further empowered to assess the existing directors on an on-going basis. The actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee.

The NC in carrying out its tasks under these Terms of Reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.

The Board will ensure that the NC has access to professional advice at the Company's expense in order for it to perform its duties.

These Terms of Reference may from time to time be amended as required, subject to the approval of the Board.

Membership

The NC shall consist of not less than 3 Directors appointed by the Board of Directors, all of whom should be exclusively Non-Executive Directors, a majority of whom must be independent.

The Chairman of the NC shall be appointed by the Board and he should be the senior independent director as identified by the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.

If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.

A member who wishes to retire or resign from the NC shall notify the Board in writing, giving at least three (3) months' notice.

The office of a member shall become vacant upon the member's resignation/retirement/removal or disqualification as a Director of the Company or as determined by the Board.

The NC shall have no executive powers.

Duties and Responsibilities

The duties and responsibilities of the NC are:

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board after taking into consideration the candidates' skills, knowledge, expertise, experience, professionalism, integrity and women candidates shall be sought as part of its recruitment exercise. In the case of candidates for the position of independent non-executive directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.

- The NC shall also consider candidates for directorships proposed by the Group Managing Director ("MD") and within the bounds of practicality, by any other senior management or any director or shareholder.

- To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.

- Assess, review and recommend to the Board, candidates to fill the seats on Board Committees. In assessing suitability of candidates, the qualities to look for are competencies, commitment, contribution and performance.

Duties and Responsibilities (Cont'd)

The duties and responsibilities of the NC are: (Cont'd)

- To evaluate and recommend the appointment of senior executive positions, including that of the MD or Chief Executive Officer ("CEO") and their duties and the continuation (or not) of their services.
- Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.
- Assist the Board to do an annual assessment of the independence of its Independent directors.
- Review the size and core competencies of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least one-third (1/3) of the Board is independent.
- Assist the Board to implement a procedure to be carried out by the NC to annually assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including independent non-executive directors and CEO. All assessments and evaluation carried out by the NC in the discharge of all its functions should be properly documented.
- Conduct an annual review on the Board members, CEO and Chief Financial Officer of the required mix of skills, character, experience, integrity, competence and time to effectively discharge his role.
- Establish a clear succession plan and periodically reporting to the Board on succession planning for the Board Chairman and CEO. The NC should work with the Board to evaluate potential successors.
- Make recommendations to the Board for the continuation (or not) in the services of any Director who has reached the age of 70 (seventy).
- Recommend Directors who are retiring under the Articles of Association to be put forward for re-election.
- Have due regard to the principles of governance and code of best practices.
- Propose to the Board the responsibilities of non-executive directors, including membership and Chairpersonship of board committees.
- Review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.

Meetings

The Company Secretary shall be the secretary of the Committee.

Frequency of meetings and attendance

Meetings of the NC will be held as the NC deems to be appropriate; however, the NC should meet at least once each year.

Meetings should be organised so that attendance is maximised.

A meeting may be called, at any other time, by the Chairman of the NC or any member of the NC. Any Director or management staff may be invited to the meetings.

Quorum and voting

The quorum for decisions of the NC shall be any two (2) members, including at least one independent Director, present and voting on the matter for decision.

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

Notice of Meetings

Meetings of the NC shall be arranged by the Secretary at the request of the NC Chairman or any other member of the NC.

The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the NC in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the NC, including the names of those present and in attendance.

Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the NC. Such minutes signed by the Chairman of the NC shall be conclusive evidence without any further proof of the facts thereon stated.

If the Chairman of the NC so decides the minutes shall be circulated to other members of the Board, any Director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the NC's minutes.

Annual General Meeting

The Chairman (or in his absence, any of the member of the NC) of the NC shall attend the Annual General Meeting and be prepared to answer questions concerning the appointment of executive and non-executive Directors and the NC's work.

Reporting Procedures

The NC is authorised to regulate its own procedures and in particulars 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 meetings.

The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members. The Chairman of the Committee shall report to the Board after each NC meeting.

Activities of the NC

During the financial year ended September 30, 2012, the NC carried out the following activities in the discharge of its functions and duties:

(i) Assessed the effectiveness of the Board, Board Committees and contributions of each Director.

(ii) Reviewed the structure, size, balance and composition of the Board and Committees.

(iii) Assessed the independence of each of the existing Independent Directors.

(iv) Reviewed and recommended to the Board for re-election of the Directors who are retiring under Articles of Association.

(v) Reviewed and recommended to the Board for re-appointment of Director who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of nine years and to seek shareholders' approval at the forthcoming AGM by giving strong justification on the re-appointment.

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.

During the financial year, the Directors had participated in the following training programmes ("Programmes"):

Name of Directors	Date	Programmes
Chuah Ah Bee	27 February 2012	Tea talk on Overview of Chapter 10 of the Main Market Listing Requirements ("MMLR")
Chuah Hoon Phong	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
Chan Kim Keow	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
Loo Choo Gee	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
Chew Chee Khong	8 December 2011	Bursa Malaysia's half day Advocacy Session on Disclosure for Chief Executive Officers and Chief Financial Officers
	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
Ng Seng Bee	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
Haji Ahmad Fazil Bin Haji Hashim	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR
	15 August 2012	Key recommendations on the Malaysian Code on Corporate Governance 2012
Goh Choon Aik	27 February 2012	Tea talk on Overview of Chapter 10 of MMLR

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 reelection. 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 (Senior Independent Non-Executive Director)	Chairman
Chuah Ah Bee (Executive Chairman)	Member
Ng Seng Bee (Independent Non-Executive Director)	Member

Terms of Reference

The Remuneration Committee ("RC") is governed by the following terms of reference:-

Authority and General Scope

The Board has constituted the RC with the authorities necessary to perform the duties as outlined in these Terms of Reference.

The RC in carrying out its tasks under these terms of reference may obtain outside legal or other independent professional advice, as it considers necessary and reasonable to carry out its duties, at the expense of the Company.

The Board will ensure that the RC has sufficient resources to undertake its duties, including access to the services of the Company Secretary on all RC matters, seek any information it requires from employees, company officers and external parties.

The Board as a whole determines the remuneration of the Executive and Non-Executive Directors (including Non-Executive Chairman). Individual directors abstain from discussion of their own remuneration packages.

These terms of reference may from time to time be amended as required, subject to the approval of the Board.

Membership

The RC shall be appointed by the Board of Directors from amongst their members and comprising wholly or mainly of Non-Executive Directors. The RC shall consist of not less than three (3) members, at least one member who shall be independent.

The Committee shall elect a Chairman from amongst their number who shall be Independent Non-Executive Director.

If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.

A member who wishes to retire or resign from the RC shall notify the Board in writing, giving at least three (3) months' notice.

The office of a member shall become vacant upon the member's resignation/retirement/removal or disqualification as a Director of the Company.

Duties and Responsibilities

The duties and responsibilities of the RC are:

- Develop and agree with the Board the framework remuneration policy for the executive Directors, CEO and senior management with the aim to attract, retain and motivate high calibre individuals required by the Board on long term basis and so structured as to align their interests with those of the Company and its shareholders.

- Review and make recommendations to the Board the remuneration packages and other terms of employment for each of the Executive Directors, CEO and senior management, taking into account the market rates so as to link rewards to the Group and individual performance, drawing from outside advice as necessary. The Executive Directors should play no part in the decisions of their own remuneration.

- To review and recommend to the Board the remuneration packages for Non-Executive Directors, taking due account of their experience and degree of responsibilities undertaken.

- To review indemnity and liability insurance policies for the Directors and Officers of the Company.

- To carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time as to in line with the directions of the Board.

- Review the on-going appropriateness and relevance of the remuneration policy.

- To consider and examine such other matters as the RC considers appropriate.

Meetings

The Company Secretary shall be the secretary of the Committee.

Frequency of meetings and attendance

The meetings shall be held at least once a year. Additional meetings may also be held by the RC to discuss other issues, which the RC considers necessary.

Meetings should be organised so that attendance is maximised.

The RC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management to its meetings.

Quorum and voting

The quorum necessary for the transaction of business shall be two (2), of whom at least one must be an Independent Director. A duly convened meeting of the RC at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested or exercisable by the Committee.

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

In the absence of the Chairman of the Committee, the members present shall elect one of their members to chair the meeting.

Notice of Meetings

Meetings of the RC shall be arranged by the Secretary at the request of the RC Chairman or any other member of the RC.

The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RC in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all meetings of the RC, including the names of those present and in attendance.

Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated promptly to all members of the RC, once agreed, to all members of the Board, unless a conflict of interest exists.

Reporting Procedures

The RC is authorised to regulate its own procedures and in particulars 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 meetings.

The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members. The Chairman of the Committee shall report to the Board after each RC meeting.

Advisors

The Committee is authorised by the Board to appoint professional advisors as and when it considers necessary.

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, 2012 are as follows:

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Executive Directors				
- Company	–	–	–	–
- Subsidiaries	1,855,060	–	190,128	68,381
Subtotal	1,855,060	–	190,128	68,381
Non-Executive Directors				
- Company	–	110,000	13,557	–
- Subsidiaries	–	–	–	–
Total	**1,855,060**	**110,000**	**203,685**	**68,381**

Details of the Directors' Remuneration (Cont'd)

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

Range of remuneration RM	Number of Directors Executive	Number of Directors Non-Executive
50,000 and below	–	2
50,001 to 100,000	–	1
100,001 to 150,000	–	–
150,001 to 200,000	–	–
200,001 to 250,000	–	–
250,001 to 300,000	2	–
300,001 to 350,000	–	–
350,001 to 400,000	1	–
400,001 to 450,000	–	–
450,001 to 500,000	1	–
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 so as to preserve a degree of privacy and confidentiality.

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.

ACCOUNTABILITY AND AUDIT (Cont'd)

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 appropriate accounting policies and made reasonable and prudent judgments 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.

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 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.

Compliance to the Code

The Group endeavors, in so far as it is practicable to comply with the principles and recommendations of the Code throughout the financial year.

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 by 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 factors 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 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 2013. However the Internal Audit function of the Group is also supported and coordinated by an 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 RM104,000.

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, 2012 and up to the date of this Annual Report, no significant control weaknesses were identified in the Group. However, a number of 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 25, 2013. 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 (Independent Non-Executive Director)	Chairman
Haji Ahmad Fazil Bin Haji Hashim (Senior Independent Non-Executive Director)	Member
Goh Choon Aik (Independent Non-Executive Director)	Member

Terms of Reference

The 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;

Duties and Responsibilities (Cont'd)

- 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 level;
- 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 formulate its own procedures 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 eight (8) times during the financial year ended September 30, 2012.

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

	No. of Meetings attended
Ng Seng Bee	8/8
Haji Ahmad Fazil Bin Haji Hashim	8/8
Goh Choon Aik	8/8

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended September 30, 2012, 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) Met with the External Auditors twice without executive Board Members present;

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

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

OTHER INFORMATION REQUIRED

By the Bursa Malaysia Securities Berhad Main Market Listing Requirements

MATERIAL CONTRACTS

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

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, 2012 amounted to RM71,700.00.

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year ended September 30, 2012.

The total number of shares bought back and held as treasury shares as at September 30, 2012 was 218,200.

The Company has not resold or cancelled its treasury shares during the financial year ended September 30, 2012.

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, 2012 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, 2012.

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, 2012, 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, 2012.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended September 30, 2012.

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	
Chuah Ah Bee	
- Loan received	600,000
- Rental Paid	94,590
With other related parties	
YWT Contract Farming [(a)]	
- Purchases	15,396,955
- Sales	13,268,574
- Rental received	340,980
- Interest received	14,057
- Transportation charges received	3,681
Maju Jaya Farm [(b)]	
- Purchases	7,206,158
- Sales	6,490,316
- Rental received	228,522
Chyuan Heng Farming [(a)]	
- Purchases	4,327,893
- Sales	3,822,343
- Rental received	11,000
- Transportation charges received	2,106
Chuah Ah Bee Sdn. Bhd. [(c)]	
- Rental paid	517,400
- Sales	184,698
Jaya Gading Marketing [(d)]	
- Sales	637,421
Chuah Ah Chui [(e)]	
- Sales	465,990
Fah Leong Sdn. Bhd. [(f)]	
- Rental paid	217,200

RECURRENT RELATED PARTY TRANSACTIONS (Cont'd)

Significant transactions between the Group and its related parties during the financial year were as follows: (Cont'd)

	RM
With other related parties (Cont'd)	
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [g]	
- Rental received	156,000
Loo Chu Hock [h]	
- Sale of motor vehicle	13,000

[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] 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.

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

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

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

[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.

[h] A brother of Mr. Loo Choo Gee, a director of the 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 summarised below:

1. Regularly provides food such as chicken meat to orphanages in Petaling Jaya and contributions to numerous causes, schools, associations in Mainland Penang.

2. Sponsorship of football jersey to Kelab Sukan & Kebajikan Nibong Tebal United, Pulau Pinang.

3. Continues to improve its 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, magazines and used writing papers are periodically sent to nearby recycling centres.

4. 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.

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

6. Regular staff development program to equip employees with the necessary skill sets to perform their tasks better.

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

CONTENTS

The directors of **CAB CAKARAN CORPORATION BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended September 30, 2012.

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	1,400,755	(219,696)
(Loss)/ profit attributable to:		
Owners of the Company	(3,009,072)	(219,696)
Non-controlling interests	4,409,827	–
	1,400,755	(219,696)

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.

SHARE OPTIONS

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

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

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.

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 Company since the date of the last report:

Chuah Ah Bee
Chan Kim Keow
Tuan Haji Ahmad Fazil Bin Haji Hashim
Loo Choo Gee
Chew Chee Khong
Chuah Hoon Phong
Goh Choon Aik
Ng Seng Bee

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 1.10.2011**	**Bought**	**Sold**	**Balance as of 30.9.2012**
Direct interest:				
Chuah Ah Bee	45,625,994	–	–	**45,625,994**
Chan Kim Keow	18,694,600	21,400	–	**18,716,000**
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	2,426,750	2,000	–	**2,428,750**
Goh Choon Aik	550	–	–	**550**
Indirect interest:				
Chuah Ah Bee	24,721,350	23,400	–	**24,744,750**
Chan Kim Keow	51,652,744	2,000	–	**51,654,744**
Chuah Hoon Phong	667,650	–	–	**667,650**

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 33 to the financial statements.

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

AUDITORS

The auditors, Messrs. Deloitte 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 25, 2013

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, 2012, 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 51 to 123.

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 are 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, 2012 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 38 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

TAN BOON HOE
Partner – 1836/07/13(J)
Chartered Accountant

January 25, 2013

Penang

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended September 30, 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Revenue	5	**534,552,808**	490,966,219	**120,000**	120,000
Cost of sales		**(512,089,434)**	(445,596,395)	**–**	–
Gross profit		**22,463,374**	45,369,824	**120,000**	120,000
Investment revenue	6	**2,480,183**	1,767,595	**–**	–
Other income		**1,323,224**	1,630,970	**–**	–
Other gains and losses	7	**11,625,083**	1,679,989	**(77,130)**	(61,843)
Distribution costs		**(14,920,851)**	(10,009,763)	**–**	–
Administrative expenses		**(16,722,439)**	(15,754,966)	**(262,566)**	(259,521)
Finance costs	8	**(5,447,927)**	(4,727,007)	**–**	–
Other expenses		**(681,335)**	(402,474)	**–**	–
Profit/ (loss) before tax		**119,312**	19,554,168	**(219,696)**	(201,364)
Tax income/ (expense)	9	**1,281,443**	(4,994,923)	**–**	(178)
Profit/ (loss) for the year	10	**1,400,755**	14,559,245	**(219,696)**	(201,542)
Other comprehensive income					
Gain on revaluation of properties		**38,737,203**	–	**–**	–
Exchange differences on translating foreign operations		**6,011**	(60,062)	**–**	–
Income tax relating to components of other comprehensive income		**(1,707,306)**	–	**–**	–
Other comprehensive income/ (loss) for the year, net of tax		**37,035,908**	(60,062)	**–**	–
Total comprehensive income/ (loss) for the year		**38,436,663**	14,499,183	**(219,696)**	(201,542)
(Loss)/ profit attributable to:					
Owners of the Company		**(3,009,072)**	12,630,511	**(219,696)**	(201,542)
Non-controlling interests		**4,409,827**	1,928,734	**–**	–
		1,400,755	14,559,245	**(219,696)**	(201,542)
Total comprehensive income attributable to:					
Owners of the Company		**32,008,699**	12,599,801	**(219,696)**	(201,542)
Non-controlling interests		**6,427,964**	1,899,382	**–**	–
		38,436,663	14,499,183	**(219,696)**	(201,542)
(Loss)/ earnings per share:					
Basic (sen per share)	**11**	**(2.29)**	9.60		

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

STATEMENTS OF FINANCIAL POSITION
as of September 30, 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Assets					
Non-current assets					
Property, plant and equipment	12	**175,221,565**	125,481,274	**–**	–
Investment properties	13	**46,819,000**	32,709,000	**–**	–
Prepaid lease payments on leasehold land	14	**8,455,270**	7,044,100	**–**	–
Goodwill	15	**1,670,128**	1,670,128	**–**	–
Investments in subsidiaries	16	**–**	–	**42,458,430**	38,958,430
Other financial assets	17	**260,000**	260,000	**–**	–
Agricultural development expenditures	18	**285,350**	290,614	**–**	–
Deferred tax assets	19	**269,000**	458,000	**–**	–
Total non-current assets		**232,980,313**	167,913,116	**42,458,430**	38,958,430
Current assets					
Inventories	20	**26,126,058**	30,323,355	**–**	–
Trade and other receivables	21	**57,390,073**	50,363,740	**10,093,058**	13,837,985
Current tax assets		**1,733,891**	88,275	**6,040**	3,113
Other financial assets	17	**1,977**	–	**–**	–
Other assets	22	**3,789,228**	3,660,617	**1,000**	1,000
Short-term deposits with licensed banks	23	**5,417,736**	4,280,339	**–**	–
Cash and bank balances	24	**8,427,543**	6,388,272	**4,341**	3,954
		102,886,506	95,104,598	**10,104,439**	13,846,052
Non-current assets classified as held for sale	25	**125,000**	1,158,985	**–**	–
Total current assets		**103,011,506**	96,263,583	**10,104,439**	13,846,052
Total assets		**335,991,819**	264,176,699	**52,562,869**	52,804,482

STATEMENTS OF FINANCIAL POSITION (Cont'd)
as of September 30, 2012

	Note	The Group		The Company	
		2012	2011	2012	2011
		RM	RM	RM	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	**39,949,466**	5,165,560	**71,379**	71,379
Retained earnings/ (accumulated losses)		**23,860,565**	26,635,772	**(13,369,272)**	(13,149,576)
Equity attributable to owners of the Company		**129,630,277**	97,621,578	**52,522,353**	52,742,049
Non-controlling interests		**20,290,255**	14,147,291	**–**	–
Total equity		**149,920,532**	111,768,869	**52,522,353**	52,742,049
Non-current liabilities					
Borrowings	28	**32,068,267**	19,458,774	**–**	–
Deferred tax liabilities	19	**7,015,502**	7,802,346	**–**	–
Total non-current liabilities		**39,083,769**	27,261,120	**–**	–
Current liabilities					
Trade and other payables	29	**64,920,875**	50,148,350	**40,516**	62,433
Borrowings	28	**81,892,647**	72,511,107	**–**	–
Other financial liability	17	**–**	29,861	**–**	–
Current tax liabilities		**173,996**	2,457,392	**–**	–
Total current liabilities		**146,987,518**	125,146,710	**40,516**	62,433
Total liabilities		**186,071,287**	152,407,830	**40,516**	62,433
Total equity and liabilities		**335,991,819**	264,176,699	**52,562,869**	52,804,482

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

STATEMENTS OF CHANGES IN EQUITY
for the year ended September 30, 2012

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	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 loss	–	–	–	–	(30,710)	–	(30,710)	(29,352)	(60,062)
Total comprehensive (loss)/ income 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, 2012

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, 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
(Loss)/ profit for the year	–	–	–	–	–	(3,009,072)	(3,009,072)	4,409,827	1,400,755
Other comprehensive income/ (loss)	–	–	–	35,020,483	(2,712)	–	35,017,771	2,018,137	37,035,908
Total comprehensive income/ (loss) for the year	–	–	–	35,020,483	(2,712)	(3,009,072)	32,008,699	6,427,964	38,436,663
Realisation of properties revaluation reserve upon disposal of revalued properties	–	–	–	(103,406)	–	103,406	–	–	–
Transfer to retained earnings	–	–	–	(130,459)	–	130,459	–	–	–
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	(285,000)	(285,000)
Balance as of September 30, 2012	**65,889,550**	**(69,304)**	**71,379**	**39,901,409**	**(23,322)**	**23,860,565**	**129,630,277**	**20,290,255**	**149,920,532**

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the year ended September 30, 2012

The Company

	Share capital RM	Treasury shares RM	Share premium RM	Accumulated losses RM	Total RM
Balance as of October 1, 2010	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
Balance as of October 1, 2011	65,889,550	(69,304)	71,379	(13,149,576)	52,742,049
Loss for the year	–	–	–	(219,696)	(219,696)
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	(219,696)	(219,696)
Balance as of September 30, 2012	**65,889,550**	**(69,304)**	**71,379**	**(13,369,272)**	**52,522,353**

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

STATEMENTS OF CASH FLOWS
for the year ended September 30, 2012

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/ (loss) for the year	**1,400,755**	14,559,245	**(219,696)**	(201,542)
Depreciation and amortisation of non-current assets	**9,299,489**	8,864,716	**–**	–
Interest expense	**4,939,101**	4,236,873	**–**	–
Inventories written down	**1,592,851**	2,650	**–**	–
Impairment loss recognised on receivables	**1,360,336**	1,369,604	**77,130**	–
Property, plant and equipment written off	**498,073**	119,163	**–**	–
Loss on revaluation of properties	**392,215**	–	**–**	–
Bad debts written off	**227,078**	210,297	**–**	–
Gain on fair value adjustment of investment properties	**(13,737,407)**	(2,768,000)	**–**	–
Tax (income)/ expense recognised in profit or loss	**(1,281,443)**	4,994,923	**–**	178
Reversal of loss arising on revaluation of properties	**(320,647)**	–	**–**	–
Reversal of impairment loss recognised on receivables	**(239,440)**	(553,531)	**–**	(567,968)
Interest revenue recognised in profit or loss	**(187,636)**	(200,694)	**–**	–
Gain on disposal of property, plant and equipment	**(70,502)**	(692,951)	**–**	–
Net fair value (gain)/ loss on other financial asset/ liability	**(31,838)**	45,859	**–**	–
Gross dividend income from available-for-sale investment	**(10,000)**	(10,000)	**–**	–
Unrealised gain on foreign exchange	**(7,381)**	(237,454)	**–**	–
Impairment loss recognised on goodwill	**–**	683,729	**–**	–
Impairment loss recognised on property, plant and equipment	**–**	117,036	**–**	–
Deposits written off	**–**	28,054	**–**	–
Gain on disposal of investment in a subsidiary	**–**	(2)	**–**	–
Impairment loss recognised on investments in subsidiaries	**–**	–	**–**	629,811
	3,823,604	30,769,517	**(142,566)**	(139,521)

STATEMENTS OF CASH FLOWS (Cont'd)
for the year ended September 30, 2012

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Movements in working capital:					
Decrease/ (increase) in inventories		**2,604,938**	(8,388,618)	**–**	–
(Increase)/ decrease in trade and other receivables		**(8,426,764)**	6,479,674	**–**	–
Decrease in other financial asset		**–**	28,066	**–**	–
Increase in other assets		**(72,714)**	(670,995)	**–**	–
Increase/ (decrease) in trade and other payables		**14,163,873**	(1,191,488)	**2,500**	1,941
Cash generated from/ (used in) operations		**12,092,937**	27,026,156	**(140,066)**	(137,580)
Taxes refunded		**96,926**	179,461	**–**	–
Interest received		**39,555**	40,758	**–**	–
Taxes paid		**(5,043,320)**	(4,305,344)	**(2,927)**	(8,628)
Net cash generated by/ (used in) operating activities		**7,186,098**	22,941,031	**(142,993)**	(146,208)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**1,393,323**	3,469,746	**–**	–
Interest received		**142,874**	158,652	**–**	–
Dividend received		**7,500**	7,500	**–**	–
Payments for property, plant and equipment	30	**(14,238,611)**	(20,155,109)	**–**	–
Payments for prepaid lease payments for leasehold land		**(1,614,503)**	–	**–**	–
Payments for investment properties		**(372,593)**	–	**–**	–
Proceeds from disposal of investment in a subsidiary	16	**–**	2	**–**	–
Payment for purchase of shares from non-controlling interest in a subsidiary		**–**	(2)	**–**	–
Repayments from subsidiaries		**–**	–	**3,667,797**	121,684
Payment for purchase of additional shares in a subsidiary		**–**	–	**(3,500,000)**	–
Net cash (used in)/ generated by investing activities		**(14,682,010)**	(16,519,211)	**167,797**	121,684

STATEMENTS OF CASH FLOWS (Cont'd)
for the year ended September 30, 2012

	Note	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Cash flows from financing activities					
Proceeds from long-term loans		**17,596,228**	11,474,480	**–**	–
Increase in short-term borrowings		**7,802,160**	1,330,549	**–**	–
Advances from directors		**600,000**	31,679	**–**	24,417
Repayments to directors		**(92,000)**	–	**(24,417)**	–
Repayment of long-term loans		**(5,314,536)**	(5,400,100)	**–**	–
Interest paid		**(5,305,855)**	(4,135,709)	**–**	–
Repayment of hire-purchase payables		**(4,612,643)**	(3,461,116)	**–**	–
Short-term deposits pledged as security		**(1,137,397)**	(116,920)	**–**	–
Dividend paid to non-controlling interests of subsidiaries		**(285,000)**	(284,244)	**–**	–
Net cash generated by/ (used in) financing activities		**9,250,957**	(561,381)	**(24,417)**	24,417
Net increase/ (decrease) in cash and cash equivalents		**1,755,045**	5,860,439	**387**	(107)
Cash and cash equivalents at the beginning of the year		**5,271,659**	(591,618)	**3,954**	4,061
Effects of exchange rates changes on the balances of cash held in foreign currencies		**649**	2,838	**–**	–
Cash and cash equivalents at the end of the year	30	**7,027,353**	5,271,659	**4,341**	3,954

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

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 Zurich, 170, Jalan Argyll, 1005 0 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 25, 2013.

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 Interpretations ("IC Int.") 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, 2011 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
Improvements to FRSs 2010	
IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 18	Transfer of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised Standards and IC Interpretations have not affected the amounts reported on the financial statements of the Group and of the Company.

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 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters) (a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to Government Loans) (b)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to Repeated application of FRS 1and Borrowing Costs) (b)
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures: Transfers of Financial Assets) (a)

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

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

FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures – Offsetting Financial Assets and Financial Liabilities) [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 [b]
FRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) [b]
FRS 11	Joint Arrangements [b]
FRS 11	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) [b]
FRS 12	Disclosure of Interests in Other Entities [b]
FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) [b]
FRS 13	Fair Value Measurement [b]
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income) [d]
FRS 101	Presentation of Financial Statements (Amendments relating to Clarification of the requirements for comparative information) [b]
FRS 112	Income Taxes (Amendments relating to Deferred Tax - Recovery of Underlying Assets) [a]
FRS 116	Property, Plant and Equipment (Amendments relating to Classification of servicing equipment) [b]
FRS 119	Employee Benefits (2011) [b]
FRS 124	Related Party Disclosures (revised) [a]
FRS 127	Separate Financial Statements (2011) [b]
FRS 128	Investment in Associates and Joint Ventures (2011) [b]
FRS 132	Financial Instruments: Presentation (Amendments relating to Tax effect of distribution to holders of equity instruments) [b]
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) [e]
FRS 134	Interim Financial Reporting (Amendments relating to Interim financial reporting and segment information for total assets and liabilities) [b]
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments (Amendments relating to Tax effect of equity distributions) [b]
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine [b]

[a] Effective for annual periods beginning on or after January 1, 2012
[b] Effective for annual periods beginning on or after January 1, 2013
[c] Effective for annual periods beginning on or after January 1, 2015 instead of January 1, 2013 immediately upon the issuance of Amendments to FRS 9 (IFRS 9 issued by IASB on November 2009 and October 2010 respectively) and FRS 7 relating to "Mandatory Effective Date of FRS 9 and Transition Disclosures" on March 1, 2012
[d] Effective for annual periods beginning on or after July 1, 2012
[e] Effective for annual periods beginning on or after January 1, 2014

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.

The amendments to FRS 7 which are effective for annual periods beginning on or after January 1, 2013 introduce new disclosure requirements relating to rights of offset and related arrangements for financial instruments under an enforceable master netting agreements or similar arrangements. To date, the Group and the Company have not entered into any such agreements or similar arrangements. However, if the Group and the Company do enter into such arrangements in the future, the Group and the Company will need to comply with these disclosure requirements accordingly.

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

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

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.

The amendments to FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) ("FRS 9") relating to "Mandatory Effective Date of FRS 9 and Transition Disclosures" which became immediately effective on the issuance date of March 1, 2012 amended the mandatory effective date of FRS 9 to annual periods beginning on or after January 1, 2015 instead of on or after January 1, 2013, with earlier application still permitted as well as modified the relief from restating prior periods. FRS 7 which was also amended in tandem with the issuance of the aforementioned amendments introduces new disclosure requirements that are either permitted or required on the basis of the entity's date of adoption and whether the entity chooses to restate prior periods.

Key requirements of FRS 9 are described as follows:

(a) 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.

(b) 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.

The directors anticipate that FRS 9 will be adopted in the Group's and the Company's financial statements for the annual period beginning October 1, 2015 and that the application of FRS 9 will have no material impact on the financial statements of the Group and of the Company.

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 Int. 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:

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

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

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

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

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 Int. 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.

In July 2012, amendments were made to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance.

The amendment clarifies that the "date of initial application" in FRS 10 means "the beginning of the annual reporting period in which FRS 10 is applied for the first time". Consequently, an entity is not required to adjust its previous accounting if:

(a) the consolidation conclusion reached upon the application of FRS 10 is the same as previous accounting; or
(b) the entity had disposed of its interests in investees during a comparative period.

If an entity has to consolidate an investee that was not previously consolidated when applying FRS 10 or concludes that it will no longer consolidate an investee that was previously consolidated, the amendments limit the requirement to present adjusted comparative information to the period immediately preceding the date of initial application. However, the entity is not prohibited from presenting adjusted comparative information for earlier periods.

A similar relief is also provided in FRS 11 and FRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structured entities in periods prior to the first annual period that FRS 12 is applied.

If, upon applying FRS 10, an entity concludes that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of FRS 3 Business Combinations and FRS 127 Consolidated and Separate Financial Statements issued by the Malaysian Accounting Standards Board in January 2010, the amendments provide the choice to Transitional Entities to apply either the earlier (i.e. as issued in February 2006) or the revised versions of FRS 3 and FRS 127 (as issued in January 2010).

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning October 1, 2013. The application of these five standards will have no material impact on the financial statements of the Group.

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.

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

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

The amendments to FRS 101 relating to Presentation of Items of Other Comprehensive Income 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:

(a) items that will not be reclassified subsequently to profit or loss; and
(b) 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 amendments to FRS 101 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to FRS 101 relating to "Clarification of the requirements for comparative information" clarifies that an entity is required to present a third statement of financial position only if a retrospective application, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. Nevertheless, an entity may present comparative information in addition to the minimum comparative financial statements as long as that information is prepared in accordance with FRSs. In addition, the amendments clarify that other than the disclosure of certain specified information, related notes are not required to accompany the opening statement of financial position as at the beginning of the preceding period. The amendments will be applied accordingly when it becomes effective for application.

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 amendments to FRS 112 are effective for annual periods beginning on or after January 1, 2012. 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.

The amendment to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. The amendment will be applied accordingly when it becomes effective for application.

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

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

The Group and the Company 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 the 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.

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

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

The amendments to FRS 132 which are effective for annual periods beginning on or after January 1, 2014 provide clarification on the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". To date, the Group and the Company have not entered into any arrangements involving offsetting of financial instruments. However, if the Group and the Company do enter into such arrangements in the future, the amendments will affect the required accounting.

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. However, on June 30, 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after January 1, 2014.

Accordingly, the Group and the Company being Transitioning Entities, have availed themselves of this transitional arrangement and will continue to apply FRSs in its next two sets of financial statements.

Therefore, the Group and the Company 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, 2015, 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.

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 entities controlled by the Company (its subsidiaries). 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiaries and basis of consolidation (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business combinations (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (Cont'd)

(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.

Borrowing costs

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation

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

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit 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.

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

Leasing (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Short-term employee benefits

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

Retirement benefit costs

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.

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 and construction-in-progress are not depreciated.

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

Depreciation is recognised so as to write off the cost of assets 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% - 20%
Electrical installation	10%
Office equipment	10% - 50%
Furniture, fixtures and fittings	10% - 15%
Motor vehicles	10% - 20%
Renovation	2% - 15%
Pasaraya equipment	10% & 33%
Warehouse	10%

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

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.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Agricultural development expenditures

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

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

Cost of finished goods consists of cost of 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

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.

(a) Financial assets

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

(i) Effective interest method

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

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

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

Financial 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)

(a) Financial assets (Cont'd)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. 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.

(iv) Loans and receivables

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

(v) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the 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 120 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Financial assets (Cont'd)

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

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.

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.

(vi) Derecognition of financial assets

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

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

(i) Classification as debt or equity

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

(ii) Equity instruments

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

(iii) Financial liabilities

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

(iv) 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)

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

(iv) 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.

(v) 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.

(vi) Derecognition of financial liabilities

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

(c) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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, certain bank overdrafts which form an integral part of the Group's cash management and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's 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, investment properties and prepaid lease payments on leasehold land

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, investment properties and prepaid lease payments on leasehold land, 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, investment properties and prepaid lease payments on leasehold land 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.

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

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

(i) Impairment of property, plant and equipment, investment properties and prepaid lease payments on leasehold land (Cont'd)

During the current financial year, the Group assessed and determined that there was no indicator of impairment for property, plant and equipment, investment properties and prepaid lease payments on leasehold land.

(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 (2011: RM1,670,128) after an impairment loss of Nil (2011: RM683,729) 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, 2012 was RM42,458,430 (2011: RM38,958,430) after impairment losses recognised of RM20,441,711 (2011: RM20,441,711).

(iv) 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.

(v) 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.

5. REVENUE

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Sale of goods	**534,396,808**	490,807,498	**–**	–
Rental of poultry farm	**156,000**	156,000	**–**	–
Royalty revenue	**–**	2,721	**–**	–
Management fee	**–**	–	**120,000**	120,000
	534,552,808	490,966,219	**120,000**	120,000

6. INVESTMENT REVENUE

	The Group	
	2012	**2011**
	RM	**RM**
Rental revenue from:		
Land and poultry farm	**2,011,036**	1,345,660
Premises	**158,948**	147,098
Pasaraya store	**155,799**	107,872
Interest revenue on:		
Short-term deposits	**144,400**	130,263
Late payments	**–**	26,702
Gross dividend income from available-for-sale investment	**10,000**	10,000
	2,480,183	1,767,595

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

	The Group	
	2012	**2011**
	RM	**RM**
Rental revenue on:		
Investment properties	**184,080**	146,960
Other non-financial assets	**2,141,703**	1,453,670
Interest revenue for financial assets not designated as at fair value through profit or loss:		
Loan and receivables (including cash and bank balances)	**144,400**	156,965
Gross dividend income from available-for-sale investment	**10,000**	10,000
	2,480,183	1,767,595

7. OTHER GAINS AND LOSSES

	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Gain on fair value adjustment of investment properties	**13,737,407**	2,768,000	**–**	–
Reversal of loss arising on revaluation of properties	**320,647**	–	**–**	–
Reversal of impairment loss recognised on receivables	**239,440**	553,531	**–**	567,968
Gain/ (loss) on contract farming	**210,177**	(2,732)	**–**	–
Gain on disposal of property, plant and equipment	**70,502**	692,951	**–**	–
Net fair value gain/ (loss) on other financial asset/ liability	**31,838**	(45,859)	**–**	–
Impairment loss recognised on receivables	**(1,360,336)**	(1,369,604)	**(77,130)**	–
Property, plant and equipment written off	**(498,073)**	(119,163)	**–**	–
Performance incentives	**(455,631)**	–	**–**	–
Loss on revaluation of properties	**(392,215)**	–	**–**	–
Bad debts written off	**(227,078)**	(210,297)	**–**	–
Net foreign exchange (loss)/ gain	**(41,643)**	242,975	**–**	–
Money loss on burglary	**(26,162)**	–	**–**	–
Gain on disposal of investment in a subsidiary	**–**	2	**–**	–
Impairment loss recognised on goodwill	**–**	(683,729)	**–**	–
Impairment loss recognised on property, plant and equipment	**–**	(117,036)	**–**	–
Inventories written down	**–**	(2,650)	**–**	–
Impairment loss recognised on investments in subsidiaries	**–**	–	**–**	(629,811)
Sundry gain/ (loss)	**16,210**	(26,400)	**–**	–
	11,625,083	1,679,989	**(77,130)**	(61,843)

8. FINANCE COSTS

	The Group 2012 RM	The Group 2011 RM
Interest expense for financial liabilities not classified as fair value through profit or loss:		
Short-term borrowings	**2,833,954**	2,829,770
Long-term loans	**1,619,481**	848,088
Hire-purchase	**485,498**	531,438
Others	**168**	27,577
Bank commission	**467,119**	476,229
Bank charges	**41,707**	13,905
	5,447,927	4,727,007

9. TAX (INCOME)/ EXPENSE

Income tax recognised in profit or loss

Tax (income)/ expense comprises:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Current year:				
Current tax expense:				
Malaysian	**990,141**	4,499,041	**–**	–
Deferred tax (income)/ expense:				
Relating to the origination and reversal of temporary differences:				
Crystallisation of deferred tax liabilities on properties revaluation surplus	**(156,903)**	(235,397)	**–**	–
Other temporary differences	**(1,516,000)**	766,000	**–**	–
Reversal upon disposal of revalued properties	**(86,247)**	(1,042)	**–**	–
Currency translation difference	**3,825**	–	**–**	–
	(765,184)	5,028,602	**–**	–
Adjustments recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	**29,741**	(32,679)	**–**	178
Deferred tax	**(546,000)**	(1,000)	**–**	–
Total tax (income)/ expense	**(1,281,443)**	4,994,923	**–**	178

Malaysian income tax is calculated at the statutory tax rate of 25% (2011: 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 losses, unused reinvestment allowances and unused tax capital allowance that are used to reduce current tax expense of the Group are as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Unused tax losses	**205,000**	111,000
Unused reinvestment allowances	**202,000**	64,000
Unused tax capital allowances	**18,000**	258,000

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

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

	The Group 2012 RM	The Group 2011 RM	The Company 2012 RM	The Company 2011 RM
Profit/ (loss) before tax	**119,312**	19,554,168	**(219,696)**	(201,364)
Tax expense calculated using the Malaysian income tax rate of 25% (2011: 25%)	**30,000**	4,889,000	**(55,000)**	(50,000)
Effect of expenses that are not deductible in determining taxable profit	**2,599,816**	1,755,602	**55,000**	192,000
Effect of revenue that is not taxable	**(4,175,000)**	(1,477,000)	**–**	(142,000)
Utilisation of reinvestment allowances	**(202,000)**	(64,000)	**–**	–
Tax savings from the claim of relief from utilisation of tax losses of the Group	**–**	(37,000)	**–**	–
Effect of different tax rate of a subsidiary operating in other jurisdiction	**14,000**	11,000	**–**	–
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**1,099,000**	413,000	**–**	–
Recognition of deferred tax asset not recognised previously	**(119,000)**	(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	**(18,000)**	(99,000)	**–**	–
Other temporary differences	**6,000**	(15,000)	**–**	–
	(765,184)	5,028,602	**–**	–
Adjustments recognised in the current year in relation to prior years	**(516,259)**	(33,679)	**–**	178
Tax (income)/ expense recognised in profit or loss	**(1,281,443)**	4,994,923	**–**	178

Income tax recognised in other comprehensive income

	The Group 2012 RM	The Group 2011 RM
Deferred tax		
Property revaluation	**1,707,306**	–

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% (2011: 25%) for Malaysia, 17% (2011: 17%) for Republic of Singapore and 33% (2011: 33%) for People's Republic of China. The applicable tax rate of 25% (2011: 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.

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

As of September 30, 2012, the approximate amounts of unused tax losses, unused tax capital allowances, unused reinvestment allowances and unused allowance for increased export of the Group, which are available for set off against future taxable income are as follows:

	The Group	
	2012	2011
	RM	RM
Unused tax losses	**22,940,000**	15,260,000
Unused tax capital allowances	**15,471,000**	12,874,000
Unused reinvestment allowances	**3,266,000**	4,110,000
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 RM22,940,000 (2011: RM15,260,000), a total amount of approximately RM3,000 (2011: RM295,000) is available for set off against future taxable income of a subsidiary of not exceeding five years as follows:

	The Group	
	2012	2011
	RM	RM
Expiring on September 30,		
2013	**3,000**	292,000
2014	**–**	3,000
	3,000	295,000

10. PROFIT/ (LOSS) FOR THE YEAR

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
After charging:				
Depreciation of property, plant and equipment	**9,090,892**	8,687,306	**–**	–
Rental of:				
Premises	**2,137,400**	1,842,332	**–**	–
Land and poultry farm	**1,106,974**	774,555	**–**	–
Cold room	**612,018**	303,671	**–**	–
Machinery and equipment	**37,768**	33,060	**–**	–
Parking lot	**15,600**	15,600	**–**	–
Motor vehicles	**12,827**	13,434	**–**	–
Directors' remuneration:				
Directors of the Company:				
Fee	**110,000**	92,500	**110,000**	92,500
Contribution to employees provident funds	**185,961**	171,306	**1,057**	570
Other emoluments	**1,872,784**	1,754,252	**12,500**	8,000
Directors of subsidiaries:				
Fee	**–**	–	**–**	–
Contribution to employees provident fund	**91,726**	73,398	**–**	–
Other emoluments	**1,022,194**	838,293	**–**	–

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

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
After charging: (Cont'd)				
Inventories written down:				
Included in:				
Cost of sales	**1,592,851**	–	**–**	–
Other gains and losses	**–**	2,650	**–**	–
Pre-operating expenses:				
Employee benefits expense:				
Contribution to employees provident fund	**23,462**	–	**–**	–
Rental of hostel	**3,000**	–	**–**	–
Other employee benefits expense	**210,683**	–	**–**	–
Others	**268,698**	–	**–**	–
Audit fee:				
Current year	**222,825**	217,872	**25,500**	23,500
Underprovision in prior years	**1,000**	–	**1,000**	–
Amortisation of prepaid lease payments on leasehold land	**203,333**	172,220	**–**	–
Realised loss on foreign exchange	**49,024**	–	**–**	–
Amortisation of agricultural development expenditure	**5,264**	5,190	**–**	–
Deposits written off	**–**	28,054	**–**	–
And crediting:				
Rental revenue on:				
Land and poultry farm	**2,151,233**	1,733,427	**–**	–
Premises	**158,948**	135,298	**–**	–
Pasaraya store	**155,799**	107,872	**–**	–
Cold room	**69,223**	117,646	**–**	–
Motor vehicles	**4,500**	–	**–**	–
Interest revenue on:			**–**	
Short-term deposits	**144,684**	133,234	**–**	–
Others	**42,952**	67,460	**–**	–
Gain on foreign exchange:				
Unrealised	**7,381**	237,454	**–**	–
Realised	**–**	5,521	**–**	–

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

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Contribution to employees provident fund/ central provident fund	**2,057,278**	1,761,221	**1,057**	570
Other employee benefits expense	**27,132,134**	24,603,941	**128,550**	104,050
	29,189,412	26,365,162	**129,607**	104,620

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.

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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Directors of the Company:				
Fee	**110,000**	92,500	**110,000**	92,500
Contribution to employees provident fund	**185,932**	171,306	**1,057**	570
Other emoluments	**1,872,784**	1,754,252	**12,500**	8,000
Directors of subsidiaries:				
Contribution to employees provident fund	**91,726**	73,398	**–**	–
Other emoluments	**1,022,194**	838,293	**–**	–
	3,282,636	2,929,749	**123,557**	101,070

11. (LOSS)/ EARNINGS PER SHARE

Basic (loss)/ earnings per share

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

	The Group	
	2012	2011
Net (loss)/ profit for the year attributable to owners of the Company (RM)	**(3,009,072)**	12,630,511
Weighted average number of ordinary shares for the purpose of basic (loss)/ earnings per share	**131,560,900**	131,560,900
Basic (loss)/ earnings per share (sen)	**(2.29)**	9.60

12. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	Revaluations RM	Currency translation differences RM	End of year RM
2012:							
Freehold land							
- at 2007 valuation	14,390,000	–	–	–	(14,390,000)	–	–
- at 2012 valuation	–	–	–	–	13,920,000	–	13,920,000
Freehold land and buildings							
- at cost	1,432,410	736,966	(156,033)	134,500	(2,147,843)	–	–
- at 2007 valuation	21,714,000	–	–	–	(21,714,000)	–	–
- at 2012 valuation	–	–	–	–	68,288,000	–	68,288,000
Buildings							
- at cost	11,669,948	1,362,782	(16,447)	2,423,555	(15,439,838)	–	–
- at 2007 valuation	26,717,560	–	(164,000)	–	(26,553,560)	–	–
- at 2012 valuation	–	–	–	–	24,433,000	–	24,433,000
Plant, machinery and equipment	46,224,424	1,982,516	(1,536,869)	382,740	–	101	47,052,912
Electrical installation	880,485	11,530	–	–	(27,000)	–	865,015
Office equipment	2,438,240	58,087	(30,951)	9,270	–	378	2,475,024
Furniture, fixtures and fittings	1,740,724	41,568	(28,476)	77,642	–	–	1,831,458
Motor vehicles	12,203,268	1,041,436	(441,557)	–	–	–	12,803,147
Renovation	3,062,980	84,793	(94,011)	–	(1,112,370)	–	1,941,392
Pasaraya equipment	2,681,452	335,667	(7,830)	543,496	–	–	3,552,785
Warehouse	64,839	–	–	–	–	–	64,839
Construction-in-progress	26,211,268	15,172,046	(829)	(3,571,203)	–	–	37,811,282
	171,431,598	20,827,391	(2,477,003)	–	25,256,389	479	215,038,854

12. PROPERTY, PLANT AND EQUIPMENT (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
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)

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Revaluations RM	Currency translation differences RM	End of year RM
2012:						
Freehold land and buildings						
- at cost	**103,048**	**157,997**	**(15,682)**	**(245,363)**	**–**	**–**
- at 2007 valuation	**4,365,693**	**807,784**	**(75,276)**	**(5,098,201)**	**–**	**–**
Buildings						
- at cost	**1,004,741**	**686,108**	**(16,447)**	**(1,674,402)**	**–**	**–**
- at 2007 valuation	**4,530,336**	**1,142,356**	**(100,792)**	**(5,571,900)**	**–**	**–**
Plant, machinery and equipment	**23,798,237**	**4,058,790**	**(1,233,690)**	**–**	**45**	**26,623,382**
Electrical installation	**327,531**	**84,529**	**–**	**(14,625)**	**–**	**397,435**
Office equipment	**1,858,789**	**218,448**	**(20,473)**	**–**	**368**	**2,057,132**
Furniture, fixtures and fittings	**1,192,285**	**112,099**	**(22,570)**	**–**	**–**	**1,281,814**
Motor vehicles	**6,732,785**	**1,148,230**	**(314,049)**	**–**	**–**	**7,566,966**
Renovation	**1,270,698**	**288,640**	**(6,395)**	**(804,755)**	**–**	**748,188**
Pasaraya equipment	**636,054**	**379,428**	**(653)**	**–**	**–**	**1,014,829**
Warehouse	**13,091**	**6,483**	**–**	**–**	**–**	**19,574**
	45,833,288	**9,090,892**	**(1,806,027)**	**(13,409,246)**	**413**	**39,709,320**
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

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

Accumulated impairment losses	Beginning of year RM	Charge for the year RM	Disposal/ write-off RM	End of year RM
2012:				
Plant, machinery and equipment	**98,782**	**–**	**(9,067)**	**89,715**
Office equipment	**14,296**	**–**	**–**	**14,296**
Furniture, fixtures and fittings	**3,958**	**–**	**–**	**3,958**
	117,036	**–**	**(9,067)**	**107,969**
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

	The Group 2012 RM	2011 RM
Net book value:		
Freehold land		
- at 2007 valuation	**–**	14,390,000
- at 2012 valuation	**13,920,000**	–
Freehold land and buildings		
- at cost	**–**	1,329,362
- at 2007 valuation	**–**	17,348,307
- at 2012 valuation	**68,288,000**	–
Buildings		
- at cost	**–**	10,665,207
- at 2007 valuation	**–**	22,187,224
- at 2012 valuation	**24,433,000**	–
Plant, machinery and equipment	**20,339,815**	22,327,405
Electrical installation	**467,580**	552,954
Office equipment	**403,596**	565,155
Furniture, fixtures and fittings	**545,686**	544,481
Motor vehicles	**5,236,181**	5,470,483
Renovation	**1,193,204**	1,792,282
Pasaraya equipment	**2,537,956**	2,045,398
Warehouse	**45,265**	51,748
Construction-in-progress	**37,811,282**	26,211,268
	175,221,565	125,481,274

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

The land and buildings of the Group were revalued by the directors on September 30, 2012, based on valuations carried out by Sr Tan Kok Yew, BKM, MBA, MISM, FRISM, MRICS, MPEPS, MIEA, Registered Valuer (A470) and Sr Sallehuddin Bin Mohd. Iskan, MRISM, MMAPPM, MPEPS, registered valuers of Intra Harta Consultants Sdn. Bhd., an independent firm of professional valuer, and Sr Muzlini Said, B. Sc. Land Mgmt, FRISM, Registered Valuer (A569), a registered valuer of Intra Harta Consultants (North) Sdn. Bhd., an independent firm of professional valuer. The valuations were based on market value using comparison method of valuation, comparison and cost replacement methods of valuation, depreciated replacement cost approach of valuation, and market value for the existing use using cost method, depreciated cost method of valuation, and market evidence of transaction prices for similar properties.

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	
	2012	**2011**
	RM	**RM**
Cost:		
Freehold land	**982,132**	982,132
Freehold land and buildings	**37,640,530**	22,707,727
Buildings	**29,636,027**	15,143,158
	68,258,689	38,833,017
Accumulated depreciation:		
Freehold land and buildings	**(11,728,963)**	(7,218,611)
Buildings	**(6,302,117)**	(3,226,900)
	(18,031,080)	(10,445,511)
Carrying amount	**50,227,609**	28,387,506

As of September 30, 2012, certain property, plant and equipment of the Group with a total carrying value of RM80,028,821 (2011: RM36,253,706) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

As of September 30, 2012, 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	
	2012	**2011**
	RM	**RM**
Plant, machinery and equipment	**4,256,046**	3,947,617
Furniture, fixtures and fittings	**87,030**	–
Motor vehicles	**2,440,516**	2,957,579
Pasaraya equipment	**1,352,500**	1,264,525
Construction-in-progress	**14,059,645**	10,171,742
	22,195,737	18,341,463

As of September 30, 2012, a motor vehicle of the Group with a carrying value of RM21,212 (2011: RM38,182) is registered in the name of a related party. As of September 30, 2012, a motor vehicle of the Group with a carrying value of RM195 (2011:RM325) is registered in the name of a director who holds it in trust for a subsidiary.

13. INVESTMENT PROPERTIES

	The Group	
	2012	**2011**
	RM	**RM**
At fair value:		
At beginning of year	**32,709,000**	29,941,000
Additions during the year	**372,593**	–
Gain on fair value adjustment at end of year	**13,737,407**	2,768,000
At end of year	**46,819,000**	32,709,000

The investment properties as of September 30, 2012 are as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Freehold land	**29,416,000**	19,882,000
Freehold land and buildings	**16,383,000**	11,933,000
Long leasehold land and buildings	**815,000**	715,000
Short leasehold land	**205,000**	179,000
	46,819,000	32,709,000
Leased out under operating lease	**24,915,000**	20,714,000
Vacant	**21,904,000**	11,995,000
	46,819,000	32,709,000

The fair value of certain buildings included under investment properties of the Group as of September 30, 2012 with a total carrying value of RM325,000 (2011: Nil) is determined by the directors by reference to market evidence of transaction prices for similar properties.

The fair values of other investment properties of the Group as of September 30, 2012 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 during the financial year is RM340,080 (2011: RM302,960). Direct operating expenses incurred by the Group on the investment properties during the financial year are as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Leased out under operating lease	**328,127**	96,425
Vacant	**16,455**	–
	344,582	96,425

As of September 30, 2012, certain freehold land of the Group which are included under investment properties with a total carrying value of RM3,450,000 (2011: RM2,690,000) are in the process of being transferred to the name of a subsidiary.

13. INVESTMENT PROPERTIES (Cont'd)

As of September 30, 2012, the unexpired lease periods of the leasehold land of the Group which are included under investment properties are 34, 87 and 881 years.

As of September 30, 2012, certain investment properties of the Group with a total carrying value of RM26,164,000 (2011: RM18,272,000) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

14. PREPAID LEASE PAYMENTS ON LEASEHOLDLAND

	The Group	
	2012	2011
	RM	RM
At beginning of year	**7,044,100**	7,216,320
Additions during the year	**1,614,503**	–
Amortisation during the year	**(203,333)**	(172,220)
At end of year	**8,455,270**	7,044,100

The prepaid lease payments on leasehold land as of September 30, 2012 are as follows:

	The Group	
	2012	2011
	RM	RM
Long leasehold land	**3,730,373**	3,812,401
Short leasehold land	**4,724,897**	3,231,699
	8,455,270	7,044,100

As of September 30, 2012, the unexpired lease periods of the leasehold land of the Group which are included under prepaid lease payments on leasehold land are 5, 38, 39, 42, 54 and 55 years.

As of September 30, 2012, certain leasehold land of the Group with a total carrying value of RM5,636,750 (2011: RM4,140,544) are charged to local banks as securities for credit facilities granted to the Group as mentioned in Note 28.

15. GOODWILL

	The Group	
	2012	2011
	RM	RM
At beginning of year	**1,670,128**	2,353,857
Impairment loss recognised during the year	**–**	(683,729)
At end of year	**1,670,128**	1,670,128

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit 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:

15. GOODWILL (Cont'd)

	The Group	
	2012	2011
	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.

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 5% (2011: 7%) and a discount rate of 7% (2011: 8%), reflecting the effective interest rate on borrowings.

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

During the financial year ended September 30, 2011, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's trading/ value added food products manufacturing activities was impaired by RM683,729. 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	
	2012	2011
	RM	RM
Unquoted shares, at cost	**62,900,141**	59,400,141
Less: Impairment losses	**(20,441,711)**	(20,441,711)
	42,458,430	38,958,430

16. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The subsidiaries are as follows:

Direct subsidiaries	Country of incorporation	Effective percentage of ownership 2012	2011	Principal activities
CAB Cakaran Sdn. Bhd.	Malaysia	**100%**	100%	Breeding of broiler chicken and trading of broiler chicken, poultry feeds and other farm consumables
CAB Marine Resources Sdn. Bhd.	Malaysia	**100%**	100%	Processing of fresh and frozen fishes, prawns and other marine products and distribution of marine products in the international and domestic market
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
Indirect subsidiaries				
Antik Kualiti Sdn. Bhd.	Malaysia	**100%**	100%	Cultivation of timber crops and processing and trading of chicken
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%	Trading of poultry and other related products with poultry contract farmers
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
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%**	100%	Wholesaling and retailing of confectionery and bakery products

16. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Indirect subsidiaries	Country of incorporation	Effective percentage of ownership 2012	Effective percentage of ownership 2011	Principal activities
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 of this subsidiary.

On May 18, 2012, an application was submitted to the Companies Commission of Malaysia to strike off Ladang Ternakan Asun Sdn. Bhd. under Section 308 of the Companies Act, 1965. The striking off of Ladang Ternakan Asun Sdn. Bhd. will have no material impact on the financial statements of the Group upon completion of striking off. Subsequent to September 30, 2012, the application to strike off has been approved by Companies Commission of Malaysia.

During the financial year ended September 30, 2011, 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 were as follows:

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

17. OTHER FINANCIAL ASSETS/ (LIABILITY)

	The Group 2012 RM	The Group 2011 RM
Available-for-sale financial asset:		
Unquoted shares, at cost	**260,000**	260,000
Financial asset/ (liability) carried at fair value through profit or loss:		
Derivative financial instrument:		
Foreign currency forward contracts	**1,977**	(29,861)

17. OTHER FINANCIAL ASSETS/ (LIABILITY) (Cont'd)

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 2012 to February 2013.

18. AGRICULTURAL DEVELOPMENT EXPENDITURES

	The Group	
	2012	2011
	RM	RM
At beginning of year	290,614	295,804
Amortisation during the year	(5,264)	(5,190)
At end of year	285,350	290,614

19. DEFERRED TAX ASSETS/ (LIABILITIES)

The Group

	Opening balance RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Closing balance RM
2012:				
Deferred tax assets				
Unused tax losses	225,000	45,000	–	270,000
Property, plant and equipment	(19,000)	18,000	–	(1,000)
Receivables	252,000	(252,000)	–	–
	458,000	(189,000)	–	269,000
Deferred tax liabilities				
Unused tax losses	664,000	1,538,000	–	2,202,000
Receivables	280,000	681,000	–	961,000
Unused tax capital allowances	122,000	554,000	–	676,000
Property, plant and equipment	(7,079,000)	(971,000)	–	(8,050,000)
Gain on revaluation of properties	(1,867,346)	243,150	(1,707,306)	(3,331,502)
Others	78,000	449,000	–	527,000
	(7,802,346)	2,494,150	(1,707,306)	(7,015,502)
	(7,344,346)	2,305,150	(1,707,306)	(6,746,502)

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

The Group (Cont'd)

	Opening balance RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Closing balance RM
2011:				
Deferred tax assets				
Unused tax losses	–	225,000	–	225,000
Property, plant and equipment	–	(19,000)	–	(19,000)
Receivables	–	252,000	–	252,000
	–	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)

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, 2012, deferred tax assets have not been recognised in respect of the following gross amounts of temporary differences:

	The Group 2012 RM	2011 RM
Unused tax losses	**13,059,357**	13,642,000
Unused tax capital allowances	**12,766,382**	11,390,000
Allowance for increased export	**1,155,000**	1,155,000
Temporary differences arising from:		
Receivables	**1,608,000**	194,000
Payables	**81,000**	39,000
Property, plant and equipment	**(5,586,000)**	(5,649,000)
Others	**20,000**	30,000
	23,103,739	20,801,000

20. INVENTORIES

	The Group	
	2012	**2011**
	RM	**RM**
Raw materials:		
Meats and dressings	**2,473,666**	1,801,222
Feeds and consumables	**1,923,086**	1,742,686
Medicine and chemicals	**710,476**	546,354
Packing materials	**343,829**	356,603
Unprocessed marine products	**292,993**	148,792
Others	**5,478**	10,100
	5,749,528	4,605,757
Work-in-progress:		
Parent stocks	**4,987,771**	4,875,719
Grand parent stocks	**1,364,822**	1,641,453
Eggs	**1,346,592**	3,398,231
Broiler chicken	**854,208**	462,765
Pullet	**311,052**	2,451,659
	8,864,445	12,829,827
Finished goods:		
Supermarket products	**8,096,714**	8,771,296
Processed chicken	**2,933,136**	2,851,047
Processed marine products	**245,261**	761,562
Frozen food	**108,215**	282,544
Trading products	**36,458**	90,464
Others	**30,301**	33,658
	11,450,085	12,790,571
Goods-in-transit	**62,000**	97,200
	26,126,058	30,323,355

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade receivables	**65,942,230**	58,186,893	**–**	–
Less: Allowance for impairment losses	**(9,097,606)**	(8,376,330)	**–**	–
	56,844,624	49,810,563	**–**	–
Amount owing by subsidiaries	**–**	–	**11,620,995**	15,288,792
Less: Allowance for impairment losses	**–**	–	**(1,527,937)**	(1,450,807)
	–	–	**10,093,058**	13,837,985
Other receivables	**545,449**	563,140	**–**	–
Less: Allowance for impairment losses	**–**	(9,963)	**–**	–
	545,449	553,177	**–**	–
	57,390,073	50,363,740	**10,093,058**	13,837,985

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

	The Group	
	2012 RM	2011 RM
Ringgit Malaysia	**52,983,773**	47,176,762
United States Dollar	**3,850,406**	2,569,813
Singapore Dollar	**10,445**	63,988
	56,844,624	49,810,563

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

	The Group	
	2012 RM	2011 RM
YWT Contract Farming [a]	**1,815,020**	1,267,409
Maju Jaya Farm [b]	**532,697**	181,420
Chyuan Heng Farming [a]	**344,801**	204,850
Jaya Gading Marketing [c]	**49,964**	67,560
Chuah Ah Chui [d]	**20,426**	17,885
Chuah Ah Bee Sdn. Bhd. [e]	**7,773**	–

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

21. TRADE AND OTHER RECEIVABLES (Cont'd)

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

The average credit periods granted to trade receivables of the Group range from 7 to 120 days (2011: 7 to 90 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	
	2012	**2011**
	RM	**RM**
Number of days past due:		
1 - 30 days	**9,135,223**	8,446,647
31 - 60 days	**2,705,605**	2,046,504
61 - 90 days	**771,666**	619,815
91 - 365 days	**1,560,331**	3,614,047
More than 1 year	**63,337**	–
Total	**14,236,162**	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	
	2012	**2011**
	RM	**RM**
Balance at beginning of the year	**8,376,330**	5,225,655
Impairment loss recognised upon adoption of FRS 139	**–**	2,643,630
Impairment loss recognised during the year	**1,360,383**	1,369,604
Impairment loss reversed during the year	**(112,926)**	(361,513)
Amount recovered during the year	**(116,598)**	(190,452)
Amount written off during the year as uncollectible	**(409,630)**	(310,594)
Currency translation difference	**47**	–
Balance at end of the year	**9,097,606**	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	
	2012	2011
	RM	RM
Number of days past due:		
91 - 365 days	–	7,797
1 - 2 years	**2,506,674**	1,936,597
2 - 3 years	**1,401,723**	1,777,586
3 - 4 years	**1,577,960**	883,442
More than 5 years	**6,488,419**	6,942,711
Total	**11,974,776**	11,548,133

The amount owing by subsidiaries are as follows:

	The Company	
	2012	2011
	RM	RM
CAB Cakaran Sdn. Bhd.	**4,232,275**	1,181,481
CAB Marine Resources Sdn. Bhd.	**4,211,989**	4,162,580
Kyros Food Industries Sdn. Bhd.	**3,116,731**	8,616,731
Kyros International Sdn. Bhd.	**60,000**	110,000
Jimat Jaya Sdn. Bhd.	–	1,218,000
	11,620,995	15,288,792

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	
	2012	2011
	RM	RM
Balance at beginning of the year	**1,450,807**	260,000
Impairment loss recognised upon adoption of FRS 139	–	1,758,775
Impairment loss recognised during the year	**77,130**	–
Impairment loss reversed during the year	–	(567,968)
Balance at end of the year	**1,527,937**	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	
	2012	2011
	RM	RM
Ringgit Malaysia	**542,947**	531,394
Singapore Dollar	**2,502**	1,144
United States Dollar	**–**	20,639
	545,449	553,177

Other receivables of the Group comprise mainly amounts receivable from outlet management, display income receivable, and payment of expenses made on behalf by the Group.

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

	The Group	
	2012	2011
	RM	RM
Balance at beginning of the year	**9,963**	2,250
Impairment loss recognised upon adoption of FRS139	**–**	11,529
Impairment loss reversed during the year	**(9,963)**	(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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Prepayments	**1,197,368**	1,576,162	**–**	–
Deposits	**2,591,860**	2,084,455	**1,000**	1,000
	3,789,228	3,660,617	**1,000**	1,000

23. SHORT-TERM DEPOSITS WITH LICENSED BANKS

As of September 30, 2012, the short-term deposits with licensed banks of the Group carry interests at rates ranging from 2.9% to 3.2% (2011: 2.9% to 3.3%) per annum and are maturing within October 2012 to September 2013.

As of September 30, 2012, the short-term deposits with licensed banks of the Group with a total carrying value of RM5,417,736 (2011: RM4,280,339) 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	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	**8,417,476**	5,985,714	**4,341**	3,954
United States Dollar	**7,418**	386,114	**–**	–
Singapore Dollar	**2,472**	16,263	**–**	–
Renminbi	**177**	181	**–**	–
	8,427,543	6,388,272	**4,341**	3,954

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2012	2011
	RM	RM
Freehold land and buildings	**125,000**	463,906
Buildings	**–**	695,079
Carrying amount at end of year	**125,000**	1,158,985

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

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 was completed during the financial year.

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 was completed during the financial year.

26. SHARE CAPITAL

	The Company	
	2012	2011
	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, 2012, out of the total number of 131,779,100 (2011: 131,779,100) of ordinary shares of RM0.50 each issued and paid-up, 218,200 (2011: 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 (2011: 131,560,900).

27. RESERVES

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Non-distributable:				
Properties revaluation reserve	**39,901,409**	5,114,791	**–**	–
Share premium	**71,379**	71,379	**71,379**	71,379
Translation reserve	**(23,322)**	(20,610)	**–**	–
	39,949,466	5,165,560	**71,379**	71,379

The movement in properties revaluation reserve is as follows:

	The Group	
	2012	2011
	RM	RM
Balance at beginning of year	**5,114,791**	5,258,226
Increase arising on revaluation of properties	**36,446,185**	–
Deferred tax arising on revaluation	**(1,425,702)**	–
Realisation of revaluation reserve upon disposal of revalued properties	**(103,406)**	(3,124)
Transferred to retained earnings	**(130,459)**	(140,311)
Balance at end of year	**39,901,409**	5,114,791

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.

The movement in foreign currency translation reserve is as follows:

	The Group	
	2012	2011
	RM	RM
Balance at beginning of year	**(20,610)**	10,100
Exchange differences arising on translating the net assets of foreign operations	**(2,712)**	(30,710)
Balance at end of year	**(23,322)**	(20,610)

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	
	2012	**2011**
	RM	**RM**
Secured:		
Bankers' acceptances	**39,850,000**	33,797,000
Long-term loans	**29,007,576**	16,217,759
Hire-purchase payables	**12,425,263**	10,801,659
Bank overdrafts	**4,692,763**	6,066,611
Foreign currency trade loan	**68,943**	–
Unsecured:		
Bankers' acceptances	**26,191,011**	22,908,242
Bank overdrafts	**1,185,182**	1,130,309
Long-term loans	**540,176**	1,048,301
	113,960,914	91,969,881
Less: Current portion	**(81,892,647)**	(72,511,107)
Non-current portion	**32,068,267**	19,458,774

The foreign currency exposure profile of borrowings is as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Ringgit Malaysia	**113,891,971**	91,969,881
United States Dollar	**68,943**	–
	113,960,914	91,969,881

The long-term loans are as follows:

	The Group	
	2012	**2011**
	RM	**RM**
Amount outstanding	**29,547,752**	17,266,060
Less: Current portion	**(5,054,223)**	(4,822,900)
Non-current portion	**24,493,529**	12,443,160

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

	The Group	
	2012	**2011**
	RM	**RM**
Later than one year and not later than two years	**4,631,966**	3,771,112
Later than two years and not later than five years	**10,839,617**	5,440,365
Later than five years	**9,021,946**	3,231,683
	24,493,529	12,443,160

28. BORROWINGS (Cont'd)

The hire-purchase payables are as follows:

	The Group	
	2012 RM	2011 RM
Total outstanding	**13,689,319**	12,017,630
Less: Interest-in-suspense outstanding	**(1,264,056)**	(1,215,971)
Principal outstanding	**12,425,263**	10,801,659
Less: Current portion	**(4,850,525)**	(3,786,045)
Non-current portion	**7,574,738**	7,015,614

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

	The Group	
	2012 RM	2011 RM
Later than one year and not later than two years	**3,607,422**	3,472,982
Later than two years and not later than five years	**3,967,316**	3,542,632
	7,574,738	7,015,614

The bankers' acceptances of the Group bear interests at rates ranging from 0.75% to 1.75% (2011: 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 2.1% (2011: 1.7%) per annum below the lending banks' base lending rates to 1.75% (2011: 1.75%) per annum above the lending banks' base lending rates and a fixed rate of 5% (2011: Nil) per annum. The bank overdrafts of the Group bear interests at rates ranging from 0% to 1.75% (2011: 1% to 2%) per annum above the lending banks' base lending rates. The foreign currency trade loan bears interest at a rate of 1.5% above the Singapore Interbank Offered Rate.

The effective interest rates per annum as of September 30, 2012 are as follows:

	The Group	
	2012 %	2011 %
Bankers' acceptances	**3.14 - 5.45**	3.27 - 5.45
Long-term loans	**4.5 - 8.35**	4.9 - 8.6
Hire-purchase payables	**4.15 - 8.45**	4.25 - 8.46
Bank overdrafts	**6.6 - 8.35**	7.6 - 8.6
Foreign currency trade loan	**1.94**	–

The bankers' acceptances of the Group as of September 30, 2012 are repayable within October 2012 to January 2013. The terms for hire-purchase of the Group range from two to seven years. The foreign currency trade loan as of September 30, 2012 are repayable in November 2012.

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 the Group;
e. negative pledges over certain assets of the Group;
f. guarantees by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
g. joint guarantees by certain directors of the Group for RM12,800,000 (2011: RM4,700,000);
h. a joint guarantee by certain directors and certain former directors of the Group for RM13,968,000 (2011: RM7,468,000); and
i. corporate guarantees by the Company for RM109,642,000 (2011: RM86,292,000).

The Group's hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase. Certain of the Group's hire-purchase payables are guaranteed by directors and former directors of the Group for RM769,000 (2011: RM63,000), and the Company for RM19,239,414 (2011: RM14,678,418).

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

a. negative pledge over certain assets of the Group;
b. corporate guarantees by the Company for 35,200,000 (2011: RM35,200,000); and
c. a joint guarantee by certain directors and certain former directors of the Group for RM1,170,000 (2011: 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	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Trade payables:				
Ringgit Malaysia	**50,957,617**	38,694,413	**–**	–
United States Dollar	**3,452,134**	742,474	**–**	–
Singapore Dollar	**263**	916	**–**	–
	54,410,014	39,437,803	**–**	–
Amount owing to directors:				
Ringgit Malaysia	**605,000**	104,857	**–**	24,417
Renminbi	**7,889**	–	**–**	–
	612,889	104,857	**–**	24,417
Other payables:				
Ringgit Malaysia	**5,577,132**	6,732,755	**–**	–
United States Dollar	**50,370**	–	**–**	–
	5,627,502	6,732,755	**–**	–
Accrued expenses:				
Ringgit Malaysia	**4,241,479**	3,832,253	**40,516**	38,016
Singapore Dollar	**22,313**	33,981	**–**	–
United States Dollar	**6,678**	6,701	**–**	–
	4,270,470	3,872,935	**40,516**	38,016
	64,920,875	50,148,350	**40,516**	62,433

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 90 days (2011: 7 to 120 days). Certain of the Group's trade payables are guaranteed by the Company for RM14,700,000 (2011: RM12,700,000). 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 are amounts owing to related parties as follows:

	The Group	
	2012	**2011**
	RM	**RM**
YWT Contract Farming [a]	**312,963**	758,717
Chyuan Heng Farming [a]	**52,759**	–

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

The amount owing to directors are as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Directors of the Company:				
Chuah Ah Bee	**605,000**	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	**7,889**	8,079	**–**	–
Irene Fong Fui Lee	**–**	7,361	**–**	–
	612,889	104,857	**–**	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	
	2012	**2011**
	RM	**RM**
Fah Leong Sdn. Bhd. [a]	**36,200**	36,775
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 certain directors of the Company, Mr. Chuah Ah Bee and Madam Chan Kim Keow are also directors and have interests in this company.

29. TRADE AND OTHER PAYABLES (Cont'd)

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. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	**8,427,543**	6,388,272	**4,341**	3,954
Short-term deposits with licensed banks	**5,417,736**	4,280,339	**–**	–
Bank overdrafts	**(1,400,190)**	(1,116,613)	**–**	–
	12,445,089	9,551,998	**4,341**	3,954
Less: Short-term deposits pledged as security	**(5,417,736)**	(4,280,339)	**–**	–
	7,027,353	5,271,659	**4,341**	3,954

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM20,952,391 (2011: RM26,206,909) of which RM6,588,780 (2011: RM6,051,800) was financed by means of hire-purchase, RM125,000 (2011: Nil) was acquired by means of debt settlement arrangement, and the balance of RM14,238,611 (2011: RM20,155,109) was cash payment.

31. 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 2011.

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.

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.

31. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

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	
	2012	**2011**
	RM	**RM**
Assets		
United States Dollar	**3,857,824**	2,976,566
Singapore Dollar	**15,419**	81,395
Renminbi	**177**	181
Liabilities		
United States Dollar	**3,578,125**	749,175
Singapore Dollar	**22,576**	34,897
Renminbi	**7,889**	–

The following table details the Group's sensitivity to a 7% (2011: 10%) increase and decrease in Ringgit Malaysia (RM) against the relevant foreign currencies. 7% (2011: 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 7% (2011: 10%) change in foreign currency rates where the RM strengthens 7% (2011: 10%) against the relevant currency. A positive number below indicates a decrease in profit and a negative number below indicates an increase in profit where the RM strengthens 7% (2011: 10%) against the relevant currency. For a 7% (2011: 10%) weakening of the RM against the relevant currency, there would be a comparable reverse impact on the profit.

31. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

ii. Foreign currency risk management (Cont'd)

	The Group	
	2012	**2011**
	RM	**RM**
Impact on profit or loss		
United States Dollar	**19,579**	222,739
Singapore Dollar	**(501)**	4,650
Renminbi	**(540)**	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 is 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.

31. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

v. Liquidity risk management (Cont'd)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	The Group	
	2012	**2011**
	RM	**RM**
Bankers' acceptances		
Not later than one year	**66,041,011**	56,705,242
Long-term loans		
Not later than one year	**6,509,971**	5,356,878
Later than one year and not later than two years	**5,959,825**	4,930,595
Later than two years and not later than five years	**14,922,766**	9,461,199
Later than five years	**13,937,502**	4,778,964
	41,330,064	24,527,636

	The Group	
	2012	**2011**
	RM	**RM**
Hire-purchase payables		
Not later than one year	**5,396,052**	4,321,598
Later than one year and not later than two years	**3,717,623**	3,656,000
Later than two years and not later than five years	**4,064,399**	3,596,583
	13,178,074	11,574,181
Bank overdrafts		
Not later than one year	**5,877,945**	7,196,920
Foreign currency trade loan		
Not later than one year	**68,943**	–

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

	The Group	
	2012	**2011**
	RM	**RM**
Secured	**26,195,710**	29,970,927
Unsecured	**5,824,197**	9,661,517
	32,019,907	39,632,444

31. FINANCIAL INSTRUMENTS (Cont'd)

b. Financial risk management objectives (Cont'd)

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 gain/ (loss) RM
2012:				
Sell USD				
Less than 3 months	**3.1097**	**46,740**	**145,279**	**1,869**
3 to 6 months	**3.0980**	**17,176**	**53,197**	**283**
Buy Euro				
Less than 3 months	**4.0475**	**2,160**	**8,743**	**(175)**
2011:				
Sell USD				
Less than 3 months	3.0237	159,684	482,672	(27,292)
3 to 6 months	3.1735	23,551	71,550	(616)
Buy USD				
Less than 3 months	3.2050	67,522	216,407	(1,081)
Buy Euro				
Less than 3 months	4.3590	21,600	94,154	(872)

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 17.

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 liability in respect of corporate guarantees given by the Company to local banks for credit facilities granted to certain subsidiaries is Nil (2011: Nil), as the directors of the Company consider that the probability of the subsidiaries to default in repayments of the credit facilities is unlikely.

32. DIRECTORS' BENEFITS-IN-KIND

	The Group	
	2012	**2011**
	RM	**RM**
Estimated cash value of benefits-in-kind provided to directors	**122,040**	103,696

33. 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	
	2012	**2011**	**2012**	**2011**
	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
With directors of the Company:				
Chuah Ah Bee				
Loan received	**600,000**	–	**–**	–
Rental paid	**94,590**	79,830	**–**	–
Loo Choo Gee				
Purchase of property	**–**	184,000	**–**	–
With other related parties:				
YWT Contract Farming [a]				
Purchases	**15,396,955**	17,984,692	**–**	–
Sales	**13,268,574**	14,307,243	**–**	–
Rental received	**340,980**	260,173	**–**	–
Interest received	**14,057**	19,440	**–**	–
Transportation charges received	**3,681**	–	**–**	–
Transportation charges paid	**–**	34,029	**–**	–
Maju Jaya Farm [b]				
Purchases	**7,206,158**	1,445,880	**–**	–
Sales	**6,490,316**	1,367,693	**–**	–
Rental received	**228,522**	41,977	**–**	–
Chyuan Heng Farming [a]				
Purchases	**4,327,893**	534,938	**–**	–
Sales	**3,822,343**	665,051	**–**	–
Rental received	**11,000**	–	**–**	–
Transportation charges received	**2,106**	–	**–**	–
Sale of property	**–**	405,000	**–**	–
Interest received	**–**	25,521	**–**	–

33. RELATED PARTY TRANSACTIONS (Cont'd)

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Chuah Ah Bee Sdn. Bhd. [c]				
Rental paid	**517,400**	196,000	**–**	–
Sales	**184,698**	–	**–**	–
Jaya Gading Marketing [d]				
Sales	**637,421**	844,642	**–**	–
Chuah Ah Chui [e]				
Sales	**465,990**	466,688	**–**	–
Fah Leong Sdn. Bhd. [f]				
Rental paid	**217,200**	210,850	**–**	–
Syarikat Sin Long Heng Breeding Farm Sdn. Bhd. [g]				
Rental received	**156,000**	156,000	**–**	–
Loo Chu Hock [h]				
Sale of motor vehicle	**13,000**	–	**–**	–

[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] 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.
[d] An entity which is owned by a brother-in-law of a director of a subsidiary, Mr. Yap Kim Hwah.
[e] A brother of Mr. Chuah Ah Bee, a director of the Company.
[f] A company in which a director of this company, Mr. Yap Kim Hwah is also a director of a subsidiary.
[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.
[h] A brother of Mr. Loo Choo Gee, a director of the Company.

34. COMMITMENTS

As of September 30, 2012, the Group has the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group	
	2012	2011
	RM	RM
Approved and contracted for	**3,336,765**	8,908,820

35. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease agreements to lease out certain of its property, plant and equipment and investment properties. 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	
	2012	2011
	RM	RM
Not later than one year	**452,568**	296,782
Later than one year and not later than five years	**565,676**	52,251
	1,018,244	349,033

35. OPERATING LEASE ARRANGEMENTS (Cont'd)

The Group has entered into operating lease agreements for the use of premises, poultry farm equipment, machinery and hostel. The 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	
	2012	**2011**
	RM	**RM**
Not later than one year	**2,237,010**	2,701,231
Later than one year and not later than five years	**1,668,120**	2,369,433
Later than five years	**345,000**	358,750
	4,250,130	5,429,414

36. CONTINGENT LIABILITIES

	The Company	
	2012	**2011**
	RM	**RM**
Unsecured:		
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	**95,981,435**	78,679,454

37. SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under FRS 8 Operating Segments are therefore as follows:

a. investment holding;
b. agricultural/ poultry farming/ food processing (including cultivation of timber crops and oil palms, breeding of grand parent stocks to produce breeder eggs, breeding of parent stocks to produce broiler eggs, breeding of 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);
e. trading/ value added products manufacturing (including processing, exporting, wholesaling, distributing and marketing of frozen marine and value added products, chicken products, and other food products and trading); and
f. supermarket.

During the current financial year, the Group's supermarket division is disclosed as a separate segment. Amounts reported for the prior year have been restated to conform to the requirements of FRS 8.

37. SEGMENT INFORMATION (Cont'd)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2012:								
Revenue								
External revenue	–	389,341,071	7,388,531	2,294,976	41,653,221	93,875,009	–	534,552,808
Inter-segment revenue	120,000	20,921,659	646,101	780,000	2,337,962	54,640	(24,860,362)	–
Total revenue	120,000	410,262,730	8,034,632	3,074,976	43,991,183	93,929,649	(24,860,362)	534,552,808
Results								
Segment (loss)/ profit	(155,069)	(10,347,269)	(296,216)	271,537	766,301	836,749	332,561	(8,591,406)
Investment revenue								2,533,562
Other gains and losses								11,625,083
Finance costs								(5,447,927)
Profit before tax								119,312
Tax income								1,281,443
Profit for the year								1,400,755

37. SEGMENT INFORMATION (Cont'd)

Segment revenue and results (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2011:								
Revenue								
External revenue	–	379,309,552	5,262,283	2,228,515	37,740,504	66,425,365	–	490,966,219
Inter-segment revenue	120,000	17,355,091	193,423	780,000	3,401,577	14,369	(21,864,460)	–
Total revenue	120,000	396,664,643	5,455,706	3,008,515	41,142,081	66,439,734	(21,864,460)	490,966,219
Results								
Segment (loss)/ profit	(153,419)	20,090,173	(372,989)	184,155	1,483,801	870,836	(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

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.

37. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2012:								
Assets								
Segment assets	**42,463,771**	**293,299,797**	**6,274,679**	**732,629**	**32,393,466**	**19,561,671**	**(66,154,821)**	**328,571,192**
Interest revenue producing assets								**5,417,736**
Income tax assets								**2,002,891**
Consolidated total assets								**335,991,819**
Liabilities								
Segment liabilities	**47,357**	**51,111,062**	**3,689,119**	**104,445**	**2,938,835**	**11,407,342**	**(4,377,285)**	**64,920,875**
Borrowings								**113,960,914**
Income tax liabilities								**7,189,498**
Consolidated total liabilities								**186,071,287**
2011:								
Assets								
Segment assets	38,968,037	228,212,150	7,133,550	1,034,701	27,756,911	19,802,967	(63,558,231)	259,350,085
Interest revenue producing assets								4,280,339
Income tax assets								546,275
Consolidated total assets								264,176,699
Liabilities								
Segment liabilities	70,891	32,912,635	777,611	221,276	3,454,011	12,726,715	15,072	50,178,211
Borrowings								91,969,881
Income tax liabilities								10,259,738
Consolidated total liabilities								152,407,830

37. 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	Supermarket Division RM	Eliminations RM	Consolidated RM
2012:								
Other information								
Additions to non-current assets	–	27,377,534	43,000	71,632	817,235	831,595	(6,201,509)	22,939,487
Depreciation and amortisation expense	–	5,750,250	400,844	131,712	1,358,482	960,188	698,013	9,299,489
Impairment loss recognised on receivables	77,130	1,352,903	–	8,341	877,640	–	(955,678)	1,360,336
Impairment loss recognised on investments in subsidiaries	–	808,000	–	–	–	–	(808,000)	–
Other non-cash expenses	–	2,747,301	–	87,616	247,879	22,210	(394,789)	2,710,217

37. SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

The Group

	Investment holding RM	Agricultural/ poultry farming/ food processing RM	Marine products manufacturing RM	Fast food business RM	Trading/ value added food products manufacturing RM	Supermarket RM	Eliminations RM	Consolidated RM
2011:								
Other information								
Additions to non-current assets	–	23,954,437	–	296,779	815,130	5,309,563	(4,169,000)	26,206,909
Depreciation and amortisation expense	–	5,596,203	398,480	132,966	1,338,782	378,052	1,020,233	8,864,716
Impairment loss recognised on receivables	–	1,484,794	–	47,328	58,256	–	(220,774)	1,369,604
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	–	158,803	–	27,929	152,478	25,501	41,312	406,023

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.

37. SEGMENT INFORMATION (Cont'd)

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.

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

	The Group	
	2012	**2011**
	RM	**RM**
Malaysia	**534,329,785**	490,462,812
Republic of Singapore	**223,023**	503,407
	534,552,808	490,966,219

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

	The Group	
	2012	**2011**
	RM	**RM**
Malaysia	**523,832,095**	481,627,589
United States of America	**5,709,100**	4,307,177
Pakistan	**3,227,929**	3,326,157
Others	**1,783,684**	1,705,296
	534,552,808	490,966,219

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

	The Group	
	2012	**2011**
	RM	**RM**
Malaysia	**232,451,313**	167,178,874
Republic of Singapore	**–**	16,242
	232,451,313	167,195,116

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

Information about major customers

Information about major customers was not disclosed as there was no customer that contributed 10% or more to the Group's revenue for both 2012 and 2011.

38. 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, 2012 into realised and unrealised amounts, pursuant to the directive, is as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Total retained earnings/ (accumulated losses):				
Realised	**28,693,565**	48,150,748	**(13,369,272)**	(13,149,576)
Unrealised	**23,212,505**	(91,480)	**–**	–
	51,906,070	48,059,268	**(13,369,272)**	(13,149,576)
Less: Consolidation adjustments	**(28,045,505)**	(21,423,496)	**–**	–
Total retained earnings/ (accumulated losses) as per statements of financial position	**23,860,565**	26,635,772	**(13,369,272)**	(13,149,576)

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, 2012 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 38, 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 25, 2013

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

I, **CHUAH AH BEE**, the director primarily responsible for the financial management of **CAB CAKARAN CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **CHUAH AH BEE** at **GEORGETOWN** in the State of **PENANG** on January 25, 2013

CHUAH AH BEE
Before me,

NACHATAR SINGH A/L BHAG SINGH, PJK
No.: P126
COMMISSIONER FOR OATHS

LIST OF MATERIAL 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, 2012 RM	Date of Valuation
Lot Nos 1512 & 3037, Title Nos GRN38752 & GRN7314, Mukim 11, Province Wellesley South, Penang	Two parcels of agricultural land for residential use/ breeder farms	168,264.23/ 24,140.41	22 - 27	Grant in perpetuity	15,340,000	30.09.12
Lot No. 1623, Title No. GRN 40215, Mukim 14, District of Seberang Perai Tengah, State of Penang/ No. 227, Kampung Nenas, Kuala Tasek, Permatang Tinggi, 14100 Bukit Mertajam, Penang	A parcel of agricultural land/ breeder farm	49,699.44/ Breeder house - 13,804.18/ Other - 1,899.75	10 17	Grant in perpetuity	14,406,000	30.09.12
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 or breeder farms/ rented out	91,667.22/ 15,063.73	22 - 27	Grant in perpetuity	11,565,000	30.09.12
Lot No. 16471, Title No. PN 24529, Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur/No. 12, Jalan Segambut Lentang, Segambut Industrial Area, 51200 Segambut, Kuala Lumpur	A parcel of industrial land erected upon it is a double-storey office cum a single-storey factory/ processing factory	3,150.05/ 3,490.17	8	Leasehold interest 99 years expiring on 16 June 2067	6,925,304	30.09.12
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 is a three-storey detached factory cum office/used as head office cum hatchery centre	9,248.00/ 4,717.05	15	Leasehold interst 60 years expiring on 6 December 2054	6,608,058	30.09.12

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, 2012 RM	Date of Valuation
Lot Nos. 26260, lot no. 26261 and PT92181, Title No GRN 95669, GRN 95670 and HSD 109633 respectively, Town of Sungai Petani, District of Kuala Muda, Kedah/ Situated within Bukit Makmur Industrial Park, Sungai Petani, Kedah	Three parcels of industrial land/ erected upon it are three storey office cum a single storey processing factory/ construction in progress and not yet put into use	35,008/ –	–	Grant in perpetuity	6,520,000	30.09.12
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	Two parcel of industrial land erected upon it are a double-storey office cum factory and other ancillary buildings/ seafood processing factory	11,123.78/ 6,728.55	21	Grant in perpetuity	5,840,000	30.09.12
Part of Lot No. PT 542, Title No. HSD 2/1985, Mukim of Pedang Peliang, District of Pendang, Kedah/ Situated off Jalan Jeniang - Pendang, within Bukit Perak estate, Kedah Darul Aman	30 years leasehold land erected upon it is five units of breeder farm cum office and hostel/ grandparent stock farming	44,515.9/ Farm House 7,134.70/ Other- 1,863.49	5	Leasehold interest 30 years expiring on 20 November 2037	5,018,117	30.09.12
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- 918.45	8	Grant in perpetuity	4,445,000	30.09.12
Lot No. 39, Title No. GM 1133, Mukim of Hosba, District of Kubang Pasu, State of Kedah/Situated off Jitra-Bukit Kayu Hitam highway, within Kampung Tengah, Napoh, Jitra, Kedah	A parcel of agricultural land which is zoned for industries use/ plantation of sentang trees	84,641/ –	–	Grant in perpetuity	4,400,000	30.09.12

ANALYSIS OF SHAREHOLDINGS

Share Capital As At February 6, 2013

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 6, 2013 exclusive of 218,200 treasury shares bought back.

DISTRIBUTION OF SHAREHOLDERS AS AT FEBRUARY 6, 2013

Holdings	No. of Holders	Total Shareholdings	%
1 – 99	43	2,142	0.00
100 – 1,000	97	57,886	0.05
1,001 - 10,000	971	4,304,500	3.27
10,001 - 100,000	477	15,461,603	11.75
100,001 – 6,578,044 (*)	83	47,392,775	36.02
6,578,045 and above (**)	2	64,341,994	48.91
Total	1,673	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 6, 2013

	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	Tan Chin Tee	5,508,500	4.19
5	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Loo Choo Gee)	4,681,925	3.56
6	EB Nominees (Tempatan) Sendirian Berhad (Pledged securities account for Tan Chee Hee)(PRA)	4,400,000	3.34
7	Cheng Mooh Tat	1,808,100	1.37
8	Chuah Hoon Hong	1,800,000	1.37
9	Chuah Hoon Teng	1,800,000	1.37
10	Chuah Hoon Phong	1,572,450	1.20
11	Loo Choo Gee	1,430,500	1.09
12	Chuah Hoon Phong	1,370,000	1.04
13	Chop Cheong Bee Sdn. Bhd.	1,274,800	0.97
14	Chuah Teh Chai	1,120,750	0.85
15	Loo Choo Gee	1,038,900	0.79
16	Seah Mok Khoon	1,020,000	0.78
17	Tan Wai Heng	999,800	0.76
18	Loo Chu Heng	691,950	0.53

ANALYSIS OF SHAREHOLDINGS (Cont'd)
Share Capital As At February 6, 2013

THIRTY LARGEST (30) SECURITIES ACCOUNT HOLDERS AS AT FEBRUARY 6, 2013 (Cont'd)

	Name	Shareholdings	%
19	Lee Cheong Keat @ Lee Chong Keat	669,800	0.51
20	Ng Lian Hock	668,100	0.51
21	Maybank Nominees (Tempatan) Sdn. Bhd. (Loo Choo Gee)	561,100	0.43
22	Malacca Equity Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Ho Kok Kiang)	547,900	0.42
23	Chan Kim Keow	530,100	0.40
24	Lee Wei Lim	507,150	0.39
25	Ong Wee Chin	503,900	0.38
26	Ng Khai Yan	489,400	0.37
27	Lee Sek Tah	450,000	0.34
28	Tan Mok Kew	420,950	0.32
29	TA Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Foo Yin Kang)	405,000	0.31
30	Khor Ah Yeam	345,000	0.26

SUBSTANTIAL SHAREHOLDERS AS AT FEBRUARY 6, 2013

		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 6, 2013

	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	2,997,400	2.28	99,000 **	0.08
5	Chew Chee Khong	–	–	–	–
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

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CAB CAKARAN CORPORATION BERHAD

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

PROXY FORM

#CDS account no. of authorised nominee

I / We,____
of ____
being a *member / members of the abovenamed Company, hereby appoint ____________________
of ____
or failing *him/her,____________________________________
of ____
or failing *him/her, the Chairman of the Meeting as *my / our proxy to vote for *me / us on *my / our behalf at the Eleventh 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, 28 March 2013 at 10.00 a.m. and any adjournment thereof. *My/our proxy is to vote as indicated below:

		For	Against
Ordinary Resolution 1	Re-election of Mr Chuah Hoon Phong		
Ordinary Resolution 2	Re-election of Mr Chuah Ah Bee		
Ordinary Resolution 3	Re-election of Tuan Haji Ahmad Fazil Bin Haji Hashim		
Ordinary Resolution 4	Re-appointment of Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
Ordinary Resolution 5	Continuing in office for Tuan Haji Ahmad Fazil Bin Haji Hashim as an Independent Non-Executive Director		
Ordinary Resolution 6	Approval of Directors' Fees of RM114,000 for year ending 30 September 2013		
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		
Special Resolution	Amendments to the Articles of Association		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific to voting is given, the proxy may vote as he thinks fit.
* Strike out whichever not applicable

Signed this …........ day of……………….........., 2013.

Number of shares held	

For appointment of two proxies, number of shares and percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1	________	______%
Proxy 2	________	______%

…………………………………...................
Signature / Common Seal of Shareholder

Contact no. of
Shareholder/Proxy: ………..…………………

Notes:

1. A Member of the Company entitled to attend and vote is entitled to appoint up to 2 proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, it may appoint 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.
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. The instrument appointing a proxy must be deposited at the Registered Office at Suite 12-02, 12th Floor, Menara Zurich, 170, Jalan Argyll, 10050 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
6. Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
7. Only members registered in the Record of Depositors as at 21 March 2013 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

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STAMP HERE

To

The Secretaries
CAB Cakaran Corporation Berhad
Suite 12-02, 12th Floor
Menara Zurich
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
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