

CAB CAKARAN CORPORATION BERHAD
(583661-W)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2020

CONTENTS

	Page
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	3 - 4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	6 - 7
NOTES TO THE INTERIM FINANCIAL REPORT	8 - 18

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended 31 December		3 months ended 31 December	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	9	433,165	448,202	433,165	448,202
Cost of sales		(405,037)	(425,191)	(405,037)	(425,191)
Gross profit		28,128	23,011	28,128	23,011
Other income		4,711	4,491	4,711	4,491
Distribution costs		(15,338)	(15,676)	(15,338)	(15,676)
Administrative expenses		(11,483)	(11,739)	(11,483)	(11,739)
Other expenses		(64)	-*	(64)	-*
Profit from operations	9	5,954	87	5,954	87
Investment revenue		112	161	112	161
Other gains and losses		(8,166)	(7,423)	(8,166)	(7,423)
Finance costs		(4,538)	(5,750)	(4,538)	(5,750)
Share of result in joint venture		(223)	(265)	(223)	(265)
Share of result in an associate		5	2	5	2
Loss before taxation		(6,856)	(13,188)	(6,856)	(13,188)
Tax (expense)/ income	19	(1,173)	212	(1,173)	212
Loss for the period	26	(8,029)	(12,976)	(8,029)	(12,976)
Other Comprehensive (loss)/income					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		(16)	137	(16)	137
Total comprehensive loss for the period		(8,045)	(12,839)	(8,045)	(12,839)
Loss attributable to:					
Owners of the Company		(3,587)	(7,865)	(3,587)	(7,865)
Non-controlling interests		(4,442)	(5,111)	(4,442)	(5,111)
		(8,029)	(12,976)	(8,029)	(12,976)
Total comprehensive loss attributable to:					
Owners of the Company		(3,598)	(7,805)	(3,598)	(7,805)
Non-controlling interests		(4,447)	(5,034)	(4,447)	(5,034)
		(8,045)	(12,839)	(8,045)	(12,839)
Loss per ordinary share (sen):					
Basic	25	(0.52)	(1.19)	(0.52)	(1.19)
Diluted	25	N/A	(1.16)	N/A	(1.16)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2020	As at 30 September 2020
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		687,750	693,310
Investment properties		109,956	109,956
Right of use assets		83,995	84,059
Other intangible asset		9,376	9,638
Goodwill		6,219	6,219
Investment in a joint venture		1,067	1,290
Interest in an associate		269	264
Other financial asset	22	361	1,531
Deferred tax assets		23	23
Total non-current assets		899,016	906,290
Current Assets			
Biological assets		81,794	93,063
Inventories		83,392	67,390
Trade and other receivables	27	190,160	189,443
Other assets		16,157	16,562
Current tax assets		1,906	2,799
Short-term deposits with licensed banks		19,486	28,861
Cash and bank balances		63,891	74,435
Total current assets		456,786	472,553
TOTAL ASSETS		1,355,802	1,378,843
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		140,679	140,679
Treasury shares		(69)	(69)
Reserves		1,220	1,231
Retained earnings		314,932	318,519
Equity attributable to owners of the Company		456,762	460,360
Non-controlling interests		117,865	122,312
Total equity		574,627	582,672
NON-CURRENT LIABILITIES			
Borrowings	21	260,723	268,604
Lease liabilities		8,463	7,861
Deferred revenue		77	93
Deferred tax liabilities		42,420	43,176
Total non-current liabilities		311,683	319,734

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		As at 31 December 2020	As at 30 September 2020
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables		217,230	211,548
Borrowings	21	244,370	256,786
Lease Liabilities		2,456	2,513
Other financial liability	22	-	1
Deferred revenue		1,009	1,019
Current tax liabilities		4,427	4,570
Total current liabilities		469,492	476,437
TOTAL LIABILITIES		781,175	796,171
TOTAL EQUITY AND LIABILITIES		1,355,802	1,378,843
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.66	0.67

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (583661-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Three (3) Months Ended 31 December 2020

	----- Attributable to owners of the Company ----->						Non-Controlling interest RM'000	Total Equity RM'000
	←----- Non-distributable ----->			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000		
As at 1 October 2020	140,679	(69)	82	1,149	318,519	460,360	122,312	582,672
Loss for the period	-	-	-	-	(3,587)	(3,587)	(4,442)	(8,029)
Other comprehensive loss	-	-	-	(11)	-	(11)	(5)	(16)
Total comprehensive loss for the period	-	-	-	(11)	(3,587)	(3,598)	(4,447)	(8,045)
Balance as at 31 December 2020	140,679	(69)	82	1,138	314,932	456,762	117,865	574,627

Three (3) Months Ended 31 December 2019

As at 1 October 2019	135,270	(69)	82	1,103	317,484	453,870	139,833	593,703
Loss for the period	-	-	-	-	(7,865)	(7,865)	(5,111)	(12,976)
Other comprehensive income	-	-	-	60	-	60	77	137
Total comprehensive income/(loss) for the period	-	-	-	60	(7,865)	(7,805)	(5,034)	(12,839)
Exercise of share warrants for 3,481,907 new ordinary shares at RM0.17 per ordinary share	592	-	-	-	-	592	-	592
Balance as at 31 December 2019	135,862	(69)	82	1,163	309,619	446,657	134,799	581,456

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 December 2020 RM'000 (Unaudited)	3 months ended 31 December 2019 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(6,856)	(13,188)
Adjustments for:		
Depreciation and amortization of non-current assets	13,550	13,287
Loss on fair value adjustment of biological assets	8,077	6,683
Interest expenses	4,178	5,404
Net fair value loss on derivative financial asset/ (liability)	1,169	938
Property, plant and equipment written off	293	33
Impairment loss on receivables	260	513
Share of result in a joint venture	223	265
Bad debts written off	-*	-
Net unrealized gain on foreign exchange	(1,279)	(968)
Gain on disposal of property, plant and equipment	(498)	(17)
Interest revenue recognized in profit or loss	(125)	(122)
Gain on forgiven lease payments	(28)	-
Reversal of inventories written down	(26)	-
Amortization of deferred revenue	(17)	(3)
Share of result in an associate	(5)	(2)
Other investment written off	-	37
	18,916	12,860
Movement in working capital:		
Inventories	(15,980)	(12,875)
Biological assets	3,192	2,108
Trade and other receivables	(1,052)	(14,874)
Other assets	613	50
Trade and other payables	6,370	18,571
Deferred revenue	(9)	-
Cash generated from operations	12,050	5,840
Interest received	61	40
Interest paid	(4,613)	(5,596)
Net of income tax paid and refunded	(1,178)	(1,747)
Interest paid on lease liabilities	(163)	(152)
Net cash generated/(used) in operating activities	6,157	(1,615)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	1,006	65
Interest received	57	69
Payments for non-current assets	(6,457)	(13,023)
(Increase)/ decrease in other assets for acquisition of non-current assets	(247)	454
Net cash used in investing activities	(5,641)	(12,435)

* Negligible

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	3 months ended 31 December 2020 RM'000 (Unaudited)	3 months ended 31 December 2019 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in long-term loans	(12,672)	5,957
Net change in short-term borrowings	(3,988)	12,381
Net change in hire-purchase	(1,939)	(2,837)
Net in lease liabilities	(563)	(450)
Short-term deposits pledged as securities	(50)	88
Repayment from a joint venture	(38)	-
(Repayment)/advance from a director	(7)	52
Proceeds from Warrants exercise	-	592
Net cash (used in)/generated from financing activities	(19,257)	15,783
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(18,741)	1,733
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	91,824	53,530
Effect of foreign exchange rate changes	(21)	34
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	73,062	55,297
REPRESENTED BY:-		
Short-term deposits with licensed banks	19,486	13,267
Cash and bank balances	63,891	54,149
Bank overdrafts classified as cash equivalents	(650)	(2,627)
	82,727	64,789
Less: Short-term deposits pledged as securities	(9,665)	(9,492)
	73,062	55,297

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial report.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31
DECEMBER 2020**

PART A : EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by International Accounting Standards Board (“IASB”), paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2020.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 30 September 2020, except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and Interpretation during the current financial period.

Amendments to MFRS 3	Definition of a Business (Amendments to MFRS 3)
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material
Amendment to MFRS 16	Covid-19 Related Rent Concessions

The adoption of the above Standards and Interpretation does not have any significant impact to the Group.

Standards and IC Interpretations in issue but not yet effective

The new and revised standards and Amendments which were in issue but not yet effective and not earlier adopted by the Group are as listed below:

Amendments to MFRS 3	Reference to the Conceptual Framework (Amendments to MFRS 3) ^(b)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform Phase 2 ^(a)
Amendments to MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^(d)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ^(c)
Amendments to MFRS 116	Proceeds Before Intended Use ^(b)
Amendments to MFRS 137	Onerous Contracts-cost of Fulfilling a Contract ^(b)
MFRS 17	Insurance Contract ^(c)
Annual Improvements to MFRS Standards 2018-2020 ^(b)	

^(a) Effective for annual periods beginning on or after 1 January 2021

^(b) Effective for annual periods beginning on or after 1 January 2022

^(c) Effective for annual periods beginning on or after 1 January 2023

^(d) Effective date to be determined by the MASB

2. Changes in Accounting Policies (Cont'd)

The Directors anticipate that the abovementioned Standards and Amendments 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 Standards and Amendments will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. Audit opinion

The auditors' report on the financial statements of the Group for the financial year ended 30 September 2020 was not subject to any audit qualification.

4. Seasonal or cyclical factors

The Group's financial performance in the current quarter was not significantly affected by any seasonal or cyclical factor.

5. Unusual items

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter ended 31 December 2020.

6. Material change in estimates

There were no material change in estimates of amounts reported in the prior quarter and/ or financial year that have a material effect on the Group in the current quarter ended 31 December 2020.

7. Changes in debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company for the period ended 31 December 2020.

At the Annual General Meeting of the Company held on 09 June 2020, the shareholders of the Company had approved the Proposed Renewal of Share Buy Back Authority for the Company to purchase its own ordinary shares of RM0.50 each as may be determined by the Directors of the Company up to a maximum of 10% of the issued and paid up capital of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting of the Company.

The Company did not repurchase any shares during the current quarter under review.

As at 31 December 2020, a total of 545,500 shares were repurchased and held as treasury shares and carried at cost of RM69,304.

8. Dividends paid

There were no dividends paid during the current year to date.

9. Segmental information

The analysis of contribution by business activities of the Group is as follows:-

	Investment holding RM'000	Integrated poultry RM'000	Supermarket RM'000	Fast Food RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended 31 December 2020						
Segment revenue						
External revenue	-	401,367	31,561	237	-	433,165
Inter-segment revenue	84	3,769	-	136	(3,989)	-
Total revenue	84	405,136	31,561	373	(3,989)	433,165
Segment results	(193)	7,710	151	(104)	(1,610)	5,954
As at 31 December 2020						
Segment assets	139,233	1,260,150	30,170	1,239	(96,405)	1,334,387
Interest revenue producing assets						19,486
Income tax assets						1,929
Consolidated total assets						1,355,802
Segment liabilities	161	209,711	19,033	335	(5)	229,235
Borrowings						505,093
Income tax liabilities						46,847
Consolidated total liabilities						781,175

(FORWARD)

9. Segmental information (Cont'd)

The analysis of contribution by business activities of the Group is as follows:-

	Investment holding RM'000	Integrated poultry RM'000	Supermarket RM'000	Fast Food RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended 31 December 2019						
Segment revenue						
External revenue	-	416,229	31,590	383	-	448,202
Inter-segment revenue	83	4,419	1	163	(4,666)	-
Total revenue	83	420,648	31,591	546	(4,666)	448,202
Segment results	(236)	1,696	55	(25)	(1,403)	87
As at 31 December 2019						
Segment assets	147,089	1,255,497	30,847	7,916	(111,466)	1,329,883
Interest revenue producing assets						13,267
Income tax assets						3,361
Consolidated total assets						1,346,511
Segment liabilities	650	214,858	17,710	171	(6)	233,383
Borrowings						484,321
Income tax liabilities						47,351
Consolidated total liabilities						765,055

(FORWARD)

9. Segmental information (Cont'd)

The analysis of contribution by geographical locations of the Group is as follows:-

	Three (3) Months ended	
	31 December 2020	
	RM'000	%
Revenue		
By Geographical Locations		
Malaysia	372,944	86.10
Singapore	57,561	13.29
Others	2,660	0.61
Consolidated	<u>433,165</u>	<u>100.00</u>

The Directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. There were no revaluation of property, plant and equipment for the current quarter under review.

The valuation of land and buildings has been brought forward without any amendment from the previous audited financial statements.

11. Material events subsequent to the end of the interim period

There were no material events which have occurred subsequent to the end of current quarter ended 31 December 2020 until the date of the interim financial report.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year up to the quarter under review.

13. Changes in contingent liabilities and assets

As at 31 December 2020, the Company had issued corporate guarantees of RM818.00 million (31 December 2019: RM787.92 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively, granted to its subsidiary companies.

14. Capital commitments

The capital commitments of the Group as at 31 December 2020 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	17,213
Authorised but not contracted for	54,935
	<u>72,148</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of performance

For the first quarter ended 31 December 2020, the Group recorded revenue of RM433.17 million, representing a decrease of about 3.35% over the prior year corresponding quarter's revenue of RM448.20 million. The lower revenue was mainly due to lower sales recorded by the integrated poultry division.

The integrated poultry division recorded a decrease in revenue by 3.69% as compared to prior year corresponding quarter. This was mainly due to the decrease in the sales of processed chicken as well as decrease in the production of broilers and trading volume of feeds by 7.43% and 5.53% respectively in view of the decrease in demand of chicken during the pandemic.

Despite the lower revenue, the Group recorded an increase in profit from operation to RM7.71 million from RM1.70 million in prior year corresponding quarter mainly due to the higher average selling price of broilers of RM4.28 per kg as compared to RM3.83 per kg.

The supermarket division recorded an increased in profit from operation to RM0.15 million despite a slight decrease in revenue. Given the continuous efficiency of managing fresh food wastages since the pandemic, this division benefited from the effort in reducing food waste.

The fast food division which has been hardest hit during the MCO, continues to suffer a higher loss from operation resulted from the lower revenue and high overhead cost during the quarter under review.

16. Comment on variation of results against immediate preceding quarter

The comparison of the Group's revenue and loss before taxation for the current quarter and preceding quarter is summarised as follows:-

	FYE2021 Quarter 1 RM'000 (Unaudited)	FYE2020 Quarter 4 RM'000 (Unaudited)	Variance	
			RM'000	%
Revenue	433,165	446,862	(13,697)	(3.07)
(Loss)/profit before taxation	(6,856)	5,666	(12,522)	
Property, plant and equipment written off	293	2,446	(2,153)	
Loss on fair value adjustment of biological assets	8,077	695	7,382	
Gain on fair value adjustment of investment properties	-	(1,993)	1,993	
Adjusted profit before taxation	1,514	6,814	(5,300)	(72.05)

For the current quarter ended 31 December 2020, the Group suffered a higher loss from the fair value adjustment on biological asset as compared to previous quarter, mainly due to the increase in feed cost by approximately 8% since the last financial year end.

Excluding the impact of the fair value adjustment on biological asset and investment properties as well as the written off of property, plant and equipment, the Group recorded a lower revenue and profit before tax mainly attributed to both the increase in feed cost and the lower average selling price of broilers of RM4.28 per kg as compared to RM4.47 per kg in the previous corresponding quarter. Besides the lower average selling price of broilers, the decrease in the demand of processed chicken has further adversely affected the revenue of the Group.

17. Commentary on prospects

As the Covid-19 infections continued to soar, a fresh MCO was announced by the Malaysian Government in Mid of January 2021 which was followed by the declaration of a state of emergency to deal with the worsening situation. This is likely to have an adverse impact on the country's projected economic recovery for 2021 which will also expect a widening fiscal deficit. Nevertheless, it is believed that the overall economic hit from the latest measures is likely to be "less severe" compared to what was experienced in the first MCO given the less restrictive measures currently. With positive elements such as the roll-out of the Covid-19 vaccination in March and the expansionary fiscal and monetary policies, both demand and supply sides are expected to improve particularly from the second quarter of 2021 onwards.

Brisk demand from China has continuously sent feed prices on an upward trend since October 2020. However, while the poultry industry has already gone through one of its most turbulent year, a more disciplined supply strategy from the industry had succeeded in rebalancing market supply. This would avoid an oversupply situation and allows the price of broiler to trend higher.

While the pandemic has revived the business of many struggling grocery retailers that had physical stores, it has also accelerated the shift to online shopping and increase in the number of convenience stores and chain minimarkets. Therefore, the supermarket division is expected to face stiff competition in the future.

Given that the current global pandemic situation is still extremely fluid and riddled with uncertainties, the Company will continue to closely monitor its business activities and remains committed to focus on its resource optimisation and competitiveness.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Tax expense/ (income)

	3 months ended		3 months ended	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Current taxation				
- Current	1,926	2,485	1,926	2,485
- Prior year	2	3	2	3
	1,928	2,488	1,928	2,488
Deferred taxation	(755)	(2,700)	(755)	(2,700)
	<u>1,173</u>	<u>(212)</u>	<u>1,173</u>	<u>(212)</u>

For the current quarter under review, the Group made provision for the current year taxation as business profit of certain subsidiary companies cannot be offset against the business loss of other subsidiary companies.

20. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended 31 December 2020 and up to the date of this interim financial report save as below.

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

21. Group borrowings and debt securities

The Group's total bank borrowings as at 31 December 2020 are as follows:-

	As at 31 December 2020			As at 30 September 2020		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:						
Bankers' acceptances	127,722	51,656	179,378	122,035	55,865	177,900
Term loans	34,725	5,116	39,841	38,599	8,075	46,674
Revolving credit	1,000	14,150	15,150	1,000	18,350	19,350
Hire purchase payables	9,351	-	9,351	9,739	-	9,739
Bank overdrafts	650	-	650	1,857	-	1,857
Trust Receipts	-	-	-	1,266	-	1,266
Sub-total	173,448	70,922	244,370	174,496	82,290	256,786
Long-term borrowings:						
Term loans	229,793	13,652	243,445	236,110	14,577	250,687
Hire purchase payables	17,278	-	17,278	17,917	-	17,917
Sub-total	247,071	13,652	260,723	254,027	14,577	268,604
Total borrowings	420,519	84,574	505,093	428,523	96,867	525,390

The Group's total borrowings decreased to RM505.09 million during the quarter under review as compared to RM23.39 million recorded in the financial year ended 30 September 2020 mainly due to the repayment of term loan, revolving credit and trust receipts.

The foreign currency exposure profile of borrowings is as follow:

	As at 31 December 2020			As at 30 September 2019		
		Foreign Currency '000	RM Equivalent '000		Foreign Currency '000	RM Equivalent '000
Short Term Borrowing						
Secured	RM		166,116	RM		166,991
Unsecured	RM		69,397	RM		81,681
Secured	USD	1,240	4,980	USD	1,240	5,153
Secured	SGD	775	2,352	SGD	775	2,352
Unsecured	SGD	502	1,525	SGD	200	609
			244,370			256,786
Long Term Borrowing						
Secured	RM		173,884	RM		177,815
Secured	SGD	13,508	41,003	SGD	13,702	41,619
Secured	USD	8,014	32,184	USD	8,324	34,593
Unsecured	SGD	4,498	13,652	SGD	4,800	14,577
			260,723			268,604
Total Borrowing						
Secured	RM		340,000	RM		344,806
Unsecured	RM		69,397	RM		81,681
Secured	USD	9,254	37,164	USD	9,564	39,746
Secured	SGD	14,283	43,355	SGD	14,477	43,971
Unsecured	SGD	5,000	15,177	SGD	5,000	15,186
			505,093			525,390

22. Derivative financial instruments

The derivative financial asset as at 31 December 2020 are carried at fair value through profit or loss as follows:

Financial instruments	Contracted Amount RM'000	Net Fair Value (Loss)/Gain RM'000
Cross Currency Interest Rate Swap Contracts: Purchase Contracts - More than 1 year	38,942	361

For the quarter ended 31 December 2020, there have been no significant changes to the Group's exposure to credit risk, market risk, liquidity risk and foreign currency risk from the previous financial year. The Group's financial risk management objectives or policies have also not been changed since the previous financial year.

23. Changes in material litigation

There were no material litigations as at the date of the interim financial report.

24. Proposed Dividend

No any other interim dividend has been declared during the current quarter ended 31 December 2020

25. Basic loss per ordinary share

The basic loss per ordinary share and diluted loss per ordinary share are calculated based on the Group's net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue as follows:-

	Current Period Quarter 31 December 2020	Prior Period Quarter 31 December 2019	Current Year To Date 31 December 2020	Preceding Year To Date 31 December 2019
Net loss attributable to shareholders (RM'000)	(3,587)	(7,865)	(3,587)	(7,865)
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	689,963	659,840	689,963	659,840
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	689,963	659,840	689,963	659,840
Adjustment for assumed exercised of Warrant ('000)	-	20,237	-	20,237
Adjusted weighted average number of ordinary shares ('000)	689,963	680,077	680,323	680,077
Basic loss per ordinary share (sen)	(0.52)	(1.19)	(0.52)	(1.19)
Diluted loss per ordinary share (sen)	N/A	(1.16)	N/A	(1.16)

26. Loss for the period

Loss for the period has been arrived at:

	3 months ended		3 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	13,550	13,287	13,550	13,287
Loss on fair value adjustment of biological assets	8,077	6,683	8,077	6,683
Interest expenses	4,178	5,404	4,178	5,404
Net fair value loss on derivative financial asset/ (liability)	1,169	938	1,169	938
Property, plant and equipment written off	293	33	293	33
Impairment loss on receivables	260	513	260	513
Share of result in a joint venture	223	265	223	265
Bad deb written off	-*	-	-*	-
Net unrealized gain on foreign exchange	(1,279)	(968)	(1,279)	(968)
Gain on disposal of property, plant and equipment	(498)	(17)	(498)	(17)
Interest revenue recognized in profit or loss	(125)	(122)	(125)	(122)
Gain on forgiven lease payments	(28)	-	(28)	-
Reversal of inventories written down	(26)	-	(26)	-
Amortization of deferred revenue	(17)	(3)	(17)	(3)
Share of result in an associate	(5)	(2)	(5)	(2)
Other financial assets written off	-	37	-	37

* Negligible

27. Trade Receivables

	As at 31 December 2020 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Trade receivables:		
Third parties	195,147	193,326
Related parties	6,767	5,721
Less: Allowance for impairment losses	(21,550)	(21,290)
Trade receivable, net	180,364	177,757
Other receivables:		
Third parties	10,151	12,025
Related parties	460	476
Less: Allowance for impairment losses	(815)	(815)
Other receivable, net	9,796	11,686
Total trade and other receivables	190,160	189,443

(FORWARD)

27. Trade Receivables (Cont'd)

Amounts owing by related parties are as follows:

	As at 31 December 2020 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	2,494	2,722
Sinmah Poultry Processing (S) Pte. Ltd.	1,674	1,134
Maju Jaya Farm	1,122	535
Chyuan Heng Farming Sdn. Bhd.	417	46
Aqina Farming Sdn. Bhd.	375	623
Wilayah Food Trading Sdn. Bhd.	254	
Sinmah Food Services (S) Pte. Ltd.	142	138
Shin Salim Japan Co. Ltd.	92	347
OTO Agriculture Marketing Sdn. Bhd.	88	41
Jaya Gading Marketing	59	62
Chuah Ah Chui	29	26
Toh York Mue	12	36
Unisetali Sdn. Bhd.	9	10
DS Poultry Sdn. Bhd.	-	1
	6,767	5,721
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	455	456
Unisetali Sdn. Bhd.	3	16
Asiawe Resources Sdn. Bhd.	1	1
Chyuan Heng Farming Sdn. Bhd.	1	-
Maju Jaya Farm	-*	3
	460	476

There have been no significant changes to the average credit terms granted to third parties and related parties from the previous financial year.

Ageing of trade receivables:

	As at 31 December 2020 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Not past due	135,630	136,995
Number of days past due:		
1 - 30 days	27,217	25,066
31 - 60 days	8,049	8,033
61 - 90 days	3,960	2,058
Over 91 days	5,508	5,605
Total	180,364	177,757

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. All debts exceed the credit terms are closely monitored by the Group's credit control team.

29. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution dated 25 February 2021.