

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
31 MARCH 2021

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 6 months ended 31 March	
		2021	2020	2021	2020
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
Revenue	9	444,789	409,653	877,954	857,855
Cost of sales		(414,042)	(382,171)	(819,079)	(807,362)
Gross profit		30,747	27,482	58,875	50,493
Other income		6,590	4,068	11,301	8,559
Distribution costs		(15,882)	(15,834)	(31,220)	(31,510)
Administrative expenses		(13,622)	(13,083)	(25,105)	(24,822)
Other expenses		-	(24)	(64)	(24)
Profit from operations	9	7,833	2,609	13,787	2,696
Investment revenue		110	166	222	327
Other gains and losses		(1,921)	(5,262)	(10,087)	(12,685)
Finance costs		(4,315)	(5,800)	(8,853)	(11,550)
Share of result in joint venture		(276)	(371)	(499)	(636)
Share of result in an associate		1	5	6	7
Profit/(loss) before taxation		1,432	(8,653)	(5,424)	(21,841)
Tax expense	19	(2,536)	(1,510)	(3,709)	(1,298)
Loss for the period	26	(1,104)	(10,163)	(9,133)	(23,139)
Other Comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		1,065	(377)	1,049	(240)
Total comprehensive loss for the period		(39)	(10,540)	(8,084)	(23,379)
Profit/(loss) attributable to:					
Owners of the Company		1,079	(4,524)	(2,508)	(12,389)
Non-controlling interests		(2,183)	(5,639)	(6,625)	(10,750)
		(1,104)	(10,163)	(9,133)	(23,139)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,547	(4,689)	(2,051)	(12,494)
Non-controlling interests		(1,586)	(5,851)	(6,033)	(10,885)
		(39)	(10,540)	(8,084)	(23,379)
Earning/(loss) per ordinary share (sen):					
Basic	25	0.16	(0.66)	(0.36)	(1.85)

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 March 2021	As at 30 September 2020
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		686,363	693,310
Investment properties		109,956	109,956
Right of use assets		85,047	84,059
Other intangible asset		9,132	9,638
Goodwill		6,219	6,219
Investment in a joint venture		807	1,290
Interest in an associate		269	264
Other financial asset	22	1,595	1,531
Deferred tax assets		23	23
Total non-current assets		899,411	906,290
Current Assets			
Biological assets		82,669	93,063
Inventories		87,292	67,390
Trade and other receivables	27	200,688	189,443
Other assets		18,476	16,562
Current tax assets		1,770	2,799
Short-term deposits with licensed banks		15,365	28,861
Cash and bank balances		58,987	74,435
Total current assets		465,247	472,553
TOTAL ASSETS		1,364,658	1,378,843
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		140,679	140,679
Treasury shares		(69)	(69)
Reserves		1,688	1,231
Retained earnings		316,011	318,519
Equity attributable to owners of the Company		458,309	460,360
Non-controlling interests		116,057	122,312
Total equity		574,366	582,672
NON-CURRENT LIABILITIES			
Borrowings	21	254,769	268,604
Lease liabilities		8,781	7,861
Deferred revenue		62	93
Deferred tax liabilities		40,629	43,176
Total non-current liabilities		304,241	319,734

(FORWARD)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		As at 31 March 2021	As at 30 September 2020
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables		220,276	211,548
Borrowings	21	258,025	256,786
Lease Liabilities		2,126	2,513
Other financial liability	22	-*	1
Deferred revenue		164	1,019
Current tax liabilities		5,460	4,570
Total current liabilities		486,051	476,437
TOTAL LIABILITIES		790,292	796,171
TOTAL EQUITY AND LIABILITIES		1,364,658	1,378,843
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.66	0.67

* Negligible

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)

Six (6) Months Ended 31 March 2021

	----- 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	-	-	-	-	(2,508)	(2,508)	(6,625)	(9,133)
Other comprehensive income	-	-	-	457	-	457	592	1,049
Total comprehensive income/(loss) for the period	-	-	-	457	(2,508)	(2,051)	(6,033)	(8,084)
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(222)	(222)
Balance as at 31 March 2021	140,679	(69)	82	1,606	316,011	458,309	116,057	574,366

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (583661-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

(The figures have not been audited)

Six (6) Months Ended 31 March 2020

	----- Attributable to owners of the Company ----->					Total RM'000	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			
As at 1 October 2019	135,270	(69)	82	1,103	317,484	453,870	139,833	593,703
Loss for the period	-	-	-	-	(12,389)	(12,389)	(10,750)	(23,139)
Other comprehensive loss	-	-	-	(105)	-	(105)	(135)	(240)
Total comprehensive loss for the period	-	-	-	(105)	(12,389)	(12,494)	(10,885)	(23,379)
Exercise of share warrants for 31,816,446 new ordinary shares at RM0.17 per ordinary share	5,409	-	-	-	-	5,409	-	5,409
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(250)	(250)
Balance as at 31 March 2020	140,679	(69)	82	998	305,095	446,785	128,698	575,483

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31 March 2021 RM'000 (Unaudited)	6 months ended 31 March 2020 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(5,424)	(21,841)
Adjustments for:		
Depreciation and amortization of non-current assets	27,075	25,202
Loss on fair value adjustment of biological assets	9,343	9,462
Interest expenses	8,112	10,843
Impairment loss on receivables	807	1,414
Share of result in a joint venture	499	636
Property, plant and equipment written off	311	624
Bad debts written off	-*	3
(Gain)/loss on disposal of property, plant and equipment	(498)	5
Net unrealized (gain)/loss on foreign exchange	(373)	1,078
Interest revenue recognized in profit or loss	(195)	(284)
Gain on forgiven and termination of lease payments	(132)	-
Net fair value gain on derivative financial asset/ (liability)	(64)	(284)
Amortization of deferred revenue	(33)	(11)
Reversal of inventories written down	(13)	-
Share of result in an associate	(6)	(7)
Bad debt recovery	(1)	-
Other investment written off	-	36
	39,408	26,876
Movement in working capital:		
Inventories	(19,838)	(13,422)
Biological assets	1,051	(1,290)
Trade and other receivables	(11,542)	(3,817)
Other assets	766	375
Trade and other payables	9,300	(3,228)
Deferred revenue	(861)	165
Cash generated from operations	18,284	5,659
Interest received	69	105
Interest paid	(8,529)	(11,032)
Net of income tax paid and refunded	(4,384)	(4,360)
Interest paid on lease liabilities	(322)	(312)
Net cash generated/(used) in operating activities	5,118	(9,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	1,020	47
Interest received	105	144
Payments for non-current assets	(15,870)	(34,230)
(Increase)/ decrease in other assets for acquisition of non-current assets	(2,627)	3,552
Net cash used in investing activities	(17,372)	(30,487)

* Negligible

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CAB CAKARAN CORPORATION BERHAD (583661-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	6 months ended 31 March 2021 RM'000 (Unaudited)	6 months ended 31 March 2020 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in short-term borrowings	13,842	17,602
Net change in long-term loans	(23,462)	17,452
Net change in hire-purchase	(4,481)	(5,931)
Net change in lease liabilities	(1,775)	(1,214)
Dividend paid to non-controlling interest of a subsidiary	(222)	(250)
Short-term deposits pledged as securities	(71)	140
Repayment to a director	(7)	-
Proceeds from Warrants exercise	-	5,409
Net cash (used in)/generated from financing activities	(16,176)	33,208
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,430)	(7,219)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	91,824	53,530
Effect of foreign exchange rate changes	678	(65)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	64,072	46,246
REPRESENTED BY:-		
Short-term deposits with licensed banks	15,365	14,697
Cash and bank balances	58,987	46,032
Bank overdrafts classified as cash equivalents	(593)	(5,044)
	73,759	55,685
Less: Short-term deposits pledged as securities	(9,687)	(9,439)
	64,072	46,246

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 SECOND QUARTER ENDED 31 MARCH 2021

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
Amendment to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material

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) ^(c)
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 ^(e)
Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ^(b)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ^(d)
Amendments to MFRS 101	Disclosure of Accounting Policies ^(d)
Amendments to MFRS 108	Definition of Accounting Estimates ^(d)
Amendments to MFRS 116	Proceeds Before Intended Use ^(c)
Amendments to MFRS 137	Onerous Contracts-cost of Fulfilling a Contract ^(c)
MFRS 17	Insurance Contract ^(d)
Annual Improvements to MFRS Standards 2018-2020 ^(c)	

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2. Changes in Accounting Policies (Cont'd)

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

- (a) Effective for annual periods beginning on or after 1 January 2021
- (b) Effective for annual periods beginning on or after 1 April 2021
- (c) Effective for annual periods beginning on or after 1 January 2022
- (d) Effective for annual periods beginning on or after 1 January 2023
- (e) Effective date to be determined by the MASB

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 March 2021.

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 March 2021.

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 March 2021.

At the Annual General Meeting of the Company held on 25 March 2021, 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 March 2021, 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 March 2021						
Segment revenue						
External revenue	-	411,055	33,321	413	-	444,789
Inter-segment revenue	1,293	3,976	-	183	(5,452)	-
Total revenue	1,293	415,031	33,321	596	(5,452)	444,789
Segment results	878	9,978	552	(80)	(3,495)	7,833
Six (6) Months ended 31 March 2021						
Segment revenue						
External revenue	-	812,422	64,882	650	-	877,954
Inter-segment revenue	1,377	7,745	-	319	(9,441)	-
Total revenue	1,377	820,167	64,882	969	(9,441)	877,954
Segment results	685	17,688	703	(184)	(5,105)	13,787
As at 31 March 2021						
Segment assets	139,176	1,275,290	30,076	1,339	(98,381)	1,347,500
Interest revenue producing assets						15,365
Income tax assets						1,793
Consolidated total assets						1,364,658
Segment liabilities	138	213,309	17,718	249	(5)	231,409
Borrowings						512,794
Income tax liabilities						46,089
Consolidated total liabilities						790,292

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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 March 2020						
Segment revenue						
External revenue	-	374,507	34,775	371	-	409,653
Inter-segment revenue	101	4,285	-	169	(4,555)	-
Total revenue	101	378,792	34,775	540	(4,555)	409,653
Segment results	(372)	3,006	635	(102)	(558)	2,609
Six (6) Months ended 31 March 2020						
Segment revenue						
External revenue	-	790,736	66,365	754	-	857,855
Inter-segment revenue	184	8,704	1	332	(9,221)	-
Total revenue	184	799,440	66,366	1,086	(9,221)	857,855
Segment results	(608)	4,702	690	(127)	(1,961)	2,696
As at 31 March 2020						
Segment assets	146,622	1,238,232	30,592	7,663	(105,082)	1,318,027
Interest revenue producing assets						14,697
Income tax assets						4,115
Consolidated total assets						1,336,839
Segment liabilities	123	192,673	18,109	109	(5)	211,009
Borrowings						503,355
Income tax liabilities						46,992
Consolidated total liabilities						761,356

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9. Segmental information (Cont'd)

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

	Three (3) Months ended 31 March 2021		Six (6) Months ended 31 March 2021	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	385,441	86.66	758,385	86.38
Singapore	57,379	12.90	114,940	13.09
Others	1,969	0.44	4,629	0.53
Consolidated	<u>444,789</u>	<u>100.00</u>	<u>877,954</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 March 2021 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 March 2021, the Company had issued corporate guarantees of RM818.07 million (31 March 2020: RM804.63 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 March 2021 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	19,352
Authorised but not contracted for	41,560
	<u>60,912</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2021

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 second quarter ended 31 March 2021, the Group recorded revenue of RM444.79 million, representing an increase of about 8.58% over the prior year corresponding quarter's revenue of RM409.65 million. The higher revenue was mainly due to higher sales recorded by the integrated poultry division.

The integrated poultry division recorded an increase in both revenue and profit from operation of RM415.03 million and RM9.98 million respectively as compared to RM378.79 million and RM3.01 million respectively in prior year corresponding quarter. This was mainly due to the increase in the selling price of feed and broiler. The higher average selling price of broiler of RM4.77 per kg as compared to RM4.18 per kg in prior year corresponding quarter have resulted in the higher revenue and profit from operation of the division. Meanwhile, the average selling price of feed has been adjusted upward to cope with the rising cost of feed which contributed to the increase in revenue of the integrated poultry division.

In tandem with the lower revenue of RM33.32 million, the supermarket division recorded a decreased in profit from operation to RM0.55 million. The fast food division which has been hardest hit during the MCO, continues to suffer a loss from operation resulted from the low 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 2 RM'000 (Unaudited)	FYE2021 Quarter 1 RM'000 (Unaudited)	Variance RM'000	%
Revenue	444,789	433,165	11,624	2.68
Profit/(Loss) before taxation	1,432	(6,856)	8,288	120.89
Loss on fair value adjustment of biological assets	1,266	8,077	(6,811)	(84.33)
Adjusted profit before taxation	2,698	1,221	1,477	120.97

For the current quarter ended 31 March 2021, excluding the impact of the fair value adjustment on biological asset, the Group recorded a higher revenue and profit before tax mainly attributed to the higher average selling price of broilers of RM4.77 per kg as compared to RM4.28 per kg in the previous corresponding quarter. Although the higher average selling price of broilers has contributed to the profitability of the Group, however the higher feed costs has dampened the overall profit of the Group.

17. Commentary on prospects

The resultant Covid-19 Pandemic has saw global prices of raw materials surging upwards over the past few months. The has resulted in the cost of feed increasing by more than 20 per cent since October 2020 as the price of corn and soybean, the main components of chicken feed, continues to rally upwards. This scenario presents a major challenge for the local poultry industry as feed cost accounted for almost 65% of the cost of production.

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17. Commentary on prospects (Cont'd)

Another major issue facing the industry is the shortage of workers. Due to the pandemic, many of the foreign workers who have returned to their home country for a short break after working for two years are not allowed to return for work. Additionally, no new foreign workers are allowed into the country. This not only caused disruption in the production process but also higher labour cost due to more overtime work for the remaining workers.

Despite these difficulties facing the industry, the management is confident of maintaining the profitability of the integrated poultry division due to the higher average price of broiler which is expected to prevail over the next financial quarter.

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 Group 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

	3 months ended		6 months ended	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Current taxation				
- Current	4,324	2,069	6,250	4,554
- Prior year	17	(34)	19	(31)
	4,341	2,035	6,269	4,523
Deferred taxation	(1,805)	(525)	(2,560)	(3,225)
	2,536	1,510	3,709	1,298

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 March 2021 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.

However, due to the deteriorating Covid-19 pandemic situation worldwide, the implementation of the JVA has been deferred until such time that the overall Covid-19 situation is deemed safe.

21. Group borrowings and debt securities

The Group's total bank borrowings as at 31 March 2021 are as follows:-

	As at 31 March 2021			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	140,287	55,072	195,359	122,035	55,865	177,900
Term loans	32,915	2,488	35,403	38,599	8,075	46,674
Revolving credit	2,000	15,000	17,000	1,000	18,350	19,350
Hire purchase payables	9,670	-	9,670	9,739	-	9,739
Bank overdrafts	312	281	593	1,857	-	1,857
Trust Receipts	-	-	-	1,266	-	1,266
Sub-total	185,184	72,841	258,025	174,496	82,290	256,786
Long-term borrowings:						
Term loans	226,294	12,947	239,241	236,110	14,577	250,687
Hire purchase payables	15,528	-	15,528	17,917	-	17,917
Sub-total	241,822	12,947	254,769	254,027	14,577	268,604
Total borrowings	427,006	85,788	512,794	428,523	96,867	525,390

The Group's total borrowings decreased to RM512.79 million during the quarter under review as compared to RM525.39 million recorded in the financial year ended 30 September 2020 mainly due to the repayment of term loan, revolving credit and trust receipts. Despite the borrowing has been decreased, the Group has increased its utilization of bankers' acceptances to RM195.36 million to finance the purchase of raw material especially feeds whereby the cost has increased drastically.

The foreign currency exposure profile of borrowings is as follow:

	As at 31 March 2021			As at 30 September 2019		
	Foreign Currency '000	RM Equivalent '000		Foreign Currency '000	RM Equivalent '000	
Short Term Borrowing						
Secured	RM	177,585		RM	166,991	
Unsecured	RM	70,353		RM	81,681	
Secured	USD	1,240	5,147	USD	1,240	5,153
Secured	SGD	794	2,452	SGD	775	2,352
Unsecured	SGD	806	2,488	SGD	200	609
			258,025			256,786
Long Term Borrowing						
Secured	RM	168,541		RM	177,815	
Secured	USD	7,704	31,978	USD	8,324	34,593
Secured	SGD	13,380	41,303	SGD	13,702	41,619
Unsecured	SGD	4,194	12,947	SGD	4,800	14,577
			254,769			268,604
Total Borrowing						
Secured	RM	346,126		RM	344,806	
Unsecured	RM	70,353		RM	81,681	
Secured	USD	8,944	37,125	USD	9,564	39,746
Secured	SGD	14,174	43,755	SGD	14,477	43,971
Unsecured	SGD	5,000	15,435	SGD	5,000	15,186
			512,794			525,390

22. Derivative financial instruments

The derivative financial asset as at 31 March 2021 are carried at fair value through profit or loss as follows:

Financial instruments	Contracted Amount RM'000	Net Fair Value (Loss)/Gain RM'000
Forward Foreign Exchange Contracts: Sales Contracts – Less than 1 year	2	-*
Cross Currency Interest Rate Swap Contracts: Purchase Contracts - More than 1 year	37,430	1,595

* Negligible

For the quarter ended 31 March 2021, 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 March 2021

25. Basic earning/(loss) per ordinary share

The basic earning/(loss) per ordinary share is 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 March 2021	Prior Period Quarter 31 March 2020	Current Year To Date 31 March 2021	Preceding Year To Date 31 March 2020
Net profit/(loss) attributable to shareholders (RM'000)	1,079	(4,524)	(2,508)	(12,389)
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	689,963	681,643	689,963	670,682
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	689,963	681,643	689,963	670,682
Adjustment for assumed exercised of Warrant ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	689,963	681,643	680,323	670,682
Basic loss per ordinary share (sen)	0.16	(0.66)	(0.36)	(1.85)

26. Profit/(loss) for the period

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

	3 months ended		6 months ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	13,525	11,915	27,075	25,202
Interest expenses	3,934	5,439	8,112	10,843
Loss on fair value adjustment of biological assets	1,266	2,779	9,343	9,462
Net unrealized loss/(gain) on foreign exchange	906	2,046	(373)	1,078
Impairment loss on receivables	547	901	807	1,414
Share of result in a joint venture	276	371	499	636
Property, plant and equipment written off	18	591	311	624
Reversal of inventories written down	13	-	(13)	-
Bad deb written off	-*	3	-*	3
Net fair value gain on derivative financial asset/ (liability)	(1,233)	(1,222)	(64)	(284)
Gain on forgiven and termination of lease payments	(104)	-	(132)	-
Interest revenue recognized in profit or loss	(70)	(162)	(195)	(284)
Amortization of deferred revenue	(16)	(8)	(33)	(11)
Share of result in an associate	(1)	(5)	(6)	(7)
Bad debt recovery	(1)	-	(1)	-
Loss/(gain) on disposal of property, plant and equipment	-	22	(498)	5
Other financial assets written off	-	-	-	36

* Negligible

27. Trade Receivables

	As at 31 March 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Trade receivables:		
Third parties	203,356	193,326
Related parties	6,549	5,721
Less: Allowance for impairment losses	(22,104)	(21,290)
Trade receivable, net	187,801	177,757
Other receivables:		
Third parties	13,246	12,025
Related parties	470	476
Less: Allowance for impairment losses	(829)	(815)
Other receivable, net	12,887	11,686
Total trade and other receivables	200,688	189,443

(FORWARD)

27. Trade Receivables (Cont'd)

Amounts owing by related parties are as follows:

	As at 31 March 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	1,977	2,722
Sinmah Poultry Processing (S) Pte. Ltd.	1,630	1,134
Aqina Farming Sdn. Bhd.	1,007	623
Chyuan Heng Farming Sdn. Bhd.	757	46
Maju Jaya Farm	612	535
Shin Salim Japan Co. Ltd.	202	347
OTO Agriculture Marketing Sdn. Bhd.	141	41
Sinmah Food Services (S) Pte. Ltd.	124	138
Jaya Gading Marketing	50	62
Chuah Ah Chui	20	26
Toh York Mue	17	36
Unisetali Sdn. Bhd.	12	10
DS Poultry Sdn. Bhd.	-	1
	<u>6,549</u>	<u>5,721</u>
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	463	456
Unisetali Sdn. Bhd.	5	16
Asiawe Resources Sdn. Bhd.	1	1
Aqina Farming Sdn. Bhd.	-*	-
Maju Jaya Farm	1	3
	<u>470</u>	<u>476</u>

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 March 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Not past due	141,346	136,995
Number of days past due:		
1 - 30 days	26,209	25,066
31 - 60 days	8,584	8,033
61 - 90 days	4,868	2,058
Over 91 days	6,794	5,605
Total	<u>187,801</u>	<u>177,757</u>

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 28 May 2021.