

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED**  
**30 JUNE 2021**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 9 months ended 30 June	
		2021	2020	2021	2020
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
<b>Revenue</b>	9	<b>431,702</b>	<b>375,770</b>	<b>1,309,656</b>	<b>1,233,625</b>
Cost of sales		(411,482)	(347,051)	(1,230,561)	(1,154,413)
<b>Gross profit</b>		<b>20,220</b>	<b>28,719</b>	<b>79,095</b>	<b>79,212</b>
Other income		5,785	6,459	17,086	15,018
Distribution costs		(14,574)	(14,236)	(45,794)	(45,746)
Administrative expenses		(12,079)	(11,480)	(37,184)	(36,302)
Other expenses		(14)	(70)	(78)	(94)
<b>(Loss)/profit from operations</b>	9	<b>(662)</b>	<b>9,392</b>	<b>13,125</b>	<b>12,088</b>
Investment revenue		112	149	334	476
Other gains and losses		(5,563)	8,696	(15,650)	(3,989)
Finance costs		(4,345)	(5,326)	(13,198)	(16,876)
Share of result in joint venture		(279)	(219)	(778)	(855)
Share of result in an associate		(1)	6	5	13
<b>(Loss)/profit before taxation</b>		<b>(10,738)</b>	<b>12,698</b>	<b>(16,162)</b>	<b>(9,143)</b>
Tax expense	19	(482)	(3,765)	(4,191)	(5,063)
<b>(Loss)/profit for the period</b>	26	<b>(11,220)</b>	<b>8,933</b>	<b>(20,353)</b>	<b>(14,206)</b>
<b>Other Comprehensive income</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		66	1,018	1,115	778
<b>Total comprehensive loss for the period</b>		<b>(11,154)</b>	<b>9,951</b>	<b>(19,238)</b>	<b>(13,428)</b>
<b>(Loss)/profit attributable to:</b>					
Owners of the Company		(8,086)	9,478	(10,594)	(2,911)
Non-controlling interests		(3,134)	(545)	(9,759)	(11,295)
		(11,220)	8,933	(20,353)	(14,206)
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(8,056)	9,925	(10,107)	(2,569)
Non-controlling interests		(3,098)	26	(9,131)	(10,859)
		(11,154)	9,951	(19,238)	(13,428)
<b>(Loss)/earning per ordinary share (sen):</b>					
Basic	25	(1.17)	1.37	(1.54)	(0.43)

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**

	Note	As at 30 June 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		677,750	693,310
Investment properties		109,956	109,956
Right of use assets		85,392	84,059
Other intangible asset		8,871	9,638
Goodwill		6,219	6,219
Investment in a joint venture		529	1,290
Interest in an associate		268	264
Other financial asset	22	1,511	1,531
Deferred tax assets		23	23
<b>Total non-current assets</b>		<b>890,519</b>	<b>906,290</b>
<b>Current Assets</b>			
Biological assets		77,725	93,063
Inventories		84,515	67,390
Trade and other receivables	27	206,947	189,443
Other assets		23,006	16,562
Other financial asset	22	19	-
Current tax assets		1,911	2,799
Short-term deposits with licensed banks		16,476	28,861
Cash and bank balances		62,391	74,435
<b>Total current assets</b>		<b>472,990</b>	<b>472,553</b>
<b>TOTAL ASSETS</b>		<b>1,363,509</b>	<b>1,378,843</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		140,679	140,679
Treasury shares		(69)	(69)
Reserves		1,718	1,231
Retained earnings		307,925	318,519
Equity attributable to owners of the Company		450,253	460,360
Non-controlling interests		126,459	122,312
<b>Total equity</b>		<b>576,712</b>	<b>582,672</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	21	246,294	268,604
Lease liabilities		9,580	7,861
Deferred revenue		46	93
Deferred tax liabilities		38,140	43,176
<b>Total non-current liabilities</b>		<b>294,060</b>	<b>319,734</b>

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**CAB CAKARAN CORPORATION BERHAD (583661-W)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)**

		As at 30 June 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables		225,838	211,548
Borrowings	21	260,132	256,786
Lease Liabilities		2,264	2,513
Other financial liability	22	-*	1
Deferred revenue		164	1,019
Current tax liabilities		4,339	4,570
<b>Total current liabilities</b>		<b>492,737</b>	<b>476,437</b>
<b>TOTAL LIABILITIES</b>		<b>786,797</b>	<b>796,171</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,363,509</b>	<b>1,378,843</b>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.65	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)

Nine (9) Months Ended 30 June 2021

	----- 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			
<b>As at 1 October 2020</b>	140,679	(69)	82	1,149	318,519	460,360	122,312	582,672
Loss for the period	-	-	-	-	(10,594)	(10,594)	(9,759)	(20,353)
Other comprehensive income	-	-	-	487	-	487	628	1,115
Total comprehensive income/(loss) for the period	-	-	-	487	(10,594)	(10,107)	(9,131)	(19,238)
Subscription of shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	13,500	13,500
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(222)	(222)
<b>Balance as at 30 June 2021</b>	140,679	(69)	82	1,636	307,925	450,253	126,459	576,712

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**  
(The figures have not been audited)

Nine (9) Months Ended 30 June 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			
<b>As at 1 October 2019</b>	135,270	(69)	82	1,103	317,484	453,870	139,833	593,703
Loss for the period	-	-	-	-	(2,911)	(2,911)	(11,295)	(14,206)
Other comprehensive income	-	-	-	342	-	342	436	778
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342</b>	<b>(2,911)</b>	<b>(2,569)</b>	<b>(10,859)</b>	<b>(13,428)</b>
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)
<b>Balance as at 30 June 2020</b>	<b>140,679</b>	<b>(69)</b>	<b>82</b>	<b>1,445</b>	<b>314,573</b>	<b>456,710</b>	<b>128,724</b>	<b>585,434</b>

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**

	9 months ended 30 June 2021 RM'000 (Unaudited)	9 months ended 30 June 2020 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(16,162)	(9,143)
Adjustments for:		
Depreciation and amortization of non-current assets	40,326	39,876
Loss on fair value adjustment of biological assets	13,654	202
Interest expenses	12,082	15,806
Impairment loss on receivables	1,580	1,873
Share of result in a joint venture	778	855
Property, plant and equipment written off	524	624
Bad debts written off	1	10
Net fair value loss/(gain) on derivative financial asset/ (liability)	-*	(286)
Gain on disposal of property, plant and equipment	(506)	(20)
Net unrealized gain on foreign exchange	(448)	612
Interest revenue recognized in profit or loss	(290)	(416)
Gain on forgiven and termination of lease payments	(140)	-
Amortization of deferred revenue	(49)	(28)
Reversal of inventories written down	(20)	-
Share of result in an associate	(5)	(13)
Bad debt recovery	(1)	(5)
Other investment written off	-	36
Deposit written off	-	2
	51,324	49,985
Movement in working capital:		
Inventories	(17,056)	(21,525)
Biological assets	1,684	(8,278)
Trade and other receivables	(18,546)	2,574
Other assets	(173)	315
Trade and other payables	14,831	(5,844)
Deferred revenue	(866)	165
Cash generated from operations	31,198	17,392
Interest received	112	132
Interest paid	(12,340)	(14,751)
Net of income tax paid and refunded	(8,621)	(5,272)
Interest paid on lease liabilities	(498)	(474)
Net cash generated/(used) in operating activities	9,851	(2,973)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of non-current assets	1,017	60
Interest received	177	273
Payments for non-current assets	(16,931)	(37,968)
(Increase)/ decrease in other assets for acquisition of non-current assets	(6,173)	4,032
Payment from a joint venture	-	79
Net cash used in investing activities	(21,910)	(33,524)

\* Negligible

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	9 months ended 30 June 2021 RM'000 (Unaudited)	9 months ended 30 June 2020 RM'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from issuance of shares by a subsidiary to non-controlling interests	13,500	-
Net change in short-term borrowings	11,959	32,731
Net change in long-term loans	(30,703)	12,977
Net change in hire-purchase	(7,149)	(7,140)
Net change in lease liabilities	(2,249)	(1,226)
Dividend paid to non-controlling interest of a subsidiary	(222)	(250)
Short-term deposits pledged as securities	(142)	85
Repayment to a director	(7)	-
Proceeds from Warrants exercise	-	5,409
Net cash (used in)/generated from financing activities	(15,013)	42,586
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(27,072)	6,089
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	91,824	53,530
Effect of foreign exchange rate changes	701	221
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	65,453	59,840
<b>REPRESENTED BY:-</b>		
Short-term deposits with licensed banks	16,476	19,515
Cash and bank balances	62,391	50,865
Bank overdrafts classified as cash equivalents	(3,657)	(1,045)
	75,210	69,335
Less: Short-term deposits pledged as securities	(9,757)	(9,495)
	65,453	59,840

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 THIRD QUARTER ENDED 30 JUNE 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) <sup>(c)</sup>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform Phase 2 <sup>(a)</sup>
Amendments to MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(c)</sup>
Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>(b)</sup>
Amendments to MFRS 17	Insurance Contract <sup>(d)</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>(d)</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>(d)</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>(d)</sup>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>(d)</sup>
Amendments to MFRS 116	Proceeds Before Intended Use <sup>(c)</sup>
Amendments to MFRS 137	Onerous Contracts-cost of Fulfilling a Contract <sup>(c)</sup>
MFRS 17	Insurance Contract <sup>(d)</sup>

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## **2. Changes in Accounting Policies (Cont'd)**

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

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: (Cont'd)

Annual Improvements to MFRS Standards 2018-2020 <sup>(c)</sup>

- <sup>(a)</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>(b)</sup> Effective for annual periods beginning on or after 1 April 2021
- <sup>(c)</sup> Effective for annual periods beginning on or after 1 January 2022
- <sup>(d)</sup> Effective for annual periods beginning on or after 1 January 2023
- <sup>(e)</sup> 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 30 June 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 30 June 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 30 June 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 30 June 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
<b>Three (3) Months ended 30 June 2021</b>						
Segment revenue						
External revenue	-	395,483	36,034	185	-	431,702
Inter-segment revenue	83	4,135	3	135	(4,356)	-
Total revenue	83	399,618	36,037	320	(4,356)	431,702
Segment results	(202)	(24)	1,219	(96)	(1,559)	(662)
<b>Nine (9) Months ended 30 June 2021</b>						
Segment revenue						
External revenue	-	1,207,905	100,916	835	-	1,309,656
Inter-segment revenue	1,460	11,880	3	454	(13,797)	-
Total revenue	1,460	1,219,785	100,919	1,289	(13,797)	1,309,656
Segment results	483	17,664	1,922	(280)	(6,664)	13,125
<b>As at 30 June 2021</b>						
Segment assets	154,370	1,277,423	30,291	987	(117,972)	1,345,099
Interest revenue producing assets						16,476
Income tax assets						1,934
<b>Consolidated total assets</b>						<b>1,363,509</b>
Segment liabilities	137	219,112	18,473	175	(5)	237,892
Borrowings						506,426
Income tax liabilities						42,479
<b>Consolidated total liabilities</b>						<b>786,797</b>

(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
<b>Three (3) Months ended 30 June 2020</b>						
Segment revenue						
External revenue	-	341,692	33,934	144	-	375,770
Inter-segment revenue	1,480	3,330	-	141	(4,951)	-
Total revenue	1,480	345,022	33,934	285	(4,951)	375,770
Segment results	1,147	11,475	1,409	(97)	(4,542)	9,392
<b>Nine (9) Months ended 30 June 2020</b>						
Segment revenue						
External revenue	-	1,132,428	100,299	898	-	1,233,625
Inter-segment revenue	1,664	12,034	1	473	(14,172)	-
Total revenue	1,664	1,144,462	100,300	1,371	(14,172)	1,233,625
Segment results	539	16,177	2,099	(224)	(6,503)	12,088
<b>As at 30 June 2020</b>						
Segment assets	146,630	1,250,843	31,637	7,579	(106,102)	1,330,587
Interest revenue producing assets						19,515
Income tax assets						3,399
<b>Consolidated total assets</b>						<b>1,353,501</b>
Segment liabilities	175	190,012	19,225	106	(5)	209,513
Borrowings						509,388
Income tax liabilities						49,166
<b>Consolidated total liabilities</b>						<b>768,067</b>

(FORWARD)

## 9. Segmental information (Cont'd)

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

	Three (3) Months ended 30 June 2021		Nine (9) Months ended 30 June 2021	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	371,530	86.06	1,129,915	86.28
Singapore	57,675	13.36	172,615	13.18
Others	2,497	0.58	7,126	0.54
Consolidated	<u>431,702</u>	<u>100.00</u>	<u>1,309,656</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 30 June 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 30 June 2021, the Company had issued corporate guarantees of RM833.07 million (30 June 2020: RM820.14 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 30 June 2021 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	18,517
Authorised but not contracted for	41,295
	<u>59,812</u>

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 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 third quarter ended 30 June 2021, the Group recorded revenue of RM431.70 million, representing an increase of about 14.88% over the prior year corresponding quarter's revenue of RM375.77 million. The higher revenue was mainly due to higher sales recorded by the integrated poultry division and supermarket division.

The increase in revenue of the integrated poultry division was mainly due to the increase in the production of chicks and broilers as well as the higher average selling price of broilers as compared to prior year corresponding quarter.

Despite the higher revenue, the significant increase in the cost of feed has resulted in this division suffering a loss from operation of RM0.02 million.

In spite of the higher revenue of RM36.04 million generated by the supermarket division, it recorded a lower profit from operation of RM1.22 million as compared to RM1.41 million in previous year corresponding quarter.

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:-

	<b>FYE2021 Quarter 3 RM'000 (Unaudited)</b>	<b>FYE2021 Quarter 2 RM'000 (Unaudited)</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	431,702	444,789	13,087	(2.94)
(Loss)/profit before taxation	(10,738)	1,432	(12,170)	(849.86)
Loss on fair value adjustment of biological assets	4,311	1,266	3,045	240.52
Adjusted profit before taxation	(6,427)	2,698	(9,125)	(338.21)

For the current quarter ended 30 June 2021, excluding the impact of the fair value adjustment on biological asset, the Group recorded a lower revenue and suffered a loss before tax of RM6.43 million.

The lower revenue was mainly attributed to the lower sales recorded for processed chicken and further processed products such as nuggets and sausages. A temporary suspension of operation for a few factories during the quarter has resulted in interruptions on the supply of such products which resulted in a decrease in revenue of the Group.

Despite a slight drop in revenue by 2.94%, the profit before tax of the Group dropped significantly mainly due to the increase in the cost of production resulting from the increase in cost of feeds since October 2020.

## 17. Commentary on prospects

Malaysia has seen a resurgence of the COVID-19 pandemic in 2021, affecting households, firms and the overall trajectory of the country's economic recovery.

Given the uncertainties posed by the pandemic, the integrated poultry division will continue to face major challenges especially the volatility in selling price of broiler and the continue increase in the cost of feed, which accounted for almost 65% of the cost of production. The weakening of Ringgit Malaysia has resulted in further increase in the feed cost.

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		9 months ended	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	2,689	3,225	8,939	7,779
- Prior year	283	98	302	67
	2,972	3,323	9,241	7,846
Deferred taxation	(2,490)	442	(5,050)	(2,783)
	482	3,765	4,191	5,063

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 30 June 2021 and up to the date of this interim financial report save as below.

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

(FORWARD)

## 20. Corporate proposals (Cont'd)

There were no corporate proposals announced but not completed in the current quarter ended 30 June 2021 and up to the date of this interim financial report save as below. (Cont'd)

- ii) On 16 July 2021, the Company had entered into a conditional share sale agreement ("SSA") with Tan Wen Lee and Aman Tan Ho Peng for the acquisition of a 51% equity interest in Benarlab Sdn. Bhd. for a purchase consideration of RM3,300,000, which will be satisfied entirely via the issuance of 7,500,000 new ordinary shares in the Company ("CAB Share(s)") ("Consideration Share(s)") at the issue price of RM0.44 per Consideration Share ("Proposed Acquisition").

Subsequently on 6 August 2021, the listing application of the Consideration Shares for the proposed acquisition has been submitted to Bursa Malaysia securities Berhad.

- iii) On 16 July 2021, the Company had proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company ("CAB Shares") to third party investor(s) to be identified later, at issue price(s) to be determined and announced later. For avoidance of doubt, the Company had at its AGM convened on 25 March 2021, obtained the approval from the shareholders, whereby the Board had been authorized to issue and allot new CAB Shares pursuant to Sections 75 and 76 of the Act.

Subsequently on 6 August 2021, the listing application for the Proposals for up to 69,800,874 placement shares to be issued pursuant to the private placement has been submitted to Bursa Malaysia Securities Berhad.

## 21. Group borrowings and debt securities

The Group's total bank borrowings as at 30 June 2021 are as follows:-

	As at 30 June 2021			As at 30 September 2020		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short-term borrowings:</b>						
Bankers' acceptances	144,130	53,646	197,776	122,035	55,865	177,900
Term loans	32,762	3,433	36,195	38,599	8,075	46,674
Revolving credit	-	12,700	12,700	1,000	18,350	19,350
Hire purchase payables	9,804	-	9,804	9,739	-	9,739
Bank overdrafts	2,623	1,034	3,657	1,857	-	1,857
Trust Receipts	-	-	-	1,266	-	1,266
Sub-total	189,319	70,813	260,132	174,496	82,290	256,786
<b>Long-term borrowings:</b>						
Term loans	219,179	12,018	231,197	236,110	14,577	250,687
Hire purchase payables	15,097	-	15,097	17,917	-	17,917
Sub-total	234,276	12,018	246,294	254,027	14,577	268,604
<b>Total borrowings</b>	<b>423,595</b>	<b>82,831</b>	<b>506,426</b>	<b>428,523</b>	<b>96,867</b>	<b>525,390</b>

The Group's total borrowings decreased to RM506.43 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 RM197.78 million to finance the purchase of raw material especially feeds whereby the cost has increased drastically.

(FORWARD)



## 21. Group borrowings and debt securities (Cont'd)

The foreign currency exposure profile of borrowings is as follow:

		As at 30 June 2021		As at 30 September 2019	
		Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<b>Short Term Borrowing</b>					
Secured	RM		177,757	RM	166,991
Unsecured	RM		67,380	RM	81,681
Secured	USD	2,188	9,081	USD	1,240
Secured	SGD	803	2,481	SGD	775
Unsecured	SGD	1,111	3,433	SGD	200
		<hr/>		<hr/>	
		260,132		256,786	
<b>Long Term Borrowing</b>					
Secured	RM		162,891	RM	177,815
Secured	USD	7,394	30,690	USD	8,324
Secured	SGD	13,169	40,695	SGD	13,702
Unsecured	SGD	3,889	12,018	SGD	4,800
		<hr/>		<hr/>	
		246,294		268,604	
<b>Total Borrowing</b>					
Secured	RM		340,648	RM	344,806
Unsecured	RM		67,380	RM	81,681
Secured	USD	9,582	39,771	USD	9,564
Secured	SGD	13,972	43,176	SGD	14,477
Unsecured	SGD	5,000	15,451	SGD	5,000
		<hr/>		<hr/>	
		506,426		525,390	

## 22. Derivative financial instruments

The derivative financial asset as at 30 June 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 - Less than 1 year	3,919	19
Cross Currency Interest Rate Swap Contracts: Purchase Contracts - More than 1 year	35,932	1,511

\* Negligible

For the quarter ended 30 June 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 30 June 2021

### 25. Basic (loss)/earning per ordinary share

The basic (loss)/earning per ordinary share is calculated based on the Group's net (loss)/profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue as follows:-

	Current Period Quarter 30 June 2021	Prior Period Quarter 30 June 2020	Current Year To Date 30 June 2021	Preceding Year To Date 30 June 2020
Net (loss)/profit attributable to shareholders (RM'000)	(8,086)	9,478	(10,594)	(2,911)
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	689,963	689,963	689,963	677,086
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	689,963	689,963	689,963	677,086
Adjustment for assumed exercised of Warrant ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	689,963	689,963	680,323	677,086
Basic (loss)/earning per ordinary share (sen)	(1.17)	1.37	(1.54)	(0.43)

### 26. (Loss)/profit for the period

(Loss)/profit for the period has been arrived at:

	3 months ended		9 months ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>After charging/(crediting):-</b>				
Depreciation and amortization of non-current assets	13,251	14,674	40,326	39,876
Loss/(gain) on fair value adjustment of biological assets	4,311	(9,260)	13,654	202
Interest expenses	3,970	4,963	12,082	15,806
Impairment loss on receivables	773	459	1,580	1,873
Share of result in a joint venture	279	219	778	855
Property, plant and equipment written off	213	-	524	624
Net fair value loss/(gain) on derivative financial asset/ (liability)	64	(2)	_*	(286)
Share of result in an associate	1	(6)	(5)	(13)
Interest revenue recognized in profit or loss	(95)	(132)	(290)	(416)
Net unrealized (gain)/loss on foreign exchange	(75)	(466)	(448)	612
Amortization of deferred revenue	(16)	(17)	(49)	(28)

(FORWARD)

## 26. (Loss)/profit for the period (Cont'd)

(Loss)/profit for the period has been arrived at: (Cont'd)

	3 months ended		9 months ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>After charging/(crediting):- (Cont'd)</b>				
Gain on disposal of property, plant and equipment	(8)	(25)	(506)	(20)
Gain on forgiven and termination of lease payments	(8)	-	(140)	-
Reversal of inventories written down	(7)	-	(20)	-
Bad deb written off	-*	7	1	10
Deposit written off	-	2	-	2
Bad debt recovery	-	(5)	(1)	(5)
Other financial assets written off	-	-	-	36

\* Negligible

## 27. Trade Receivables

	As at 30 June 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Trade receivables:		
Third parties	207,253	193,326
Related parties	6,511	5,721
Less: Allowance for impairment losses	(22,880)	(21,290)
Trade receivable, net	190,884	177,757
Other receivables:		
Third parties	16,414	12,025
Related parties	478	476
Less: Allowance for impairment losses	(829)	(815)
Other receivable, net	16,063	11,686
Total trade and other receivables	206,947	189,443

Amounts owing by related parties are as follows:

	As at 30 June 2021 RM'000 (Unaudited)	As at 30 September 2020 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	4,300	2,722
Aqina Farming Sdn. Bhd.	1,336	623
Sinmah Poultry Processing (S) Pte. Ltd.	541	1,134
Shin Salim Japan Co. Ltd.	229	347
Jaya Gading Marketing	41	62
OTO Agriculture Marketing Sdn. Bhd.	21	41
Chuah Ah Chui	19	26
Toh York Mue	12	36
Unisetali Sdn. Bhd.	12	10
Maju Jaya Farm	-	535
Sinmah Food Services (S) Pte. Ltd.	-	138
Chyuan Heng Farming Sdn. Bhd.	-	46
DS Poultry Sdn. Bhd.	-	1
	6,511	5,721

(FORWARD)

## 27. Trade Receivables (Cont'd)

Amounts owing by related parties are as follows: (Cont'd)

	<b>As at 30 June 2021</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at 30 September 2020</b> <b>RM'000</b> <b>(Audited)</b>
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	463	456
Unisetali Sdn. Bhd.	10	16
Maju Jaya Farm	2	3
Asiawe Resources Sdn. Bhd.	2	1
Aqina Farming Sdn. Bhd.	1	-
	<u>478</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:

	<b>As at 30 June 2021</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at 30 September 2020</b> <b>RM'000</b> <b>(Audited)</b>
Not past due	141,044	136,995
Number of days past due:		
1 - 30 days	27,430	25,066
31 - 60 days	10,507	8,033
61 - 90 days	5,287	2,058
Over 91 days	6,616	5,605
Total	<u>190,884</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.

## 28. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution dated 27 August 2021.