

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER ENDED**  
**31 DECEMBER 2021**

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**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	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	9	<b>494,209</b>	<b>433,165</b>	<b>494,209</b>	<b>433,165</b>
Cost of sales		(440,191)	(405,037)	(440,191)	(405,037)
<b>Gross profit</b>		<b>54,018</b>	<b>28,128</b>	<b>54,018</b>	<b>28,128</b>
Investment revenue		103	49	103	49
Other income		5,376	4,649	5,376	4,649
Marketing and selling expenses		(15,061)	(15,338)	(15,061)	(15,338)
Administrative expenses		(12,486)	(11,483)	(12,486)	(11,483)
Other expenses		(35)	(64)	(35)	(64)
<b>Operating profit</b>	9	<b>31,915</b>	<b>5,941</b>	<b>31,915</b>	<b>5,941</b>
Other gains and losses		1,947	(7,906)	1,947	(7,906)
Net remeasurement of expected credit loss		(448)	(260)	(448)	(260)
Share of result in joint venture		(187)	(223)	(187)	(223)
Share of result in an associate		2	5	2	5
<b>Profit/(loss) before interest and taxation</b>		<b>33,229</b>	<b>(2,443)</b>	<b>33,229</b>	<b>(2,443)</b>
Interest income		118	125	118	125
Finance costs		(4,347)	(4,538)	(4,347)	(4,538)
<b>Profit/(loss) before tax</b>		<b>29,000</b>	<b>(6,856)</b>	<b>29,000</b>	<b>(6,856)</b>
Tax expense	19	(6,858)	(1,173)	(6,858)	(1,173)
<b>Profit/(loss) for the period</b>	26	<b>22,142</b>	<b>(8,029)</b>	<b>22,142</b>	<b>(8,029)</b>
<b>Other Comprehensive income/(loss)</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		266	(16)	266	(16)
<b>Total comprehensive income/(loss) for the period</b>		<b>22,408</b>	<b>(8,045)</b>	<b>22,408</b>	<b>(8,045)</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		18,193	(3,587)	18,193	(3,587)
Non-controlling interests		3,949	(4,442)	3,949	(4,442)
		22,142	(8,029)	22,142	(8,029)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		18,305	(3,598)	18,305	(3,598)
Non-controlling interests		4,103	(4,447)	4,103	(4,447)
		22,408	(8,045)	22,408	(8,045)
<b>Earning/(loss) per ordinary share (sen):</b>					
Basic	25	2.61	(0.52)	2.61	(0.52)
Diluted	25	N/A	N/A	N/A	N/A

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 2021 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 2021 RM'000 (Unaudited)	As at 30 September 2021 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		673,254	679,399
Right-of-use assets		88,085	85,685
Investment properties		110,849	110,849
Bearer plants		441	298
Other intangible assets		8,346	8,605
Goodwill		6,219	6,219
Interest in an associate		272	269
Investment in a joint venture		-	187
Other financial asset	22	1,704	1,872
Deferred tax assets		220	126
<b>Total non-current assets</b>		<b>889,390</b>	<b>893,509</b>
<b>Current Assets</b>			
Biological assets		87,546	85,432
Inventories		60,029	72,968
Trade and other receivables	27	215,437	193,818
Other assets		17,949	16,626
Current tax assets		2,181	2,512
Short-term deposits with licensed banks		26,708	19,660
Cash and bank balances		70,637	49,049
<b>Total current assets</b>		<b>480,487</b>	<b>440,065</b>
<b>TOTAL ASSETS</b>		<b>1,369,877</b>	<b>1,333,574</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		143,979	140,679
Treasury shares		(69)	(69)
Reserves		1,708	1,596
Retained earnings		316,524	298,331
Equity attributable to owners of the Company		462,142	440,537
Non-controlling interests		128,314	119,966
<b>Total equity</b>		<b>590,456</b>	<b>560,503</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,122	1,122
Borrowings	21	231,369	235,140
Lease liabilities		10,935	9,418
Deferred revenue		178	190
Deferred tax liabilities		39,000	38,699
<b>Total non-current liabilities</b>		<b>282,604</b>	<b>284,569</b>

(FORWARD)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)**

		As at 31 December 2021	As at 30 September 2021
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables		222,475	208,103
Provisions		1,067	1,067
Borrowings	21	264,162	274,649
Lease Liabilities		3,345	2,104
Other financial liability	22	7	-
Deferred revenue		110	109
Current tax liabilities		5,651	2,470
<b>Total current liabilities</b>		<b>496,817</b>	<b>488,502</b>
<b>TOTAL LIABILITIES</b>		<b>779,421</b>	<b>773,071</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,369,877</b>	<b>1,333,574</b>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.66	0.64

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 2021 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 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 2021</b>	140,679	(69)	82	1,514	298,331	440,537	119,966	560,503
Profit for the period	-	-	-	-	18,193	18,193	3,949	22,142
Other comprehensive income	-	-	-	112	-	112	154	266
<b>Total comprehensive income for the period</b>	-	-	-	112	18,193	18,305	4,103	22,408
Issuance of ordinary shares pursuant to exchange for shares	3,300	-	-	-	-	3,300	-	3,300
Additional non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	-	4,430	4,430
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(185)	(185)
<b>Balance as at 31 December 2021</b>	<b>143,979</b>	<b>(69)</b>	<b>82</b>	<b>1,626</b>	<b>316,524</b>	<b>462,142</b>	<b>128,314</b>	<b>590,456</b>

Three (3) Months Ended 31 December 2020

<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	-	-	-	-	(3,587)	(3,587)	(4,442)	(8,029)
Other comprehensive loss	-	-	-	(11)	-	(11)	(5)	(16)
<b>Total comprehensive loss for the period</b>	-	-	-	(11)	(3,587)	(3,598)	(4,447)	(8,045)
<b>Balance as at 31 December 2020</b>	<b>140,679</b>	<b>(69)</b>	<b>82</b>	<b>1,138</b>	<b>314,932</b>	<b>456,762</b>	<b>117,865</b>	<b>574,627</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 2021 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	3 months ended 31 December 2021 RM'000 (Unaudited)	3 months ended 31 December 2020 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	29,000	(6,856)
Adjustments for:		
Depreciation and amortization of non-current assets	12,517	13,550
Interest expenses	4,012	4,178
Impairment loss on receivables	448	260
Share of result in a joint venture	187	223
Net fair value loss on derivative financial asset/ (liability)	175	1,169
Loss/(gain) on disposal of property, plant and equipment	56	(498)
Property, plant and equipment written off	11	293
Reserve on consolidation	(1,310)	-
(Gain)/loss on fair value adjustment of biological assets	(908)	8,077
Net unrealized gain on foreign exchange	(223)	(1,279)
Interest revenue recognized in profit or loss	(118)	(125)
Gain on forgiven lease payments	(77)	(28)
Reversal of inventories written down	(52)	(26)
Amortization of deferred revenue	(28)	(17)
Share of result in an associate	(2)	(5)
Bad debts written off	-	-*
	43,688	18,916
Movement in working capital:		
Inventories	15,126	(15,980)
Biological assets	(1,206)	3,192
Trade and other receivables	(12,091)	(1,052)
Other assets	(852)	613
Trade and other payables	10,265	6,370
Deferred revenue	16	(9)
Cash generated from operations	54,946	12,050
Interest received	50	61
Interest paid	(3,750)	(4,613)
Net of income tax paid and refunded	(3,088)	(1,178)
Interest paid on lease liabilities	(185)	(163)
Net cash generated in operating activities	47,973	6,157
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash inflow on acquisition	2,436	-
Interest received	54	57
Proceeds from disposal of non-current assets	51	1,006
Payments for non-current assets	(3,494)	(6,457)
Increase in other assets for acquisition of non-current assets	(487)	(247)
Payments for bearer plants	(142)	-
Net cash used in investing activities	(1,582)	(5,641)

\* Negligible

(FORWARD)

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

	3 months ended 31 December 2021 RM'000 (Unaudited)	3 months ended 31 December 2020 RM'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from/(Repayment to) directors	22	(7)
Net change in short-term borrowings	(8,354)	(3,988)
Net change in long-term loans	(2,718)	(12,672)
Net change in hire-purchase	(2,526)	(1,939)
Net in lease liabilities	(545)	(563)
Dividend paid to non-controlling interests of a subsidiary	(185)	-
Short-term deposits pledged as securities	(52)	(50)
Repayment from a joint venture	-	(38)
Net cash used in financing activities	(14,358)	(19,257)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	32,033	(18,741)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	54,979	91,824
Effect of foreign exchange rate changes	109	(21)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	87,121	73,062
<b>REPRESENTED BY:-</b>		
Short-term deposits with licensed banks	26,708	19,486
Cash and bank balances	70,637	63,891
Bank overdrafts classified as cash equivalents	(328)	(650)
	97,017	82,727
Less: Short-term deposits pledged as securities	(9,896)	(9,665)
	87,121	73,062

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 2021 and the accompanying explanatory notes attached to the interim financial report.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
DECEMBER 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 2021. 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 2021.

**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 2021, 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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform Phase 2 <sup>(a)</sup>
Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

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>(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>
Amendments to MFRS 17	Insurance Contract <sup>(b)</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non- current <sup>(b)</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>(b)</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>(b)</sup>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>(b)</sup>
Amendments to MFRS 116	Proceeds Before Intended Use <sup>(a)</sup>
Amendments to MFRS 137	Onerous Contracts-cost of Fulfilling a Contract <sup>(a)</sup>
Annual Improvements to MFRS Standards 2018-2020 <sup>(b)</sup>	

<sup>(a)</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>(b)</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>(c)</sup> Effective date to be determined by the MASB

(FORWARD)



## **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 2021 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 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 December 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 December 2021 save as on 20 October 2021, the issuance of 7,500,000 new ordinary shares by the Company in exchange for shares in the newly acquired subsidiary company, Benarlab Sdn. Bhd.. The said shares has been listed and quoted on the Main Market of Bursa Securities on 21 October 2021.

At the Annual General Meeting of the Company held on 09 June 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 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 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 31 December 2021</b>						
Segment revenue						
External revenue	-	456,696	37,110	403	-	494,209
Inter-segment revenue	80	5,033	-	137	(5,250)	-
Total revenue	80	461,729	37,110	540	(5,250)	494,209
Segment results	(237)	34,493	884	42	(3,267)	31,915
<b>As at 31 December 2021</b>						
Segment assets	126,703	1,273,750	29,395	1,184	(90,264)	1,340,768
Interest revenue producing assets						26,708
Income tax assets						2,401
<b>Consolidated total assets</b>						<b>1,369,877</b>
Segment liabilities	151	219,527	19,156	410	(5)	239,239
Borrowings						495,531
Income tax liabilities						44,651
<b>Consolidated total liabilities</b>						<b>779,421</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 31 December 2020</b>						
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)	7,850*	151	(104)	(1,763)*	5,941*
<b>As at 31 December 2020</b>						
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
<b>Consolidated total assets</b>						<b>1,355,802</b>
Segment liabilities	161	209,711	19,033	335	(5)	229,235
Borrowings						505,093
Income tax liabilities						46,847
<b>Consolidated total liabilities</b>						<b>781,175</b>

\* The segment results have been reclassified to conform to current quarter presentation

(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 2021	
	RM'000	%
Revenue		
By Geographical Locations		
Malaysia	430,888	87.19
Singapore	58,571	11.85
Others	4,750	0.96
Consolidated	<u>494,209</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 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 save as on 21 October 2021, the Company has announced an issuance of 7,500,000 new ordinary shares of the Company in exchange for 1,273,980 ordinary shares in Benarlab Sdn. Bhd. ("Benarlab"), representing 51% of the issued and paid up share capital of Benarlab, for a total purchase consideration of RM3,300,000. In consequent thereof, Benarlab, became a 51% owned subsidiary of the Company.

## 13. Changes in contingent liabilities and assets

As at 31 December 2021, the Company had issued corporate guarantees of RM836.74 million (31 December 2020: RM818.00 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 2021 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	12,434
Authorised but not contracted for	46,438
	<u>58,872</u>

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 DECEMBER 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 first quarter ended 31 December 2021, the Group recorded revenue of RM494.21 million, representing an increase of about 14.09% over the prior year corresponding quarter's revenue of RM433.17 million. The higher revenue was mainly due to higher sales achieved by most of the division especially the integrated poultry division.

The integrated poultry division recorded an increase in revenue by 13.97% as compared to prior year corresponding quarter. This was mainly due primarily to the higher average selling price of broiler of RM6.32 per kg as compared to RM4.28 per kg in the previous corresponding quarter. Despite the higher feed cost, this division recorded a profit from operation of RM34.49 million during the quarter under review as a result of the 48% increase in the average selling price of broilers.

The supermarket division achieved a higher revenue to RM37.11 million due to the higher sales generated by its outlets in Kuantan and Terengganu. As a result of the loosening of movement restriction and its outlets were not affected by flood happened in December 2021, the sales of these outlets increased by more than 15% during the quarter under review. In tandem with the higher revenue, this division recorded a higher profit from operation of RM0.88 million.

Following the relaxation of movement restriction, the business for the fast-food division also showed a recovery during the quarter under review. In tandem with the higher revenue recorded, it recorded a profit from operation of RM0.04 million as compared to a loss from operation of RM0.10 million in prior year corresponding quarter.

**16. Comment on variation of results against immediate preceding quarter**

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

	<b>FYE2022</b>	<b>FYE2021</b>	<b>Variance</b>	
	<b>Quarter 1</b>	<b>Quarter 4</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
	(Unaudited)	(Unaudited)		
Revenue	494,209	409,204	85,005	20.77
Profit/(loss) before taxation	29,000	(14,188)	43,188	
Gain on fair value adjustment of biological assets	(908)	(6,261)	5,353	
Gain on fair value adjustment of investment properties	-	(893)	893	
Adjusted profit/(loss) before taxation	28,092	(21,342)	49,434	231.63%

For the current quarter ended 31 December 2021 the Group achieved a higher revenue and profit before taxation as compared to previous quarter, mainly due to the higher average selling price of broilers as a result of supply shortage of chicken in the market. The higher feed cost coupled with the low selling price of broilers which prevailed over the past year has resulted in losses for most farms. Consequently, many farms either closed down or reduce their production of broilers. As a result of the shortage in supply, the average selling price of broiler and processed chicken has increased since October 2021.

## 17. Commentary on prospects

The COVID-19 pandemic has severely disrupted the global economy. Outlook for the near future remains challenging and uncertain as the full impact of the COVID-19 pandemic has not been ascertained, especially, daily Covid-19 cases related to the Omicron variant in Malaysia have spiked since February 2022. However, the economic performance is dependent on how the variant develops and the vaccine efficacy, as well as the governments' reaction in containing it.

The integrated poultry division will continue to face major challenges on the increase in cost of raw material for chicken feed as well as shortages in manpower. Strong rebound in global demand, supply disruptions and depletion of inventories have driven up raw material prices and transportation costs around the world. Moreover, the government's move to impose price controls on chicken has left a negative impact on poultry companies, as most of the companies are already grappling with production costs that have shot up.

Given the circumstances, the management will continue to closely monitor its business activities and take the necessary actions to improve operational efficiency in the Group.

## 18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

## 19. Tax expense

	3 months ended		3 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	6,519	1,926	6,519	1,926
- Prior year	62	2	62	2
	6,581	1,928	6,581	1,928
Deferred taxation	277	(755)	277	(755)
	6,858	1,173	6,858	1,173

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 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.

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## 20. Corporate proposals (Cont'd)

There were no corporate proposals announced but not completed in the current quarter ended 31 December 2021 and up to the date of this interim financial report save as below. (Cont'd)

- ii) 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 23 August 2021, the listing application for the Proposal for up to 69,800,874 placement shares to be issued pursuant to the private placement has been approved by Bursa Malaysia Securities Berhad. This approval has expired on 23 February 2022, however, Bursa Malaysia Securities Berhad has via its letter dated 16 February 2022 has resolved to grant the Company an extension of time until 22 August 2022 to complete the implementation of the Private Placement

- iii) On 26 January 2022, the Company had announced the joint venture with MATA Aerotech Sdn. Bhd. to undertake the provision of drone spraying services for the oil palm industry in Peninsular Malaysia, together with the proposed diversification of the existing principal activities of the Group to include the provision of drone related services for the agriculture industry.

The circular to shareholders for the proposed diversification has approved for printing by Bursa Malaysia Securities Berhad on 15 February 2022 and it is subject to the shareholders' approval in the coming general meeting of the Company.

## 21. Group borrowings and debt securities

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

	As at 31 December 2021			As at 30 September 2021		
	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	143,043	57,377	200,420	141,858	67,396	209,254
Term loans	33,767	3,778	37,545	32,941	3,744	36,685
Revolving credit	3,000	13,300	16,300	4,000	11,200	15,200
Hire purchase payables	9,569	-	9,569	9,622	-	9,622
Bank overdrafts	328	-	328	3,854	34	3,888
Sub-total	189,707	74,455	264,162	192,275	82,374	274,649
<b>Long-term borrowings:</b>						
Term loans	209,327	10,118	219,445	210,833	11,025	221,858
Hire purchase payables	11,924	-	11,924	13,282	-	13,282
Sub-total	221,251	10,118	231,369	224,115	11,025	235,140
<b>Total borrowings</b>	<b>410,958</b>	<b>84,573</b>	<b>495,531</b>	<b>416,390</b>	<b>93,399</b>	<b>509,789</b>

The Group's total borrowings decreased to RM495.53 million during the quarter under review as compared to RM509.79 million recorded in the financial year ended 30 September 2021 mainly due to the decrease in utilizing of bankers' acceptance.

(FORWARD)

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

The foreign currency exposure profile of borrowings is as follow: (Cont'd)

		As at 31 December 2021		As at 30 September 2021	
		Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<b>Short Term Borrowing</b>					
Secured	RM		177,334	RM	184,541
Unsecured	RM		74,455	RM	78,630
Secured	USD	1,240	5,171	USD	5,192
Unsecured	SGD	1,223	3,778	SGD	3,744
Secured	SGD	1,108	3,424	SGD	2,542
			264,162		
				274,649	
<b>Long Term Borrowing</b>					
Secured	RM		147,463	RM	154,616
Secured	SGD	14,740	45,540	SGD	39,839
Secured	USD	6,774	28,248	USD	29,660
Unsecured	SGD	3,275	10,118	SGD	11,025
			231,369		
				235,140	
<b>Total Borrowing</b>					
Secured	RM		324,797	RM	339,157
Unsecured	RM		74,455	RM	78,630
Secured	SGD	15,848	48,964	SGD	42,381
Secured	USD	8,014	33,419	USD	34,852
Unsecured	SGD	4,498	13,896	SGD	14,769
			495,531		
				509,789	

## 22. Derivative financial instruments

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

Financial instruments	Contracted Amount RM'000	Net Fair Value Gain/(Loss) RM'000
Cross Currency Interest Rate Swap Contracts:		
Purchase Contracts - More than 1 year	32,953	1,704
Purchase Contracts - Less than 1 year	803	(7)

For the quarter ended 31 December 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 December 2021



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

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

	Current Period Quarter 31 December 2021	Prior Period Quarter 31 December 2020	Current Year To Date 31 December 2021	Preceding Year To Date 31 December 2020
Net profit/(loss) attributable to shareholders (RM'000)	18,193	(3,587)	18,193	(3,587)
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	695,914	689,963	695,914	689,963
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	695,914	689,963	695,914	689,963
Adjustment for assumed exercised of Warrant ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	695,914	689,963	695,914	689,963
Basic earning/(loss) per ordinary share (sen)	2.61	(0.52)	2.61	(0.52)

## 26. Profit/(loss) for the period

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

	3 months ended		3 months ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<b>After charging/(crediting):-</b>				
Depreciation and amortization of non-current assets	12,517	13,550	12,517	13,550
Interest expenses	4,012	4,178	4,012	4,178
Impairment loss on receivables	448	260	448	260
Share of result in a joint venture	187	223	187	223
Net fair value loss on derivative financial asset/ (liability)	175	1,169	175	1,169
Loss/(gain) on disposal of property, plant and equipment	56	(498)	56	(498)
Property, plant and equipment written off	11	293	11	293
Reserve on consolidation	(1,310)	-	(1,310)	-
(Gain)/loss on fair value adjustment of biological assets	(908)	8,077	(908)	8,077
Net unrealized gain on foreign exchange	(223)	(1,279)	(223)	(1,279)
Interest revenue recognized in profit or loss	(118)	(125)	(118)	(125)
Gain on forgiven lease payments	(77)	(28)	(77)	(28)
Reversal of inventories written down	(52)	(26)	(52)	(26)
Amortization of deferred revenue	(28)	(17)	(28)	(17)
Share of result in an associate	(2)	(5)	(2)	(5)
Bad deb written off	-	_*	-	_*

\* Negligible

## 27. Trade Receivables

	As at 31 December 2021 RM'000 (Unaudited)	As at 30 September 2021 RM'000 (Audited)
Trade receivables:		
Third parties	217,075	196,310
Related parties	9,023	6,361
Less: Allowance for impairment losses	(22,580)	(21,765)
Trade receivable, net	203,518	180,906
Other receivables:		
Third parties	12,287	13,279
Related parties	477	474
Less: Allowance for impairment losses	(845)	(841)
Other receivable, net	11,919	12,912
Total trade and other receivables	215,437	193,818

Amounts owing by related parties are as follows:

	As at 31 December 2021 RM'000 (Unaudited)	As at 30 September 2021 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	3,735	2,481
Aqina Farming Sdn. Bhd.	1,615	1,656
Maju Jaya Farm	1,521	328
Sinmah Poultry Processing (S) Pte. Ltd.	1,361	1,196
Chyuan Heng Farming Sdn. Bhd.	722	125
Chuah Ah Chui	37	7
Jaya Gading Marketing	23	32
Unisetali Sdn. Bhd.	9	9
Shin Salim Japan Co. Ltd.	-	392
Sinmah Food Services (S) Pte. Ltd.	-	131
Toh York Mue	-	4
	9,023	6,361
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	463	461
YWT Contract Farming	7	-
Unisetali Sdn. Bhd.	5	10
Maju Jaya Farm	1	2
Aqina Farming Sdn. Bhd.	1	-
Asiawe Resources Sdn. Bhd.	-*	1
Kebun Ngohoch (PW) Sdn Bhd	-*	-*
Chyuan Heng Farming Sdn. Bhd.	-*	-
	477	474

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

(FORWARD)

## 27. Trade Receivables (Cont'd)

Ageing of trade receivables:

	<b>As at 31 December 2021</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at 30 September 2021</b> <b>RM'000</b> <b>(Audited)</b>
Not past due	148,058	128,404
Number of days past due:		
1 - 30 days	29,772	26,179
31 - 60 days	8,440	8,758
61 - 90 days	2,765	4,349
Over 91 days	14,483	13,216
Total	<u>203,518</u>	<u>180,906</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 25 February 2022.