

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED**  
**31 MARCH 2022**

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended 31 March		6 months ended 31 March	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	9	<b>475,864</b>	<b>444,789</b>	<b>970,073</b>	<b>877,954</b>
Cost of sales		(432,884)	(414,042)	(873,075)	(819,079)
<b>Gross profit</b>		<b>42,980</b>	<b>30,747</b>	<b>96,998</b>	<b>58,875</b>
Investment revenue		111	49	214	98
Other income		4,772	6,581	10,148	11,230
Marketing and selling expenses		(15,364)	(15,882)	(30,425)	(31,220)
Administrative expenses		(14,992)	(13,622)	(27,478)	(25,105)
Other expenses		(9)	-	(44)	(64)
<b>Operating profit</b>	9	<b>17,498</b>	<b>7,873</b>	<b>49,413</b>	<b>13,814</b>
Other gains and losses		(5,415)	(1,374)	(3,468)	(9,280)
Net remeasurement of expected credit loss		(411)	(547)	(859)	(807)
Share of result in joint venture		(1)	(276)	(188)	(499)
Share of result in an associate		(3)	1	(1)	6
<b>Profit before interest and taxation</b>		<b>11,668</b>	<b>5,677</b>	<b>44,897</b>	<b>3,234</b>
Interest income		174	70	292	195
Finance costs		(4,155)	(4,315)	(8,502)	(8,853)
<b>Profit/(loss) before tax</b>		<b>7,687</b>	<b>1,432</b>	<b>36,687</b>	<b>(5,424)</b>
Tax expense	19	(4,381)	(2,536)	(11,239)	(3,709)
<b>Profit/(loss) for the period</b>	26	<b>3,306</b>	<b>(1,104)</b>	<b>25,448</b>	<b>(9,133)</b>
<b>Other Comprehensive income/(loss)</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		329	1,065	595	1,049
<b>Total comprehensive income/(loss) for the period</b>		<b>3,635</b>	<b>(39)</b>	<b>26,043</b>	<b>(8,084)</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		6,693	1,079	24,886	(2,508)
Non-controlling interests		(3,387)	(2,183)	562	(6,625)
		<b>3,306</b>	<b>(1,104)</b>	<b>25,448</b>	<b>(9,133)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		6,831	1,547	25,136	(2,051)
Non-controlling interests		(3,196)	(1,586)	907	(6,033)
		<b>3,635</b>	<b>(39)</b>	<b>26,043</b>	<b>(8,084)</b>
<b>Earning/(loss) per ordinary share (sen):</b>					
Basic	25	0.96	0.16	3.57	(0.36)
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 March 2022	As at 30 September 2021
		RM'000	RM'000
<b>ASSETS</b>	Note	(Unaudited)	(Audited)
<b>Non-Current Assets</b>			
Property, plant and equipment		667,624	679,399
Right-of-use assets		88,452	85,685
Investment properties		110,849	110,849
Bearer plants		479	298
Other intangible assets		8,089	8,605
Goodwill		6,219	6,219
Interest in an associate		268	269
Investment in a joint venture		-	187
Other financial asset	22	1,968	1,872
Deferred tax assets		221	126
<b>Total non-current assets</b>		<b>884,169</b>	<b>893,509</b>
<b>Current Assets</b>			
Biological assets		78,590	85,432
Inventories		58,759	72,968
Trade and other receivables	27	216,965	193,818
Other assets		16,631	16,626
Other financial asset		8	-
Current tax assets		2,007	2,512
Short-term deposits with licensed banks		36,640	19,660
Cash and bank balances		71,230	49,049
<b>Total current assets</b>		<b>480,830</b>	<b>440,065</b>
<b>TOTAL ASSETS</b>		<b>1,364,999</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		1,846	1,596
Retained earnings		322,682	298,331
Equity attributable to owners of the Company		468,438	440,537
Non-controlling interests		125,842	119,966
<b>Total equity</b>		<b>594,280</b>	<b>560,503</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,122	1,122
Borrowings	21	221,470	235,140
Lease liabilities		10,979	9,418
Deferred revenue		195	190
Deferred tax liabilities		38,757	38,699
<b>Total non-current liabilities</b>		<b>272,523</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 March 2022	As at 30 September 2021
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables		214,019	208,103
Provisions		1,067	1,067
Borrowings	21	272,686	274,649
Lease Liabilities		3,193	2,104
Other financial liability	22	1	-
Deferred revenue		125	109
Current tax liabilities		7,105	2,470
<b>Total current liabilities</b>		498,196	488,502
<b>TOTAL LIABILITIES</b>		770,719	773,071
<b>TOTAL EQUITY AND LIABILITIES</b>		1,364,999	1,333,574
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.67	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)

Six (6) Months Ended 31 March 2022

	----- 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		
<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	-	-	-	-	24,886	24,886	562	25,448
Other comprehensive income	-	-	-	250	-	250	345	595
<b>Total comprehensive income for the period</b>	-	-	-	250	24,886	25,136	907	26,043
Additional non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	-	4,430	4,430
Issuance of ordinary shares pursuant to exchange for shares	3,300	-	-	-	-	3,300	-	3,300
Subscription of ordinary shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	348	348
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(344)	(344)
Arising from increase in equity interest in a subsidiary	-	-	-	-	(535)	(535)	535	-
<b>Balance as at 31 March 2022</b>	143,979	(69)	82	1,764	322,682	468,438	125,842	594,280

(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 2021

	----- Attributable to owners of the Company ----->				Distributable Retained earnings RM'000	Total RM'000	Non- Controlling interest RM'000	Total Equity RM'000	
	←----- Non-distributable ----->	Share Capital RM'000	Treasury Shares RM'000	Revaluation reserve RM'000					Translation reserve 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		-	-	-	-	(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)
<b>Balance as at 31 March 2021</b>		<b>140,679</b>	<b>(69)</b>	<b>82</b>	<b>1,606</b>	<b>316,011</b>	<b>458,309</b>	<b>116,057</b>	<b>574,366</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**

	6 months ended 31 March 2022 RM'000 (Unaudited)	6 months ended 31 March 2021 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	36,687	(5,424)
Adjustments for:		
Depreciation and amortization of non-current assets	25,173	27,075
Interest expenses	7,840	8,112
Loss on fair value adjustment of biological assets	4,548	9,343
Impairment loss on receivables	859	807
Share of result in a joint venture	188	499
Bad debts written off	188	-*
Loss/(gain) on disposal of property, plant and equipment	92	(498)
Net unrealized loss/(gain) on foreign exchange	34	(373)
Property, plant and equipment written off	12	311
Share of result in an associate	1	(6)
Reserve on consolidation	(1,310)	-
Gain on forgiven and remeasurement of lease payments	(337)	(132)
Interest revenue recognized in profit or loss	(292)	(195)
Net fair value gain on derivative financial asset/ (liability)	(103)	(64)
Reversal of inventories written down	(64)	(13)
Amortization of deferred revenue	(59)	(33)
Reversal of impairment loss recognized on receivables	(30)	-
Dividend received	(6)	-
Bad debt recovery	(1)	(1)
	73,420	39,408
Movement in working capital:		
Inventories	16,431	(19,838)
Biological assets	2,294	1,051
Trade and other receivables	(12,450)	(11,542)
Other assets	21	766
Trade and other payables	2,345	9,300
Deferred revenue	78	(861)
Cash generated from operations	82,139	18,284
Interest received	152	69
Interest paid	(7,495)	(8,529)
Net of income tax paid and refunded	(6,093)	(4,384)
Interest paid on lease liabilities	(386)	(322)
Net cash generated in operating activities	68,317	5,118

\* Negligible

(FORWARD)

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

	6 months ended 31 March 2022 RM'000 (Unaudited)	6 months ended 31 March 2021 RM'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash inflow on acquisition	2,436	-
Proceeds from disposal of non-current assets	264	1,020
Interest received	114	105
Increase in other assets for acquisition of non-current assets	52	(2,627)
Dividend received	6	
Payments for non-current assets	(8,648)	(15,870)
Advance to a joint venture	(1,545)	-
Payments for bearer plants	(181)	-
Net cash used in investing activities	(7,502)	(17,372)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares by subsidiaries to non-controlling interests	348	-
Net change in long-term loans	(11,024)	(23,462)
Net change in hire-purchase	(5,038)	(4,481)
Net change in lease liabilities	(1,773)	(1,775)
Repayment to directors	(546)	(7)
Dividend paid to non-controlling interests of a subsidiary	(344)	(222)
Net change in short-term borrowings	(260)	13,842
Short-term deposits pledged as securities	(103)	(71)
Repayment from a joint venture	-	-
Net cash used in financing activities	(18,740)	(16,176)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>42,075</b>	<b>(28,430)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>54,979</b>	<b>91,824</b>
Effect of foreign exchange rate changes	218	678
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>97,272</b>	<b>64,072</b>
<b>REPRESENTED BY:-</b>		
Short-term deposits with licensed banks	36,640	15,365
Cash and bank balances	71,230	58,987
Bank overdrafts classified as cash equivalents	(653)	(593)
	107,217	73,759
Less: Short-term deposits pledged as securities	(9,945)	(9,687)
	97,272	64,072

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 SECOND QUARTER ENDED 31 MARCH 2022**

**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>(a)</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 March 2022.

## **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 2022.

## **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 2022 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 March 2022, 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 March 2022</b>						
Segment revenue						
External revenue	-	441,556	33,816	492	-	475,864
Inter-segment revenue	393	4,629	1	204	(5,227)	-
Total revenue	393	446,185	33,817	696	(5,227)	475,864
Segment results	(256)	18,943	523	26	(1,738)	17,498
<b>Six (6) Months ended 31 March 2022</b>						
Segment revenue						
External revenue	-	898,252	70,926	895	-	970,073
Inter-segment revenue	473	9,662	1	341	(10,477)	-
Total revenue	473	907,914	70,927	1,236	(10,477)	970,073
Segment results	(493)	53,436	1,407	68	(5,005)	49,413
<b>As at 31 March 2022</b>						
Segment assets	126,871	1,254,810	30,018	1,206	(86,774)	1,326,131
Interest revenue producing assets						36,640
Income tax assets						2,228
<b>Consolidated total assets</b>						<b>1,364,999</b>
Segment liabilities	190	212,843	17,334	339	(5)	230,701
Borrowings						494,156
Income tax liabilities						45,862
<b>Consolidated total liabilities</b>						<b>770,719</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 March 2021</b>						
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	10,483*	552	(79)	(3,961)*	7,873*
<b>Six (6) Months ended 31 March 2021</b>						
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	18,333*	703	(183)	(5,724)*	13,814*
<b>As at 31 March 2021</b>						
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
<b>Consolidated total assets</b>						<b>1,364,658</b>
Segment liabilities	138	213,309	17,718	249	(5)	231,409
Borrowings						512,794
Income tax liabilities						46,089
<b>Consolidated total liabilities</b>						<b>790,292</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 March 2022		Six (6) Months ended 31 March 2022	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	413,782	86.95	844,670	87.07
Singapore	58,789	12.36	117,360	12.10
Others	3,293	0.69	8,043	0.83
Consolidated	<u>475,864</u>	<u>100.00</u>	<u>970,073</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 2022 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 below:-

- i) 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.

Subsequently on 23 February 2022, Benarlab increased its issued and fully paid up share capital from RM2,498,000 to RM2,800,000 by the issuance of 302,000 new ordinary shares. The Company has subscribed for the additional 154,020 ordinary shares in Benarlab by way of cash injection. Accordingly, the Group's interest in Benarlab remains unchanged.

(FORWARD)

## 12. Changes in the composition of the Group (Cont'd)

There were no changes in the composition of the Group during the current financial year up to the quarter under review save as below:- (Cont'd)

- ii) 28 February 2022, a 58.23% owned subsidiary, Ayamlikes Food Processing Sdn Bhd (formerly known as Ayam Kempas Food Industries Sdn Bhd) ("ALFP") increased its issued share capital from RM6,500,000 to RM10,000,000 by way of allotment and issuance of 3,500,000 new ordinary shares for a total consideration of RM3,500,000 to the following allottees ("the Allotment").

Shareholders' name	No. of ordinary shares	
	Before of new shares	Subscribed After subscribed of new shares
CAB Cakaran Sdn. Bhd., a wholly-owned subsidiary of the Company ("CABC")	2,000,000	3,100,000
CAB Cakaran Southern Sdn. Bhd., a 51% owned subsidiary of CABC	3,500,000	5,700,000
Sia Hui Chen	1,000,000	1,200,000
	<u>6,500,000</u>	<u>10,000,000</u>

Accordingly, the equity interest of the Company in ALFP increased from 58.23% to 60.07%.

## 13. Changes in contingent liabilities and assets

As at 31 March 2022, the Company had issued corporate guarantees of RM856.96 million (31 March 2021: RM818.07 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 2022 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	17,019
Authorised but not contracted for	39,686
	<u>56,705</u>

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2022**

**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 2022, the Group recorded revenue of RM475.86 million, representing an increase of about 7% over the prior year corresponding quarter's revenue of RM444.79 million. The higher revenue was mainly due to higher sales achieved by the integrated poultry division.

The integrated poultry division recorded an increase in revenue by 7.51% as compared to prior year corresponding quarter. This was due primarily to the higher average selling price of broiler of RM6.08 per kg as compared to RM4.77 per kg in the previous corresponding quarter. Despite the higher feed cost, this division recorded a profit from operation of RM18.94 million during the quarter under review as a result of the 27% increase in the average selling price of broilers.

The supermarket division achieved a higher revenue of RM33.82 million due to the higher sales generated by its outlets. Despite the higher revenue, this division recorded a slightly lower profit from operation of RM0.52 million.

Following the relaxation of movement restriction, the business for the fast-food division also showed a recovery since first quarter. In tandem with the higher revenue recorded, it recorded a profit from operation of RM0.03 million as compared to a loss from operation of RM0.08 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 before taxation for the current quarter and preceding quarter is summarised as follows:-

	<b>FYE2022 Quarter 2 RM'000 (Unaudited)</b>	<b>FYE2022 Quarter 1 RM'000 (Unaudited)</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	475,864	494,209	(18,345)	(3.71)
Profit before taxation	7,687	29,000	(21,313)	
Loss/(gain) on fair value adjustment of biological assets	5,456	(908)	6,364	
Adjusted profit before taxation	13,143	28,092	(14,949)	(53.21)

For the current quarter ended 31 March 2022 the Group achieved a lower revenue and profit before taxation as compared to previous quarter, mainly due to the lower production of chicks and lower trading volume of feeds as well as the lower average selling price of broilers as a result of government's move to impose price controls on broilers. The higher feed cost coupled with the lower selling price of broilers which prevailed during the quarter under reviewed has resulted in the margin of the Group being eroded.

**17. Commentary on prospects**

The integrated poultry division will continue to face major challenges due to 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. In addition, the war in Ukraine and poor crop harvest due to climate change have further pushed up the cost of raw material.

(FORWARD)

## 17. Commentary on prospects (Cont'd)

The government's move to impose ceiling price on broilers has caused many farmers to cease production, as this ceiling price is insufficient to cover the cost of production. This is one of the main reasons contributing to the current shortage of chicken in the market. The management expects the selling price of broiler to be maintained at the current ceiling price if the government decides to continue with its price fixing policy.

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		6 months ended	
	31.03.22 RM'000	31.03.21 RM'000	31.03.22 RM'000	31.03.21 RM'000
Current taxation				
- Current	4,522	4,324	11,041	6,250
- Prior year	107	17	169	19
	4,629	4,341	11,210	6,269
Deferred taxation	(248)	(1,805)	29	(2,560)
	4,381	2,536	11,239	3,709

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 2022 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 still serious Covid-19 situation, 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 31 March 2022 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.

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. Subsequently on 16 February 2022, Bursa Malaysia Securities Berhad has granted the Company an extension of time to complete the implementation of the Private Placement till 22 August 2022.

The first tranche of the above private placement was completed on 29 April 2022, and 3,884,000 shares at RM0.515 each, has listed and quoted on the Main Market of Bursa Securities. As at the date of this report, the said proceed has been utilized as follows:

Proposed utilisation	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation RM'000	Balance RM,000	Estimated timeframe for use from the placement date
Working Capital	1,700	1,848*	1,848	-	Within 12 months
Estimated placement expenses	300	152*	152	-	Upon completion
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	

\* The actual placement expenses were lower than the estimated. As such, the unutilized balance of proceeds of RM148,000 which was allocated for placement expenses has been utilized for working capital of the Group.

## 21. Group borrowings and debt securities

The Group's total bank borrowings as at 31 March 2022 are as follows:-

	As at 31 March 2022			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	157,161	62,248	219,409	141,858	67,396	209,254
Term loans	33,959	3,818	37,777	32,941	3,744	36,685
Revolving credit	-	5,500	5,500	4,000	11,200	15,200
Hire purchase payables	9,347	-	9,347	9,622	-	9,622
Bank overdrafts	208	445	653	3,854	34	3,888
Sub-total	<u>200,675</u>	<u>72,011</u>	<u>272,686</u>	<u>192,275</u>	<u>82,374</u>	<u>274,649</u>
<b>Long-term borrowings:</b>						
Term loans	202,194	9,210	211,404	210,833	11,025	221,858
Hire purchase payables	10,066	-	10,066	13,282	-	13,282
Sub-total	<u>212,260</u>	<u>9,210</u>	<u>221,470</u>	<u>224,115</u>	<u>11,025</u>	<u>235,140</u>
<b>Total borrowings</b>	<b><u>412,935</u></b>	<b><u>81,221</u></b>	<b><u>494,156</u></b>	<b><u>416,390</u></b>	<b><u>93,399</u></b>	<b><u>509,789</u></b>

The Group's total borrowings decreased to RM494.16 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 revolving credit and repayment of term loan.

(FORWARD)

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

		As at 31 March 2022		As at 30 September 2021	
		Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<b>Short Term Borrowing</b>					
Secured	RM		192,050	RM	184,541
Unsecured	RM		68,193	RM	78,630
Secured	USD	1,240	5,213	USD	5,192
Unsecured	SGD	1,229	3,818	SGD	3,744
Secured	SGD	1,099	3,412	SGD	2,542
			272,686		
<b>Long Term Borrowing</b>					
Secured	RM		140,121	RM	154,616
Secured	SGD	14,476	44,964	SGD	39,839
Secured	USD	6,464	27,175	USD	29,660
Unsecured	SGD	2,965	9,210	SGD	11,025
			221,470		
<b>Total Borrowing</b>					
Secured	RM		332,171	RM	339,157
Unsecured	RM		68,193	RM	78,630
Secured	SGD	15,575	48,376	SGD	42,381
Secured	USD	7,704	32,388	USD	34,852
Unsecured	SGD	4,194	13,028	SGD	14,769
			494,156		
				509,789	

## 22. Derivative financial instruments

The derivative financial asset as at 31 March 2022 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	31,485	1,968
Purchase Contracts - Less than 1 year	1,389	8
Forward Foreign Exchange Contract:		
Sales Contract - Less than 1 year	117	(1)

For the quarter ended 31 March 2022, 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 2022

## 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 March 2022	Prior Period Quarter 31 March 2021	Current Year To Date 31 March 2022	Preceding Year To Date 31 March 2021
Net profit/(loss) attributable to shareholders (RM'000)	6,693	1,079	24,886	(2,508)
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	697,463	689,963	696,680	689,963
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	697,463	689,963	696,680	689,963
Adjustment for assumed exercised of Warrant ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	697,463	689,963	696,680	689,963
Basic earning/(loss) per ordinary share (sen)	0.96	0.16	3.57	(0.36)

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

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

	3 months ended		6 months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
<b>After charging/(crediting):-</b>				
Depreciation and amortization of non-current assets	12,656	13,525	25,173	27,075
Loss on fair value adjustment of biological assets	5,456	1,266	4,548	9,343
Interest expenses	3,828	3,934	7,840	8,112
Impairment loss on receivables	411	547	859	807
Loss/(gain) on disposal of property, plant and equipment	36	-	92	(498)
Net unrealized loss/(gain) on foreign exchange	257	906	34	(373)
Bad debt written off	188	-*	188	-*
Share of result in an associate	3	(1)	1	(6)
Share of result in a joint venture	1	276	188	499
Property, plant and equipment written off	1	18	12	311
Net fair value gain on derivative financial asset/ (liability)	(278)	(1,233)	(103)	(64)
Gain on forgiven and remeasurement of lease payments	(260)	(104)	(337)	(132)
Interest revenue recognized in profit or loss	(174)	(70)	(292)	(195)
Amortization of deferred revenue	(31)	(16)	(59)	(33)
Reversal of impairment loss recognized on receivables	(30)	-	(30)	-
Reversal of inventories written down	(12)	13	(64)	(13)
Dividend received	(6)	-	(6)	-
Bad debt recovery	(1)	(1)	(1)	(1)
Reserve on consolidation	-	-	(1,310)	-

\* Negligible

## 27. Trade Receivables

	As at 31 March 2022 RM'000 (Unaudited)	As at 30 September 2021 RM'000 (Audited)
Trade receivables:		
Third parties	214,394	196,310
Related parties	7,903	6,361
Less: Allowance for impairment losses	(22,918)	(21,765)
Trade receivable, net	199,379	180,906
Other receivables:		
Third parties	16,392	13,279
Related parties	2,043	474
Less: Allowance for impairment losses	(849)	(841)
Other receivable, net	17,586	12,912
Total trade and other receivables	216,965	193,818

Amounts owing by related parties are as follows:

	As at 31 March 2022 RM'000 (Unaudited)	As at 30 September 2021 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	4,383	2,481
Aqina Farming Sdn. Bhd.	1,784	1,656
Sinmah Poultry Processing (S) Pte. Ltd.	825	1,196
Maju Jaya Farm	393	328
Shin Salim Japan Co. Ltd.	297	392
Chyuan Heng Farming Sdn. Bhd.	169	125
Chuah Ah Chui	24	7
Jaya Gading Marketing	14	32
Unisetali Sdn. Bhd.	14	9
Sinmah Food Services (S) Pte. Ltd.	-	131
Toh York Mue	-	4
	7,903	6,361
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	2,019	461
Unisetali Sdn. Bhd.	12	10
YWT Contract Farming	9	-
Maju Jaya Farm	2	2
Chyuan Heng Farming Sdn. Bhd..	1	-
Asiawe Resources Sdn. Bhd.	-*	1
Aqina Farming Sdn. Bhd.	-*	-
Kebun Ngohoch (PW) Sdn Bhd	-*	-*
	2,043	474

(FORWARD)

## 27. Trade Receivables (Cont'd)

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 31 March 2022</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	144,936	128,404
Number of days past due:		
1 - 30 days	24,344	26,179
31 - 60 days	10,058	8,758
61 - 90 days	3,985	4,349
Over 91 days	16,056	13,216
Total	<u>199,379</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 30 May 2022.