

CAB CAKARAN CORPORATION BERHAD
(200201015998) (583661-W)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
31 MARCH 2023

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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	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	9	570,889	475,864	1,128,194	970,073
Cost of sales		(499,656)	(432,884)	(993,341)	(873,075)
Gross profit		71,233	42,980	134,853	96,998
Investment revenue		91	111	184	214
Other income		15,698	4,772	43,205	10,148
Marketing and selling expenses		(18,838)	(15,364)	(36,718)	(30,425)
Administrative expenses		(13,404)	(14,992)	(25,296)	(27,478)
Other expenses		(23)	(9)	(61)	(44)
Operating profit	9	54,757	17,498	116,167	49,413
Other gains and losses		(2,357)	(5,415)	8,914	(3,468)
Net remeasurement of expected credit loss		(2,676)	(411)	(3,072)	(859)
Share of result in joint venture		-	(1)	(59)	(188)
Share of result in an associate		3	(3)	6	(1)
Profit before interest and taxation		49,727	11,668	121,956	44,897
Interest income		422	174	757	292
Finance costs		(5,137)	(4,155)	(10,119)	(8,502)
Profit before tax		45,012	7,687	112,594	36,687
Tax expense	19	(8,640)	(4,381)	(19,710)	(11,239)
Profit for the period	26	36,372	3,306	92,884	25,448
Other Comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		644	329	1,372	595
Total comprehensive income for the period		37,016	3,635	94,256	26,043
Profit/(loss) attributable to:					
Owners of the Company		28,521	6,693	70,393	24,886
Non-controlling interests		7,851	(3,387)	22,491	562
		36,372	3,306	92,884	25,448
Total comprehensive income/(loss) attributable to:					
Owners of the Company		28,773	6,831	70,932	25,136
Non-controlling interests		8,243	(3,196)	23,324	907
		37,016	3,635	94,256	26,043
Earning per ordinary share (sen):					
Basic	25	4.07	0.96	10.04	3.57
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 2022 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2023	As at 30 September 2022
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		653,463	661,658
Right-of-use assets		87,951	89,971
Investment properties		114,034	114,034
Bearer plants		546	527
Other intangible assets		8,692	9,392
Goodwill		6,219	6,219
Interest in an associate		280	274
Investment in a joint venture		-	58
Other financial asset	22	194	375
Deferred tax assets		4,490	4,475
Total non-current assets		875,869	886,983
Current Assets			
Biological assets		119,520	108,450
Inventories		80,122	79,814
Trade and other receivables	27	238,640	202,083
Other assets		21,880	20,497
Other financial asset	22	2,956	4,466
Current tax assets		2,253	1,788
Short-term deposits with licensed banks		68,327	43,351
Cash and bank balances		109,975	76,526
Total current assets		643,673	536,975
TOTAL ASSETS		1,519,542	1,423,958
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		145,979	145,979
Treasury shares		(69)	(69)
Reserves		3,321	2,782
Retained earnings		425,908	355,515
Equity attributable to owners of the Company		575,139	504,207
Non-controlling interests		150,972	127,992
Total equity		726,111	632,199
NON-CURRENT LIABILITIES			
Provisions		1,122	1,122
Borrowings	21	190,034	207,555
Lease liabilities		9,024	10,736
Deferred revenue		150	173
Deferred tax liabilities		48,182	47,630
Total non-current liabilities		248,512	267,216

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		As at 31 March 2023	As at 30 September 2022
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables		247,953	238,979
Provisions		1,764	1,764
Borrowings	21	274,412	272,903
Lease Liabilities		3,463	4,059
Other financial liability	22	54	-
Deferred revenue		124	106
Current tax liabilities		17,149	6,732
Total current liabilities		544,919	524,543
TOTAL LIABILITIES		793,431	791,759
TOTAL EQUITY AND LIABILITIES		1,519,542	1,423,958
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.82	0.72

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Six (6) Months Ended 31 March 2023

	----- Attributable to owners of the Company ----->						Non-Controlling interest RM'000	Total Equity RM'000
	←----- Non-distributable ----->			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000		
As at 1 October 2022	145,979	(69)	82	2,700	355,515	504,207	127,992	632,199
Profit for the period	-	-	-	-	70,393	70,393	22,491	92,884
Other comprehensive income	-	-	-	539	-	539	833	1,372
Total comprehensive income for the period	-	-	-	539	70,393	70,932	23,324	94,256
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(344)	(344)
Balance as at 31 March 2023	145,979	(69)	82	3,239	425,908	575,139	150,972	726,111

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (200201015998) (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 2022

	←----- Attributable to owners of the Company ----->						Non-Controlling interest	Total Equity
	←----- Non-distributable ----->			Distributable				
	Share Capital	Treasury Shares	Revaluation reserve	Translation reserve	Retained earnings	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
As at 1 October 2022	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
Total comprehensive income for the period	-	-	-	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	-
Balance as at 31 March 2022	143,979	(69)	82	1,764	322,682	468,438	125,842	594,280

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 2022 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31 March 2023 RM'000 (Unaudited)	6 months ended 31 March 2022 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	112,594	36,687
Adjustments for:		
Depreciation and amortization of non-current assets	27,795	25,173
Interest expenses	9,450	7,840
Impairment loss recognized on receivables	3,119	859
Net fair value loss/(gain) on derivative financial asset/ (liability)	1,744	(103)
Property, plant and equipment written off	127	12
Deposit written off	94	-
Share of result in a joint venture	59	188
Bad debt written off	4	188
(Gain)/loss on fair value adjustment of biological assets	(9,048)	4,548
Net unrealized (gain)/loss on foreign exchange	(2,319)	34
Interest revenue recognized in profit or loss	(757)	(292)
(Gain)/loss on disposal of property, plant and equipment	(209)	92
Amortization of deferred revenue	(83)	(59)
Gain on forgiven, termination and remeasurement of lease payments	(69)	(337)
Reversal of inventories written down	(29)	(64)
Reversal of impairment loss recognized on receivables	(12)	(30)
Share of result in an associate	(6)	1
Gain for bargain purchase	-	(1,310)
Dividend received	-	(6)
Bad debt recovery	-	(1)
Operating profit before changes in working capital	142,454	73,420
Movement in working capital:		
Inventories	(55)	16,431
Biological assets	(2,022)	2,294
Trade and other receivables	(39,569)	(12,450)
Other assets	(377)	21
Trade and other payables	7,411	2,345
Deferred revenue	72	78
Cash generated from operations	107,914	82,139
Interest received	562	152
Net of income tax (paid) and refunded	(9,237)	(6,093)
Interest paid	(9,043)	(7,495)
Interest paid on lease liabilities	(380)	(386)
Net cash generated in operating activities	89,816	68,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from/(advance to) a joint venture	976	(1,545)
Proceeds from disposal of non-current assets	313	264
Interest received	168	114
Payments for non-current assets	(12,827)	(8,648)
(Increase)/decrease in other assets for acquisition of non-current assets	(955)	52
Payments for right-of-used assets	(29)	-
Payments for bearer plants	(19)	(181)
Net cash inflow on acquisition	-	2,436
Dividend received	-	6
Net cash used in investing activities	(12,373)	(7,502)

(FORWARD)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	6 months ended 31 March 2023 RM'000 (Unaudited)	6 months ended 31 March 2022 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in short-term borrowings	4,299	(260)
Short-term deposits pledged as securities	1,066	(103)
Advance from a joint venture	678	-
Advance from/(repayment to) directors	170	(546)
Advance from non-controlling interest of a subsidiary	44	-
Net change in long-term loans	(19,043)	(11,024)
Net change in hire-purchase	(2,325)	(5,038)
Net change in lease liabilities	(2,218)	(1,773)
Dividend paid to non-controlling interests of a subsidiary	(344)	(344)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	-	348
Net cash used in financing activities	(17,673)	(18,740)
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,770	42,075
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	107,677	54,979
Effect of foreign exchange rate changes	578	218
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	168,025	97,272
REPRESENTED BY:-		
Short-term deposits with licensed banks	68,327	36,640
Cash and bank balances	109,975	71,230
Bank overdrafts classified as cash equivalents	(1,222)	(653)
	177,080	107,217
Less: Short-term deposits pledged as securities	(9,055)	(9,945)
	168,025	97,272

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 2022 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2023

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 2022. 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 2022.

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 2022, 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	Reference to the Conceptual Framework (Amendments to MFRS 3)
Amendments to MFRS 116	Proceeds Before Intended Use
Amendments to MFRS 137	Onerous Contracts-cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

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 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^(c)
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ^(b)
Amendments to MFRS 17	Insurance Contract ^(a)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ^(a)
Amendments to MFRS 101	Disclosure of Accounting Policies ^(a)
Amendments to MFRS 101	Non-current Liabilities with Covenants ^(b)
Amendments to MFRS 108	Definition of Accounting Estimates ^(a)
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ^(a)

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

^(b) Effective for annual periods beginning on or after 1 January 2024

^(c) 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 2022 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 2023.

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 2023.

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 2023.

At the Annual General Meeting of the Company held on 24 March 2022, 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 2023, 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	Drone Service RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended 31 March 2023							
Segment revenue							
External revenue	-	536,338	33,874	471	206	-	570,889
Inter-segment revenue	5,897	5,708	-	167	-	(11,772)	-
Total revenue	5,897	542,046	33,874	638	206	(11,772)	570,889
Segment results	5,344	59,717	101	(12)	(126)	(10,267)	54,757
Six (6) Months ended 31 March 2023							
Segment revenue							
External revenue	-	1,058,033	69,015	876	270	-	1,128,194
Inter-segment revenue	5,980	12,113	-	336	-	(18,429)	-
Total revenue	5,980	1,070,146	69,015	1,212	270	(18,429)	1,128,194
Segment results	5,158	124,981	794	16	(325)	(14,457)	116,167
As at 31 March 2023							
Segment assets	124,130	1,370,237	35,912	1,073	3,499	(90,379)	1,444,472
Interest revenue producing assets							68,327
Income tax assets							6,743
Consolidated total assets							1,519,542
Segment liabilities	131	244,827	18,257	221	223	(5)	263,654
Borrowings							464,446
Income tax liabilities							65,331
Consolidated total liabilities							793,431

(FORWARD)

9. Segmental information (Cont'd)

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

	Investment holding RM'000	Integrated poultry RM'000	Supermarket RM'000	Fast Food RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended 31 March 2022						
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
Six (6) Months ended 31 March 2022						
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
As at 31 March 2022						
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
Consolidated total assets						1,364,999
Segment liabilities	190	212,843	17,334	339	(5)	230,701
Borrowings						494,156
Income tax liabilities						45,862
Consolidated total liabilities						770,719

(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 2023		Six (6) Months ended 31 March 2023	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	502,460	88.01	989,765	87.73
Singapore	67,570	11.84	135,037	11.97
Others	859	0.15	3,392	0.30
Consolidated	<u>570,889</u>	<u>100.00</u>	<u>1,128,194</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 2023 until the date of the interim financial report.

12. Changes in the composition of the Group

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

13. Changes in contingent liabilities and assets

As at 31 March 2023, the Company had issued corporate guarantees of RM871.19 million (31 March 2022: RM856.96 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 2023 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	27,591
Authorised but not contracted for	37,701
	<u>65,292</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2023

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 2023, the Group recorded revenue of RM570.89 million, representing an increase of about 19.97% over the prior year corresponding quarter's revenue of RM475.86 million. The higher revenue was mainly due to higher sales achieved by most of the divisions especially the integrated poultry division.

The integrated poultry division recorded an increase in revenue by 21.48% as compared to prior year corresponding quarter. This was due primarily to the higher average selling price of broiler, feed, processed chicken and most of the further processed food products. In tandem with the higher sales coupled with the subsidies from the government, this division recorded a higher profit from operation of RM59.72 million during the quarter under review.

Despite the supermarket division achieved a slightly higher revenue of RM33.87 million, this division recorded a lower profit from operation of RM0.10 million mainly due to increase in the cost of goods sold which resulted in decreased in margin of the division.

The fast-food division recorded a lower revenue to RM0.47 million, it recorded a loss from operation of RM0.01 million mainly due to higher cost of goods as compared to prior year corresponding quarter.

16. Comment on variation of results against immediate preceding quarter

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

	FYE2023 Quarter 2 RM'000 (Unaudited)	FYE2023 Quarter 1 RM'000 (Unaudited)	Variance RM'000	%
Revenue	570,889	557,305	13,584	2.44
Profit before tax	45,012	67,582	(22,570)	
Subsidies on chicken	(11,752)	(20,469)	8,717	
Loss/(gain) on fair value adjustment of biological assets	2,225	(11,273)	13,498	
Adjusted profit before tax	35,485	35,840	(355)	(0.99)

For the current quarter ended 31 March 2023 the Group achieved a higher revenue as compared to previous quarter, mainly due to the increase in the sales volume from the processed chicken and day-old chick. Although the Group achieved a higher sale, an increase in the marketing and selling expenses as well as administrative expense have resulted in a lower profit before tax.

17. Commentary on prospects

The local poultry industry is beginning to show improvement in production output after the Covid pandemic and the arrival of foreign workers since October last year. Although the industry still needs more time to be able to return to the pre-Covid period, there are signs of progress towards this end.

Nevertheless, the local poultry industry will continue to face challenges such as the continued increase in the cost of production, outbreak of diseases, changes in weather condition and export ban on live broilers coupled with the government's price control policy.

(FORWARD)

17. Commentary on prospects (Cont'd)

The government had in February 2023 announced its intention to circumvent chicken and egg shortages by removing price caps in June 2023 as well as by cultivating grain corn locally to mitigate higher prices of chicken feed imports. As and when implemented, the uplift of the price control policy may alleviate the constraints on the Group's profit margins, thereby improving the Group's profitability and financial performance moving forward.

The demand for chicken meat is expected to remain high as it is the cheapest source of meat protein and the fact that per capital consumption of chicken meat in Malaysia is around 50 kg, one of the highest in the world. With a strong demand, the price of broiler is expected to remain high in the next quarter as the supply situation is still unstable.

Premised on the above, and barring any unforeseen circumstances, the Board is optimistic about the future prospects of the Group. The Board will continue to monitor and review the performance and progress of the Group's operations and financial performance, and to introduce measures to enhance the Group's financial, if required.

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	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Current taxation				
- Current	9,306	4,522	19,221	11,041
- Prior year	(43)	107	(43)	169
	9,263	4,629	19,178	11,210
Deferred taxation	(623)	(248)	532	29
	8,640	4,381	19,710	11,239

The effective tax rate for the financial period is lower than statutory income tax rate mainly due to availability of tax credit.

20. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended 31 March 2023 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 with PT Ternak Ayam Terpadu Indonesia ("PT"), to form several Joint Venture Companies ("JV Companies") for the production of halal poultry products for the Indonesia's consumers. The Joint Venture Agreement 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 Joint Venture Agreement requires the JVA Parties to facilitate their application to the Badan Koordinasi Penanaman Modal, Indonesia for the incorporation of the JV Companies. As at to-date, the implementation of the JVA has been deferred until implementation framework is resolved.
- ii) On 12 May, 2023, the shareholders of the Company has approved in the Extraordinary General Meeting the proposed bonus issue of up to 233,964,247 warrants on the basis of one warrant for every three existing ordinary shares in the Company held by the entitled shareholders of the Company on 29 May 2023.

The Warrants will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 7 June 2023.

21. Group borrowings and debt securities

The Group's total bank borrowings as at 31 March 2023 are as follows:-

	As at 31 March 2023			As at 30 September 2022		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:						
Bankers' acceptances	164,439	60,613	225,052	166,570	54,261	220,831
Term loans	32,430	4,166	36,596	33,735	4,018	37,753
Hire purchase payables	8,219	-	8,219	9,005	-	9,005
Fixed advance facilities	3,323	-	3,323	3,236	-	3,236
Bank overdrafts	1,222	-	1,222	2,078	-	2,078
Sub-total	209,633	64,779	274,412	214,624	58,279	272,903
Long-term borrowings:						
Term loans	177,252	5,687	182,939	193,466	7,579	201,045
Hire purchase payables	7,095	-	7,095	6,510	-	6,510
Sub-total	184,347	5,687	190,034	199,976	7,579	207,555
Total borrowings	393,980	70,466	464,446	414,600	65,858	480,458

The Group's total borrowings decreased to RM464.45 million during the quarter under review as compared to RM480.46 million recorded in the financial year ended 30 September 2022 mainly due to the repayment of term loan.

	As at 31 March 2023			As at 30 September 2022		
		Foreign Currency '000	RM Equivalent '000		Foreign Currency '000	RM Equivalent '000
Short Term Borrowing						
Secured	RM		187,800	RM		195,791
Unsecured	RM		60,613	RM		54,261
Secured	USD	3,396	14,998	USD	2,665	12,335
Secured	SGD	2,057	6,835	SGD	2,008	6,498
Unsecured	SGD	1,254	4,166	SGD	1,241	4,018
			274,412			272,903
Long Term Borrowing						
Secured	RM		115,894	RM		127,118
Secured	SGD	13,535	44,977	SGD	14,034	45,420
Secured	USD	5,316	23,476	USD	5,936	27,438
Unsecured	SGD	1,711	5,687	SGD	2,342	7,579
			190,034			207,555
Total Borrowing						
Secured	RM		303,694	RM		322,909
Unsecured	RM		60,613	RM		54,261
Secured	SGD	15,592	51,812	SGD	16,042	51,918
Secured	USD	8,712	38,474	USD	8,601	39,773
Unsecured	SGD	2,965	9,853	SGD	3,583	11,597
			464,446			480,458

22. Derivative financial instruments

The derivative financial asset as at 31 March 2023 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	4,228	194
Purchase Contracts – Less than 1 year	21,462	2,956
Purchase Contracts - Less than 1 year	9,872	(54)

For the quarter ended 31 March 2023, 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 2023

25. Basic earning per ordinary share

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

	Current Period Quarter 31 March 2023	Prior Period Quarter 31 March 2022	Current Year To Date 31 March 2023	Preceding Year To Date 31 March 2022
Net profit attributable to shareholders (RM'000)	28,521	6,693	70,393	24,886
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	701,347	697,463	701,347	696,680
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	701,347	697,463	701,347	696,680
Adjustment for assumed exercised of Warrant ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	701,347	697,463	701,347	696,680
Basic earning per ordinary share (sen)	4.07	0.96	10.04	3.57

26. Profit for the period

Profit for the period has been arrived at:

	3 months ended		6 months ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	13,906	12,656	27,795	25,173
Interest expenses	4,802	3,828	9,450	7,840
Impairment loss recognized on receivables	2,723	411	3,119	859
Loss/(gain) on fair value adjustment of biological assets	2,225	5,456	(9,048)	4,548
Net fair value loss/(gain) on derivative financial asset/ (liability)	573	(278)	1,744	(103)
Net unrealized loss/(gain) on foreign exchange	208	257	(2,319)	34
Deposit written off	94	-	94	-
Property, plant and equipment written off	13	1	127	12
Interest revenue recognized in profit or loss	(422)	(174)	(757)	(292)
Gain on forgiven, termination and remeasurement of lease payments	(66)	(260)	(69)	(337)
Reversal of inventories written down	(61)	(12)	(29)	(64)
Amortization of deferred revenue	(41)	(31)	(83)	(59)
(Gain)/loss on disposal of property, plant and equipment	(27)	36	(209)	92
Share of result in an associate	(3)	3	(6)	1
Bad deb written off	-	188	4	188
Share of result in a joint venture	-	1	59	188
Reversal of impairment loss recognized on receivables	-	(30)	(12)	(30)
Dividend received	-	(6)	-	(6)
Bad debt recovery	-	(1)	-	(1)
Gain for bargain purchase	-	-	-	(1,310)

27. Trade Receivables

	As at 31 March 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Trade receivables:		
Third parties	238,084	198,924
Related parties	10,606	12,143
Less: Allowance for impairment losses	(28,731)	(25,786)
Trade receivable, net	219,959	185,281
Other receivables:		
Third parties	19,569	16,718
Related parties	19	968
Less: Allowance for impairment losses	(907)	(884)
Other receivable, net	18,681	16,802
Total trade and other receivables	238,640	202,083

(FORWARD)

27. Trade Receivables (Cont'd)

Amounts owing by related parties are as follows:

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

	As at 31 March 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	4,552	5,618
Sinmah Poultry Processing (S) Pte. Ltd.	3,376	3,412
Aqina Farming Sdn. Bhd.	1,388	1,344
Maju Jaya Farm	460	587
Nulab Sdn. Bhd.	421	365
Chyuan Heng Farming Sdn. Bhd.	251	330
Shin Salim Japan Co. Ltd.	131	304
Chuah Ah Chui	18	15
Unisetali Sdn. Bhd.	9	-*
OTO Agriculture Marketing Sdn. Bhd.	-	-
Sinmah Food Services (S) Pte. Ltd.	-	168
	<u>10,606</u>	<u>12,143</u>
Included in other receivables:		
YWT Contract Farming	16	3
Chyuan Heng Farming Sdn. Bhd.	2	5
Maju Jaya Farm	1	1
Asiawe Resources Sdn. Bhd.	-*	-*
Kebun Ngohoch (PW) Sdn. Bhd.	-*	-*
Singapore Poultry Hub Pte. Ltd.	-	959
Unisetali Sdn. Bhd.	-	-*
	<u>19</u>	<u>968</u>

Ageing of trade receivables:

	As at 31 March 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Not past due	166,423	139,734
Number of days past due:		
1 - 30 days	28,527	22,188
31 - 60 days	8,723	9,850
61 - 90 days	5,223	1,886
Over 91 days	11,063	11,623
Total	<u>219,959</u>	<u>185,281</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 2023.