

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
30 SEPTEMBER 2023

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended 30 September		12 months ended 30 September	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	9	557,181	495,503	2,246,102	1,954,278
Cost of sales		(502,713)	(474,116)	(1,983,531)	(1,778,705)
Gross profit		54,468	21,387	262,571	175,573
Investment revenue		87	92	362	409
Other income		23,909	26,307	75,405	44,242
Marketing and selling expenses		(19,306)	(16,097)	(76,024)	(61,864)
Administrative expenses		(14,465)	(14,722)	(52,230)	(55,499)
Other expenses		(2,081)	(729)	(2,211)	(1,041)
Operating profit	9	42,612	16,238	207,873	101,820
Other gains and losses		(6,448)	(719)	2,222	5,792
Net remeasurement of expected credit loss		1,461	3,661	(2,449)	(1,984)
Share of result in joint venture		(1)	(3,483)	(60)	(3,672)
Share of result in an associate		4	3	15	5
Profit before interest and taxation		37,628	15,700	207,601	101,961
Interest income		542	247	1,881	746
Finance costs		(4,837)	(4,476)	(20,002)	(17,093)
Profit before tax		33,333	11,471	189,480	85,614
Tax expense	19	(19,987)	(8,980)	(47,917)	(29,286)
Profit for the period/year	26	13,346	2,491	141,563	56,328
Other Comprehensive (loss)/income					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		(114)	1,103	3,276	2,906
Total comprehensive income for the period/year		13,232	3,594	144,839	59,234
Profit/(loss) attributable to:					
Owners of the Company		10,706	7,684	107,248	57,720
Non-controlling interests		2,640	(5,193)	34,315	(1,392)
		13,346	2,491	141,563	56,328
Total comprehensive income/(loss) attributable to:					
Owners of the Company		10,682	8,114	108,549	58,906
Non-controlling interests		2,550	(4,520)	36,290	328
		13,232	3,594	144,839	59,234
Earning per ordinary share (sen):					
Basic	25	1.53	1.10	15.29	8.26
Diluted	25	1.51	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 30 September 2023	As at 30 September 2022
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		658,120	661,658
Right-of-use assets		87,638	89,971
Investment properties		115,524	114,034
Bearer plants		571	527
Other intangible assets		7,269	9,392
Goodwill		6,219	6,219
Interest in an associate		289	274
Investment in a joint venture		-	58
Other financial asset	22	1,609	375
Deferred tax assets		104	4,475
Total non-current assets		877,343	886,983
Current Assets			
Biological assets		115,021	108,450
Inventories		100,722	79,814
Trade and other receivables	27	248,730	202,083
Other assets		21,578	20,497
Other financial asset	22	29	4,466
Current tax assets		2,218	1,788
Short-term deposits with licensed banks		76,641	43,351
Cash and bank balances		95,679	76,526
Total current assets		660,618	536,975
TOTAL ASSETS		1,537,961	1,423,958
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		145,979	145,979
Treasury shares		(69)	(69)
Reserves		4,083	2,782
Retained earnings		462,763	355,515
Equity attributable to owners of the Company		612,756	504,207
Non-controlling interests		163,936	127,992
Total equity		776,692	632,199
NON-CURRENT LIABILITIES			
Provisions		1,122	1,122
Borrowings	21	174,504	207,555
Lease liabilities		8,991	10,736
Deferred revenue		101	173
Deferred tax liabilities		58,743	47,630
Total non-current liabilities		243,461	267,216

(FORWARD)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		As at 30 September 2023	As at 30 September 2022
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables		268,502	238,979
Provisions		3,816	1,764
Borrowings	21	234,851	272,903
Lease Liabilities		2,824	4,059
Deferred revenue		117	106
Current tax liabilities		7,698	6,732
Total current liabilities		517,808	524,543
TOTAL LIABILITIES		761,269	791,759
TOTAL EQUITY AND LIABILITIES		1,537,961	1,423,958
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.87	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)

Twelve (12) Months Ended 30 September 2023

	Attributable to owners of the Company						Non-Controlling interest	Total Equity
	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	RM'000	RM'000
As at 1 October 2022	145,979	(69)	82	2,700	355,515	504,207	127,992	632,199
Profit for the year	-	-	-	-	107,248	107,248	34,315	141,563
Other comprehensive income	-	-	-	1,301	-	1,301	1,975	3,276
Total comprehensive income for the financial year	-	-	-	1,301	107,248	108,549	36,290	144,839
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(346)	(346)
Subscription of ordinary shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	-*	-*
Balance as at 30 September 2023	145,979	(69)	82	4,001	462,763	612,756	163,936	776,692

* Negligible

(FORWARD)

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
(The figures have been audited)

Twelve (12) Months Ended 30 September 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		
As at 1 October 2021	140,679	(69)	82	1,514	298,331	440,537	119,966	560,503
Profit/(loss) for the year	-	-	-	-	57,720	57,720	(1,392)	56,328
Other comprehensive income	-	-	-	1,186	-	1,186	1,720	2,906
Total comprehensive income for the financial year	-	-	-	1,186	57,720	58,906	328	59,234
Additional non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	-	4,430	4,430
Issuance of ordinary shares pursuant to acquisition of a subsidiary	3,300	-	-	-	-	3,300	-	3,300
Subscription of ordinary shares by non-controlling interest in subsidiaries	-	-	-	-	-	-	3,079	3,079
Issuance of ordinary shares pursuant to private placement	2,000	-	-	-	-	2,000	-	2,000
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(347)	(347)
Arising from increase in equity interest in subsidiaries	-	-	-	-	(536)	(536)	536	-
Balance as at 30 September 2022	145,979	(69)	82	2,700	355,515	504,207	127,992	632,199

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.

CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 30 September 2023 RM'000 (Unaudited)	12 months ended 30 September 2022 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	189,480	85,614
Adjustments for:		
Depreciation and amortization of non-current assets	57,667	52,157
Interest expenses	18,782	15,801
Net fair value loss/(gain) on derivative financial asset	3,202	(2,969)
Impairment loss recognized on receivables	2,606	5,998
Other intangible assets written off	753	-
Bad debt written off	386	2,845
Property, plant and equipment written off	134	849
Deposit written off	95	104
Share of result in a joint venture	60	3,672
Inventories written off	20	-
Net unrealized (gain)/loss on foreign exchange	(4,668)	2,427
(Gain)/loss on disposal of property, plant and equipment	(2,047)	19
Interest revenue recognized in profit or loss	(1,881)	(746)
Gain on fair value adjustment of investment properties	(1,136)	(3,184)
Gain on fair value adjustment of biological assets	(347)	(9,445)
Amortization and realization of deferred revenue	(146)	(131)
Gain on forgiven, termination and remeasurement of lease payments	(63)	(421)
Reversal of impairment loss recognized on receivables	(28)	(279)
Reversal of inventories written down	(21)	(42)
Share of result in an associate	(15)	(5)
Gain for bargain purchase	-	(1,310)
Dividend received	-	(6)
Bad debt recovery	-	(1)
Operating profit before changes in working capital	262,833	150,947
Movement in working capital:		
Inventories	(20,210)	(4,398)
Biological assets	(6,224)	(13,573)
Trade and other receivables	(47,856)	(4,723)
Other assets	(24)	(4,394)
Trade and other payables	27,446	25,508
Provision	2,052	697
Deferred revenue	72	97
Cash generated from operations	218,089	150,161
Interest received	1,421	439
Net of income tax (paid) and refunded	(31,938)	(19,715)
Interest paid	(18,142)	(15,972)
Interest paid on lease liabilities	(725)	-
Net cash generated in operating activities	168,705	114,913

(FORWARD)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	12 months ended 30 September 2023 RM'000 (Unaudited)	12 months ended 30 September 2022 RM'000 (Audited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	8,891	553
Repayment from/(advance to) a joint venture	783	(3,997)
Interest received	425	301
Payments for non-current assets	(41,145)	(24,690)
(Increase)/decrease in other assets for acquisition of non-current assets	(942)	788
Payments for right-of-used assets	(30)	-
Payments for bearer plants	(44)	(229)
Net cash inflow on acquisition	-	2,436
Dividend received	-	6
Net cash used in investing activities	(32,062)	(24,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term deposits pledged as securities	895	(279)
Advance from a joint venture	498	1,101
Advance from/(repayment to) directors	174	-
Advance from/(repayment to) non-controlling interest of a subsidiary	135	138
Net change in long-term loans	(35,792)	(26,554)
Net change in short-term borrowings	(34,153)	(1,231)
Net change in hire-purchase	(9,911)	(10,168)
Net change in lease liabilities	(4,223)	(3,485)
Dividend paid to non-controlling interests of a subsidiary	(346)	(347)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	-*	348
Proceeds from private payment	-	2,000
Net cash used in financing activities	(82,723)	(38,477)
NET INCREASE IN CASH AND CASH EQUIVALENTS	53,920	51,604
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	107,677	54,979
Effect of foreign exchange rate changes	1,456	1,094
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	163,053	107,677
REPRESENTED BY:-		
Short-term deposits with licensed banks	76,641	43,351
Cash and bank balances	95,679	76,526
Bank overdrafts classified as cash equivalents	(40)	(2,078)
	172,280	117,799
Less: Short-term deposits pledged as securities	(9,227)	(10,122)
	163,053	107,677

* Negligible

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 FOURTH QUARTER ENDED 30
SEPTEMBER 2023**

PART A : EXPLANATORY NOTES AS PER MFRS 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 7 and MFRS107	Supplier finance arrangement ^(b)
Amendments to MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^(d)
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ^(b)
Amendments to MFRS 17	Insurance Contract ^(a)
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 –Comparative information ^(a)
Amendments to MFRS 101	Non-current Liabilities with Covenant ^(b)
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ^(a)
Amendments to MFRS 112	International Tax Reform: Pillar Two Model Rules ^(b)
Amendments to MFRS 121	The effects of changes in foreign exchange rates ^(c)

^(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 for annual periods beginning on or after 1 January 2025

^(d) 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 30 September 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 30 September 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 30 September 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 30 September 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 30 September 2023							
Segment revenue							
External revenue	-	520,389	36,249	342	201	-	557,181
Inter-segment revenue	9,998	5,496	2	127	-	(15,623)	-
Total revenue	9,998	525,885	36,251	469	201	(15,623)	557,181
Segment results	9,617	65,037	(572)	(393)	(154)	(30,923)	42,612
Twelve (12) Months ended 30 September 2023							
Segment revenue							
External revenue	-	2,102,347	141,679	1,532	544	-	2,246,102
Inter-segment revenue	16,065	23,433	9	598	-	(40,105)	-
Total revenue	16,065	2,125,780	141,688	2,130	544	(40,105)	2,246,102
Segment results	14,339	241,107	(24)	(461)	(720)	(46,368)	207,873
As at 30 September 2023							
Segment assets	137,366	1,396,728	36,527	1,150	2,981	(115,754)	1,458,998
Interest revenue producing assets							76,641
Income tax assets							2,322
Consolidated total assets							1,537,961
Segment liabilities	158	267,789	16,927	255	349	(5)	285,473
Borrowings							409,355
Income tax liabilities							66,441
Consolidated total liabilities							761,269

(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	Drone RM'000	Fast Food RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended 30 September 2022							
Segment revenue							
External revenue	-	457,588	37,404	148	363	-	495,503
Inter-segment revenue	8,199	5,381	2	-	135	(13,717)	-
Total revenue	8,199	462,969	37,406	148	498	(13,717)	495,503
Segment results	7,873	25,140	123	127	(2)	(17,023)	16,238
Twelve (12) Months ended 30 September 2022							
Segment revenue							
External revenue	-	1,806,945	145,442	252	1,639	-	1,954,278
Inter-segment revenue	8,763	21,008	9	-	612	(30,392)	-
Total revenue	8,763	1,827,953	145,451	252	2,251	(30,392)	1,954,278
Segment results	6,864	116,454	2,222	(342)	86	(23,464)	101,820
As at 30 September 2022							
Segment assets	124,180	1,300,034	30,976	3,709	940	(85,495)	1,374,344
Interest revenue producing assets							43,351
Income tax assets							6,263
Consolidated total assets							1,423,958
Segment liabilities	130	239,375	16,935	192	312	(5)	256,939
Borrowings							480,458
Income tax liabilities							54,362
Consolidated total liabilities							791,759

(FORWARD)

9. Segmental information (Cont'd)

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

Revenue By Geographical Locations	Three (3) Months ended 30 September 2023		Twelve (12) Months ended 30 September 2023	
	RM'000	%	RM'000	%
Malaysia	481,629	86.44	1,959,041	87.22
Singapore	74,125	13.30	280,757	12.50
Others	1,427	0.26	6,304	0.28
Consolidated	<u>557,181</u>	<u>100.00</u>	<u>2,246,102</u>	<u>100.00</u>

The Directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. There were no revaluation of property, plant and equipment for the current quarter under review.

The valuation of land and buildings has been brought forward without any amendment from the previous audited financial statements.

11. Material events subsequent to the end of the interim period

There were no material events which have occurred subsequent to the end of current quarter ended 30 September 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 save as:

- a) On 6 July 2023, Kyros International Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company has incorporated a new subsidiary Company, Kyros Trademark Sdn. Bhd. ("KTSB") in Malaysia. The initial issued and paid up capital of KTSB was RM100 divided into 100 ordinary shares. KISB subscribed for the 75 ordinary shares by way of cash. Consequently, KTSB became a 75% owned subsidiary of the Group.
- b) On 24 August 2023, CAB Marine Sdn. Bhd., a wholly-owned subsidiary of the Company, has submitted application to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the Companies Act 2016.
- c) On 30 August 2023, Home Mart Fresh & Frozen Sdn. Bhd. ("HMFF"), increased its issued paid-up share capital from RM4,000,000 to RM5,000,000 by issuance of 1,000,000 new ordinary shares. The Company subscribed for the entire additional shares by way of cash. Accordingly, the Group's equity interest in HMFF remains unchanged.
- d) On 1 September 2023, Jimat Jaya Sdn. Bhd. ("JJSB"), increased its issued paid-up share capital from RM20,000,000 to RM26,500,000 by issuance of 6,500,000 new ordinary shares. The wholly-owned subsidiary of the Company, CAB Cakaran Sdn. Bhd. subscribed for the entire additional shares by way of converting the amount owing by JJSB of RM6,500,000 into equity shares. Accordingly, the Group's equity interest in JJSB remains unchanged.

13. Changes in contingent liabilities and assets

As at 30 September 2023, the Company had issued corporate guarantees of RM902.18 million (30 September 2022: RM863.06 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively, granted to its subsidiary companies.

14. Capital commitments

The capital commitments of the Group as at 30 September 2023 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	36,649
Authorised but not contracted for	72,756
	<u>109,405</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 SEPTEMBER 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 fourth quarter ended 30 September 2023, the Group recorded revenue of RM557.18 million, representing an increase of about 12.45% over the prior year corresponding quarter's revenue of RM495.50 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 of 13.59% as compared to prior year corresponding quarter. This was due primarily to the higher sales from chick, feed as well as processed chicken and further processed food products. In tandem with the higher sales coupled with the higher selling price of chicks, lower feed cost and higher revenue margin achieved in Singapore subsidiaries, this division recorded a higher profit from operation of RM65 million during the quarter under review.

The supermarket division recorded a decrease in revenue to RM36.25 million and suffered a loss from operation of RM0.57 million in the current quarter under review as compared to a profit from operation in prior year corresponding quarter. This was mainly due to the lower sales and margin achieved by most of the outlets during the quarter under review.

The fast-food division recorded a lower revenue to RM0.47 million and recorded a loss from operation of RM0.39 million mainly due to higher cost of goods sold 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 4 RM'000 (Unaudited)	FYE2023 Quarter 3 RM'000 (Unaudited)	Variance RM'000	%
Revenue	557,181	560,727	(3,546)	(0.63)
Profit before tax	33,333	43,553	(10,220)	
Subsidies on chicken	(17,107)	(2,663)		
Gain on fair value adjustment of investment properties	(1,136)	-		
Loss/(gain) on disposal of property, plant and equipment	81	(1,919)		
Loss on fair value adjustment of biological assets	6,544	2,157		
Adjusted profit before tax	21,715	41,128	(19,413)	(47.20)

Although the Group's current quarter's revenue remained relatively unchanged as compared to the previous quarter, the adjusted profit before tax decreased by 47.20% from the previous quarter. This was mainly due to the lower selling price of chick and broiler. The selling price of chick and broiler for the quarter under reviewed have decreased by 7% and 8% respectively as compared to previous quarter.

17. Commentary on prospects (Cont'd)

With the economic activities back to almost pre-pandemic level, the world is now grasping with a slower growth rate compounded with high inflationary pressure and high interest rate. The on-going war in Ukraine and the latest Israeli-Hamas war in Gaza are creating more uncertainties to the world supply chain.

The good news for the poultry industry is that the price of feed has been trending downward over the past few months which helped to ease the pressure on the high cost of production experienced previously. This has encouraged the production of more broilers resulting in adequate supply of chicken in the market. With the removal of subsidies and retail ceiling price for chicken, the poultry companies will have more flexibility to adjust the selling price based on supply and demand dynamics.

The current adequate supply of chicken in the market has resulted in lower selling price of broiler and this trend is expected to continue into the next quarter. However, with the price of feed trending downward as well, the management is confident of maintaining a reasonable profit margin.

Premised on the above and barring any unforeseen circumstances, the Board is optimistic about the prospect of the Group over the next quarter.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Tax expense

	3 months ended		12 months ended	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	5,613	6,085	33,027	24,142
- Prior year	10	1	(587)	511
	5,623	6,086	32,440	24,653
Deferred taxation	14,364	2,894	15,477	4,633
	19,987	8,980	47,917	29,286

The effective tax rate for the financial period is higher than statutory income tax rate mainly due to certain expenses being disallowed for tax purpose.

20. Corporate proposals and utilization of proceeds

a) Warrants

At the Extraordinary General Meeting of the Company held on 10 May 2023, the shareholders of the Company had approved the bonus issue of up to 233,964,247 warrants on the basis of one warrant for every three existing ordinary shares in the Company.

A total of 233,781,206 free warrants were issued on 1 June 2023 and listed on the Main Market of Bursa Malaysia Securities Berhad on 7 June 2023 with a 5 years' exercise period and each warrant carries the entitlement to subscribe for one new CAB Share at the exercise price of RM0.63 per warrant. The maturity date for the warrants is on the 31 May 2028.

As at 30 September 2023 no warrants have been converted into shares and the number of outstanding unexercised warrants is 233,781,206.

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20. Corporate proposals and utilization of proceeds (Cont'd)

b) Corporate proposal not completed

There were no corporate proposals announced but not completed in the current quarter ended 30 September 2023 and up to the date of this interim financial report save as below.

On 1 November 2017, CABINDO Poultry Sdn Bhd ("CABINDO"), a wholly-owned subsidiary of the Company had entered into a Joint Venture Agreement 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.

21. Group borrowings and debt securities

The Group's total bank borrowings as at 30 September 2023 are as follows:-

	As at 30 September 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	158,182	26,369	184,551	166,570	54,261	220,831
Term loans	33,579	4,353	37,932	33,735	4,018	37,753
Hire purchase payables	6,888	-	6,888	9,005	-	9,005
Fixed advance facilities	3,437	-	3,437	3,236	-	3,236
Foreign Currency trade loan	2003	-	2003	-	-	-
Bank overdrafts	40	-	40	2,078	-	2,078
Sub-total	204,129	30,722	234,851	214,624	58,279	272,903
Long-term borrowings:						
Term loans	161,693	3,695	165,388	193,466	7,579	201,045
Hire purchase payables	9,116	-	9,116	6,510	-	6,510
Sub-total	170,809	3,695	174,504	199,976	7,579	207,555
Total borrowings	374,938	34,417	409,355	414,600	65,858	480,458

The Group's total borrowings decreased to RM409.35 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 and decreased in the utilize of bankers' acceptances.

(FORWARD)

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

		As at 30 September 2023		As at 30 September 2022	
		Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Short Term Borrowing					
Secured	RM		189,550	RM	195,791
Unsecured	RM		26,369	RM	54,261
Secured	USD	1,667	7,816	USD	2,665
Secured	SGD	1,968	6,763	SGD	2,008
Unsecured	SGD	1,266	4,353	SGD	1,241
			<u>234,851</u>		<u>272,903</u>
Long Term Borrowing					
Secured	RM		104,098	RM	127,118
Secured	SGD	13,131	45,129	SGD	14,034
Secured	USD	4,604	21,582	USD	5,936
Unsecured	SGD	1,075	3,695	SGD	2,342
			<u>174,504</u>		<u>207,555</u>
Total Borrowing					
Secured	RM		293,648	RM	322,909
Unsecured	RM		26,369	RM	54,261
Secured	SGD	15,099	51,892	SGD	16,042
Secured	USD	6,271	29,398	USD	8,601
Unsecured	SGD	2,341	8,048	SGD	3,583
			<u>409,355</u>		<u>480,458</u>

22. Derivative financial instruments

The derivative financial asset as at 30 September 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	28,698	1,609
Purchase Contracts - Less than 1 year	1,974	29

For the quarter ended 30 September 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

As of the date of this announcement, the Board of Directors proposed a final dividend of 0.5 sen per ordinary share for the year ended 30 September 2023. The date of the entitlement and payment for the dividend shall be determined by the Board of Directors at a later date. The final dividend will be tabled at the forthcoming Annual General Meeting for the shareholders' approval.

25. Basic/diluted earning per ordinary share

The basic/diluted 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 30 September 2023	Prior Period Quarter 30 September 2022	Current Year To Date 30 September 2023	Preceding Year To Date 30 September 2022
Net profit attributable to shareholders (RM'000)	10,706	7,684	107,248	57,720
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	701,347	701,347	701,347	698,733
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	701,347	701,347	701,347	698,733
Adjustment for assumed exercised of Warrant ('000)	8,923	-	(4,193)	-
Adjusted weighted average number of ordinary shares ('000)	710,270	701,347	697,154	698,733
Basic earning per ordinary share (sen)	1.53	1.10	15.29	8.26
Diluted earning per ordinary share (sen)	1.51	NA	NA*	NA

* The diluted earnings per ordinary share is not shown for the year to date quarter as the effect of the conversion of share options to ordinary shares would be anti-dilutive.

26. Profit for the period

Profit for the period has been arrived at:

	3 months ended		12 months ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	14,717	14,202	57,667	52,157
Loss/(gain) on fair value adjustment of biological assets	6,544	(3,718)	(347)	(9,445)
Interest expenses	4,585	4,161	18,782	15,801
Other Intangible assets written off	753	-	753	-
Net fair value loss/(gain) on derivative financial asset	259	(1,253)	3,202	(2,969)
Bad deb written off	224	2,656	386	2,845
Loss/(gain) on disposal of property, plant and equipment	81	(119)	(2,047)	19
Inventories written down/(Reversal of inventories written down)	15	5	(21)	(42)
Loss/(gain) on forgiven, termination and remeasurement of lease payments	7	(4)	(63)	(421)
Property, plant and equipment written off	6	806	134	849
Share of result in a joint venture	1	3,483	60	3,672
Deposit written off	1	104	95	104
Impairment recognized on receivables	(1,375)	270	2,606	5,998
Gain on fair value adjustment of investment properties	(1,136)	(3,184)	(1,136)	(3,184)

(FORWARD)

26. Profit for the period (Cont'd)

Profit for the period has been arrived at: (Cont'd)

	3 months ended		12 months ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting):- (Cont'd)				
Interest revenue recognized in profit or loss	(542)	(247)	(1,881)	(746)
Net unrealized (gain)/loss on foreign exchange	(72)	928	(4,668)	2,427
Amortization and realization of deferred revenue	(31)	(37)	(146)	(131)
Reversal of impairment loss recognized on receivables	(11)	(249)	(28)	(279)
Share of result in an associate	(4)	(3)	(15)	(5)
Inventories written off	-	-	20	-
Gain for bargain purchase	-	-	-	(1,310)
Dividend received	-	-	-	(6)
Bad debt recovery	-	-	-	(1)

27. Trade Receivables

	As at 30 September 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Trade receivables:		
Third parties	249,107	198,924
Related parties	10,256	12,143
Less: Allowance for impairment losses	(28,234)	(25,786)
Trade receivable, net	231,129	185,281
Other receivables:		
Third parties	18,300	16,718
Related parties	239	968
Less: Allowance for impairment losses	(938)	(884)
Other receivable, net	17,601	16,802
Total trade and other receivables	248,730	202,083

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 30 September 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	5,544	5,618
Sinmah Poultry Processing (S) Pte. Ltd.	2,561	3,412
Aqina Farming Sdn. Bhd.	1,023	1,344
Maju Jaya Farm	386	587
Nulab Sdn. Bhd.	381	365
Shin Salim Japan Co. Ltd.	279	304
Chyuan Heng Farming Sdn. Bhd.	55	330
Chuah Ah Chui	24	15
Unisetali Sdn. Bhd.	3	-*
Sinmah Food Services (S) Pte. Ltd.	-	168
	10,256	12,143

(FORWARD)

27. Trade Receivables (Cont'd)

	As at 30 September 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	216	959
YWT Contract Farming	16	3
Maju Jaya Farm	3	1
Chyuan Heng Farming Sdn. Bhd.	2	5
Asiawe Resources Sdn. Bhd.	1	-*
Unisetali Sdn. Bhd.	1	-*
Kebun Ngohoch (PW) Sdn. Bhd.	-*	-*
	<hr/> 239	<hr/> 968

Ageing of trade receivables:

	As at 30 September 2023 RM'000 (Unaudited)	As at 30 September 2022 RM'000 (Audited)
Not past due	174,313	139,734
Number of days past due:		
1 - 30 days	26,110	22,188
31 - 60 days	10,198	9,850
61 - 90 days	4,437	1,886
Over 91 days	16,071	11,623
Total	<hr/> 231,129	<hr/> 185,281

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 November 2023.