

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

UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED  
31 DECEMBER 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 December		3 months ended 31 December	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	9	<b>548,478</b>	<b>557,305</b>	<b>548,478</b>	<b>557,305</b>
Cost of sales		(491,204)	(493,685)	(491,204)	(493,685)
<b>Gross profit</b>		<b>57,274</b>	<b>63,620</b>	<b>57,274</b>	<b>63,620</b>
Investment revenue		88	93	88	93
Other income		45,162	27,507	45,162	27,507
Marketing and selling expenses		(19,997)	(17,880)	(19,997)	(17,880)
Administrative expenses		(13,464)	(11,892)	(13,464)	(11,892)
Other expenses		(28)	(38)	(28)	(38)
<b>Operating profit</b>	9	<b>69,035</b>	<b>61,410</b>	<b>69,035</b>	<b>61,410</b>
Other gains and losses		1,592	11,271	1,592	11,271
Net remeasurement of expected credit loss		(901)	(396)	(901)	(396)
Share of result in joint venture		-	(59)	-	(59)
Share of result in an associate		4	3	4	3
<b>Profit before interest and taxation</b>		<b>69,730</b>	<b>72,229</b>	<b>69,730</b>	<b>72,229</b>
Interest income		676	335	676	335
Finance costs		(4,892)	(4,982)	(4,892)	(4,982)
<b>Profit before tax</b>		<b>65,514</b>	<b>67,582</b>	<b>65,514</b>	<b>67,582</b>
Tax expense	19	(15,709)	(11,070)	(15,709)	(11,070)
<b>Profit for the period</b>	26	<b>49,805</b>	<b>56,512</b>	<b>49,805</b>	<b>56,512</b>
<b>Other Comprehensive income</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		754	728	754	728
<b>Total comprehensive income for the period</b>		<b>50,559</b>	<b>57,240</b>	<b>50,559</b>	<b>57,240</b>
<b>Profit attributable to:</b>					
Owners of the Company		38,381	41,872	38,381	41,872
Non-controlling interests		11,424	14,640	11,424	14,640
		49,805	56,512	49,805	56,512
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		38,682	42,159	38,682	42,159
Non-controlling interests		11,877	15,081	11,877	15,081
		50,559	57,240	50,559	57,240
<b>Earning per ordinary share (sen):</b>					
Basic	25	5.47	5.97	5.47	5.97
Diluted	25	5.35	N/A	5.35	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 2023 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 December 2023 RM'000 (Unaudited)	As at 30 September 2023 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		670,143	658,120
Right-of-use assets		87,980	87,639
Investment properties		115,524	115,524
Bearer plants		584	571
Other intangible assets		6,953	7,269
Goodwill		6,219	6,219
Interest in an associate		293	289
Other financial assets	22	1,058	1,609
Deferred tax assets		112	104
<b>Total non-current assets</b>		<b>888,866</b>	<b>877,344</b>
<b>Current Assets</b>			
Biological assets		119,614	115,021
Inventories		102,423	100,684
Trade and other receivables	27	236,337	248,657
Other assets		23,334	21,492
Other financial assets	22	-	29
Current tax assets		1,769	2,218
Short-term deposits with licensed banks		115,689	76,641
Cash and bank balances		96,358	95,679
<b>Total current assets</b>		<b>695,524</b>	<b>660,421</b>
<b>TOTAL ASSETS</b>		<b>1,584,390</b>	<b>1,537,765</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		145,979	145,979
Treasury shares		(69)	(69)
Reserves		4,482	4,181
Retained earnings		501,026	462,645
Equity attributable to owners of the Company		651,418	612,736
Non-controlling interests		175,841	163,964
<b>Total equity</b>		<b>827,259</b>	<b>776,700</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,122	1,122
Borrowings	21	169,212	174,505
Lease liabilities		9,290	8,991
Deferred revenue		125	145
Other financial liability	22	11	-
Deferred tax liabilities		58,335	58,743
<b>Total non-current liabilities</b>		<b>238,095</b>	<b>243,506</b>

(FORWARD)

**CAB CAKARAN CORPORATION BERHAD (200201015998) (583661-W)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)**

		As at 31 December 2023	As at 30 September 2023
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables		250,492	268,218
Provisions		3,817	3,817
Borrowings	21	246,420	234,850
Lease Liabilities		3,028	2,824
Other financial liability	22	213	-
Deferred revenue		125	139
Current tax liabilities		14,941	7,711
<b>Total current liabilities</b>		<b>519,036</b>	<b>517,559</b>
<b>TOTAL LIABILITIES</b>		<b>757,131</b>	<b>761,065</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,584,390</b>	<b>1,537,765</b>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.93	0.87

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 2023 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 CHANGES IN EQUITY**

(The figures have not been audited)

Three (3) Months Ended 31 December 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		
<b>As at 1 October 2023</b>	145,979	(69)	82	4,099	462,645	612,736	163,964	776,700
Profit for the period	-	-	-	-	38,381	38,381	11,424	49,805
Other comprehensive income	-	-	-	301	-	301	453	754
Total comprehensive income for the period	-	-	-	301	38,381	38,682	11,877	50,559
Subscription of ordinary shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	-*	-*
<b>Balance as at 31 December 2023</b>	145,979	(69)	82	4,400	501,026	651,418	175,841	827,759

\* 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 not been audited)

Three (3) Months Ended 31 December 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 2022</b>	145,979	(69)	82	2,700	355,515	504,207	127,992	632,199
Profit for the period	-	-	-	-	41,872	41,872	14,640	56,512
Other comprehensive income	-	-	-	287	-	287	441	728
Total comprehensive income for the period	-	-	-	287	41,872	42,159	15,081	57,240
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(132)	(132)
<b>Balance as at 31 December 2022</b>	145,979	(69)	82	2,987	397,387	546,366	142,941	689,307

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 2023 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	3 months ended 31 December 2023 RM'000 (Unaudited)	3 months ended 31 December 2022 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	65,514	67,582
Adjustments for:		
Depreciation and amortization of non-current assets	14,790	13,889
Interest expenses	4,619	4,648
Impairment loss recognized on receivables	1,001	396
Net fair value loss on derivative financial asset/ (liability)	805	1,771
Bad debt written off	111	4
Property, plant and equipment written off	21	114
Loss/(gain) on forgiven lease payments	1	(3)
Gain on fair value adjustment of biological assets	(1,594)	(11,273)
Net unrealized gain on foreign exchange	(1,347)	(2,527)
Interest revenue recognized in profit or loss	(676)	(335)
Gain on disposal of property, plant and equipment	(87)	(182)
Amortization of deferred revenue	(38)	(42)
(Reversal of inventories)/inventories written down	(16)	32
Share of result in an associate	(4)	(3)
Share of result in a joint venture	-	59
Reversal of impairment loss recognized on receivables	-	(12)
Operating profit before changes in working capital	83,100	74,118
Movement in working capital:		
Inventories	(1,489)	(7,017)
Biological assets	(2,999)	(1,454)
Trade and other receivables	12,108	(38,195)
Other assets	(4)	(799)
Trade and other payables	(17,831)	33,208
Deferred revenue	-	72
Cash generated from operations	72,885	59,933
Interest received	533	231
Net of income tax paid and refunded	(8,456)	(5,927)
Interest paid	(4,524)	(4,643)
Net cash generated by operating activities	60,438	49,594
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	150	80
Proceeds from disposal of non-current assets	100	182
Payments for non-current assets	(22,187)	(5,852)
Increase in other assets for acquisition of non-current assets	(1,851)	(1,068)
(Advance to)/repayment from a joint venture	(305)	538
Payments for bearer plants	(13)	(11)
Net cash used in investing activities	(24,106)	(6,131)

\* Negligible

(FORWARD)

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

	3 months ended 31 December 2023 RM'000 (Unaudited)	3 months ended 31 December 2022 RM'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in short-term borrowings	11,686	(4,099)
Advance from/(repayment to) non-controlling interest of a subsidiary	67	(27)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	-*	-
Net change in long-term loans	(5,342)	(8,528)
Net change in hire-purchase	(2,304)	239
Net change in lease liabilities	(883)	(874)
(Advance to)/repayment from a joint venture	(290)	1,073
Short-term deposits pledged as securities	(83)	(55)
Advance from directors	-	673
Dividend paid to non-controlling interests of a subsidiary	-	(132)
Net cash generated by/(used in) financing activities	2,851	(11,730)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	39,183	31,733
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	163,053	107,677
Effect of foreign exchange rate changes	371	171
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	202,607	139,581
<b>REPRESENTED BY:-</b>		
Short-term deposits with licensed banks	115,689	53,800
Cash and bank balances	96,358	98,157
Bank overdrafts classified as cash equivalents	(130)	(2,199)
	211,917	149,758
Less: Short-term deposits pledged as securities	(9,310)	(10,177)
	202,607	139,581

\* 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 2023 and the accompanying explanatory notes attached to the interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
DECEMBER 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 2023. 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 2023.

**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 2023, except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and Interpretation during the current financial period.

MFRS 17	Insurance Contract
Amendments to MFRS 17	Comparative information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform: Pillar Two Model Rules

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 16	Lease Liability in a Sale and Leaseback <sup>(a)</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>(a)</sup>
Amendments to MFRS 107 and MFRS 7	Disclosures of Supplier Finance Arrangements Estimates <sup>(a)</sup>
Amendments to MFRS 121	Lack of exchangeability <sup>(b)</sup>
Amendments to MFRS 10 and MFRS128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(c)</sup>

<sup>(a)</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>(b)</sup> Effective for annual periods beginning on or after 1 January 2025

<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 2023 was not subject to any audit qualification.

## **4. Seasonal or cyclical factors**

The Group's financial performance in the current quarter was not significantly affected by any seasonal or cyclical factor.

## **5. Unusual items**

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter ended 31 December 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 December 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 December 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 December 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
<b>Three (3) Months ended 31 December 2023</b>							
Segment revenue							
External revenue	-	511,966	36,013	459	40	-	548,478
Inter-segment revenue	84	5,690	1	165	-	(5,940)	-
Total revenue	84	517,656	36,014	624	40	(5,940)	548,478
Segment results	(274)	72,025	(247)	(124)	(260)	(2,085)	69,035
<b>As at 31 December 2023</b>							
Segment assets	137,293	1,405,495	39,676	2,373	2,678	(120,695)	1,466,820
Interest revenue producing assets							115,689
Income tax assets							1,881
<b>Consolidated total assets</b>							<b>1,584,390</b>
Segment liabilities	176	247,267	19,634	727	424	(5)	268,223
Borrowings							415,632
Income tax liabilities							73,276
<b>Consolidated total liabilities</b>							<b>757,131</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	Drone Service RM'000	Eliminations RM'000	Consolidated RM'000
<b>Three (3) Months ended 31 December 2022</b>							
Segment revenue							
External revenue	-	521,695	35,141	405	64	-	557,305
Inter-segment revenue	83	6,405	-	169	-	(6,657)	-
Total revenue	83	528,100	35,141	574	64	(6,657)	557,305
Segment results	(186)	65,264	693	28	(199)	(4,190)	61,410
<b>As at 31 December 2022</b>							
Segment assets	124,088	1,373,593	35,473	1,042	3,359	(89,960)	1,447,595
Interest revenue producing assets							53,800
Income tax assets							6,717
<b>Consolidated total assets</b>							<b>1,508,112</b>
Segment liabilities	139	271,405	19,169	295	152	(5)	291,155
Borrowings							467,685
Income tax liabilities							59,965
<b>Consolidated total liabilities</b>							<b>818,805</b>

(FORWARD)

## 9. Segmental information (Cont'd)

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

	Three (3) Months ended 31 December 2023	
	RM'000	%
Revenue		
By Geographical Locations		
Malaysia	467,223	85.19
Singapore	78,956	14.39
Others	2,299	0.42
Consolidated	<u>548,478</u>	<u>100.00</u>

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

## 10. Valuation of property, plant and equipment

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

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

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

There were no material events which have occurred subsequent to the end of current quarter ended 31 December 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 13 October 2023, the Company has incorporated a new subsidiary company, Home Mart Southern Fresh & Frozen Sdn. Bhd. ("HMSF") in Malaysia. The initial issued share capital of HMSF was RM10 divided into 10 ordinary shares. The Company subscribed for the 5 ordinary shares by way of cash. The Company considers HMSF as a 50% owned subsidiary as the Company has power to exercise control through a casting vote given to the Managing Director of the Company who is also the Chairman of the Board of Directors of the subsidiary.
- b) On 13 December 2023, the Wholly-owned subsidiary, CAB Marine Resources Sdn. Bhd. has been struck off from the register and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette.

## 13. Changes in contingent liabilities and assets

As at 31 December 2023, the Company had issued corporate guarantees of RM916.18 million (31 December 2022: RM875.72 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively, granted to its subsidiary companies.

#### 14. Capital commitments

The capital commitments of the Group as at 31 December 2023 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	29,921
Authorised but not contracted for	68,720
	<u>98,641</u>

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 DECEMBER 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 first quarter ended 31 December 2023, the Group recorded revenue of RM548.48 million, representing a decrease of about 1.58% over the prior year corresponding quarter's revenue of RM557.31 million. The lower revenue was mainly due to lower sales achieved by the integrated poultry division.

The integrated poultry division's revenue decreased by 1.98% as compared to prior year corresponding quarter. This was mostly due to decrease in average selling price for chicks and broilers. The selling price of chicks and broiler dropped by 12.66% and 5.68% respectively. Despite a lower sales, this division reported a higher profit from operations of RM72.03 million during the quarter under reviewed. This was mainly caused by higher government subsidies when compared to previous year corresponding quarter.

Nevertheless, a lower gain on fair value adjustment of biological assets of RM1.59 million compared to RM11.27 million in the previous year's corresponding quarter, coupled with greater tax expenses, resulting in the Group recording a decreased profit of RM49.81 million for the period.

The supermarket division recorded a higher revenue of RM36.01 million, mainly due to sales generated by two newly opened outlets in the second half of previous financial year. However, this division reported a loss from operation of RM0.25 million due to a lower margin and higher marketing and selling expenses.

Even though the fast-food division achieved a higher revenue to RM0.62 million, it recorded a loss from operation of RM0.12 million. This was mainly due to the pre-operating expenses being charges out for a new outlet during the 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:-

	<b>FYE2024</b>	<b>FYE2023</b>	<b>Variance</b>	
	<b>Quarter 1</b>	<b>Quarter 4</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
	(Unaudited)	(Unaudited)		
Revenue	548,478	557,181	(8,703)	(1.56)
Profit before tax	65,514	33,333	32,181	
Subsidies on chicken	(39,803)	(17,107)		
Gain on fair value adjustment of investment properties	-	(1,136)		
(Gain)/Loss on fair value adjustment of biological assets	(1,594)	6,544		
Adjusted profit/(loss) before tax	24,117	21,634	2,483	11.48

For the current quarter ended 31 December 2023, the Group's revenue was lower than the previous quarter, mainly due to the lower selling price of chicks. Despite the decreased in sales, the lower feed costs compared to the previous quarter resulted the Group recorded a higher profit before tax.

## 17. Commentary on prospects

Malaysia's economic momentum is expected to steadily improve as we approach 2024, with gross domestic product (GDP) expected to grow by 4%-5% in 2024, driven by continued expansion of domestic consumption, which is supported by a resilient labor market, and potential recovery in global trades amid higher expectations that the US will avoid a recession and China's ongoing economic recovery.

Given the recent shortage of pork and eggs, two staple foods for Malaysians and key sources of protein, it is anticipated that demand for chicken meat would continue to be high. In the upcoming quarter, the price of broiler is expected to remain stable despite downward pressure on the selling price due to oversupply of broiler.

Furthermore, with feed prices continuing to fall in recent months, 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 prospects of the Group over the next quarter. The Board will continue to monitor and review the performance and progress of the Group's operations and financial position.

## 18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

## 19. Tax expense

	3 months ended		3 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	RM'000	RM'000	RM'000	RM'000
Current taxation	16,126	9,915	16,126	9,915
Deferred taxation	(417)	1,155	(417)	1,155
	<u>15,709</u>	<u>11,070</u>	<u>15,709</u>	<u>11,070</u>

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

## 20. Utilisation of proceeds and Corporate proposals

### a) Warrants

As at 31 December 2023 no warrants has been converted into shares. The number of outstanding unexercised warrants is 233,781,206.

### b) Corporate proposals not completed

There were no corporate proposals announced but not completed in the current quarter ended 31 December 2023 and up to the date of this interim financial report save as 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. Currently, we are waiting for the JV partner to resolve the implementation framework.



## 21. Group borrowings and debt securities

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

	As at 31 December 2023			As at 30 September 2023		
	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	172,109	25,876	197,985	160,184	26,369	186,553
Term loans	34,065	4,432	38,497	33,579	4,353	37,932
Hire purchase payables	6,326	-	6,326	6,888	-	6,888
Fixed advance facilities	3,482	-	3,482	3,437	-	3,437
Bank overdrafts	130	-	130	40	-	40
Sub-total	216,112	30,308	246,420	204,128	30,722	234,850
<b>Long-term borrowings:</b>						
Term loans	156,962	2,627	159,589	161,693	3,695	165,388
Hire purchase payables	9,623	-	9,623	9,117	-	9,117
Sub-total	166,585	2,627	169,212	170,810	3,695	174,505
<b>Total borrowings</b>	<b>382,697</b>	<b>32,935</b>	<b>415,632</b>	<b>374,938</b>	<b>34,417</b>	<b>409,355</b>

The Group's total borrowings increased to RM415.63 million during the quarter under review as compared to RM409.35 million recorded in the financial year ended 30 September 2023 mainly due to the increase utilisation of bankers' acceptances.

	As at 31 December 2023		As at 30 September 2023	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
<b>Short Term Borrowing</b>				
Secured	RM	195,965	RM	189,549
Unsecured	RM	25,876	RM	26,369
Secured	USD	2,847	USD	1,667
Secured	SGD	1,963	SGD	1,968
Unsecured	SGD	1,273	SGD	1,266
		246,420		234,850
<b>Long Term Borrowing</b>				
Secured	RM	101,980	RM	104,099
Secured	SGD	12,892	SGD	13,131
Secured	USD	4,294	USD	4,604
Unsecured	SGD	754	SGD	1,075
		169,212		174,505
<b>Total Borrowing</b>				
Secured	RM	197,945	RM	293,648
Unsecured	RM	25,876	RM	26,369
Secured	SGD	14,855	SGD	15,099
Secured	USD	7,141	USD	6,271
Unsecured	SGD	2,027	SGD	2,341
		415,632		409,355

## 22. Derivative financial instruments

The derivative financial asset as at 31 December 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	24,920	1,058
Purchase Contracts - More than 1 year	2,071	(11)
Purchase Contracts - Less than 1 year	7,617	(213)

For the quarter ended 31 December 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 December 2023

## 25. Earning per ordinary share

The 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 December 2023	Prior Period Quarter 31 December 2022	Current Year To Date 31 December 2023	Preceding Year To Date 31 December 2022
Net profit attributable to shareholders (RM'000)	38,381	41,872	38,381	41,872
Weighted average number of shares				
a) Basic				
Weighted average number of ordinary shares in issue ('000)	701,347	701,347	701,347	701,347
b) Diluted				
Weighted average number of ordinary shares in issue ('000)	701,347	701,347	701,347	701,347
Adjustment for assumed exercised of Warrant ('000)	15,586	-	15,586	-
Adjusted weighted average number of ordinary shares ('000)	716,933	701,347	716,933	701,347
Basic earning per ordinary share (sen)	5.47	5.97	5.47	5.97
Diluted earning per ordinary share (sen)	5.35	NA	5.35	NA

## 26. Profit for the period

Profit for the period has been arrived at:

	3 months ended		3 months ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
<b>After charging/(crediting):-</b>				
Depreciation and amortization of non-current assets	14,790	13,889	14,790	13,889
Interest expenses	4,619	4,648	4,619	4,648
Impairment loss recognized on receivables	1,001	396	1,001	396
Net fair value loss on derivative financial asset/ (liability)	805	1,171	805	1,171
Bad deb written off	111	4	111	4
Property, plant and equipment written off	21	114	21	114
Loss/(gain) on forgiven lease payments	1	(3)	1	(3)
Gain on fair value adjustment of biological assets	(1,594)	(11,273)	(1,594)	(11,273)
Net unrealized gain on foreign exchange	(1,347)	(2,527)	(1,347)	(2,527)
Interest revenue recognized in profit or loss	(676)	(335)	(676)	(335)
Gain on disposal of property, plant and equipment	(87)	(182)	(87)	(182)
Amortization of deferred revenue	(38)	(42)	(38)	(42)
(Reversal of inventories)/inventories written down	(16)	32	(16)	32
Share of result in an associate	(4)	(3)	(4)	(3)
Share of result in a joint venture	-	59	-	59
Reversal of impairment loss recognized on receivables	-	(12)	-	(12)

## 27. Trade Receivables

	As at 31 December 2023 RM'000 (Unaudited)	As at 30 September 2023 RM'000 (Audited)
Trade receivables:		
Third parties	238,096	249,082
Related parties	10,546	10,256
Less: Allowance for impairment losses	(29,149)	(28,271)
Trade receivable, net	219,493	231,067
Other receivables:		
Third parties	17,346	18,289
Related parties	548	239
Less: Allowance for impairment losses	(1,050)	(938)
Other receivable, net	16,844	17,590
Total trade and other receivables	236,337	248,657

(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.

	<b>As at 31 December 2023</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at 30 September 2023</b> <b>RM'000</b> <b>(Audited)</b>
Included in trade receivables:		
YWT Contract Farming	4,650	5,544
Sinmah Poultry Processing (S) Pte. Ltd.	2,063	2,561
Maju Jaya Farm	1,691	386
Aqina Farming Sdn. Bhd.	999	1,023
Chyuan Heng Farming Sdn. Bhd.	751	55
Nulab Sdn. Bhd.	235	381
Shin Salim Japan Co. Ltd.	128	279
Chuah Ah Chui	27	24
Unisetali Sdn. Bhd.	2	3
	<b>10,546</b>	<b>10,256</b>
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	522	216
YWT Contract Farming	11	16
Unisetali Sdn. Bhd.	8	1
Maju Jaya Farm	5	3
Chyuan Heng Farming Sdn. Bhd.	2	2
Asiawe Resources Sdn. Bhd.	-*	1
Kebun Ngohoch (PW) Sdn. Bhd.	-*	-*
	<b>548</b>	<b>239</b>

\* Negligible

Ageing of trade receivables:

	<b>As at 31 December 2023</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at 30 September 2023</b> <b>RM'000</b> <b>(Audited)</b>
Not past due	173,096	174,235
Number of days past due:		
1 - 30 days	20,098	26,026
31 - 60 days	6,613	10,224
61 - 90 days	2,121	4,440
Over 91 days	17,565	16,142
Total	<b>219,493</b>	<b>231,067</b>

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 28 February 2024.