

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
31 MARCH 2024

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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	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	9	574,846	570,889	1,123,324	1,128,194
Cost of sales		(513,026)	(499,656)	(1,004,230)	(993,341)
Gross profit		61,820	71,233	119,094	134,853
Investment revenue		88	91	176	184
Other income		4,910	15,698	50,072	43,205
Marketing and selling expenses		(21,782)	(18,838)	(41,779)	(36,718)
Administrative expenses		(16,249)	(13,404)	(29,713)	(25,296)
Other expenses		(83)	(23)	(111)	(61)
Operating profit	9	28,704	54,757	97,739	116,167
Other gains and losses		5,089	(2,357)	6,681	8,914
Net remeasurement of expected credit loss		(456)	(2,676)	(1,357)	(3,072)
Share of result in joint venture		210	-	210	(59)
Share of result in an associate		4	3	8	6
Profit before interest and taxation		33,551	49,727	103,281	121,956
Interest income		815	422	1,491	757
Finance costs		(4,748)	(5,137)	(9,640)	(10,119)
Profit before tax		29,618	45,012	95,132	112,594
Tax expense	19	(9,609)	(8,640)	(25,318)	(19,710)
Profit for the period	26	20,009	36,372	69,814	92,884
Other Comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translating foreign operations		354	644	1,108	1,372
Total comprehensive income for the period		20,363	37,016	70,922	94,256
Profit attributable to:					
Owners of the Company		15,097	28,521	53,478	70,393
Non-controlling interests		4,912	7,851	16,336	22,491
		20,009	36,372	69,814	92,884
Total comprehensive income attributable to:					
Owners of the Company		15,239	28,773	53,921	70,932
Non-controlling interests		5,124	8,243	17,001	23,324
		20,363	37,016	70,922	94,256
Earning per ordinary share (sen):					
Basic	25	2.15	4.07	7.63	10.04
Diluted	25	2.06	N/A	7.37	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 March 2024	As at 30 September 2023
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		672,863	658,120
Right-of-use assets		87,071	87,639
Investment properties		115,524	115,524
Bearer plants		599	571
Other intangible assets		6,637	7,269
Goodwill		6,219	6,219
Investment in an associate		297	289
Investment in a joint venture		210	-
Other financial assets	22	1,702	1,609
Deferred tax assets		171	104
Total non-current assets		891,293	877,344
Current Assets			
Biological assets		126,215	115,021
Inventories		112,407	100,684
Trade and other receivables	27	248,440	248,657
Other assets		22,026	21,492
Other financial assets	22	-	29
Current tax assets		1,998	2,218
Short-term deposits with licensed banks		110,952	76,641
Cash and bank balances		79,596	95,679
Total current assets		701,634	660,421
TOTAL ASSETS		1,592,927	1,537,765
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		145,979	145,979
Treasury shares		(69)	(69)
Reserves		4,624	4,181
Retained earnings		516,124	462,645
Equity attributable to owners of the Company		666,658	612,736
Non-controlling interests		180,719	163,964
Total equity		847,377	776,700
NON-CURRENT LIABILITIES			
Provisions		1,122	1,122
Borrowings	21	160,743	174,505
Lease liabilities		8,964	8,991
Deferred revenue		107	145
Deferred tax liabilities		59,478	58,743
Total non-current liabilities		230,414	243,506

(FORWARD)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		As at 31 March 2024	As at 30 September 2023
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables		256,709	268,218
Provisions		3,817	3,817
Borrowings	21	235,014	234,850
Lease Liabilities		2,462	2,824
Deferred revenue		107	139
Current tax liabilities		17,027	7,711
Total current liabilities		515,136	517,559
TOTAL LIABILITIES		745,550	761,065
TOTAL EQUITY AND LIABILITIES		1,592,927	1,537,765
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.95	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)

Six (6) Months Ended 31 March 2024

	----- 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 2023	145,979	(69)	82	4,099	462,645	612,736	163,964	776,700
Profit for the period	-	-	-	-	53,478	53,478	16,336	69,814
Other comprehensive income	-	-	-	443	-	443	665	1,108
Total comprehensive income for the period	-	-	-	443	53,478	53,921	17,001	70,922
Disposal of partial interest in a subsidiary	-	-	-	-	-	-	7	7
Subscription of ordinary shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	-*	-*
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(252)	(252)
Arising from decrease in interest in a subsidiary	-	-	-	-	1	1	(1)	-
Balance as at 31 March 2024	145,979	(69)	82	4,542	516,124	666,658	180,719	847,377

* Negligible

(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 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 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

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

	6 months ended 31 March 2024 RM'000 (Unaudited)	6 months ended 31 March 2023 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	95,132	112,594
Adjustments for:		
Depreciation and amortization of non-current assets	29,552	27,795
Interest expenses	9,104	9,450
Impairment loss recognized on receivables	1,597	3,119
Bad debt written off	117	4
Property, plant and equipment written off	21	127
Loss/(gain) on forgiven, termination and remeasurement of lease payments	2	(69)
Gain on fair value adjustment of biological assets	(6,650)	(9,048)
Interest revenue recognized in profit or loss	(1,491)	(757)
Net unrealized gain on foreign exchange	(683)	(2,319)
Share of result in a joint venture	(210)	59
Gain on disposal of property, plant and equipment	(195)	(209)
Amortization of deferred revenue	(75)	(83)
Net fair value (gain)/loss on derivative financial asset	(64)	1,744
Reversal of inventories written down	(16)	(29)
Share of result in an associate	(8)	(6)
Deposit written off	-	94
Reversal of impairment loss recognized on receivables	-	(12)
Operating profit before changes in working capital	126,133	142,454
Movement in working capital:		
Inventories	(11,369)	(55)
Biological assets	(4,544)	(2,022)
Trade and other receivables	34	(39,569)
Other assets	1,150	(377)
Trade and other payables	(12,165)	7,411
Deferred revenue	-	72
Cash generated from operations	99,239	107,914
Interest received	1,186	562
Net of income tax paid and refunded	(15,128)	(9,237)
Interest paid	(9,132)	(9,423)
Net cash generated by operating activities	76,165	89,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	303	168
Proceeds from disposal of non-current assets	270	313
Proceeds from partial disposal of investment in a subsidiary	7	-
Payments for non-current assets	(35,815)	(12,827)
Increase in other assets for acquisition of non-current assets	(1,646)	(955)
(Advance to)/repayment from a joint venture	(656)	976
Payments for bearer plants	(28)	(19)
Payments for right-of-used assets	-	(29)
Net cash used in investing activities	(37,565)	(12,373)

(FORWARD)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	6 months ended 31 March 2024 RM'000 (Unaudited)	6 months ended 31 March 2023 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from non-controlling interest of a subsidiary	163	44
Repayment from a joint venture	106	678
Proceeds from issuance of shares by subsidiaries to non-controlling interests	-*	-
Net change in long-term loans	(11,519)	(19,043)
Net change in hire-purchase	(4,426)	(2,325)
Net change in short-term borrowings	(2,881)	4,299
Net change in lease liabilities	(2,315)	(2,218)
Dividend paid to non-controlling interests of a subsidiary	(252)	(344)
Short-term deposits pledged as securities	(144)	1,066
Advance from directors	-	170
Net used in financing activities	(21,268)	(17,673)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,332	59,770
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	163,053	107,677
Effect of foreign exchange rate changes	582	578
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	180,967	168,025
REPRESENTED BY:-		
Short-term deposits with licensed banks	110,952	68,327
Cash and bank balances	79,596	109,975
Bank overdrafts classified as cash equivalents	(210)	(1,222)
	190,338	177,080
Less: Short-term deposits pledged as securities	(9,371)	(9,055)
	180,967	168,025

* 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 SECOND QUARTER ENDED 31 MARCH 2024

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

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

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

^(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 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 March 2024.

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 2024.

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 2024.

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 2024, a total of 545,500 shares were repurchased and held as treasury shares and carried at cost of RM69,304.

8. Dividends paid

A final single-tier dividend of 0.5 sen per ordinary share amounting to RM3,506,733.30 in respect of the financial year ended 30 September 2023 was approved by the shareholders during the Annual General Meeting held on 25 March 2024 and subsequently paid on 19 April 2024.

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 2024							
Segment revenue							
External revenue	-	536,168	37,648	865	165	-	574,846
Inter-segment revenue	94	5,778	6	239	-	(6,117)	-
Total revenue	94	541,946	37,654	1,104	165	(6,117)	574,846
Segment results	(497)	36,551	(409)	(123)	(194)	(6,624)	28,704
Six (6) Months ended 31 March 2024							
Segment revenue							
External revenue	-	1,048,134	73,661	1,324	205	-	1,123,324
Inter-segment revenue	178	11,468	7	404	-	(12,057)	-
Total revenue	178	1,059,602	73,668	1,728	205	(12,057)	1,123,324
Segment results	(771)	108,576	(656)	(247)	(454)	(8,709)	97,739
As at 31 March 2024							
Segment assets	137,333	1,421,768	39,249	2,325	2,675	(123,544)	1,479,806
Interest revenue producing assets							110,952
Income tax assets							2,169
Consolidated total assets							1,592,927
Segment liabilities	162	251,800	20,256	558	512	-	273,288
Borrowings							395,757
Income tax liabilities							76,505
Consolidated total liabilities							745,550

(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
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 geographical locations of the Group is as follows:-

	Three (3) Months ended 31 March 2024		Six (6) Months ended 31 March 2024	
	RM'000	%	RM'000	%
Revenue				
By Geographical Locations				
Malaysia	483,358	84.09	950,581	84.62
Singapore	89,628	15.59	168,584	15.01
Others	1,860	0.32	4,159	0.37
Consolidated	<u>574,846</u>	<u>100.00</u>	<u>1,123,324</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 2024 until the date of the interim financial report.

12. Changes in the composition of the Group

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

- On 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 the 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.
- On 13 December 2023, the wholly-owned subsidiary, CAB Marine Resources Sdn. Bhd., was 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.
- On 27 February 2024, the Company disposed of its entire equity interest of 1,000,000 ordinary shares, representing 100% equity interest in Southern Food And Groceries Supply Sdn. Bhd. (formerly known as HK Foods (M) Sdn. Bhd.) ("SFGS"), for a cash consideration of RM30,000. CAB Cakaran Sdn. Bhd. ("CABC"), the Company's wholly-owned subsidiary, acquired 50% of the disposal shares, while CAB Cakaran Southern Sdn. Bhd., a 51% owned subsidiary of CABC, acquired 25% of the disposal shares. The remaining 25% was acquired by another third party. Accordingly, the Group's equity interest in SFGS decreased to 62.75%.

13. Changes in contingent liabilities and assets

As at 31 March 2024, the Company had issued corporate guarantees of RM920.74 million (31 March 2023: RM871.19 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 2024 are as follows:-

	RM'000
Property, plant and equipment:	
Approved and contracted for	22,036
Authorised but not contracted for	65,535
	<u>87,571</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2024

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 2024, the Group recorded revenue of RM574.85 million, representing an increase of about 0.69% over the prior year corresponding quarter's revenue of RM570.89 million mainly due to higher sales achieved by the supermarket division.

The supermarket division recorded a higher revenue of RM37.65 million, mainly due to sales generated by two newly opened outlets in the second half of the previous financial year. However, this division reported a loss from operations of RM0.41 million due to a lower margin and higher marketing and selling expenses.

The integrated poultry division's revenue decreased slightly from RM542.05 million to RM541.95 million as compared to the prior year's corresponding quarter. Despite a slight decrease in revenue, this division's profit from operations dropped by 38.79% to RM36.55 million. This was mostly due to a decrease in the average selling price for chicks and broilers. The selling price of chicks and broilers dropped by 13.65% and 2.61% respectively. In addition, the lower profit from operations was also due to no government subsidies received during the quarter under review as compared to RM11.75 million received in the previous year's corresponding quarter.

Even though the fast-food division achieved a higher revenue of RM1.10 million, it recorded a loss from operations of RM0.12 million. This was mainly due to the higher marketing and selling expenses being incurred as compared to the prior year's 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:-

	FYE2024 Quarter 2 RM'000 (Unaudited)	FYE2024 Quarter 1 RM'000 (Unaudited)	Variance RM'000	%
Revenue	574,846	548,478	26,368	4.81
Profit before tax	29,618	65,514	(35,896)	
Subsidies on chicken	-	(39,803)		
Gain on fair value adjustment of biological assets	(5,056)	(1,594)		
Adjusted profit/(loss) before tax	24,562	24,117	445	1.85

For the current quarter ended 31 March 2024, the Group's revenue was higher than the previous quarter, mainly due to the increase in production and average selling price of chicks and broilers. The production of chicks and broilers increased by 4% and 7% respectively. While the selling price of chicks and broilers increased by 7.5% and 2.9% respectively.

The increased sales and selling price of chicks and broilers, resulted in an increase in the gross profit of the group. However, profit before tax showed a slight increase only due to the higher marketing and selling expenses as well as administrative expenses as compared to the previous quarter.

17. Commentary on prospects

Malaysia's economic momentum is expected to steadily improve, 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 stable demand for chicken, the price of broiler is expected to remain stable despite downward pressure on the selling price due to oversupply of frozen chicken from other countries being dumped into Malaysia.

With feed cost expected to remain stable, 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		6 months ended	
	31.03.24	31.03.23	31.03.24	31.03.23
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	8,558	9,306	24,684	19,221
- Prior year	(33)	(43)	(33)	(43)
	8,525	9,263	24,651	19,178
Deferred taxation	1,084	(623)	667	532
	9,609	8,640	25,318	19,710

For the current quarter and year to date under review, the effective tax rate is higher than the statutory rate, as the business profit of certain subsidiary companies cannot be offset against the business loss of other subsidiary companies.

20. Utilisation of proceeds and Corporate proposals

a) Warrants

As at 31 March 2024 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 March 2024 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 March 2024 are as follows:-

	As at 31 March 2024			As at 30 September 2023		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:						
Bankers' acceptances	162,653	21,006	183,659	160,184	26,369	186,553
Term loans	36,919	4,481	41,400	33,579	4,353	37,932
Hire purchase payables	6,242	-	6,242	6,888	-	6,888
Fixed advance facilities	3,503	-	3,503	3,437	-	3,437
Bank overdrafts	210	-	210	40	-	40
Sub-total	209,527	25,487	235,014	204,128	30,722	234,850
Long-term borrowings:						
Term loans	149,975	1,515	151,490	161,693	3,695	165,388
Hire purchase payables	9,253	-	9,253	9,117	-	9,117
Sub-total	159,228	1,515	160,743	170,810	3,695	174,505
Total borrowings	368,755	27,002	395,757	374,938	34,417	409,355

The Group's total borrowings decreased to RM395.76 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 repayment of term loans and a decrease in bankers' acceptance.

	As at 31 March 2024			As at 30 September 2023		
		Foreign Currency '000	RM Equivalent '000		Foreign Currency '000	RM Equivalent '000
Short Term Borrowing						
Secured	RM		196,815	RM		189,549
Unsecured	RM		21,006	RM		26,369
Secured	USD	1,240	5,859	USD	1,667	7,816
Secured	SGD	1,956	6,853	SGD	1,968	6,763
Unsecured	SGD	1,279	4,481	SGD	1,266	4,353
			235,014			234,850
Long Term Borrowing						
Secured	RM		96,083	RM		104,099
Secured	SGD	12,653	44,324	SGD	13,131	45,129
Secured	USD	3,984	18,821	USD	4,604	21,582
Unsecured	SGD	432	1,515	SGD	1,075	3,695
			160,743			174,505
Total Borrowing						
Secured	RM		292,898	RM		293,648
Unsecured	RM		21,006	RM		26,369
Secured	SGD	14,609	51,177	SGD	15,099	51,892
Secured	USD	5,224	24,680	USD	6,271	29,398
Unsecured	SGD	1,711	5,996	SGD	2,341	8,048
			395,757			409,355

22. Derivative financial instruments

The derivative financial asset as at 31 March 2024 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	25,303	1,702

For the quarter ended 31 March 2024, 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 2024

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 March 2024	Prior Period Quarter 31 March 2023	Current Year To Date 31 March 2024	Preceding Year To Date 31 March 2023
Net profit attributable to shareholders (RM'000)	15,097	28,521	53,478	70,393
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)	31,563	-	23,878	-
Adjusted weighted average number of ordinary shares ('000)	732,910	701,347	725,225	701,347
Basic earning per ordinary share (sen)	2.15	4.07	7.63	10.04
Diluted earning per ordinary share (sen)	2.06	NA	7.37	NA

26. Profit for the period

Profit for the period has been arrived at:

	3 months ended		6 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	14,762	13,906	29,552	27,795
Interest expenses	4,485	4,802	9,104	9,450
Net unrealized loss/(gain) on foreign exchange	664	208	(683)	(2,319)
Impairment loss recognized on receivables	596	2,723	1,597	3,119
Bad deb written off	6	-	117	4
Loss/(gain) on forgiven, termination and remeasurement of lease payments	1	(66)	2	(69)
(Gain)/loss on fair value adjustment of biological assets	(5,056)	2,225	(6,650)	(9,048)
Net fair value (gain)/loss on derivative financial asset	(869)	573	(64)	1,744
Interest revenue recognized in profit or loss	(815)	(422)	(1,491)	(757)
Share of result in a joint venture	(210)	-	(210)	59
Gain on disposal of property, plant and equipment	(108)	(27)	(195)	(209)
Amortization of deferred revenue	(37)	(41)	(75)	(83)
Share of result in an associate	(4)	(3)	(8)	(6)
Deposit written off	-	94	-	94
Property, plant and equipment written off	-	13	21	127
Reversal of inventories written down	-	(61)	(16)	(29)
Reversal of impairment loss recognized on receivables	-	-	-	(12)

27. Trade Receivables

	As at 31 March 2024 RM'000 (Unaudited)	As at 30 September 2023 RM'000 (Audited)
Trade receivables:		
Third parties	249,510	249,082
Related parties	10,986	10,256
Less: Allowance for impairment losses	(29,597)	(28,271)
Trade receivable, net	230,899	231,067
Other receivables:		
Third parties	17,833	18,289
Related parties	904	239
Less: Allowance for impairment losses	(1,196)	(938)
Other receivable, net	17,541	17,590
Total trade and other receivables	248,440	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.

	As at 31 March 2024 RM'000 (Unaudited)	As at 30 September 2023 RM'000 (Audited)
Included in trade receivables:		
YWT Contract Farming	5,068	5,544
Sinmah Poultry Processing (S) Pte. Ltd.	3,279	2,561
Maju Jaya Farm	983	386
Aqina Farming Sdn. Bhd.	982	1,023
Nulab Sdn. Bhd.	503	381
Shin Salim Japan Co. Ltd.	130	279
Chuah Ah Chui	41	24
Unisetali Sdn. Bhd.	-*	3
Chyuan Heng Farming Sdn. Bhd.	-	55
	10,986	10,256
Included in other receivables:		
Singapore Poultry Hub Pte. Ltd.	876	216
YWT Contract Farming	19	16
Maju Jaya Farm	6	3
Unisetali Sdn. Bhd.	1	1
Chyuan Heng Farming Sdn. Bhd.	1	2
Asiawe Resources Sdn. Bhd.	1	1
Kebun Ngohoch (PW) Sdn. Bhd.	-*	-*
	904	239

* Negligible

Ageing of trade receivables:

	As at 31 March 2024 RM'000 (Unaudited)	As at 30 September 2023 RM'000 (Audited)
Not past due	183,257	174,235
Number of days past due:		
1 - 30 days	20,698	26,026
31 - 60 days	9,071	10,224
61 - 90 days	2,595	4,440
Over 91 days	15,278	16,142
Total	230,899	231,067

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 2024.