

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CAB CAKARAN CORPORATION BERHAD**

Registration No. 200201015998 (583661-W)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF UP TO 233,964,247 FREE WARRANTS WITH AN EXERCISE PRICE OF RM0.63 EACH IN CAB CAKARAN CORPORATION BERHAD ("CAB" OR THE "COMPANY") ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 3 EXISTING ORDINARY SHARES IN CAB HELD BY THE ENTITLED SHAREHOLDERS WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*

**UOBKayHian**

**UOB Kay Hian Securities (M) Sdn Bhd**

Registration No. 199001003423 (194990-K)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("**EGM**") is scheduled to be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang, Malaysia on Friday, 12 May 2023 at 10.30 a.m. or any adjournment thereof. The Notice of EGM together with the Proxy Form is enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Proxy Form must be lodged at the Company's Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia, or by electronic lodgement via the TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 10 May 2023 at 10.30 a.m.

Date and time of the EGM : Friday, 12 May 2023 at 10.30 a.m.

This Circular is dated 27 April 2023

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	The Companies Act 2016
Announcement LPD	:	24 March 2023, being the latest practicable date prior to the announcement dated 27 March 2023 in relation to the Proposed Bonus Issue of Warrants
Board	:	The Board of Directors of CAB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAB or the Company	:	CAB Cakaran Corporation Berhad
CAB Group or the Group	:	CAB and its subsidiaries, collectively
CAB Share(s) or Share(s)	:	Ordinary share(s) of CAB
Circular	:	This circular dated 27 April 2023
Deed Poll	:	The deed poll constituting the Warrants and governing the rights of the Warrants Holder to be executed by the Company
Director(s)	:	The director(s) of CAB and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	:	The forthcoming extraordinary general meeting of CAB
Entitled Shareholders	:	The shareholders of CAB whose names appear in the Company's Record of Depositors on the Entitlement Date
Entitlement Date	:	An date to be determined and announced later by the Board, on which the names of the Entitled Shareholders must appear in the Company's Record of Depositors as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended/ ending
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	29 March 2023, being the latest practicable date prior to the printing and despatch of this Circular
Market Day(s)	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday or surprise holiday* and on which Bursa Securities is open for the trading of securities

\*A "surprise holiday" refers to a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the start of the calendar year

---

**DEFINITIONS (CONT'D)**

---

Maximum Scenario	:	Assuming all of the treasury shares are resold prior to the implementation of the Proposed Bonus Issue of Warrants
Minimum Scenario	:	Assuming none of the treasury shares is resold prior to the implementation of the Proposed Bonus Issue of Warrants
NA	:	Net assets attributable to the owners of CAB
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
Proposed Bonus Issue of Warrants	:	Proposed bonus issue of up to 233,964,247 Warrants on the basis of 1 Warrant for every 3 existing CAB Shares held by the Entitled Shareholders on the Entitlement Date
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991
RM and sen	:	Ringgit Malaysia and sen, respectively
UOBKH or the Principal Adviser	:	UOB Kay Hian Securities (M) Sdn Bhd
VWAP	:	Volume weighted average market price
Warrant(s)	:	Up to 233,964,247 free warrants in CAB to be issued pursuant to the Proposed Bonus Issue of Warrants
Warrant Holder(s)	:	The holders of the Warrants

All references to "**you**" in this Circular are made to shareholders who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	<b>iv</b>
<b>CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF WARRANTS CONTAINING:-</b>	
1. INTRODUCTION	1
2. PROPOSED BONUS ISSUE OF WARRANTS	2
3. RATIONALE AND JUSTIFICATIONS	6
4. OTHER FUND RAISING EXERCISES IN THE PAST 12 MONTHS	6
5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS	7
6. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS	9
7. HISTORICAL SHARE PRICES	13
8. APPROVALS REQUIRED/ OBTAINED	13
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED TO THEM	14
10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION	14
11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION	15
12. DIRECTORS' STATEMENT AND RECOMMENDATION	15
13. EGM	15
14. FURTHER INFORMATION	15
<b>APPENDICES</b>	
I. ADDITIONAL INFORMATION	16
II. FURTHER INFORMATION	19
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>PROXY FORM</b>	<b>ENCLOSED</b>

---

## EXECUTIVE SUMMARY

---

*This Executive Summary highlights only the salient information of the Proposed Bonus Issue of Warrants. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Bonus Issue of Warrants before voting at the EGM.*

Key information	Description	Reference to Circular
<b>Summary</b>	<p>The Proposed Bonus Issue of Warrants entails the issuance of up to 233,964,247 Warrants, on the basis of 1 Warrant for every 3 CAB Shares held by the Entitled Shareholders on the Entitlement Date</p> <p>The Warrants will be issued at no cost to the Entitled Shareholders and the exercise price is fixed at RM0.63 each</p>	Section 2
<b>Rationale and justification</b>	<p>(i) To reward the existing shareholders of the Company for their loyalty and continuing support</p> <p>(ii) To strengthen the Company's financial position and capital base</p>	Section 3
<b>Approvals required/obtained and inter-conditional</b>	<p>The Proposed Bonus Issue of Warrants is subject to the following approvals:-</p> <p>(i) Bursa Securities, which was obtained on 19 April 2023;</p> <p>(ii) Shareholders of the Company at the EGM; and</p> <p>(iii) Any other relevant authorities and/ or parties, if required</p> <p>The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company</p>	Section 8
<b>Interest parties</b>	<p>None of the Directors, major shareholders, chief executive of CAB and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants</p>	Section 9
<b>Board's recommendation</b>	<p>The Board recommends that you <b>VOTE IN FAVOUR</b> of the resolution pertaining to the Proposed Bonus Issue of Warrants at the EGM</p>	Section 12



**CAB CAKARAN CORPORATION BERHAD**

Registration No. 200201015998 (583661-W)  
(Incorporated in Malaysia)

**Registered Office**

Suite A, Level 9  
Wawasan Open University  
54, Jalan Sultan Ahmad Shah  
10050 Georgetown, Penang  
Malaysia

27 April 2023

**Board of Directors**

Chuah Ah Bee (*Executive Chairman*)  
Chuah Hoon Phong (*Group Managing Director*)  
Chew Chee Khong (*Executive Director*)  
Loo Choo Gee (*Executive Director*)  
Wijanti Tjendera (*Non-Independent Non-Executive Director*)  
Lim Ghim Chai (*Independent Non-Executive Director*)  
Professor Dato' Dr Mohd Fakhrudin Bin Abdul Mukti (*Independent Non-Executive Director*)  
Datuk Sr Haji Zakaria Bin Hashim (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/ Madam,

**PROPOSED BONUS ISSUE OF WARRANTS**

---

**1. INTRODUCTION**

On 27 March 2023, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake a bonus issue of up to 233,964,247 Warrants on the basis of 1 Warrant for every 3 existing CAB Shares held by the Entitled Shareholders on the Entitlement Date.

On 19 April 2023, UOBKH had, on behalf of the Board, announced that Bursa Securities had on even date resolved to approve the following:-

- (i) admission of the Warrants to the Official List of Bursa Securities; and
- (ii) listing and quotation of up to 233,964,247 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 233,964,247 new CAB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

subject to the conditions as disclosed in **Section 8** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF WARRANTS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM.**

## **2. PROPOSED BONUS ISSUE OF WARRANTS**

### **2.1 Basis and number of Warrants to be issued**

The Proposed Bonus Issue of Warrants entails the issuance of up to 233,964,247 Warrants, on the basis of 1 Warrant for every 3 CAB Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the issued share capital of CAB is approximately RM145,979,553 comprising 701,892,742 CAB Shares (including 545,500 treasury shares). Assuming that all treasury shares are resold in the open market prior to the implementation of the Proposed Bonus Issue of Warrants, a total of up to 233,964,247 Warrants may be issued pursuant thereto. In addition, assuming all the Warrants are exercised, a total of up to 233,964,247 new Shares may be issued therefrom.

The actual number of Warrants to be issued under the Proposed Bonus Issue of Warrants will depend on the number of CAB Shares in issue (excluding treasury shares, if any) on the Entitlement Date.

The entitlement basis for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:-

- (i) compliance with Paragraph 6.50 of the Listing Requirements, which states that the number of new CAB Shares that will arise from the exercise of all outstanding convertible equity securities, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times;
- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS and NA per Share of the Company; and
- (iii) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the exercise period of the Warrants.

Fractional entitlements of the Warrants, if any, shall be disregarded and dealt with in such manner as the Board may in its absolute discretion deem fit and expedient, and in the best interest of the Company.

The Proposed Bonus Issue of Warrants is not intended to be implemented in stages over a period of time.

## **2.2 Basis of determining the exercise price of the Warrants**

The Warrants will be issued at no cost to the Entitled Shareholders based on their respective shareholdings in the Company on the Entitlement Date.

The Board has fixed the exercise price of the Warrants at RM0.63 each after taking into consideration, amongst others, the following:-

- (i) the historical price movement of CAB Shares. The exercise price represents a discount of approximately 10.0% to the 5-day VWAP of CAB Shares up to and including the Announcement LPD of RM0.7001.

Notwithstanding that the Warrants will be issued at no cost to the Entitled Shareholders, the Board opines that the discounted exercise price is justifiable after taking into consideration the prospect of the Group as well as its future funding requirements, and thus the need to fix an attractive exercise price in order to encourage the Warrant Holders to exercise their Warrants; and

- (ii) the Warrants are exercisable at any time for a tenure of 5 years from the date of issuance, which may provide CAB's shareholders with an alternative to participate in the equity of the Company and potentially realise a capital gain in the event of any share price appreciation.

The Board is of the view that the exercise of the Warrants may raise additional funds for the Group in the future, as well as improve the trading liquidity of CAB Shares with the increase in the number of CAB Shares in issue as and when the Warrants are exercised.

## **2.3 Ranking of the Warrants and new CAB Shares to be issued arising from the exercise of the Warrants**

The Warrant Holders will not be entitled to any voting rights or right to participate in any form of distribution other than on winding up, compromise or arrangement of CAB as set out in the Deed Poll and/ or offer of further securities in CAB until and unless such Warrant Holders exercise their Warrants into new CAB Shares.

The new CAB Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing CAB Shares, save and except that the new CAB Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new CAB Shares.

## **2.4 Listing and quotation of the Warrants and new CAB Shares to be issued arising from the exercise of the Warrants**

Bursa Securities had, vide its letter dated 19 April 2023, approved the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of up to 233,964,247 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 233,964,247 new CAB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.



## 2.5 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out below:-

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 233,964,247 Warrants.
Form and denomination	: The Warrants will be issued in registered form and will be constituted by the Deed Poll.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying rights to subscribe for 100 new CAB Shares at any time during the exercise period, or such number of Warrants as may be varied from time to time by Bursa Securities and/ or any relevant authorities to constitute a board lot.
Exercise right	: Each Warrant entitles Warrant Holders to subscribe for 1 new CAB Share at any time during the exercise period at the exercise price, subject to the adjustments in accordance with the provisions of the Deed Poll.
Exercise price	: RM0.63, being the amount payable in respect of each new CAB Share to which a Warrant Holder is entitled to subscribe for upon exercise of the exercise rights represented by the Warrant involving such new CAB Share, or such exercise price as may be adjusted under the provisions of the Deed Poll.
Exercise period	: 5 years commencing after the date of issuance of the Warrants and ending at 5.00 p.m. in Malaysia on the market day falling immediately preceding the 5 <sup>th</sup> anniversary of the date of issuance, or if such day is not a market day, then it shall be the market day immediately preceding the said non-market day.
Participating rights of the Warrant Holders	: The Warrant Holders will not be entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution other than on winding up, compromise or arrangement of CAB and/ or offer of further securities in the Company until and unless the Warrant Holders exercise their Warrants into new CAB Shares.
Adjustment in the exercise price and/ or number of Warrants	: The exercise price and/ or the number of Warrants in issue shall from time to time be adjusted by the Board in consultation with an approved principal adviser and/ or auditors and certified by the auditors under certain circumstances in accordance with the provisions of the Deed Poll.
Transferability	: The Warrants will only be transferable in the manner set out in the Deed Poll subject always to the provisions of the Securities Industries (Central Depositories) Act, 1991 and the rules of Bursa Depository, as amended and revised from time to time.

## Terms

## Details

Rights in the event of winding-up, liquidation, compromise and/ or arrangement	: <ul style="list-style-type: none"><li>If a resolution has been passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company, amalgamation or merger of the Company with one or more companies,</li><li>(i) for the purposes of such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purpose by a special resolution, shall be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant Holders; or</li><li>(ii) in any case and to the extent permitted by law, every Warrant Holder shall be entitled (upon and subject to the conditions of the Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of its/ his Warrants to the Company by submitting the duly completed and executed exercise notice(s) and payment of the exercise price, elect to be treated as if it/ he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if it/ he had on such date been the holder of the CAB Shares to which it/ he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.</li></ul>
Modifications of rights of the Warrant Holders	: Save for modification to the Deed Poll which is not materially prejudicial to the interest of the Warrant Holders, manifest error or to comply with the prevailing laws of Malaysia and/ or the Listing Requirements, any modification, amendment, deletion or addition to the Deed Poll permitted shall require the approval of the Warrant Holders sanctioned by special resolution; be subjected to the approval of the relevant authorities, if any; and be effected by a supplemental deed poll executed by the Company and expressed to be supplemental and comply with the requirements of the Deed Poll.
Listing status	: The Warrants will be listed and quoted on the Main Market of Bursa Securities.
Governing Laws	: The Deed Poll is governed by and construed in accordance with the laws and regulations of Malaysia.

## 2.6 Utilisation of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds for the Company as the Warrants will be issued at no cost to the Entitled Shareholders. The amount of proceeds to be raised would depend on the actual number of Warrants exercised during the exercise period. As such, the exact quantum and timeframe for utilisation of the proceeds to be raised cannot be determined at this juncture.

Nevertheless, the Board anticipates that any proceeds to be raised from the exercise of the Warrants will be utilised by CAB Group within 12 months from the date of receipt of such proceeds.

Assuming the full exercise of Warrants at RM0.63 each, the gross proceeds to be raised under each scenario are set out below:-

	<b>No. of Warrants exercised</b>	<b>RM</b>
<b>Minimum Scenario</b>	233,782,414	147,282,921
<b>Maximum Scenario</b>	233,964,247	147,397,476

Such proceeds to be raised, as and when the Warrants are exercised, are expected to fund the future working capital requirements of the Group. The proceeds to be used for working capital are subject to the operational requirements of the Group at the point of utilisation, and thus the actual timeframe and breakdown are not determinable at this juncture.

Pending the utilisation of proceeds raised as and when the Warrants are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will also be used as the working capital of the Group.

### 3. RATIONALE AND JUSTIFICATIONS

The Proposed Bonus Issue of Warrants aims to reward the existing shareholders of the Company for their loyalty and continuing support, by providing an option to further increase their equity participation in the Company at a pre-determined price over the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation of the Shares arising therefrom.

Further, the Proposed Bonus Issue of Warrants will also strengthen the Company's financial position and capital base, as the Warrants may potentially provide additional working capital as and when the Warrants are exercised without incurring interest costs as compared to bank borrowings.

### 4. OTHER FUND RAISING EXERCISES IN THE PAST 12 MONTHS

The Company had on 16 July 2021, announced the private placement of up to 10% of the total number of issued shares of CAB pursuant to Sections 75 and 76 of the Act ("**Private Placement**"), of which a total of 3,884,000 CAB Shares were placed out at RM0.5150 each on 29 April 2022, raising gross proceeds of RM2.00 million. The Private Placement was subsequently completed on 22 August 2022 and the proceeds raised have been fully utilised in the following manner:-

<b>Details</b>	<b>RM'000</b>
Working capital for the defrayment of operational expenses (i.e. professional fee, salary and other staff-related expenses)	1,848
Estimated expenses	152
<b>Total</b>	<u><u>2,000</u></u>

Save for the Private Placement, the Company has not undertaken any other fund raising exercises in the 12 months prior to the date of this Circular.

## 5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

### 5.1 Overview and outlook of the Malaysian economy

Malaysia's economy expanded by 6.9% in the first half of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. Furthermore, the growth momentum was attributed to the Government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half of the year. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally. With better prospects as indicated by the Leading Index, the economy is anticipated to gain its growth momentum in the second half of the year attributed to strong domestic demand as the country transitions into endemicity. For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% – 7%. The domestic economy remains resilient and is forecast to expand between 4% – 5% in 2023 driven by the domestic demand.

Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

Global growth is projected to moderate in 2022, after experiencing a strong economic expansion, both in advanced economies as well as emerging markets and developing economies (EMDEs), in 2021. In addition, escalating inflationary pressure as a result of high commodity prices is projected to prompt most central banks to tighten their monetary policy. Meanwhile, a slowdown in China's economic activities, supply chain disruptions and prolonged geopolitical tensions are anticipated to soften global growth in 2023.

Malaysia's economic recovery continued its strong momentum in the first half of 2022 amid the global headwinds. The gross domestic product ("**GDP**") grew at 6.9% during the period supported by the implementation of Budget 2022 measures, transition to the endemicity and reopening of international borders. The economy is expected to grow at 6.1% in the second half of 2022 in line with strong domestic pent-up demand from private sector, remarkable tourism activities and outstanding trade performance. Furthermore, robust performance in services and manufacturing sectors as well as improvement in the labour market conditions are envisaged to contribute significantly to the economic growth. Overall, the nation's economy is expected to grow between 6.5% – 7% in 2022.

In line with the softening global economic outlook, Malaysia's economy is expected to moderate in 2023. Strong economic fundamentals, further improvement in employment prospects, sustained consumer and business confidence as well as continuous policy support for vulnerable households are projected to stimulate domestic demand. Steady external demand, especially for electrical & electronic ("**E&E**") products and major commodities, is anticipated to continue driving the exports, thus maintaining a surplus in current account of the balance of payments (BOP).

On the supply side, all economic sectors are projected to expand, with the services and manufacturing sectors remain as the major contributors to the economy. The services sector will benefit from an increase in domestic demand and tourism activities. The manufacturing sector is expected to be driven by global demand for E&E and rubber-based products coupled with an expansion in domestic industries such as food and construction related products. Meanwhile, the construction sector is projected to improve with the acceleration of existing infrastructure projects and higher private investment that would increase demand for more commercial and residential buildings. Thus, the nation's GDP is forecast to expand between 4% – 5% in 2023.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

## **5.2 Overview and outlook of the poultry and livestock industry in Malaysia**

The Annual Economic Statistics (AES) Agriculture Sector, displays the performance of economic sector consist of 4 sub-sectors namely sub-sector of crops, livestock, forestry & logging and fisheries. In overall, value of gross output for agriculture sector increased from RM82.2 billion in 2020 to reach RM101.3 billion in 2021, with growth rate of 23.2 per cent. The three main states that contributed to the gross output value for agriculture sector were Sarawak with 30.2 per cent, Sabah (20.3%) and Johor (12.3%).

Value of intermediate input recorded faster growth than the output, which is 26.5 per cent in the same period. The highest contributor to the value of gross output for the agriculture sector was crops sub-sector which RM75.8 billion, livestock (RM18.7 billion), forestry & logging (RM4.4 billion) and fisheries (RM2.4 billion).

Value added for agriculture sector was RM55.7 billion in 2021, an increase of 20.7 per cent as compared to RM46.2 billion in 2020. Sarawak was the main contributor for the value added at RM18.3 billion with a share of 32.9 per cent, Sabah (RM13.3 billion; 23.9%) and Johor (RM6.1 billion; 11.0%).

Number of persons engaged in the agriculture sector recorded a total of 496,683 persons in 2021 as compared to 554,247 persons in 2020 with a decrease of 10.4 per cent. In line with the trend, the total salaries & wages also decreased by 3.0 per cent to RM8.1 billion in 2021 (2020: RM8.4 billion). The crops sub-sector remains as a key contributor to the total number of persons engaged with a share of 87.0 per cent, livestock (7.3%), forestry & logging (3.0%) and fisheries (2.7%).

*(Source: Annual Economic Statistics (AES) Agriculture Sector, 2022, Department of Statistics Malaysia, Ministry of Economy)*

## **5.3 Future prospects of the Group**

The local economy growth is expected to slow down to 4%-5% in 2023 against the backdrop of a softening world economic growth and trade activities due to inflationary pressure, tightening of financial conditions and supply constraints. The International Monetary Fund has projected that the world growth rate will decline to 2.7% in 2023 from 3.2% in 2022, which is the slowest growth rate since 2001.

With the expected weaker economic growth rate in 2023, the Group is expected to face challenges especially in the supply chain and the continued increase in the cost of production of broiler. Besides the increase in the cost of raw material for chicken feed, the shortage of labour, the high cost to convert the farms from open house to closed house system to comply with local authorities guidelines as well as the continued export ban on live broilers coupled with the government's price control policy will present further challenges to the Group.

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

Internally, the Group will continue to take efforts to improve its efficiency and reduce the cost of production which primarily comprises poultry feeds and labour cost. On 21 October 2021, CAB acquired a 51% stake in Benarlab Sdn Bhd (a wholesaler and a distributor of animal health and nutrition products) to ensure an uninterrupted flow of feed supplies amidst the current commodity shortages. The abovesaid acquisition also enables the Group to derive benefit from lower logistics and transportation costs incurred from the sharing in distribution channels. Moving forward, it will also focus on adopting automation and new technology in its operations to reduce the dependency on labour. The Group will also be tapping into the premium chicken segment by launching its Omega Chicken and Organic Chicken at the beginning of 2023 to cater for the shift in consumer preference.

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

*(Source: Management of CAB)*

## 6. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

### 6.1 Issued share capital

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Share capital as at the LPD <sup>*1</sup>	701,892,742	145,979,553	701,892,742	145,979,553
(Less): treasury shares	(545,500)	(69,304)	-	-
	<b>701,347,242</b>	<b>145,910,249</b>	<b>701,892,742</b>	<b>145,979,553</b>
Assuming full exercise of Warrants	233,782,414	147,282,921	233,964,247	147,397,476
<b>Enlarged issued share capital</b>	<b>935,129,656</b>	<b>293,193,170</b>	<b>935,856,989</b>	<b>293,377,029</b>

**Note:-**

<sup>\*1</sup> Including 545,500 treasury shares held by the Company.

## 6.2 NA per Share and gearing

Based on the latest audited consolidated statements of financial position of the Group as at 30 September 2022, the pro forma effects of the Proposed Bonus Issue of Warrants on the NA per Share and gearing of the Group are set out as follows:-

### **Minimum Scenario**

	Audited as at 30 September 2022 RM'000	After assuming full exercise of Warrants RM'000
Share capital	145,980	293,262
Treasury shares	(69)	(69)
Reserves	2,782	2,782
Retained earnings	355,514	355,214 <sup>*1</sup>
<b>Total equity/ NA</b>	<b>504,207</b>	<b>651,189</b>
No. of Shares in issue (excluding treasury shares) ('000)	701,347	935,129
NA per Share (RM)	0.72	0.70
Total borrowings	495,253	495,253
Gearing ratio (times)	0.98	0.76

### **Maximum Scenario**

	Audited as at 30 September 2022 RM'000	I Assuming all the treasury shares are resold RM'000	II After I and assuming full exercise of Warrants RM'000
Share capital	145,980	145,980	293,377
Treasury shares	(69)	-	-
Reserves	2,782	2,782	2,782
Retained earnings	355,514	355,514	355,214 <sup>*1</sup>
<b>Total equity/ NA</b>	<b>504,207</b>	<b>504,276</b>	<b>651,373</b>
No. of Shares in issue (excluding treasury shares, if any) ('000)	701,347	701,892	935,856
NA per Share (RM)	0.72	0.72	0.70
Total borrowings	495,253	495,253	495,253
Gearing ratio (times)	0.98	0.98	0.76

#### **Note:-**

<sup>\*1</sup> After deducting estimated expenses of RM0.30 million in relation to the Proposed Bonus Issue of Warrants.

### 6.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue of Warrants on the substantial shareholders' shareholdings in CAB are set out below:-

#### **Minimum Scenario**

Substantial shareholders	Shareholdings as at the LPD				After assuming full exercise of Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>	No. of Shares	% <sup>*2</sup>
Chuah Ah Bee	197,832,079	28.21	122,925,623 <sup>*3</sup>	17.53	263,776,105	28.21	163,900,830 <sup>*3</sup>	17.53
Chan Kim Keow	97,116,248	13.85	25,809,375 <sup>*3</sup>	3.68	129,488,330	13.85	34,412,500 <sup>*3</sup>	3.68
Plant Wealth Holdings Limited	106,595,625	15.20	-	-	142,127,500	15.20	-	-
KMP Private Ltd	-	-	106,595,625 <sup>*4</sup>	15.20	-	-	142,127,500 <sup>*4</sup>	15.20
KMP Investments Pte Ltd	-	-	106,595,625 <sup>*4</sup>	15.20	-	-	142,127,500 <sup>*4</sup>	15.20
Mariton International Limited	-	-	106,595,625 <sup>*4</sup>	15.20	-	-	142,127,500 <sup>*4</sup>	15.20
Anthoni Salim	-	-	106,595,625 <sup>*4</sup>	15.20	-	-	142,127,500 <sup>*4</sup>	15.20
Tan Hang Huat	-	-	106,595,625 <sup>*4</sup>	15.20	-	-	142,127,500 <sup>*4</sup>	15.20

#### **Notes:-**

<sup>\*1</sup> Based on the issued Shares of 701,347,242 in CAB (excluding treasury shares).

<sup>\*2</sup> Based on the enlarged issued Shares of 935,129,656 in CAB (excluding treasury shares).

<sup>\*3</sup> Other interest of spouse and children by virtue of Section 59(1)(c) of the Act.

<sup>\*4</sup> Deemed interested under Section 8 of the Act by virtue of Plant Wealth Holdings Limited's shareholdings in CAB.



**Maximum Scenario**

Substantial shareholders	Shareholdings as at the LPD				I Assuming all treasury shares are resold			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>	No. of Shares	% <sup>*2</sup>
Chuah Ah Bee	197,832,079	28.21	122,925,623 <sup>*4</sup>	17.53	197,832,079	28.19	122,925,623 <sup>*4</sup>	17.51
Chan Kim Keow	97,116,248	13.85	25,809,375 <sup>*4</sup>	3.68	97,116,248	13.84	25,809,375 <sup>*4</sup>	3.68
Plant Wealth Holdings Limited	106,595,625	15.20	-	-	106,595,625	15.19	-	-
KMP Private Ltd	-	-	106,595,625 <sup>*5</sup>	15.20	-	-	106,595,625 <sup>*5</sup>	15.19
KMP Investments Pte Ltd	-	-	106,595,625 <sup>*5</sup>	15.20	-	-	106,595,625 <sup>*5</sup>	15.19
Mariton International Limited	-	-	106,595,625 <sup>*5</sup>	15.20	-	-	106,595,625 <sup>*5</sup>	15.19
Anthoni Salim	-	-	106,595,625 <sup>*5</sup>	15.20	-	-	106,595,625 <sup>*5</sup>	15.19
Tan Hang Huat	-	-	106,595,625 <sup>*5</sup>	15.20	-	-	106,595,625 <sup>*5</sup>	15.19

**II**

Substantial shareholders	After I and assuming full exercise of Warrants			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	% <sup>*3</sup>	No. of Shares	% <sup>*3</sup>
Chuah Ah Bee	263,776,105	28.19	163,900,830 <sup>*4</sup>	17.51
Chan Kim Keow	129,488,330	13.84	34,412,500 <sup>*4</sup>	3.68
Plant Wealth Holdings Limited	142,127,500	15.19	-	-
KMP Private Ltd	-	-	142,127,500 <sup>*5</sup>	15.19
KMP Investments Pte Ltd	-	-	142,127,500 <sup>*5</sup>	15.19
Mariton International Limited	-	-	142,127,500 <sup>*5</sup>	15.19
Anthoni Salim	-	-	142,127,500 <sup>*5</sup>	15.19
Tan Hang Huat	-	-	142,127,500 <sup>*5</sup>	15.19

**Notes:-**

<sup>\*1</sup> Based on the issued Shares of 701,347,242 in CAB (excluding treasury shares).

<sup>\*2</sup> Based on the issued Shares of 701,892,742 in CAB.

<sup>\*3</sup> Based on the enlarged issued Shares of 935,856,989 in CAB.

<sup>\*4</sup> Other interest of spouse and children by virtue of Section 59(11)(c) of the Act.

<sup>\*5</sup> Deemed interested under Section 8 of the Act by virtue of Plant Wealth Holdings Limited's shareholdings in CAB.

## 6.4 Earnings and EPS

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the consolidated earnings of the Group for the FYE 30 September 2023. However, assuming that the consolidated earnings of the Group remain unchanged, the EPS of the Group will be correspondingly diluted as a result of the increase in the number of CAB Shares in issue as and when the Warrants are exercised into new CAB Shares.

The potential effects of the exercise of the Warrants on the future earnings and EPS of the Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the benefits to be accrued to the Group from the utilisation of proceeds raised from the exercise of the Warrants.

## 6.5 Convertible securities

As at the LPD, the Company does not have any convertible securities in issue.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of CAB Shares as traded on Bursa Securities for the past 12 months from April 2022 to March 2023 are set out below:-

	<b>High RM</b>	<b>Low RM</b>
<b>2022</b>		
April	0.525	0.50
May	0.56	0.49
June	0.55	0.495
July	0.53	0.51
August	0.52	0.495
September	0.515	0.475
October	0.48	0.46
November	0.485	0.46
December	0.51	0.48
<b>2023</b>		
January	0.52	0.48
February	0.54	0.49
March	0.77	0.51
Last transacted market price as at the LPD		0.695

*(Source: Bloomberg)*

## 8. APPROVALS REQUIRED/ OBTAINED

The Proposed Bonus Issue of Warrants is subject to the following approvals being obtained:-

- (i) Bursa Securities, for the following:-
  - a. the admission of the Warrants to the Official List of Bursa Securities; and
  - b. the listing and quotation of the Warrants and new CAB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

the approval of which has been obtained vide Bursa Securities' letter dated 19 April 2023 subject to the following conditions:-

	<b>Conditions</b>	<b>Status of compliance</b>
a.	CAB and UOBKH must fully comply with the relevant provisions under the Listing Requirement pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied
b.	CAB and UOBKH to inform Bursa Securities upon completion of the Proposed Bonus Issue of Warrants;	To be complied
c.	CAB and UOBKH to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirement;	To be complied
d.	CAB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed; and	To be complied
e.	CAB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(ii)	The shareholders of the Company at the EGM; and	
(iii)	Any other relevant authorities and/or parties, if required.	

The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company.

#### **9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders, chief executive of CAB and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue of Warrants, which is also available to all other Entitled Shareholders on a pro-rata basis.

#### **10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Bonus Issue of Warrants is expected to be completed by the second quarter of 2023.

The tentative timetable for the implementation of the Proposed Bonus Issue of Warrants is set out below:-

<b>Date</b>	<b>Events</b>
12 May 2023	<ul style="list-style-type: none"> <li>• Convening of EGM to obtain the approval of shareholders of CAB</li> </ul>
Mid May 2023	<ul style="list-style-type: none"> <li>• Announcement of the Entitlement Date</li> </ul>
Early June 2023	<ul style="list-style-type: none"> <li>• Entitlement Date</li> <li>• Listing and quotation of the Warrants on the Main Market of Bursa Securities</li> <li>• Completion of the Proposed Bonus Issue of Warrants</li> </ul>

## 11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

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 the LPD, the implementation of the JVA has been deferred until implementation framework is resolved.

Save for the above and the Proposed Bonus Issue of Warrants, the Board is not aware of any other outstanding proposals, which have been announced but not yet completed as at the LPD.

## 12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company.

Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Bonus Issue of Warrants at the EGM.

## 13. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang, Malaysia on Friday, 12 May 2023 at 10.30 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposed Bonus Issue of Warrants.

If you are unable to attend, participate, speak and vote at the EGM, you may appoint a proxy or proxies to attend, participate, speak and vote on your behalf. In such event, the Proxy Form must be lodged at the Company's Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia, or by electronic lodgement via the TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time for holding the EGM, or at any adjournment thereof. The completion, signing and return of the Proxy Form will not preclude you from attending and voting in person, should you subsequently decide to do so.

## 14. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**CAB CAKARAN CORPORATION BERHAD**

**CHUAH AH BEE**  
Executive Chairman

## APPENDIX I – ADDITIONAL INFORMATION

### 1. Financial performance and financial position of CAB Group

The audited financial information of CAB Group for the past 3 financial years up to the FYE 30 September 2022 and the latest unaudited results for the 3-month FPE 31 December 2022, is set out below:-

	←-----Audited-----→			←--Unaudited--→
	FYE 30 September 2020 RM'000	FYE 30 September 2021 RM'000	FYE 30 September 2022 RM'000	3-month FPE 31 December 2022 RM'000
Revenue	1,680,488	1,718,860	1,954,279	557,305
Gross profit/ (loss)	113,792	86,253	175,573	63,620
Profit/ (Loss) before tax (" <b>PBT/ (LBT)</b> ")	(3,638)	(30,406)	85,614	67,582
Profit/ (Loss) attributable to owner of the Company	2,760	(20,188)	57,720	41,872
Earnings/ (Loss) per Share (sen)	0.41	(2.93)	8.26	5.97
Cash and bank balance	74,435	49,049	76,526	98,157
Total borrowings and lease liabilities	535,763	521,312	495,253	481,778
Gearing ratio (times)	1.16	1.18	0.98	0.88
Current assets	472,553	440,065	536,976	627,632
Non-current assets	906,290	893,509	886,982	880,480
Current liabilities	476,437	488,502	524,543	559,164
Non-current liabilities	319,734	284,569	267,216	259,641
Current ratio (times)	0.99	0.90	1.02	1.12
NA	460,360	440,536	504,207	546,366
Number of CAB Shares in issue ('000)	689,963	689,963	701,347	701,347
NA per Share (RM)	0.67	0.64	0.72	0.78

#### **FYE 30 September 2020 ("FYE 2020")**

For FYE 2020, the revenue of the Group decreased by RM71.70 million or 4.09% to RM1.68 billion (FYE 2019: RM1.75 billion) attributable to the implementation of the Movement Control Order by the government which causes the declining bulk demand from the hospitality and tourism sectors, school closure and prohibition of mass gathering as well as the disruption to the global supply chain has caused negative impact on the industry.

The Group recorded LBT of RM3.64 million for the FYE 2020 as compared to PBT of RM14.79 million for the preceding financial year. The LBT recorded was mainly attributable to the increase in other losses mainly due to the following:-

- i. decrease in gain on fair value adjustment of investment properties of RM2.88 million;
- ii. increase in impairment loss recognised on receivables of RM3.68 million; and
- iii. decrease in gain on fair value adjustment of biological assets of RM7.57 million from RM6.67 million to loss of RM0.90 million.

---

**APPENDIX I – ADDITIONAL INFORMATION (CONT'D)**

---

**FYE 30 September 2021 ("FYE 2021")**

For FYE 2021, the revenue of the Group increased by RM38.37 million or 2.38% to RM1.72 billion (FYE 2020: RM1.68 billion) mainly due to the increase in the average selling price of broiler to RM4.67 per kg in FYE 2021 as compared to RM4.21 per kg in FYE 2020.

The Group recorded LBT of RM30.41 million for the FYE 2021 which represents an increase of RM26.77 million or 735.79% as compared to LBT of RM3.64 million for the FYE 2020. The increase in LBT was mainly due to the increase in the cost of sales by RM65.91 million to RM1.63 billion (FYE 2020: RM1.57 billion) which was mainly due to the worldwide increase in the price of raw materials for poultry feed.

**FYE 30 September 2022 ("FYE 2022")**

For FYE 2022, the revenue of the Group increased by RM235.42 million or 13.70% to RM1.95 billion (FYE 2021: RM1.72 billion). This increase was driven primarily by the supply shock provoked by the blockade of Ukrainian exports, coupled with record price levels for energy and basic commodities, led several nations to adopt export restrictions, fuelling market shocks and speculative operations, leading to unpredictability in global food supply. This has driven up food prices globally. As a result, the food prices in Malaysia such as poultry meat and other food related products have also risen.

The Group recorded PBT of RM85.61 million for the FYE 2022 (FYE 2021: LBT of RM30.41 million) was in tandem with the abovementioned increase in revenue and partly due to the increase in other income by RM23.27 million to RM44.24 million (FYE 2021: RM20.97 million).

**3-month FPE 31 December 2022 ("FPE 2022")**

For FPE 2022, the revenue of the Group increased by RM63.10 million or 12.77% to RM557.31 million (FPE 2021: RM494.21 million) mainly attributable to the increase in sales for the Group's integrated poultry division by RM65.00 million to RM521.70 million (FPE 2021: RM456.70 million).

Accordingly, the PBT of the Group increased by RM38.58 million or 133.04% to RM67.58 million (FPE 2021: RM29.00 million) mainly due to the following:-

- i. increase in other income by RM22.13 million to RM27.51 million (FPE 2021: RM5.38 million); and
- ii. increase in other gains by RM9.32 million to RM11.27 million (FPE 2021: RM1.95 million).

**2. Value creation and impact of the Proposed Bonus Issue of Warrants to the Company and shareholders**

The Proposed Bonus Issue of Warrants enables the Group to raise funds as and when the Warrants are exercised by the Warrant Holders in the future, and such proceeds arising thereof can be channelled towards the working capital requirements of the Group.

The potential proceeds that may be raised from the exercise of the Warrants would allow the Group to fund its future working capital requirements without solely relying on internally generated funds and/ or bank borrowings. This in turn allows the Group to minimise any potential cash outflow in respect of interest servicing costs and preserve its cash flow position.

---

**APPENDIX I – ADDITIONAL INFORMATION (CONT'D)**

---

Notwithstanding the above, the consolidated EPS of the Group may be correspondingly diluted as a result of the increase in the number of CAB Shares in issue as and when the Warrants are exercised into new CAB Shares. As set out in **Section 6.1** of this Circular, the exercise of the Warrants, if any, may enhance the Group's share capital and NA position. Further details on the effects of the Proposed Bonus Issue of Warrants on CAB Group's issued share capital, substantial shareholdings structure, NA, gearing level and earnings and EPS are disclosed in **Section 6** of this Circular.

**3. Adequacy of the Proposed Bonus Issue of Warrants in addressing CAB Group's financial concerns**

The proceeds to be raised as and when the Warrants are exercised by the Warrant Holders in the future will provide additional funds for the Group to fund the future working capital requirements of the Group. The Proposed Bonus Issue of Warrants is intended to, amongst others, enable existing shareholders to participate in convertible securities of the Company, which are tradable on the Main Market of Bursa Securities, without incurring any cost. Further, the existing shareholders will be able to participate in the future prospects and growth of the Group and/ or any potential capital appreciation in the Warrants and CAB Shares as and when the Warrants are exercised.

Despite the potential dilution in the consolidated EPS of the Group in the future if and when the Warrants are exercised, the Proposed Bonus Issue of Warrants is expected to create value to the Company and the shareholders in the long term as the proceeds to be raised from the Proposed Bonus Issue of Warrants are intended to be utilised for working capital which are subject to the operational requirements of the Group at the point of utilisation.

Notwithstanding thereto, and in terms of the Group's financial needs in the immediate term, the Board is of the view that the internally generated funds coming from its operations and supplemented by its credit facilities are adequate to meet the Group's financial needs for the time being. The Group will review and assess its general working capital requirements from time to time as well as to assess its operational cost and improve efficiency where possible to further strengthen its financial position and performance.

**4. Steps or action taken/ will be taken to improve the financial condition of the Group**

CAB Group had taken numerous steps in an effort to improve its financial condition by deploying resources towards their upstream and downstream of their integrated poultry division, such as to upgrade as well as modernising of existing open house farms to closed house farms and expanding their processed food business. During the FYE 2022, the Group invested RM27.35 million in capital expenditure. The investment is focus to ensuring a sustainable supply of chicken products in order to secure their internal supply chain to meet the demand from their customers.

The Group minimise its exposure to the volatility of prices of live broilers and processed chicken meat through vigilance and close monitoring of prevailing market condition and remain focused on their cost optimization strategy. To partly mitigate the price volatility, the Group enters into medium term contracts to supply dressed chicken and parts at a pre-determined fixed price to some of its major customers. In addition, the Group has geared up efforts to diversify from the volatile domestic market by increasing the export of its processed poultry products.

Nevertheless, the Group will continue to take effort to improve efficiency in the various stages of the value chain in its integration to enhance productivity and reduce cost of production. Moving forward, the Group will also focus in the use of automation and new technology into its operations where appropriate and reduce the dependency on labour.

*(Source: Management of CAB)*

---

**APPENDIX II – FURTHER INFORMATION**

---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. CONSENT**

UOBKH, being the Principal Adviser for the Proposed Bonus Issue of Warrants, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTEREST**

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to CAB for the Proposed Bonus Issue of Warrants.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Neither CAB nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any legal proceedings pending or threatened against the CAB Group or of any fact likely to give rise to any proceedings, which may materially or adversely affect the financial position and/or business of CAB Group.

**5. MATERIAL COMMITMENTS**

Save as disclosed below, the Board is not aware of any material commitments incurred or known to be incurred by CAB Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of CAB Group:-

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Approved and contracted for	27,568
Authorised but not contracted for	37,696
	<u><u>65,264</u></u>

**6. CONTINGENT LIABILITIES**

Save as disclosed below, the Board is not aware of any contingent liabilities incurred or known to be incurred by CAB Group which, upon becoming enforceable, may have a material impact on the financial results/ position of CAB Group:-

	<b>RM'000</b>
Corporate guarantees provided to banks and third parties in respect of credit facilities granted to certain subsidiaries and joint venture	<u><u>961,136</u></u>



---

**APPENDIX II – FURTHER INFORMATION (CONT'D)**

---

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's Registered Office at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia, during normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. the Constitution of CAB;
- ii. the audited consolidated financial statements of CAB Group for the past 2 financial years up to the FYE 30 September 2022 and the unaudited consolidated financial statements of the Group for the 3-month FPE 31 December 2022;
- iii. the letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** hereinabove, respectively; and
- iv. the draft Deed Poll.



**CAB CAKARAN CORPORATION BERHAD**

Registration No. 200201015998 (583661-W)  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of CAB Cakaran Corporation Berhad ("**CAB**" or the "**Company**") ("**EGM**") will be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang, Malaysia on Friday, 12 May 2023 at 10.30 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:-

**ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF UP TO 233,964,247 FREE WARRANTS IN CAB ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 3 EXISTING ORDINARY SHARES IN CAB HELD BY THE ENTITLED SHAREHOLDERS WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF WARRANTS")**

"**THAT** subject to the approvals of all relevant authorities and/ or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, authority be and is hereby given to the Board of Directors of CAB ("**Board**") to issue and allot up to 233,964,247 Warrants to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date on the basis of 1 Warrant for every 3 existing CAB Shares held;

**THAT** the Board be and is hereby authorised to enter into and execute a deed poll constituting the Warrants ("**Deed Poll**") with full powers to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/ or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of new CAB Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll;

**THAT** the Board be and is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

**THAT** the new CAB Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing CAB Shares, save and except that the new CAB Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new CAB Shares;

**THAT** the Board be and is hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in **Section 2.6** of the Circular to shareholders of the Company dated 27 April 2023, and the Board be authorised with full powers to vary the manner and/ or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

**By Order of the Board**

**CHEW SIEW CHENG (MAICSA 7019191) (SSM PC No. 202008001179)**  
**LIM CHOO TAN (LS 0008888) (SSM PC No. 202008000713)**  
Company Secretaries

Penang  
27 April 2023

**Notes:-**

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 May 2023. Only a shareholder whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
2. *A shareholder entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its place. A proxy may but need not be a shareholder of the Company.*
3. *A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.*
4. *Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
6. *Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his/her attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.*
8. *The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website at <https://tiuh.online> before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide for the EGM.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Wednesday, 10 May 2023 at 10.30 a.m.*
12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-*
  - a. *Identity card (NRIC) (Malaysian), or*
  - b. *Police report (for loss of NRIC)/Temporary NRIC (Malaysian), or*
  - c. *Passport (Foreigner).*
13. *For a corporate shareholder who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*
14. *Members are advised to check the Company's website and announcements from time to time for any changes to the administration of the General Meeting that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or others relevant authorities.*



**CAB CAKARAN CORPORATION BERHAD**

Registration No. 200201015998 (583661-W)  
(Incorporated in Malaysia)

**PROXY FORM**

CDS Account No.	No. of shares held

I/ We \_\_\_\_\_ Tel: \_\_\_\_\_  
*[Full name in block, NRIC/ Passport/ Company No.]*

of \_\_\_\_\_

being shareholder(s) of **CAB CAKARAN CORPORATION BERHAD** (the "**Company**"), hereby appoint:-

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/ or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/ our proxy to vote for me/ us and on my/ our behalf at the Extraordinary General Meeting of the Company to be held at the Conference Room, Third Floor, CAB Cakaran Corporation Berhad, Plot 21, Lorong Jelawat 4, Seberang Jaya Industrial Park, Seberang Jaya, 13700 Perai, Penang Malaysia on Friday, 12 May 2023 at 10.30 a.m. or any adjournment thereof, and to vote as indicated below:-

Description of Resolution	Resolution	For	Against
Proposed Bonus Issue of Warrants	Ordinary Resolution		

*Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
**Signature\***  
**Shareholder**

**Manner of execution:-**

- (a) *If you are an individual shareholder, please sign where indicated.*
- (b) *If you are a corporate shareholder which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*
- (c) *If you are a corporate shareholder which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:-*
  - (i) *at least two (2) authorised officers, of whom one shall be a director; or*
  - (ii) *any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

**Notes:-**

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 5 May 2023. Only a shareholder whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
2. *A shareholder entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her/its place. A proxy may but need not be a shareholder of the Company.*
3. *A shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the shareholder at the General Meeting.*
4. *Where a shareholder of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Act 453) ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
6. *Where a shareholder appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The instrument appointing a proxy shall be in writing under the hand of the shareholder or of his/her attorney duly authorised in writing, or if the shareholder is a corporation, shall either be executed under its common seal or securities seal or under the hand of an officer or its attorney duly authorised in writing.*
8. *The appointment of a proxy must be received by the Company at its registered office situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. You may also submit the proxy appointment electronically via Tricor's website at <https://tiih.online> before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide for the EGM.*
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Wednesday, 10 May 2023 at 10.30 a.m.*
12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-*
  - a. *Identity card (NRIC) (Malaysian), or*
  - b. *Police report (for loss of NRIC)/Temporary NRIC (Malaysian), or*
  - c. *Passport (Foreigner).*
13. *For a corporate shareholder who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*
14. *Those Proxy Forms which are indicated with "\|" in the spaces provided to show how the votes are to be casted will also be accepted.*
15. *Members are advised to check the Company's website and announcements from time to time for any changes to the administration of the General Meeting that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or others relevant authorities.*

*Please fold here*

---

AFFIX  
STAMP

The Secretaries

**CAB CAKARAN CORPORATION BERHAD** [Registration No. 200201015998 (583661-W)]  
Suite A, Level 9, Wawasan Open University  
54, Jalan Sultan Ahmad Shah  
10050 Georgetown, Penang  
Malaysia

---

*Please fold here*