2021
ANNUAL REPORT

CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)

VISION

The Food People of Choice

MISSION

The provision of quality food ensuring customer satisfaction, financial sustainability and responsible social and environment interaction. Achieved through integrated solutions involving innovative, integrous teams of committed people

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Tiong Su Kouk
Non-Independent Non-Executive Chairman

Chong Shaw Fui
Executive Vice Chairman

Tiong Chiong Hiiung
Group Managing Director

Tiong Chiong Soon
Executive Director

Kueh Chung Peng
Executive Director

Lau Liong Kii
Executive Director

Ling Ting Leong @ Ling Chong Seng
Independent Director

Datuk Temenggong Janggu Anak Banyang
Independent Director

Datu Haji Putit Bin Matzen
Independent Director

Bong Wei Leong
Independent Director

AUDIT COMMITTEE
Datuk Temenggong Janggu Anak Banyang *(Chairman)*
Tan Sri Datuk Tiong Su Kouk
Datu Haji Putit Bin Matzen
Bong Wei Leong
Ling Ting Leong @ Ling Chong Seng

NOMINATION COMMITTEE
Datuk Temenggong Janggu Anak Banyang *(Chairman)*
Tan Sri Datuk Tiong Su Kouk
Datu Haji Putit Bin Matzen

REMUNERATION COMMITTEE
Tan Sri Datuk Tiong Su Kouk *(Chairman)*
Datuk Temenggong Janggu Anak Banyang
Datu Haji Putit Bin Matzen
Tiong Chiong Hiiung
Lau Liong Kii

RISK MANAGEMENT COMMITTEE
Tiong Chiong Hiiung *(Chairman)*
Chong Shaw Fui
Tiong Chiong Soon
Kueh Chung Peng
Lau Liong Kii

COMPANY SECRETARIES
Voon Jan Moi
(MAICSA 7021367)

Yap Hui Yih
(MAICSA 7048748)

REGISTERED OFFICE
Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia

Tel No. : 082-336 520
Fax No. : 082-331 479

SHARE REGISTRAR
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel No. : 03-7890 4700
Fax No. : 03-7890 4670

AUDITORS
Crowe Malaysia PLT
Chartered Accountants
1st Floor, No. 1, Lorong Pahlawan 7A2
Jalan Pahlawan
96000 Sibu, Sarawak, Malaysia
Tel No. : 084-211 777
Fax No. : 084-216 622

PRINCIPAL BANKERS
AmBank (M) Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

Stock Name : CCK
Stock Code : 7035

WEBSITE
www.cck.com.my

INVESTOR RELATIONS
investor@cck.com.my

CORPORATE STRUCTURE

CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)

100% **Ableway Sdn. Bhd.**
198201012835 (92584-T)

100% **Angkutan Golden Plan Sdn. Bhd.**
199001018200 (209869-T)

100% **Ataskota Sdn. Bhd.**
198301004319 (99524-K)

100% **CCK Fresh Mart Sdn. Bhd.**
199201006215 (237719-T)

100% **Mukah Seafoods Industries Sdn. Bhd.**
197701003654 (34915-W)

100% **CCK Fresh Mart (West Malaysia) Sdn. Bhd.**
199701017401 (432898-W)

100% **CCK Sea Products Industries Sdn. Bhd.**
200101004260 (540016-X)

100% **CCK Properties Sdn. Bhd.**
201801035161 (1297188-K)

100% **Central Coldstorage Kuching Sdn. Bhd.**
198101002536 (68650-V)

100% **Poultry Industry (S) Sdn. Bhd.**
198301004624 (100247-X)

100% **Farm Land Supplies & Veterinary Services Sdn. Bhd.**
199601034486 (406838-V)

100% **Zhang Agriculture Development Sdn. Bhd.**
198801004501 (171859-A)

100% **C. S. Choice Food Industries Sdn. Bhd.**
200401006829 (645333-X)

100% **Hawker Time Food Hall Sdn. Bhd.**
201801015649 (1277665-X)

100% **Kin Eastern Frozen Food Sdn. Bhd.**
198201007624 (87382-M)

100% **Kuok Sui Sea Products Industries (S) Sdn. Bhd.**
197801002067 (158334-D)

100% **Zhang Agriculture Development (Sabah) Sdn. Bhd.**
201001024188 (907960-A)

100% **Pt. Adilmart**
(Foreign Company)
(3.75% is held by CCK Fresh Mart Sdn. Bhd.)

90% **Pt. Central Coldstorage Khatulistiwa**
(Foreign Company)

MANAGEMENT DISCUSSION & ANALYSIS

Revenue
RM685.6 million

Profit Before Tax
RM31.2 million

Return On Equity
8%

Current Ratio
2.0 x

Profit After Tax
RM24.5 million

Earnings Per Share
3.91 sen

Total Assets
RM435.1 million

Total Liabilities
RM120.8 million

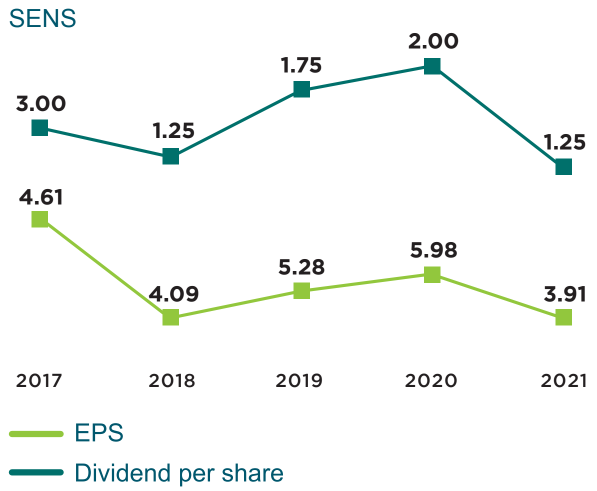
Net Assets Per Share
50.0 sen

5-YEARS FINANCIAL SUMMARY

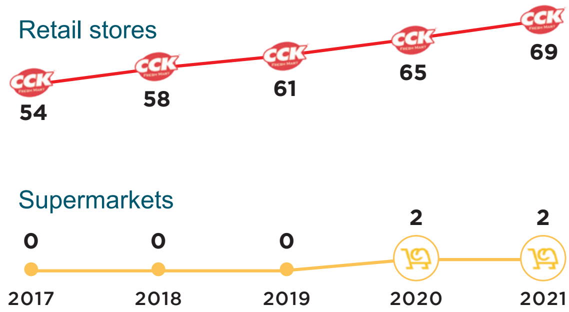
	2017	2018	2019	2020	2021
RM'000					
Revenue	615,789	614,833	651,314	656,043	685,576
Profit before tax	38,637	34,365	42,891	47,909	31,188
EBITDA	57,475	53,344	65,170	72,344	56,356
Profit attributable to owners of the company	29,063	25,817	33,170	37,482	24,476
Sen					
EPS	4.61	4.09	5.28	5.98	3.91
Dividend per share	3.00	1.25	1.75	2.00	1.25

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

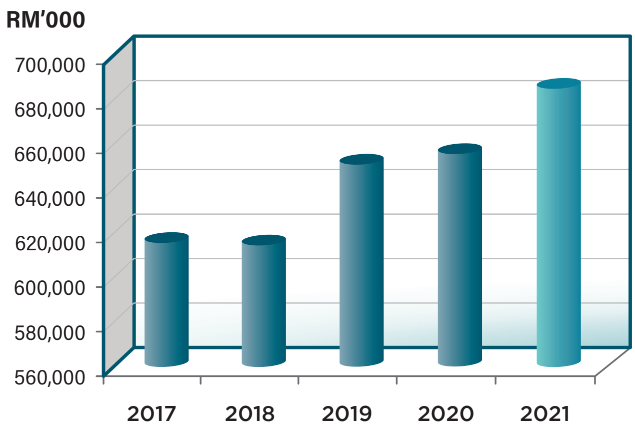
5-YEARS FINANCIAL SUMMARY (CONT'D)



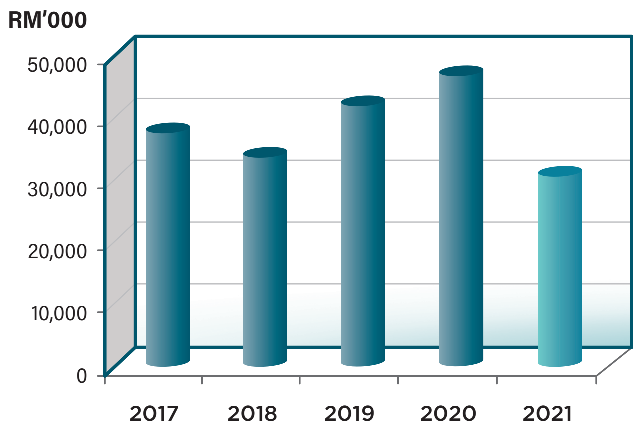
NUMBER OF RETAIL STORES & SUPERMARKETS (UNITS)



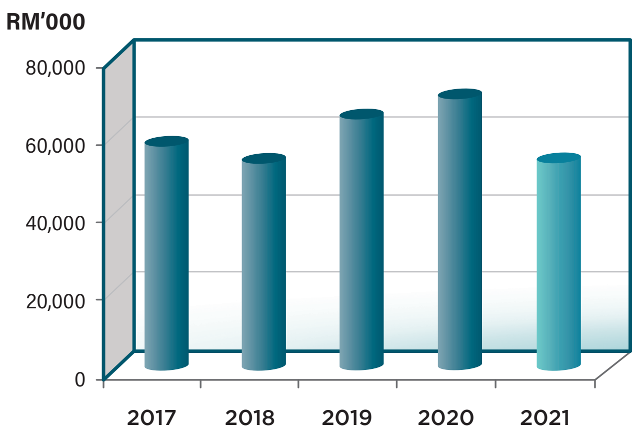
REVENUE



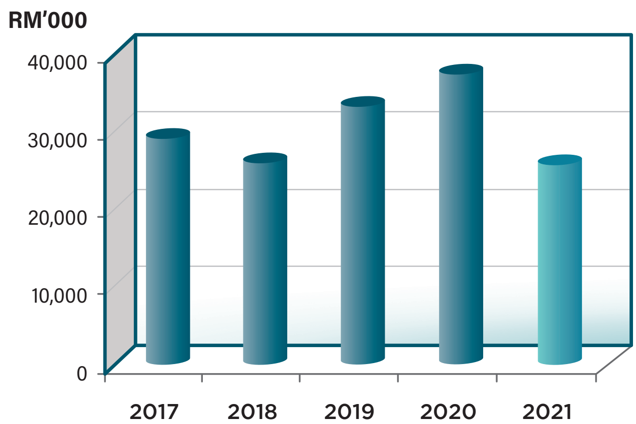
PROFIT BEFORE TAX



EBITDA



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Dear Esteemed Shareholders,

The Management Discussion and Analysis ("MD&A") is intended to provide the reader with operational and financial highlights of CCK Consolidated Holdings Berhad ("CCK" or "the Group") for the financial year ended 31 December 2021.

The MD&A should be read together with the audited financial statements of the Group and Company as set out in this Annual Report.

INTRODUCTION

CCK's core businesses are retailing and poultry farming. Our fully integrated supply chain consists of feed mill, breeder farms, hatchery, broiler farms, layer farm, abattoirs and retail stores. The businesses are carried out primarily in Sarawak, Sabah and Indonesia (Jakarta and Pontianak).

Since the opening of the first retail store in Sibu in 1970, our network has grown to more than seventy (70) touch points comprising of retail stores and supermarkets across East Malaysia (Sarawak and Sabah). The Group operates retail stores under the CCK Fresh Mart brand and supermarkets under the CCKLocal brand.

CCK Fresh Mart retail stores cater to both businesses and households and have a smaller range of strategically selected SKUs which are specifically targeted to certain locations and buyer demographics. CCK Fresh Mart retail stores are typically smaller format stores and are located in both urban and rural areas.

CCKLocal supermarkets typically occupy a larger footprint and offer households a wide range of SKUs ranging from local and imported food items to general household items.

As Sarawak's largest integrated poultry supplier, our retail network benefits strongly by being integrated with the poultry segment. CCK's farm operations are also located in Sarawak and Sabah. On a blended basis, fresh dressed chicken and chicken parts make up approximately 50% of our retail stores' products. The other 50% of our stores' products comprise frozen products, table eggs and fresh fruits and vegetables.

FINANCIAL REVIEW

	2021	2020	Variance
	RM'000	RM'000	%
Revenue	685,576	656,043	4.50%
Indonesian Operations Revenue	138,627	116,089	19.41%
Cost of sales	565,949	528,471	7.09%
Gross Profit	119,627	127,571	-6.23%
Other Income	5,094	6,303	-19.18%
Share of Results in Associate	5,533	6,465	-14.42%
Profit Before Tax	31,188	47,909	-34.90%
Property, Plant & Equipment	204,634	202,960	0.82%
Inventories	57,161	55,501	2.99%
Cash & Cash Equivalents	57,206	59,127	-3.25%
Contribution of Indonesian operations to Group Revenue	20.22%	17.70%	

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

FINANCIAL REVIEW (CONT'D)

Revenue for the financial year ended 31 December 2021 ("FY2021") increased by 4.5% to RM685.5 million against the corresponding period last year ("FY2020"), a record high for the Group.

Our retail network expanded in FY2021 to 63 CCK Fresh Mart retail stores, 2 CCKLocal supermarkets and 6 wholesale stores giving us 71 touchpoints, up from 67 in FY2020.

Revenue growth in FY2021 was largely driven by a 9.2% increase in retail segment revenue. The strong performance of the retail segment was brought about by a full year of contributions from the new CCKLocal supermarkets and new facilities in Pontianak, Indonesia.

Revenue contribution from the Group's Indonesian operations (which are classified under the retail segment) increased to 20.2% in FY2021 from 17.7% in FY2020. This was brought about by an overall increase in production and sales volumes of our own in-house brands of sausages, nuggets and other processed products. Additionally, operations benefitted from increased production capacity due to Pontianak's new facility that was commissioned in January 2021.

The poultry segment was affected by overall lower volumes and declined to RM83.7 million in FY2021. Poultry sales via our own retail stores (intersegment sales) remained robust, tracking the performance of the retail segment.

The prawn segment revenue grew by 10.8% in FY2021. This was largely due to the acquisition of new customers in Korea in addition to our traditional markets in Australia and Japan. Sales to local customers through our CCK retail network in Sarawak also improved.

The food service segment reported a revenue of RM5.9 million in FY2021. The segment was hampered by the closure of boarding schools in Sarawak. This is reflected in the minimal contribution to Group revenue during the year.

The Group's profit before tax ("PBT") for FY2021 declined by 34.9% to RM31.2 million. Gross profit margin declined to 17.40% from 19.44% in FY2020. The decline in profitability and margin compression was largely due to a significant increase in feed prices affecting the poultry segment and an overall increase in operating expenses due to the expansion of our Malaysian retail network and Indonesian operations.

The hike in feed prices resulting from the increase in prices of soy and corn had a direct negative impact on the poultry segment, which reported a loss of RM6.0 million in FY2021.

Other operating expenses increased by 9.0% due to the costs associated with the commissioning of the new Pontianak facilities in January 2021 and flowthrough effects from the opening of two (2) CCKLocal supermarkets and four (4) CCK Fresh Mart retail outlets in FY2021.

Share of results in our associate company, Gold Coin Sarawak Sdn Bhd, declined by 14.41% to RM5.5 million from RM6.5 million in FY2020. This was due to the sharp increase in prices of raw materials such as soy and corn, resulting in lower margins.

Finance costs for the year decreased marginally by 3.2% to RM2.0 million as Bank Negara Malaysia kept the OPR rate at 1.75% throughout FY2021. Total borrowings stood at RM40.3 million against shareholders' funds of RM314.2 million as at end FY2021, translating into a gearing ratio of 0.13x.

The Group remained in a net cash position as deposits with licensed banks and cash and bank balances stood at RM57.8 million.

The Group property, plant and equipment increased marginally by RM1.7 million to RM204.6 million. Notable capital expenditure carried out during FY2021 were the purchase of a shoplot in Kuching, the renovation and commissioning of four (4) additional CCK Fresh Mart retail stores in East Malaysia. This was funded by a combination of bank borrowings and internally generated funds.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

DIVIDENDS

Dividends paid out during the year were as follows –

- A final single-tier dividend of 2 sen per share on 18 June 2021.

REVIEW OF OPERATIONS - MALAYSIA

Categorised as essential services, CCK's farms (chicken and prawns), factories (chicken abattoirs and prawn processing) and retail stores were fully operational during the various stages of the Covid-19 lockdowns during FY2021.

In FY2021, we expanded our retail network as follows –

- 2 CCK Fresh Mart retail stores in Sabah in Kota Kinabalu and Keningau; and
- 2 CCK Fresh Mart retail stores in Sarawak in Kuching and Bintangor.

Despite the on-going depressed pricing (below pre-pandemic levels) of prawns on the international market, the prawn segment benefitted from an increase in export volume. This was largely due to the acquisition of new customers in Korea in addition to our traditional markets in Australia and Japan. Sales to local customers through our CCK retail network in Sarawak also improved.

Our operations in Indonesia were not affected by the pandemic as, unlike Malaysia, no nationwide lockdowns and movement controls were declared by the Indonesian authorities. This allowed operations to proceed and there was no disruption to our manufacturing facilities in Jakarta and Pontianak.

Operations benefitted from increased production capacity due to Pontianak's new facility that was commissioned in January 2021. This paved the way for an overall increase in production and sales volumes of our own in-house brands of sausages, nuggets and other processed products.

Sausages continue to be the Group's best seller in Indonesia whilst the sales of nuggets continues to gain momentum. All products from our two (2) factories in Jakarta and Pontianak are sold to our network of six (6) locally partnered Freshmart outlets in Pontianak and also to third parties in Jakarta and Pontianak.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

ANTICIPATED OR KNOWN RISKS

a. Credit Risk

CCK practises a policy of dealing with creditworthy customers based on careful evaluation of each credit customer's financial standing and credit history. This practice mitigates the risk of financial loss from possible default payments. The Group has also in place a credit monitoring process which regularly monitors the status and payments of our credit customers.

b. Foreign Currencies Fluctuation Risk

The Group imports frozen products for the network of retail stores where the purchases are denominated in US dollars. As such, the Group is exposed to currency fluctuation risk. Any adverse fluctuation in the MYR/USD rate may affect the profitability of the Group. In addition, fluctuations in the MYR/USD will likely affect the cost of feed for the poultry segment.

c. Liquidity Risk

The Group maintains an adequate level of cash and cash equivalents and banking facilities to ensure sufficient liquidity to meet its liabilities as and when they fall due. The Group's exposure to liquidity risk arises principally from trade payables, other payables and other bank borrowings (bankers' acceptances and a revolving credit).

d. Competition Risk

CCK retail stores face increasing risks from existing and new competitors who offer similar products and compete on the basis of pricing. To mitigate this, we are continuously looking at means to improve our competitive edge. The Management not only focuses on pricing of products but also in evolving business models which improve the customers' shopping experience.

e. Biosecurity And Disease Risk

Concerns regarding disease and biosecurity at our chicken farms are constantly high on the agenda. The economic impact of a disease outbreak in any farm can be catastrophic on CCK's bottom line. Constant monitoring is a compulsory standard operating procedure across all our operations even as we continuously innovate and update our biosecurity measures.

DIVIDENDS

CCK has an internal dividend policy of paying up to 30% of the profit after taxation and minority interests whilst taking into consideration the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

In line with our continued focus on shareholder returns, the Board is pleased to announce a first and final single-tier dividend of 1.25 sen per share for the financial year ended 31 December 2021.

PROSPECTS

Looking back at 2021, more than a year since the emergence of Covid-19; Malaysia continued to experience a tough and disruptive operating environment due to the extension of the Movement Control Order ("MCO") and multiple lockdowns. However, the good progress of nationwide vaccine roll-outs led to the gradual relaxation of movement controls and re-opening of businesses and economic activities.

Vaccination rates now stand at around 80% of the population, with a large majority having received their third (3rd) dose. This is expected to have a positive effect on consumer sentiment as movements restrictions are eased, dining out resumes and schools are re-opened.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

PROSPECTS (CONT'D)

Specifically, Sarawak has moved to phase four (4) of the National Recovery Plan. This allows public and private sector workplaces to operate at 100% capacity. In light of this, we expect our retail segment to gradually improve to pre-pandemic levels driven by an improvement in consumer sentiment.

Expansion of the retail network will continue to be carried out strategically, with plans to open 2 new supermarkets in Sarawak and 6 new retail stores in East Malaysia in FY2022. Increasing economies of scale and the efficiency of our fully integrated supply chain remains our key priority and focus.

On the Indonesian front, we are increasingly optimistic as the demand for our in-house manufactured brands of sausages and nuggets continues to be robust. The commencement of operations of our new facility in Pontianak, Indonesia in January 2021 boosted the production of sausages which allowed us to cater for increasing demand. Further expansions and capital expenditure will be invested when required to remove production bottlenecks as demand catches up with production capacity.

With regards to cost structure, the increasing price of feed resulting from rising raw material prices is unwelcomed. The strengthening of the US dollar and continued hike in prices of corn and soy continues to be a cause of concern as this will affect the cost structures of both the retail and poultry segments.

Feed prices constitute a significant portion of the poultry segment's costs which in-turn make up about 50% of our retail segment's sales. We will try to mitigate the adverse impact of higher feed prices by economies of scale and a gradual increase in selling prices of our chicken products as and when necessary. Additionally, our vertically integrated business model allows for a more efficient cost pass through mechanism and cost savings along the supply chain.

In light of the above, we are cautiously optimistic as the threat of Covid-19 remains very real. A resurgence of high daily numbers of positive Covid-19 cases could possibly see the reimposition of movement controls. This would negatively affect business and dampen consumer sentiment.

The Board and Management teams are therefore constantly striving to mitigate the risks in this challenging and ever-changing operating environment. With the various strategies in place and our robust business model, we look forward to a full recovery yet are cautious of the risks of Covid-19 and an inflationary economic environment.

APPRECIATION

I would like to record my profound appreciation to my fellow directors on the Board, the management teams and the staff of the CCK Group of Companies for all their hard work and dedication. Their commitment and their tireless work have made CCK the success it is today. I would also like to acknowledge the support of our shareholders, business partners, suppliers and customers and thank you for your continued belief in CCK as we navigate this period together.

TIONG CHIONG HIIUNG
GROUP MANAGING DIRECTOR

DIRECTORS' PROFILE

TAN SRI DATUK TIONG SU KOUK

Non-Independent Non-Executive Chairman

AGE I 80
NATIONALITY I MALAYSIAN
GENDER I MALE

YBhg. Tan Sri Datuk Tiong Su Kouk is the founder of CCK Consolidated Holdings Berhad ("CCK") and its subsidiaries ("CCK Group" or "the Group"). He was appointed as Executive Chairman to the Board of CCK on 15 July 1997 and re-designated as Non-Independent Non-Executive Chairman on 20 March 2002. He is also a member of the Audit Committee and Nomination Committee of CCK and the Chairman of the Remuneration Committee of CCK. He also acts as Chairman of the other companies within CCK Group. Under his stewardship, CCK Group has progressed from a small family-run business to one of the Sarawak's largest integrated poultry producers and producers of frozen seafood.

YBhg. Tan Sri Datuk Tiong began his career as a seafood trader at the age of 14. He also involved in poultry industries for the past 37 years. YBhg. Tan Sri Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Zhang Associations in the world and in Malaysia as well. He is the Honorary Life President of the Sibu Chinese Chamber of Commerce and Industry and the Honorary President of The Association Chinese Chambers of Commerce and Industry of Sarawak. He was appointed as the Honorary Life President of World Federation of Foochow Association in 2004 and the Permanent Honorary Life Chairman and Inaugurator of the World Zhang Clan Association in 2011.

YBhg. Tan Sri Datuk Tiong was appointed as Executive Chairman and Chief Executive Officer ("CEO") of Nam Cheong Limited ("NCL"), a public company listed on the Singapore Exchange since 28 April 2011. He has relinquished his position as the CEO of NCL on 21 May 2013 but remain as the Executive Chairman of NCL. NCL Group is one of the leading builders and suppliers of Offshore Support Vessel in Malaysia. He also sits on the boards of Hua Shang Economic Corporation (Sibu) Bhd. and other private limited companies in Malaysia.

YBhg. Tan Sri Datuk Tiong was conferred the "Panglima Jasa Negara" (PJN) which carries the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong on the occasion of His Excellency's 75th Birthday on 2 June 2001. He was also awarded the "Pingat Bintang Sarawak" (PBS) and "Johan Setia Mahkota" (JSM) in 1987 and 2000 respectively by the Sarawak State Government and Seri Paduka Baginda Yang Di-Pertuan Agong respectively for his contributions to the community. On 4 June 2016, he was bestowed the "Panglima Setia Mahkota" (PSM) which carries the title "Tan Sri" by Seri Paduka Baginda Yang di-Pertuan Agong XIV on His Majesty's 88th Birthday. The Award is in recognition of Tan Sri Datuk Tiong's contribution as a leader of diverse and multi-business ventures, his contribution to national economic development and to the society and country. YBhg. Tan Sri Datuk Tiong was awarded with Consumer Goods Industry Entrepreneur of the Year at the Asia Pacific Entrepreneurship Awards 2016.

During the financial year ended 31 December 2021, YBhg. Tan Sri Datuk Tiong attended all the five (5) Board meetings held.

His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

DIRECTORS' PROFILE (Cont'd)

CHONG SHAW FUI
Executive Vice Chairman

AGE I 77
NATIONALITY I MALAYSIAN
GENDER I MALE

Mr. Chong Shaw Fui was appointed as Executive Vice Chairman to the Board of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has more than 50 years of experience in the field of poultry industry. He is responsible for the management of the poultry business unit of CCK, which ranges from breeding, hatchery, and table eggs to the production line accordingly.

Mr. Chong commenced his poultry breeding experience in Singapore in 1972. He was the founder of Sarawak Breeding farm, specialising in the hatching and breeding of commercial broiler day-old chicks. He then developed this business into Zhang Agriculture Development Sdn. Bhd., which is now a wholly-owned subsidiary of CCK.

In 1983, he incorporated Poultry Industry (S) Sdn. Bhd. ("Poultry Industry") and started contract farming. Poultry Industry supplies day-old chicks and feed to their Contract Farms and buy back the broilers which are then supplied to CCK's abattoir. Poultry Industry is now a wholly-owned subsidiary of CCK.

During the financial year ended 31 December 2021, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

TIONG CHIONG HIIUNG
Group Managing Director

AGE I 55
NATIONALITY I MALAYSIAN
GENDER I MALE

Mr. Tiong Chiong Hiiung was appointed to the Board of CCK on 15 July 1997. He is the Group Managing Director of CCK and a member of Remuneration Committee and the Chairman of Risk Management Committee.

He graduated with a Bachelor of Economics from Monash University in Australia in 1989. He joined the Group after his graduation. In 1994, he was appointed as Managing Director of Central Coldstorage Kuching Sdn. Bhd., and was responsible for the overall management and operations of the CCK Group. He has been actively involved in every aspect of the Group's operations, including breeding, broiler farming and processing of seafood. He is instrumental in transforming CCK Group's operations into one of the most modern in Sarawak.

He was appointed as Non-Executive Director and also members of the Audit Committee, Nomination Committee and Remuneration Committee of Nam Cheong Limited ("NCL"), a public company listed on the Singapore Exchange, on 28 April 2011. He was subsequently re-designated to Executive Director and was appointed as the Executive Vice Chairman of NCL on 1 July 2014. He then resigned as members of the Audit Committee and Remuneration Committee of NCL on 1 July 2014 and 1 October 2014 respectively. In 2017, he was appointed as the Financial Director for the NCL Group to guide the Finance team in financial strategies and control towards a healthier financial performance for the NCL Group.

Mr. Tiong is a Licensed Company Secretary by the Companies Commission of Malaysia. He also sits on the boards of various private limited companies.

During the financial year ended 31 December 2021, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

DIRECTORS' PROFILE (Cont'd)

TIONG CHIONG SOON
Executive Director

AGE | 52
NATIONALITY | MALAYSIAN
GENDER | MALE

Mr. Tiong Chiong Soon was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

He graduated with a Bachelor of Business from University of Oklahoma in USA in 1994. He joined CCK Group after his graduation, and is principally responsible for the purchasing function and the retail division of the Group. He maintains an excellent rapport with the suppliers thus ensuring timely delivery of products of the highest quality for the Group.

He is a Group General Manager of Nam Cheong Limited ("NCL") Group since 2009, oversees NCL Group's shipbuilding operation including vessels chartering and repair works, procurement and sourcing of equipment required for shipbuilding and chartering operation. NCL is a public company listed on the Singapore Exchange. He also sits on the boards of various private limited companies limited including subsidiaries of NCL.

During the financial year ended 31 December 2021, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

KUEH CHUNG PENG
Executive Director

AGE | 68
NATIONALITY | MALAYSIAN
GENDER | MALE

Mr. Kueh Chung Peng was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has over 40 years' experience in aquaculture and coldstorage products industry, and he plays an advisory role for CCK in the field of coldstorage, aquaculture farming and poultry processing.

He joined Kin Eastern Frozen Food Sdn. Bhd. in 1982 as the Managing Director and is responsible for the aquaculture farming division of CCK Group. He was appointed to the Board of CCK Fresh Mart Sdn. Bhd. in 1993. He was then appointed as the Managing Director of Central Coldstorage Kuching Sdn. Bhd. on 27 August 2014 to oversee the businesses of coldstorage, poultry processing and retailing.

During the financial year ended 31 December 2021, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

DIRECTORS' PROFILE (Cont'd)

LAU LIONG KII
Executive Director

AGE I 71
NATIONALITY I MALAYSIAN
GENDER I MALE

Mr. Lau Liong Kii was appointed as Executive Director to the Board on 15 July 1997. Currently, he is also a member of the Remuneration Committee and Risk Management Committee.

He joined CCK Group in 1982 as the Managing Director of Ableway Sdn. Bhd., principally responsible for the operations of Ableway Sdn. Bhd. He also oversees the production and marketing functions of CCK's prawn division. Since then, he gained vast experience in domestic and international food markets, and brought to the Group an in-depth understanding of specialist trends of the food industry.

He also sits on the boards of various private limited companies.

During the financial year ended 31 December 2021, Mr. Lau attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

LING TING LEONG @ LING CHONG SENG
Independent Director

AGE I 70
NATIONALITY I MALAYSIAN
GENDER I MALE

Mr. Ling Ting Leong @ Ling Chong Seng is a businessman with a wealth of experience. He also sits on the boards of other private limited companies.

He is a member of Audit Committee. He joined CCK Group in 1983 and was responsible for the finance and corporate secretarial matters of CCK Group. He was appointed as Executive Director to the Board of CCK on 15 July 1997, and was re-designated as Non-Independent Non-Executive Director on 1 July 2013. He was subsequently re-designated as Independent Director on 13 April 2020.

From 1971 to 1982, Mr. Ling gained his experience in accounting and auditing. He is a Certified Company Secretary and is a member of the Malaysian Association of Company Secretaries ("MACS") since 2001. He was appointed as Sarawak Liaison Co-Chairman of MACS since 11 October 2011. He was then appointed as Sarawak Region Committee Deputy Chairman of MACS since 29 December 2015. Mr. Ling retired as Sarawak Region Committee Deputy Chairman in mid of 2018, but remains as fellow member in MACS.

During the financial year ended 31 December 2021, Mr. Ling attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

DIRECTORS' PROFILE (Cont'd)

DATUK TEMENGGONG JANGGU ANAK BANYANG

Independent Director

AGE I 75
NATIONALITY I MALAYSIAN
GENDER I MALE

YBhg. Datuk Temenggong Janggu anak Banyang was appointed to the Board as an Independent Director of CCK on 15 July 1997. He is the Chairman of Audit Committee and Nomination Committee and a member of Remuneration Committee.

After completing his formal education, he worked for various companies and subsequently held directorship in those companies, which are principally involved in the activities of supply of rations, property development and timber contractor. He is also involves in Agro-base Nursery.

On 16 September 1990, YBhg. Datuk Temenggong Janggu was awarded "Pegawai Bintang Kenyalang" (PBK) by Tuan Yang Terutama Gabenor Sarawak on the occasion of his excellency birthday. He was also awarded the "Johan Mangku Negara" (JMN) by Yang Di-Pertuan Agong on the occasion of his Excellency's Birthday on 4 June 2011. He was conferred the "Panglima Jasa Negara" (PJN) which carries the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong on the occasion of his Excellency's Birthday on 6 June 2015. He is a life member of Dayak Chamber of Commerce and Industry, Sarawak since 2003.

During the financial year ended 31 December 2021, YBhg. Datuk Temenggong Janggu attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2022 are disclosed on page 135 of this Annual Report.

DATU HAJI PUTIT BIN MATZEN

Independent Director

AGE I 77
NATIONALITY I MALAYSIAN
GENDER I MALE

YBhg. Datu Haji Putit bin Matzen was appointed to the Board as an Independent Director of CCK on 20 March 2002. He is a member of Audit Committee, Nomination Committee and Remuneration Committee.

He holds a Bachelor of Science Degree and obtained a professional post-graduate Diploma in Teaching. He started his career with the Sarawak Education Service in 1972 and held various senior positions including the Director in the State Education Department and Principal Assistant Director at the Ministry of Education in Kuala Lumpur. While in service, he pursued other professional courses, notably in educational management and administration, development, innovation, testing and examinations and also crisis management.

Currently, YBhg. Datu Haji Putit bin Matzen is the President of the Malaysian Historical Society (Sarawak Branch), Deputy Chairman of the Darul Falah Charitable Trust, Chairman of Baitulmal and Waqaf Board of Trustees and Chief Executive of SEGI College Sarawak.

During the financial year ended 31 December 2021, YBhg. Datu Haji Putit attended all the five (5) Board meetings held. He holds no share in CCK.

DIRECTORS' PROFILE (Cont'd)

BONG WEI LEONG

Independent Director

AGE I 55
NATIONALITY I MALAYSIAN
GENDER I MALE

Mr. Bong Wei Leong was appointed to the Board as an Independent Director of CCK on 30 September 2009. He is a member of Audit Committee.

He was a Partner of a public accountants firm prior to starting his own practice in 2004. He has more than 26 years of experience in providing auditing, accounting and taxation services to various clients.

He graduated with a Bachelor of Business (Accountancy) and Bachelor of Law from Queensland University of Technology in Australia in 1993. He is a member of the Malaysian Institute of Accountants and the CPA Australia. He sits on the board and board committees of a public listed company, Rimbunan Sawit Berhad.

During the financial year ended 31 December 2021, Mr. Bong attended all the five (5) Board meetings held. He holds no share in CCK.

Additional Information of Directors:

(i) All the five (5) Executive Directors, namely Mr. Chong Shaw Fui, Mr. Tiong Chiong Hiiung, Mr. Tiong Chiong Soon, Mr. Kueh Chung Peng and Mr. Lau Liong Kii, are also the key Senior Management of CCK Group, who are primarily responsible for the business operations of CCK Group;

(ii) The Directors have no family relationship with any Director or Major Shareholder of the Company, except for Mr. Tiong Chiong Hiiung and Mr. Tiong Chiong Soon who are sons of YBhg. Tan Sri Datuk Tiong Su Kouk;

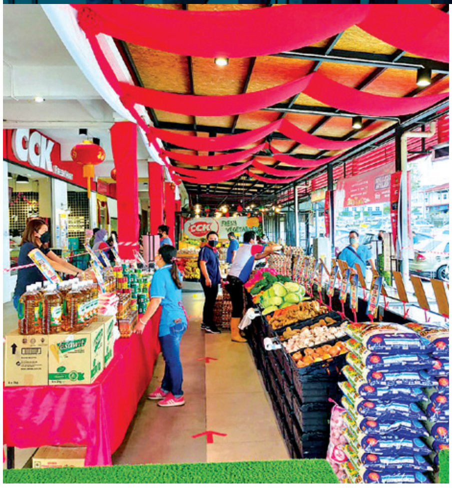
(iii) None of the Directors has any conflict of interests with the Company;

(iv) None of the Directors holds any directorship in other public companies, except for YBhg. Tan Sri Datuk Tiong Su Kouk and Mr. Bong Wei Leong; and

(v) None of the Directors has been convicted any offences within the past five (5) years and there was no public sanction or penalty imposed on the Directors by the relevant regulatory bodies during the financial year under review.

CCK 3rd Mile outlet, Kuching - official opening on 22.10.2021

CCK Stutong outlet, Kuching - Jualan Keluarga Malaysia on 19 - 20.02.2022



CCK Padawan outlet, Kuching - Jualan Keluarga Malaysia on 12 - 13.03.2022

CCKLocal, Kuching - Jualan Keluarga Malaysia on 19 - 20.03.2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of CCK Consolidated Holdings Berhad ("the Company") presents this Statement to provide shareholders and investors with an overview of the corporate governance practices during the financial year 2021 in accordance with the Malaysian Code on Corporate Governance ("MCCG").

This Statement is to be read together with the Corporate Governance Report ("CG Report") which provides the details on how the Company has applied each Practice as set out in the MCCG. The CG Report is available on the Company's website at www.cck.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is always mindful of its responsibilities to the Company's shareholders and various stakeholders. The Board determines the strategic objectives and policies for the Group and ensure that long-term goals and short-term objectives are met with sufficient resources in place.

To ensure optimum decision-making, the positions of the Chairman and Group Managing Director are held by different individuals. Their responsibilities and accountability are clearly defined in the Board Charter. The Board Charter also sets out authority, roles and responsibilities of the Board, Board Committees and individual Directors. The Code of Conduct is in place to govern good business conduct and healthy corporate culture so as to support long-term sustainable success. Whistleblowing Policy is also in place to enable individuals to raise concerns of improper conduct and wrong doing. The Board has adopted a zero-tolerance approach against all forms of bribery and corruption and has put in place an Anti-Bribery Corruption Policy.

The Board is supported by two (2) suitably qualified and competent Company Secretaries, who provide sound advice in relation to governance, regulatory requirements, policies and procedures. The Board members have full and unrestricted access to the advice and services of the Company Secretaries.

II. Board Composition

The Company is led and managed by an experienced Board comprising ten (10) members. The Non-Independent Non-Executive Chairman, the Executive Vice Chairman, the Group Managing Director, three (3) Executive Directors and four (4) Independent Directors. 40% of the Board members consist of Independent Directors with necessary experience, skills, qualifications and other core competencies to bring balanced and objectivity to the decisions making of the Board.

The Board recognises the benefits of having a diverse Board and is satisfied that the current size and composition of the Board is considered adequate for decision making in terms of age and ethnicity, as well as skills, experience, expertise and perspectives.

The Board has in place a policy on gender diversity in the Nomination and Election Process of the Board members, to ensure that women candidates are sought in its recruitment exercise.

The Board is of the opinion that long-serving Independent Directors can continue to provide unbiased and independent views to the Board. Their experiences, expertise and networking is valuable in ensuring the Company's continued performance.

The Board, through the Nomination Committee ("NC") conducted an annual assessment of effectiveness of the Board, the Board Committees, and individual Directors during the financial year under review. All assessment carried out by the NC were properly documented, summarised and reported to the Board. The Board is satisfied that they had been effective in the discharge of their overall functions and duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

III. Remuneration

The Board has established a Remuneration Policy for the Directors, which is reviewed periodically. The Remuneration Committee reviews the remuneration of Directors annually to ensure the remuneration packages remain appropriate, competitive and in alignment with the prevalent market rate so as to attract and retain individuals with high caliber.

During the financial year 2021, the Remuneration Committee met once. They reviewed and recommended to the Board the remuneration packages of Directors, taking into consideration commitment and responsibilities assumed, experience and skills required, performance of the members of the Board, as well as the performance of the Group.

The Terms of Reference of the Remuneration Committee is made available on the Company's website.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprises four (4) Independent Directors and one (1) Non-Executive Non-Independent Director. The AC is chaired by an Independent Director. None of the AC members was former audit partners who is required to observe a cooling-off period of at least three (3) years before being appointed to the AC.

The composition of the AC is reviewed by the NC annually and recommended to the Board for approval. The NC ensures all AC members are financially literate, possess appropriate level of expertise and experience, and have strong understanding of the Group's business. The AC members keep abreast of relevant developments in accounting, auditing and governance. The Board is satisfied with the performance of the AC and its members in discharged their functions for the financial year under review.

The AC oversees the financial reporting, ensures the quarterly and annual financial statements are prepared in accordance with the provision of the Companies Act 2016, applicable approved accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs, results and cash flows of the Group for the financial year 2021.

The AC assesses suitability, objectivity and independence of the External Auditors annually and is satisfied with the competency and independency of the External Auditors for the financial year under review.

Further details on the AC are disclosed in the Audit Committee Report as outlined on pages 32 to 33 of this Annual Report.

II. Risk Management and Internal Control Framework

The Board reviews the adequacy and effectiveness of the Risk Management and Internal Control System ("System") of the Group through the Risk Management Committee ("RMC"), AC and NC.

The RMC comprises all five (5) Executive Directors. The Risk Management Department assists RMC to ensure adequacy and effectiveness of the risk management practices. The Internal Audit Department assists the AC to ensure the internal control function is operated effectively and satisfactorily.

The Board is satisfied with the performance of the RMC and AC in relation to risk management and internal audit function for the financial year under review. The Board is of the view that the Group has in place a sound System to safeguard the Group's assets, as well as shareholders' investment, and the interests of customers, employees and other stakeholders.

The details of the System are set out in the Statement on Risk Management and Internal Control on pages 29 to 31 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

The Board ensures that communication with the Company's shareholders and various stakeholders is transparent, timely and with quality disclosures. The Company engages with its shareholders and other stakeholders through various platforms, including announcements made via Bursa Malaysia Securities Berhad ("Bursa Securities"), disclosures on the Company's website, meeting with institutional prospective investors and questions invited in general meetings.

The investor relations activities serve as an important communication channel with the Company's shareholders and investment community. Stakeholders are encouraged to channel their concerns to the email address at investor@cck.com.my.

II. Conduct of General Meetings

Annual General Meeting ("AGM") is the principal forum for communicating between the Company and its shareholders. In line with the best corporate governance practice, the notice of AGM and annual report were dispatched to shareholders 28 days before the date of the AGM in 2021.

The Company had conducted a virtual 25th AGM which was held on 25 May 2021 by leveraging technology. All the ten (10) Directors were present at the AGM. The Chairmen of the Board Committees together with the top management and external auditors were present to address queries during the AGM. The Chairman briefed the shareholders of their rights to raise questions and vote. Shareholders were also briefed on the voting procedures by the poll administrator prior to the poll voting by using remote participation and voting facilities at https://tiih.online. The vote cast and poll results were validated by the independent scrutineer. The poll results were announced to Bursa Securities on the same day of the AGM. Questions raised together with the responses were recorded in the Key Matters Discussed, which was uploaded on the Company's website.

This Statement is made in accordance with the resolution of the Board of Directors dated 6 April 2022.

SUSTAINABILITY STATEMENT

Dear Stakeholders,

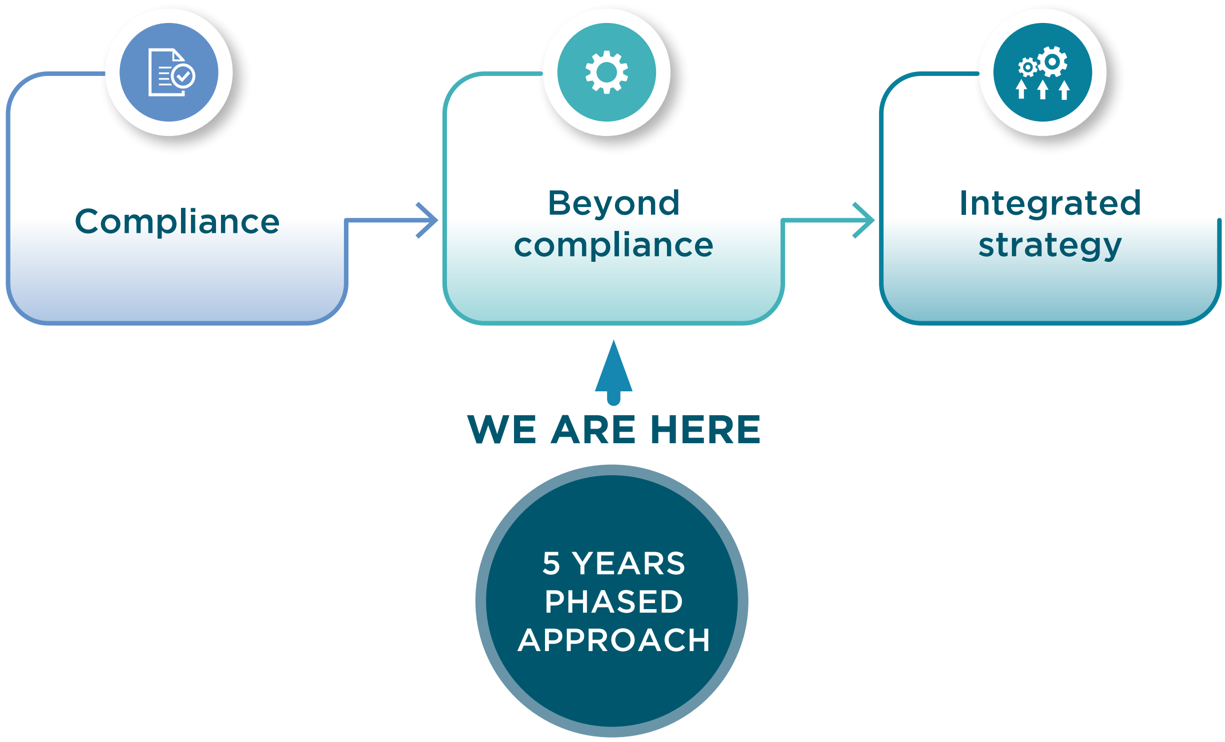
CCK Consolidated Holdings Berhad ('CCK") and its group of companies ("CCK Group") recognise that sustainability is a core component towards the future of the CCK Group. The Group's sustainability efforts are underpinned by mechanisms enhancing the values of the following –

Emphasizing on developing Economic, Environmental and Social (EES) goals, the Group aims to remain viable and sustainable for the benefit of the environment in which we operate and, our customers and our many stakeholders. A sustainable future is aligned with the 2030 ambition of the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015.

OUR SUSTAINABILITY JOURNEY

Recognising the importance of sustainability to the future of CCK Group, the Management took the bold step to revamp our existing sustainability methodology. In 2021, the entire management team including the Group Managing Director participated in a programme organised by the Malaysian Investor Relations Association ("MIRA") entitled "The Sustainability Accelerator".

A new approach was identified whereby the Group will embrace sustainability as one of the main business drivers and move towards an integrated strategy and reporting through a phased approach over the next 5 years.



SUSTAINABILITY STATEMENT (Cont'd)

SCOPE

CCK has been providing quality fresh chicken and frozen products to our customers spanning East Malaysia for more than 60 years. Subsequently, CCK ventured into production and retailing in Indonesia in 2011. CCK's business is divided into 4 segments namely retail, poultry, prawn and food service. The sustainability initiatives are focused on the retail and poultry segments, as these are our core business components and major revenue contributors.

Retail segment	Poultry segment
• CCK Fresh Mart Retail Stores	• Broilers
• Wholesale Stores	• Layers
• CCKLocal Supermarkets	• Breeders

CCK's approach to sustainability revolves around the Group's Vision and Mission Statements and governed by our Core Values –

OUR VISION

The Food People of Choice

OUR MISSION

The provision of quality food, ensuring customer satisfaction, financial sustainability and responsible social and environmental interaction. Achieved through integrated solutions involving innovative, integrous teams of committed people

CORE VALUES

Our Vision & Mission are achieved through the core values of continuous quality, financial sustainability, customer satisfaction and social and environmental responsibility

SUSTAINABILITY GOVERNANCE

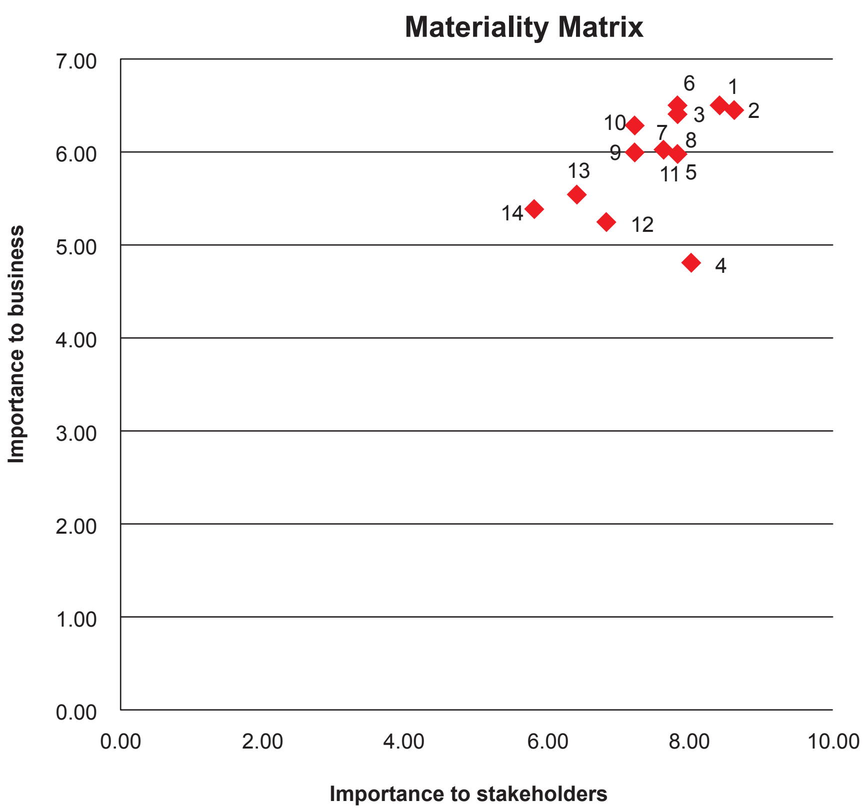
Board of Directors	Sustainability Steering Committee	Sustainability Working Group
• Formulates sustainable business strategies • Monitors business strategies	• Oversees implementation of sustainability strategies • Sets targets • Evaluates risks • Oversees the working group	• Implements the strategies set out by the steering committee • Set up processes and controls • Reports on targets sets by steering committee

The risk management and internal audit teams play a valuable role in their contribution to the sustainability working group.

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT

During 2021, the Sustainability Steering Committee reviewed and performed a materiality assessment through a series of meetings and questionnaires. This involved not only the departmental heads but also relevant staff in each key area of the business. Thereafter other important stakeholders were also engaged to obtain valuable inputs including employees, suppliers, customers, financiers, the community we operate in and relevant government authorities. Through this process, 14 material matters to the CCK Group's EES were identified and prioritised, as per the matrix illustration below -



1. Company presence, stability & growth
2. Financial performance
3. Operational excellence
4. Company cost cutting efforts
5. Employee engagement
6. Employee well-being
7. Integrating sustainability into the business
8. Learning and development
9. Talent acquisition and retention
10. Technology and digitalisation
11. Risk management
12. Energy management
13. Waste management and other environmental issues
14. Recycling

Through the materiality assessment process, we identified 6 core matters for our Group –

- Company presence, stability and growth
- Socially responsible supply chain
- Waste Management and other environmental issues
- Talent acquisition, development and retention
- Community relationships
- Technology and Digitalization

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT

In these challenging times, proactive stakeholder engagement is essentially built on trust and accountability ensuring that an open line of communication is kept to manage our various stakeholders' expectations, concerns, interests and feedback.

Stakeholders	Key areas of focus	Methodology
Shareholders	• Profitability • Dividends • Return on investment	• Annual General Meetings • Annual reports • Quarterly reports • Press releases • Investors' briefings
Customers/Suppliers and Industry Partners	• Consistency in our quality of products and services • Affordability • Payment terms and timeliness of payments • Process and product innovations	• Site visits to suppliers premises • Supplier evaluation forms • Customer feedback • Customer satisfaction surveys
Employees	• Providing meaningful work • Career development • Training • Talent management • Recruitment selection • Health and safety	• Skills fit for roles • Leadership training • Career Advancement Programs • Coaching • Performance management
Government Authorities and Regulators	• Certifications • Industry best practises • Compliance with laws and regulations	• Periodic compliance audits • Compliance and certification exercises • Briefings and trainings
Community (non-government organisations, associations, academia)	• Branding and reputation • Healthy and sustainable communities • Environmental sustainability • Partnerships and joint ventures	• Educational site visits • Waste water treatment • Sponsor meals for needy schools

MANAGING SUSTAINABILITY

1. Economy

1.1 Company presence, stability and growth

Economic performance is the generation of sustainable financial and economic returns whilst creating long-term values for stakeholders to ensure sustainability of our business. Maintaining and building on our economic growth is crucial for CCK's business continuity.

A significant component of CCK's economic performance is derived from profitability. This is measured regularly against budgets and KPIs. A full breakdown and detailed report on the economic performance of the Group for the financial year ended 31 December 2021 is appended in this Annual Report.

SUSTAINABILITY STATEMENT (Cont'd)

1.2 Socially responsible supply chain

CCK operates one of the largest networks of retail stores and supermarkets supported by a fully integrated poultry chain in East Malaysia. Our Indonesian operations include 2 production and logistics centres in Jakarta and Pontianak, respectively.

As a food source provider, it is essential that the Group maintain the highest standard of food safety, quality control and accountability. This is carried out through a series of management and operational practices ensuring compliance with local laws and regulations, industrial practices and best practices. Certifications for various operations are listed below -

Business operations	Malaysia	Indonesia
Chicken abattoirs	• HALAL • VHM • MeSTI	
Food processing factories	• HALAL • HACCP	• HALAL • NKV
Chicken farms	• MyGAP	

Notes

- "Halal" Certification obtained from the respective state Islamic authorities.
- "VHM" is the Veterinary Health Mark issued by the Department of Veterinary Services, Sarawak.
- "MeSTI" relates to Safe Food Industry Responsbility certified by the Ministry of Health.
- "HACCP" refers to Hazard Analysis and Critical Control Points certification.
- 'MyGAP" refers to Malaysian Good Agricultural Practices certification issued by the respective states' Department of Veterinary Services.
- "NKV" is the Veterinary Control Number (Nomor Kontrol Veterinar) issued by the Pejabat Otoritas Veteriner in Indonesia.

2. Environment

We recognise the impact our operations have on our environment. CCK takes environmental issues seriously and we work closely with environmental regulators ensuring compliance with relevant standards at all times to reduce the impact on the environment.

CCK has set up an Environmental Management System (EMS) in our main abattoir in Kuching. The EMS is a collaborative and systematic approach to manage environmental risks and comply with environmental regulations and standards, and also government regulations. The EMS is not solely an internal framework but also incorporates views from out stakeholders, in particular our corporate clients and government regulators.

SUSTAINABILITY STATEMENT (Cont'd)

2.1 Waste management and other environmental issues

Strategies	Commitments	Methods
Abattoir 1. Waste water management 2. Industrial effluent management 3. Air pollution management	1. Treatment of waste water from slaughter process 2. Release of effluent discharge per Environmental Quality (Industrial Effluent) Regulations 2009 3. Ensure dust emissions meet parameters set out in the Environmental Quality (Clean Air) Regulations 2014	1. Regular testing of treated effluent for biochemical oxygen demand (BOD), chemical oxygen demand (COD) and total suspended solids (TSS) 2. Stack monitoring for clean air control
Chicken farms 1. Biosecurity management	1. Prevention of disease outbreak 2. Minimise odour and noise pollutions	1. 98.5% of our chicken sheds are closed houses 2. MyGAP certifications and compliance with requirements 3. Pest control 4. Prohibit external vehicles from entering the farm areas. 5. All farm vehicles are wheel-dipped in disinfectant and sprayed before entering the farms. 6. Farm isolation and distancing between various farms

3. Social

3.1 Talent acquisition, development and retention

The success of our business is dependent on our most valuable asset, namely, our people, and their correct acquisition, development, deployment and retention, developing skilled agile teams to engage efficiently in a rapidly evolving work environment. With a staff-establishment of more than 2000 employees across the CCK Group, we are a recognized source of stable employment.

CCK Group conducts training courses for talent development based on training needs analyses performed during the yearly staff appraisals and agreed on strategic objectives of the Group. The modes of the training are in-house, external seminars and short briefings. The Training Department also monitors Continuing Professional Development (CPD) hours of staff.

SUSTAINABILITY STATEMENT (Cont'd)

For the financial year ended 31 December 2021, the following training courses were provided –

Department	Training course name
• **Production** • **Retail** • **Operations**	• Food handler course • Crisis Management • Enforcement of Approved PPE & Its Application • Good Manufacturing Practices • Food Fraud & Food Defence • Kickstart : The Art of Building Rapport • Laboratory Quality Control • Cold Chain Management • Halal Certification • Safety and Health training
• **Management** • **Administrative departments**	• Pandemic Risk Management System • Crisis Management • Malaysian Tax Budget Conference 2022 • Companies Act 2016 • Managing Industrial Relations Effectively • Recent MASB Developments • Understanding Big Data • The Rise of Edge Computing • Various IT related topics • Safety and Health training

CCK has developed and successfully implemented The Career Advancement Program (CAP) for the CCK Fresh Mart retail stores. This program is designed to provide a system within the retail stores network giving all retail crews the opportunity to grow within the organisation.

Career Advancement Program

SUSTAINABILITY STATEMENT (Cont'd)

3.2 Community Relationships

CCK Group has been in business for more than 30 years and during this time, we have built strong ties within the communities we operate in. The onslaught of the pandemic has brought hardship to many people. Much of our contributions to the community in the past year were to ease the burdens of those needy families and families in lockdown areas. These are some of those we helped in 2021 –

CCK contributed fresh chickens to the needy families living at the low cost housing flats of the Kuching Municipal Council at an event sponsored by the Majlis Bandaraya Kuching Selatan.

Fresh chickens for 120 families under lockdown at Desa Wira, Kuching. In addition, we also contributed to 155 families in a Betong longhouse under lockdown.

Donations of fresh chicken to the needy at Kota Samarahan, Kuching

CCK continued to contribute food items to the students of SMK Kampung Nangka under the school's food programme 2021. This has been and continues to be one of CCK's CSR projects over the past few years.

TOWARDS SUSTAINABILITY

CCK's sustainability journey continues as it is increasingly expressed through an integrated strategy towards a sustainable business future for all stakeholders. As these initiatives evolve, current practices are reviewed and modified, as needed, and together these are embedded and synthesized into the existing work culture.

The Board of Directors and Sustainability Steering Committee will continuously monitor and review sustainable processes and targets with the ultimate aim of bringing long term value creation for all concerned.

This Sustainability Statement was approved by the Board of Directors on 6 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of the Company is pleased to present the Statement on Risk Management and Internal Control in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"), the Malaysian Code on Corporate Governance and Corporate Governance Guide.

A sound risk management framework and internal control system ("System") is embedded into the culture of the Group, which is responsive to changes in the business and market environment, economy, as well as the world situation. The System is to safeguard the Group's assets and shareholders' investments as well as the interests of customers, employees and other stakeholders.

BOARD'S RESPONSIBILITY

The Board is committed to maintain a sound System and affirms its overall responsibility for the System of the Group by continuously reviewing the adequacy and effectiveness of the System. The task of scrutinising the System is taken up by the Board Committees, i.e. Audit Committee ("AC") and Risk Management Committee ("RMC").

The System covers strategy, operations, finance, information technology, regulatory compliance, sustainability and external environment. The System is designed to manage, rather than eliminate, the risks threatening, and achieving the Group's strategies and business objectives within the risk tolerance level established by the Board. The System provides reasonable, but not absolute, assurance against any material misstatement, losses or fraud.

The Board has received assurance from the Group Managing Director that the System of the Group is operating adequately and effectively, in all material aspects, based on the System adopted by the Group. The System does not cover associated company as the management is not under the control of the Board. However, the Group's interest is served through representation on the board of the associated company.

The Board has reviewed the adequacy and effectiveness of the System through the AC and RMC. Risk Reports and Internal Audit Reports were reviewed by the RMC and AC respectively in the quarterly meetings held during the financial year 2021. Necessary actions have been and are being taken to remedy significant weaknesses identified from the review.

Risk-related matters and internal control issues which warranted the attention of the Board were recommended by the RMC and AC to the Board for its deliberation and approval, decisions made within the RMC's and AC's purview were escalated to the Board for its notation.

RISK MANAGEMENT FRAMEWORK

The principal responsibilities of the RMC is to establish and monitor the Group's risk management framework, develop process to identify, assess, monitor, manage and report on all key business risks, and to provide guidance and strategic direction to the business units on the adequacy and effectiveness of the internal control system in order to achieve the Group's objectives and strategies within the acceptable risk appetite.

The RMC, with assistance of Risk Management Department ("RMD"), ensures effective and consistent adoption of risk management practices in the Group. The staff of RMD meets with the risk owners of the major divisional units and business units twice a year, to identify and evaluate risks concerned so as to establish risk profile of the Group.

The level of risk tolerance is expressed in the risk rating matrix, which is scaled in accordance to the likelihood of the risk and the impact on revenue, profit and cost. Risk parameter as a guide for determining the risk impact is updated annually in accordance with the plans and budgets of the Company and its major subsidiaries. Once the risk level is determined, risk owners will carry out mitigating actions within appropriate timeframe in accordance to the proposed action plans. Risk owners will update their existing risk profile on an on-going basis with regard to the progress, emerging risk, new strategies and the outcome.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

The RMC reviews and deliberates the risk profile of the Group in the RMC meetings held quarterly. RMC ensures that the overall risks are adequately identified and managed within an acceptable risk appetite. Critical risks, together with its impact, mitigating actions and improved results, are presented to the Board. The Group's significant risks for the financial year under review includes farm harvesting, factory performance, market competition, quality target and COVID-19 pandemic impact.

INTERNAL CONTROL PROCESS

Audit

The AC, with assistance of Internal Auditors, is tasked by the Board with duty of reviewing and appraising the effectiveness of the system of internal control within the Group in accordance with the objectives of the Group.

In carrying out its responsibilities, the AC relies significantly on the support of the Internal Audit Department. The Internal Auditors focus their functions on the major business units based on an annual audit plan approved by the AC in accordance to the International Standards for the Professional Practice of Internal Auditing. The Internal Auditors uphold the principles of acting in independency, integrity, objectivity, confidentiality and competency. The AC also reviews and deliberates on any matters relating to internal control which was highlighted by the External Auditors.

Meetings and discussions of Internal Auditors were held with Head of Departments and employees concerned, to identify, discuss and resolve key operational issues. Where any significant weakness has been identified, the Internal Auditors together with the management will recommend corrective measures to improve the internal control accordingly. The audit issues, findings and corrective measures were compiled into audit reports for deliberation in the AC meetings held quarterly. Follow up audits are also taken to assess the status of implementation thereof, and significant unresolved audit issues are escalated to the Board for deliberation.

Any cases of fraud, whether actual or suspected, are required to be reported to the Chairman of the AC and the Group Managing Director immediately upon discovered. Any significant incident concerning security of cash, information and record keeping, as well as regulatory compliance are also required to be informed to the Head of Internal Audit Department upon discovered.

The AC reviews the audit plans and reports of the External Auditors annually to ensure competencies and suitability of the External Auditors.

Compliance audits are conducted by auditors of relevant industry certification bodies on subsidiaries which are accredited with various quality, health and safety, and environment certificates. The results are reported to the management of the Group.

Authority and Responsibilities

The Board delegates certain responsibilities to its committees with clearly defined authorities and responsibilities in respective committees' Terms of Reference.

Business performance of the Group is reviewed in monthly operation meetings and quarterly meetings of the Board. Quarterly results of the Group are compared against budgeted figures and results of corresponding period last year.

Policies and Procedures

The Group has put in place a set of standard operating procedures named Corporate Management System (CMS), to ensure the effectiveness of internal control, to mitigate risk, and to achieve the performance and targets of the Group. These procedures are continuously reviewed, monitored, updated and improved by the steering committee.

Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that could result in material loss to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

REVIEW OF THIS STATEMENT

The Board has ensured that this Statement is reviewed by External Auditors pursuant to Paragraph 15.23 of the Listing Requirements. The External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the Guidelines, nor is the Statement factually inaccurate.

CONCLUSION

The Board is satisfied that the System is efficient and adequate to meet the Group's strategies and objectives for the financial year under review and up to the date of approval of this Statement. The Board will continue to ensure the effectiveness and adequacy of the System.

This Statement is made in accordance with the resolution of the Board of Directors dated 6 April 2022.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") presents this Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") discharged its functions for the Group during the financial year ended 2021.

COMPOSITION AND ATTENDANCE

The AC consists of the following five (5) members. Five (5) AC meetings were held during the financial year and were attended by members as follows:

AC Members	Attendance
Chairman: Datuk Temenggong Janggu anak Banyang *(Independent Director)*	5/5
Members: Tan Sri Datuk Tiong Su Kouk *(Non-Independent Non-Executive Director)*	5/5
Bong Wei Leong *(Independent Director)*	5/5
Datu Haji Putit bin Matzen *(Independent Director)*	5/5
Ling Ting Leong @ Ling Chong Seng *(Independent Director)*	5/5

FUNCTION

The Board is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the Terms of Reference ("TOR") of the AC. The term of office and performance of AC and its members are reviewed by the Nomination Committee annually. Summary of the TOR of AC are available at the Company's website at www.cck.com.my.

The Heads of Finance and Internal Audit together with Company Secretaries attended the meetings held during the year. External auditors also attended meetings upon invitation of the AC.

All proceedings and deliberations in terms of the issues discussed, and recommendations and decisions made at the AC meetings are recorded in the minutes by the Company Secretaries and confirmed by the AC at the next meeting. Significant matters discussed at each meeting were reported to the Board by the AC Chairman.

SUMMARY OF ACTIVITIES

The AC carried out the following activities during the financial year:

(a) reviewed and deliberated the quarterly and annual audited financial statements to ensure that the financial reporting and disclosures presented a true and fair view of the financial positions of the Group and in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, prior to submission to the Board for consideration and approval;

(b) reviewed related party transactions and conflict of interest situation that might arise within the Group, including any transaction, procedure or course of conduct that raised questions of management integrity as well as the adequacy of the disclosure in the quarterly and annual audited financial statement, prior to the Board's consideration and approval;

(c) reviewed and approved the annual audit plans of the internal auditors and external auditors to ensure sufficient of resources, competencies and coverage of areas to be audited;

(d) reviewed and deliberated the audit reports of the internal auditors and external auditors, which included the major findings and recommendations with respect to the system and control weaknesses, and management's responses thereto;

AUDIT COMMITTEE REPORT (Cont'd)

(e) met with the external auditors and internal auditors twice respectively without the presence of the other Directors and employees of the Group to review key issues;

(f) assessed the performance, suitability and independence of external auditors, and recommended re-appointment of external auditors and the proposed fees for the Board's approval;

(g) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function;

(h) reviewed and deliberated the comparison of actual against budgeted results on quarterly basis;

(i) reviewed the process of identifying and recruitment of senior audit staff and revised term of employment and agreement for internal audit staff;

(j) reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to the Board's consideration and approval; and

(k) reviewed the performance of the Group and made recommendation for appropriate corrective measures to the Board.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function is carried out by an independent in-house Internal Audit Department ("IAD"), whose principal responsibility is to assist the AC in discharging its duties and responsibilities by undertaking independent, objective, regular and systematic review of the internal control system so as to provide reasonable assurance that such system continues to operate effectively and satisfactorily within the Group. The IAD reports directly to the AC.

The IAD is led by Ms. Hii Yong Sing who was appointed in August 2021. She holds a Bachelor's degree in Accountancy and Finance (Hons) with vast experience in internal auditing. Currently she is assisted by eight (8) other staff, five (5) of whom possess tertiary qualifications in the fields of Business Administration, Accountancy, Management (Policy and Social Environmental) and Science (Chemistry); three (3) other staff have secondary qualifications of SPM and STPM with experiences in internal auditing.

All of them are free from any relationships with the Group, thus avoiding any conflict of interest, which could impair their objectivity and independence.

The IAD carried out the activities based on the risk-based approach Annual Audit Plan which was approved by the AC. Ad-hoc audits and special investigative assignment would be performed when required. The audit conducted during the year covered warehouses, trading, retail outlets, as well as retail outlet's image and hygiene.

The internal audit reports are presented to the AC quarterly, incorporating findings and recommendations to rectify any weaknesses and to enhance controls, together with corrective measures to be taken within an agreed timeline. Follow-up audits on significant engagements and relevant recommendations are conducted to ensure that corrective and preventive measures have been implemented accordingly with the intention to solve any underlying problems and to improve the processes and performance.

The total costs incurred by IAD in discharging its functions and responsibilities in 2021 amounted to RM493,571 (compared to RM455,142 in 2020).

Further details of the Company's internal control functions are set out in the Statement on Risk Management and Internal Control of this Annual Report.

This Report is made in accordance with the resolution of the Board of Directors dated 6 April 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR PREPARING THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the audited financial statements of the Group and of the Company for each financial year are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 ("CA") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2021.

In preparing the financial statements, the Directors ensure that the Management has:
- adopted appropriate accounting policies and applied them consistently;
- made estimates and judgements that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy and which enable them to ensure that the financial statements comply with the CA.

The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 6 April 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	24,476,259	8,858,317
Attributable to:-		
Owners of the Company	24,476,259	8,858,317

DIVIDENDS

The Company paid a first and final single-tier dividend of 2 sen per ordinary share amounting to RM12,532,894 in respect of the financial year ended 31 December 2020 on 18 June 2021. The dividend was approved by the shareholders at the Annual General Meeting held on 25 May 2021.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 1.25 sen per ordinary share amounting to RM7,883,985 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

As at 31 December 2021, the Company held as treasury shares a total of 4,074,100 of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM2,432,449. The details of the treasury shares are disclosed in Note 18 to the financial statements.

DIRECTORS' REPORT (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (Cont'd)

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors who served during the financial year and up to the date of this report are as follows:-

Tan Sri Datuk Tiong Su Kouk
Tiong Chiong Hiiung
Chong Shaw Fui
Tiong Chiong Soon
Lau Liong Kii
Ling Ting Leong @ Ling Chong Seng
Kueh Chung Peng
Datuk Temenggong Janggu Anak Banyang
Datu Haji Putit Bin Matzen
Bong Wei Leong

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chai Min Diang
Chong Min Fui
Chong Pio
Chong Su Khiun
Ethan Tiong Ing Hung
Joseph Tang Chiod Sui
Kapitan Goh Sung Hien @ Goh Soon Hien
Penghulu Lau Hieng Wuong
Kueh Tiong Ching
Lau Pek Kii
Ung Yiik Hieng
Wong Hua Tiing
Tiong Chiong Kuong
Tiong Chiong Hong
Wong Hua King
Nelly (Appointed on 8 March 2022)

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →			
	At 1.1.2021	Bought	Sold	At 31.12.2021
The Company				
Direct Interests				
Tan Sri Datuk Tiong Su Kouk	34,671,288	-	-	34,671,288
Tiong Chiong Hiiung	1,699,624	-	-	1,699,624
Tiong Chiong Soon	1,515,360	-	-	1,515,360
Lau Liong Kii	14,740,752	-	-	14,740,752
Ling Ting Leong @ Ling Chong Seng	521,428	-	-	521,428
Kueh Chung Peng	11,420,664	-	-	11,420,664
Datuk Temenggong Janggu Anak Banyang	198,400	-	-	198,400
Indirect Interests				
Tan Sri Datuk Tiong Su Kouk	244,185,380	-	-	244,185,380
Tiong Chiong Hiiung	244,567,888	-	-	244,567,888
Chong Shaw Fui	33,611,272	-	(10,000)	33,601,272
Kueh Chung Peng	4,107,400	200,000	-	4,307,400
Tiong Chiong Soon	241,596,156	-	-	241,596,156
Lau Liong Kii	44,284,052	-	(1,003,700)	43,280,352
Ling Ting Leong @ Ling Chong Seng	3,312,388	-	-	3,312,388

By virtue of their shareholdings in the Company, Tan Sri Datuk Tiong Su Kouk, Tiong Chiong Hiiung and Tiong Chiong Soon are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 34(a) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT (Cont'd)

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

Signed in accordance with a resolution of the directors dated 6 April 2022.

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung, being two of the directors of CCK Consolidated Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 46 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 6 April 2022.

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tiong Chiong Hiiung, being the director primarily responsible for the financial management of CCK Consolidated Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 130 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tiong Chiong Hiiung, NRIC Number: 670208-13-6277
at Sibu
in the State of Sarawak
on this 6 April 2022.

Tiong Chiong Hiiung
Director

Before me

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CCK Consolidated Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Inventories Refer to Note 11 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group's inventories were stated at a carrying amount of RM57.2 million as of 31 December 2021. The assessment of impairment of inventories on hand due to obsolescence as at the end of the reporting period require management estimates and judgements. This, in combination with the significance of inventories in the financial statements, made us identify the impairment of inventories as a key audit matter of our audit.	Our procedures included, amongst others:- (a) Understanding management's process in determining impairment of inventories (b) Reviewing the ageing analysis of inventories (c) Understanding and testing the operating effectiveness of control over inventories; including observing the process of year-end inventory count (d) Inquiring of management action plans to slow-moving and obsolete inventories (e) Evaluating the adequacy of the disclosures in the financial statements

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Cash Sales Transactions Refer to Note 26 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group's revenue is mainly contributed by the retail segment, which represents 84% of the total revenue as per financial year ended 31 December 2021. Majority of the Group's transactions are settled in cash. Cash sales transactions is a key audit matter due to voluminous transactions arising at multiple sales points. Revenue recognition is a key audit matter due to: • risk that revenue may be overstated because of the pressure from management to achieve the planned results as revenue recognition has a direct impact on the results of the Group. • most of the retail revenue is settled in cash which is subjectable to misappropriation.	Our procedures included, amongst others: - (a) Inquiring, inspecting, observing and documenting cash sales cycle to obtain an understanding of the Group's design and implementation of policies and procedures of the cycle (b) Performing walkthrough tests, test of controls on cash sales cycle with samples documented on identified key controls and evaluation of the control processes for cash sales transactions cycle especially the cash receipts and payment processes (c) Examining and reviewing year end cut-off to ensure revenue are accounted for in the appropriate period

Valuation of biological assets Refer to Note 12 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The biological assets of the Group mainly comprise broilers and layers. In determining the fair value of the biological assets, the Group uses the discounted cash flows model and significant judgement is involved in determining the key assumptions which will impact the amount of fair value of biological assets recognised. We focused on this area because there is key judgement involved in determining the expected number of eggs produced by each layer, the expected selling price of the eggs, mortality rate, feed consumption rate and feed costs over the remaining life of the layers, as well as the discount rates. The accounting policy for biological assets has been disclosed in Note 4.14 to the financial statements. The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 12 to the financial statements.	Our procedures included, amongst others: - (a) Evaluating the appropriateness of the methodology and key assumptions used by management in valuation of the biological assets. (b) Checking the mathematical accuracy of the valuation model prepared by management. (c) Corroborating the weekly number of eggs produced and weekly feed consumption volume to the historical data provided to us by management. (d) In respect of the projected selling prices and feed costs, we have back-tested by comparing the projected prices against historical prices and checked the reasonableness of the adjustments made for abnormal market movements. (e) Test checking the mortality rate assumption against historical actual mortality rate. (f) Assessing the appropriateness of the range used to test the sensitivity analysis performed by management as disclosed in Note 12. (g) Evaluating the adequacy of the disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats of safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Morris Hii Su Ong
1682/04/23(J)
Chartered Accountant

Sibu, Sarawak
Date: 6 April 2022

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	87,448,101	81,448,101
Investment in an associate	6	35,221,195	29,687,899	19,930,171	19,930,171
Property, plant and equipment	7	204,634,582	202,960,099	8,526,872	8,675,961
Investment properties	8	16,103,979	16,212,679	-	-
Goodwill	9	380,224	380,224	-	-
Deferred tax assets	10	1,792,025	1,593,117	-	-
		258,132,005	250,834,018	115,905,144	110,054,233
CURRENT ASSETS					
Inventories	11	57,161,525	55,500,930	-	-
Biological assets	12	13,559,854	16,307,669	-	-
Trade receivables	13	35,967,434	32,633,047	-	-
Other receivables, deposits and prepayments	14	9,649,733	10,335,544	432,775	304,346
Amount owing by subsidiaries	15	-	-	84,779,781	96,588,118
Current tax assets		2,843,568	1,161,961	-	-
Deposits with licensed banks	16	6,318,588	9,266,229	-	-
Cash and bank balances		51,463,105	49,860,764	894,925	4,772,579
		176,963,807	175,066,144	86,107,481	101,665,043
TOTAL ASSETS		435,095,812	425,900,162	202,012,625	211,719,276
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	158,968,786	158,968,786	158,968,786	158,968,786
Treasury shares	18	(2,432,449)	(2,432,449)	(2,432,449)	(2,432,449)
Reserves	19	157,620,536	144,395,239	29,324,677	32,999,254
Equity attributable to owners of the Company		314,156,873	300,931,576	185,861,014	189,535,591
Non-controlling interests		92,114	92,114	-	-
TOTAL EQUITY		314,248,987	301,023,690	185,861,014	189,535,591

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (Cont'd)
AT 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Other payables, deposits and accruals	20	-	3,433,991	-	3,433,991
Bank borrowings	21	7,133,218	7,547,626	-	-
Lease liabilities	22	15,896,256	16,144,407	-	-
Deferred income	23	-	18,815	-	-
Deferred tax liabilities	10	8,380,469	9,766,525	1,385,173	1,543,035
		31,409,943	36,911,364	1,385,173	4,977,026
CURRENT LIABILITIES					
Trade payables	24	27,252,616	22,835,312	-	-
Other payables, deposits and accruals	20	21,959,340	21,983,183	7,475,356	3,785,519
Amount owing to subsidiaries	15	-	-	1,291,082	1,421,140
Bank borrowings:-	21				
- bank overdrafts		576,089	-	-	-
- other borrowings		32,604,624	36,020,060	6,000,000	12,000,000
Lease liabilities	22	3,106,670	3,133,106	-	-
Provision for employee benefits	25	856,540	880,817	-	-
Current tax liabilities		3,081,003	3,112,630	-	-
		89,436,882	87,965,108	14,766,438	17,206,659
TOTAL LIABILITIES		120,846,825	124,876,472	16,151,611	22,183,685
TOTAL EQUITY AND LIABILITIES		435,095,812	425,900,162	202,012,625	211,719,276

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
REVENUE	26	685,575,777	656,043,078	10,366,000	12,630,000
COST OF SALES		(565,948,945)	(528,471,249)	-	-
GROSS PROFIT		119,626,832	127,571,829	10,366,000	12,630,000
OTHER INCOME		5,093,655	6,303,629	771,648	1,143,821
SELLING AND DISTRIBUTION EXPENSES		(20,610,395)	(20,928,100)	-	-
ADMINISTRATIVE EXPENSES		(26,806,711)	(24,602,321)	(2,024,199)	(2,001,851)
OTHER OPERATING EXPENSES		(48,636,115)	(44,600,269)	-	-
FINANCE COSTS		(2,084,966)	(2,154,277)	(412,994)	(760,773)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	27	(927,574)	(146,281)	-	-
SHARE OF PROFITS OF AN EQUITY ACCOUNTED ASSOCIATE		5,533,296	6,465,440	-	-
PROFIT BEFORE TAXATION	28	31,188,022	47,909,650	8,700,455	11,011,197
INCOME TAX EXPENSE	29	(6,711,763)	(10,427,380)	157,862	(68,012)
PROFIT AFTER TAXATION		24,476,259	37,482,270	8,858,317	10,943,185
OTHER COMPREHENSIVE INCOME	30				
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Remeasurement of defined benefits plan		49,071	(30,169)	-	-
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		1,232,861	(1,200,827)	-	-
TOTAL OTHER COMPREHENSIVE INCOME		1,281,932	(1,230,996)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		25,758,191	36,251,274	8,858,317	10,943,185

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		24,476,259	37,482,270	8,858,317	10,943,185
Non-controlling interests		-	-	-	-
		24,476,259	37,482,270	8,858,317	10,943,185
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		25,758,191	36,251,274	8,858,317	10,943,185
Non-controlling interests		-	-	-	-
		25,758,191	36,251,274	8,858,317	10,943,185
EARNINGS PER SHARE (SEN):-	31				
Basic		3.91	5.98		
Diluted		3.91	5.98		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2020		158,968,786	(2,320,244)	(3,465,131)	122,589,904	275,773,315	380,252	276,153,567
Profit after taxation for the financial year		-	-	-	37,482,270	37,482,270	-	37,482,270
Other comprehensive income for the financial year:-	30							
- Remeasurement of defined benefit plans		-	-	-	(30,169)	(30,169)	-	(30,169)
- Foreign currency translation differences		-	-	(1,200,827)	-	(1,200,827)	-	(1,200,827)
Total comprehensive income for the financial year		-	-	(1,200,827)	37,452,101	36,251,274	-	36,251,274
Contributions by and distribution to owners of the Company:-								
- Purchase of treasury shares	18	-	(112,205)	-	-	(112,205)	-	(112,205)
- Dividends:-								
- by the Company	32	-	-	-	(10,966,282)	(10,966,282)	-	(10,966,282)
- by the subsidiaries to non-controlling interest		-	-	-	(14,526)	(14,526)	(288,138)	(302,664)
Total transactions with owners		-	(112,205)	-	(10,980,808)	(11,093,013)	(288,138)	(11,381,151)
Balance at 31.12.2020		158,968,786	(2,432,449)	(4,665,958)	149,061,197	300,931,576	92,114	301,023,690

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group								
Balance at 31.12.2020/1.1.2021		158,968,786	(2,432,449)	(4,665,958)	149,061,197	300,931,576	92,114	301,023,690
Profit after taxation for the financial year		-	-	-	24,476,259	24,476,259	-	24,476,259
Other comprehensive income for the financial year:-	30							
- Remeasurement of defined benefit plans		-	-	-	49,071	49,071	-	49,071
- Foreign currency translation differences		-	-	1,232,861	-	1,232,861	-	1,232,861
Total comprehensive income for the financial year		-	-	1,232,861	24,525,330	25,758,191	-	25,758,191
Contributions by and distributions to owners of the Company:-								
- Dividends:-								
- by the Company	32	-	-	-	(12,532,894)	(12,532,894)	-	(12,532,894)
Total transactions with owners		-	-	-	(12,532,894)	(12,532,894)	-	(12,532,894)
Balance as at 31.12.2021		158,968,786	(2,432,449)	(3,433,097)	161,053,633	314,156,873	92,114	314,248,987

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 1.1.2020		158,968,786	(2,320,244)	33,022,351	189,670,893
Profit after taxation/Total comprehensive income for the financial year		-	-	10,943,185	10,943,185
Contributions by and distributions to owners of the Company:-					
- Purchase of treasury shares	18	-	(112,205)	-	(112,205)
- Dividends	32	-	-	(10,966,282)	(10,966,282)
		-	(112,205)	(10,966,282)	(11,078,487)
Balance at 31.12.2020/1.1.2021		158,968,786	(2,432,449)	32,999,254	189,535,591
Profit after taxation/Total comprehensive income for the financial year		-	-	8,858,317	8,858,317
Contributions by and distributions to owners of the Company:-					
- Dividends	32	-	-	(12,532,894)	(12,532,894)
		-	-	(12,532,894)	(12,532,894)
Balance at 31.12.2021		158,968,786	(2,432,449)	29,324,677	185,861,014

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	31,188,022	47,909,650	8,700,455	11,011,197
Adjustments for:-				
Allowance for impairment losses on receivables	1,099,851	213,790	-	-
Allowance for impairment losses on receivables no longer required	(172,277)	(67,509)	-	-
Allowance for stock obsolescence	290,935	700	-	-
Amortisation of government grant	(18,815)	-	-	-
Bad debts written off	146,298	68,929	-	-
Changes in fair value of biological assets	2,747,815	(983,807)	-	-
Depreciation of investment properties	108,700	126,700	-	-
Depreciation of property, plant and equipment	22,974,470	22,153,616	160,647	160,370
Dividend income	-	-	(10,000,000)	(12,264,000)
Gain on derecognition of lease contract	-	(6,727)	-	-
Gain on disposal of property, plant and equipment	(106,993)	(8,121)	-	-
Gain on modification of lease	(337)	-	-	-
Interest expense	2,084,966	2,154,277	412,994	760,773
Interest income	(352,387)	(373,772)	(657,044)	(1,020,246)
Property, plant and equipment written off	272,172	23,322	-	-
Provision for employee benefits	60,503	238,156	-	-
Share of profits of an equity accounted associate	(5,533,296)	(6,465,440)	-	-
Unrealised (gain)/loss on foreign exchange	(5,375)	7,056	-	-
Operating profit/(loss) before working capital changes	54,784,252	64,990,820	(1,382,948)	(1,351,906)
(Increase)/decrease in inventories	(1,780,543)	171,272	-	-
(Increase)/decrease in trade and other receivables	(3,543,856)	7,470,874	(128,429)	(87,702)
Increase/(decrease) in trade and other payables	967,044	(725,269)	255,846	(2,816,547)
Employee benefits paid	(42,289)	(140,374)	-	-
CASH FROM/(FOR) OPERATIONS/ BALANCE CARRIED FORWARD	50,384,608	71,767,323	(1,255,531)	(4,256,155)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
BALANCE BROUGHT FORWARD		50,384,608	71,767,323	(1,255,531)	(4,256,155)
Income tax paid		(10,469,570)	(10,446,622)	-	-
Income tax refunded		29,127	135,738	-	-
Interest paid		(2,084,966)	(2,154,277)	(412,994)	(760,773)
Interest received		352,387	373,772	657,044	1,020,246
NET CASH FROM/(FOR) OPERATING ACTIVITIES		38,211,586	59,675,934	(1,011,481)	(3,996,682)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of additional equity interests from non-controlling interests	5(b)	-	(302,664)	-	-
Additional investments in an existing subsidiary		-	-	(6,000,000)	-
Repayment from subsidiaries		-	-	11,808,337	15,272,510
Dividend received		-	3,264,000	10,000,000	12,264,000
Proceeds from disposal of property, plant and equipment		143,301	119,800	-	-
Purchase of property, plant and equipment	33(a)	(21,410,912)	(25,213,328)	(11,558)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(21,267,611)	(22,132,192)	15,796,779	27,536,510
BALANCE CARRIED FORWARD		16,943,975	37,543,742	14,785,298	23,539,828

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		16,943,975	37,543,742	14,785,298	23,539,828
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment to subsidiaries	33(c)	-	-	(130,058)	(2,117,545)
Dividend paid:-					
- by the Company	32	(12,532,894)	(10,966,282)	(12,532,894)	(10,966,282)
Drawdown of term loans	33(c)	202,500	1,945,000	-	-
Purchase of treasury shares		-	(112,205)	-	(112,205)
Drawdown/(repayment) of bankers' acceptance	33(c)	2,789,949	(2,283,744)	-	-
Repayment of lease liabilities	33(d)	(2,887,955)	(3,532,240)	-	-
Repayment of revolving credit	33(c)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Repayment of term loans	33(c)	(822,293)	(366,810)	-	-
NET CASH FOR FINANCING ACTIVITIES		(19,250,693)	(21,316,281)	(18,662,952)	(19,196,032)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,306,718)	16,227,461	(3,877,654)	4,343,796
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		385,329	(311,723)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		59,126,993	43,211,255	4,772,579	428,783
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33(b)	57,205,604	59,126,993	894,925	4,772,579

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 April 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standard(s) and interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. BASIS OF PREPARATION

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amount of trade receivables. The carrying amount of trade receivables as at the reporting date are disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 14 and 15 to the financial statements respectively.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM 3,081,003 (2020 – RM 3,112,630).

(f) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(g) Biological Assets

The fair value of biological assets is determined using a discounted cash flow model which considers the expected quantity and price to be produced over the life of the biological assets, taking into account the biological assets' mortality rate.

In measuring the fair value of biological assets, management estimates and judgements are required which include the expected number of agricultural produce, the expected selling prices, mortality rate, consumption rate, feed costs and other estimated costs over the remaining life of the biological assets, as well as the discount rates. Changes to any of these assumptions would affect the fair value of the biological assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below: -

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension options is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Contingent Liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Company are remote.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that relates to non-controlling interests is derecognised but is not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations (Cont'd)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has made an irrevocable election to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognise in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all risk and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2021. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment, are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease periods of 14 to 906 years
Buildings	2% - 5%
Furniture, fittings and equipment	10% - 20%
Coldroom, plant and machinery	10% - 20%
Motor vehicles	20%
Renovation	10% - 20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 59 years to 99 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property are presented in the statements of financial position within property, plant and equipment and the associated lease liabilities are presented as separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.13 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.14 BIOLOGICAL ASSETS

Biological assets are measured on initial recognition and at the end of each reporting period at their fair value less costs to sell with change in fair value less costs to sell recognised in the profit or loss for the period in which it arises.

Costs to sell include all costs that would be necessary to sell the assets, including costs necessary to get the assets to market but excludes finance costs and income taxes.

Agricultural produce is the harvested product of the Group's biological assets and is measured at fair value less cost to sell at the point of harvest. Such measurement is the cost at that date when transferring the harvested product to inventory.

4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Defined Benefit Plans

The Group makes contributions to the Company's retirement benefit plan, an unfunded defined benefit plan.

The liability or asset recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method by independent actuaries annually, determined by discounting the estimated future benefits that employees have earned in the current and prior periods, using market yields of private corporate debt securities which have currency and terms to maturity approximating the terms of the related obligation.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.20 EARNINGS PER ORDINARY SHARES

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4.22 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of Goods (Credit Sales)

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risk of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Sales of Goods (Cash Sales)

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being at the point the customer purchases the goods at the retail outlets. Payment for the transaction is due immediately at the point the customer purchases the goods and takes delivery in outlet.

(c) Rendering of Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

4.24 OTHER INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Dividend Income

Dividend income from investments is recognised when the right to receive dividend payment is established.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(d) Government Grant

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statements of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021	**2020**
	RM	RM
Unquoted shares, at cost		
- in Malaysia	69,339,149	63,339,149
- outside Malaysia	18,108,952	18,108,952
	87,448,101	81,448,101

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Ableway Sdn. Bhd.	Malaysia	100	100	General trading and investment holding
Ataskota Sdn. Bhd.	Malaysia	100	100	Selling, spawning and culturing of prawns
CCK Fresh Mart Sdn. Bhd.	Malaysia	100	100	Retailing coldstorage products and investment holding
CCK Fresh Mart (West Malaysia) Sdn. Bhd.	Malaysia	100	100	Leasing buildings
CCK Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Culturing and trading of prawns
Central Coldstorage Kuching Sdn. Bhd.	Malaysia	100	100	Trading cold storage goods, poultry processing, importer and distributor of frozen goods and investment holding
C.S. Choice Food Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing, processing, packing and distribution of meat and other food products
Kin Eastern Frozen Food Sdn. Bhd.	Malaysia	100	100	Processing and dealing of frozen seafood and ice
Kuok Sui Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Processing and exporting of sea products
Pt. Adilmart^	Indonesia	100	100	Retailing in coldstorage products
Zhang Agriculture Development (Sabah) Sdn. Bhd.	Malaysia	100	100	Poultry breeding, hatching of eggs and trading
Hawker Time Food Hall Sdn. Bhd. #	Malaysia	100	100	Proprietors of fast-food restaurants, catering services, food and beverage stall or hawkers and coffee shop
CCK Properties Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiary of Ableway Sdn. Bhd.:-				
Angkutan Golden Plan Sdn. Bhd.	Malaysia	100	100	Provision of transportation services
Subsidiary of CCK Fresh Mart Sdn. Bhd.:-				
Mukah Seafoods Industries Sdn. Bhd.	Malaysia	100	100	Trading of seafood and coldstorage foodstuff

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2021 %	2020 %	Principal Activities
Subsidiaries of Central Coldstorage Kuching Sdn. Bhd.:-				
Poultry Industry (S) Sdn. Bhd.	Malaysia	100	100	Livestock breeding, egg laying and trading
Zhang Agriculture Development Sdn. Bhd.	Malaysia	100	100	Poultry farming and trading
Subsidiary of Poultry Industry (S) Sdn. Bhd.:-				
Farm Land Supplies & Veterinary Services Sdn. Bhd.	Malaysia	100	100	Providing veterinary supplies and related services
Subsidiary of Pt. Adilmart:-				
Pt. Central Coldstorage Khatulistiwa^	Indonesia	90	90	Dormant

^ *These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.*

*The auditors' report on the financial statements of the subsidiary includes an a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern b*asis as the Company has undertaken to provide continued financial support to the subsidiary.

(a) On 30 August 2021, the Company subscribed for 6,000,000 number of ordinary shares by capitalising the amount owing by subsidiaries of RM6,000,000, in a wholly-owned subsidiary, Zhang Agriculture Development (Sabah) Sdn. Bhd.

(b) In the previous financial year, the Company had acquired an additional 21.9% equity interests in Mukah Seafoods Industries Sdn. Bhd. for RM302,664 in cash, increasing its ownership from 78.1% to 100%. The carrying amount of Mukah Seafoods Industries Sdn. Bhd.'s net assets in the Group's financial statements was RM1,497,946. The Group recognised a decrease in non-controlling interests of RM288,138 and a decrease in retained profits of RM14,526.

The following summarises the effect of changes in equity interests in Mukah Seafoods Industries Sdn. Bhd. that is attributable to the owners of the company:-

	The Group 2020 RM
Equity interest at 1 January	1,011,140
Effect of increase in the Company's ownership interest	302,664
Share of post acquisition profits	184,142
Equity interest at 31 December	1,497,946

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2021	**2020**	**2021**	**2020**
	%	%	RM	RM
Pt. Central Coldstorage Khatulistiwa	10.0	10.0	92,114	92,114

(d) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is as follows:-

	Pt. Central Coldstorage Khatulistiwa	
	2021	**2020**
	RM	RM
<u>At 31 December</u>		
Non-current assets	-	-
Current assets	1,119,505	1,096,580
Non-current liabilities	-	-
Current liabilities	(254,266)	(249,059)
Net assets	865,239	847,521
<u>Financial Year Ended 31 December</u>		
Revenue	-	-
Loss for the financial year	-	-
Total comprehensive income	-	-
Total comprehensive income attributable to non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-
Net cash flows (for)/from operating activities	(17,718)	23,624
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Unquoted shares, at cost	19,930,171	19,930,171	19,930,171	19,930,171
Share of post-acquisition profits, net of dividend received	15,291,024	9,757,728	-	-
	35,221,195	29,687,899	19,930,171	19,930,171

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2021 %	2020 %	Principal Activities
Gold Coin Sarawak Sdn. Bhd.#	Malaysia	27.20	27.20	Manufacture and sale of animal feeds, trading in feed grains and livestock business

\# The associate was audited by another firm of chartered accountants.

Gold Coin Sarawak Sdn. Bhd. involves in the manufacturing and sale of animal feeds, trading in feed grains and livestock business. It is a strategic investment for the Group as it secures a long term supply of quality feeds for the Group's poultry operations and also allows the Group to venture into feed mill business thus enhancing the Group's profitability.

(b) The summarised financial information (after any fair value adjustment at acquisition date) for each associate that is material to the Group is as follows:-

	Gold Coin Sarawak Sdn. Bhd. 2021 RM	2020 RM
At 31 December		
Non-current assets	11,760,000	12,961,000
Current assets	208,787,000	134,540,000
Non-current liabilities	(1,929,000)	(2,456,000)
Current liabilities	(102,122,000)	(47,860,000)
Net assets	116,496,000	97,185,000
Non-controlling interest	-	(1,032,000)
	116,496,000	96,153,000
Financial Year Ended 31 December		
Revenue	409,196,000	328,717,000
Profit for the financial year	20,343,000	23,770,000
Total comprehensive income	20,343,000	23,770,000
Group's share of profit for the financial year	5,533,296	6,465,440
Dividend received	-	3,264,000
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	31,686,912	26,153,616
Goodwill	3,534,283	3,534,283
Carrying amount of the Group's interest in this associate	35,221,195	29,687,899

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2021 RM	Additions RM	Disposals RM	Reclassi-fication RM	Write-offs RM	Reassessment/ Modification of Lease Liabilities RM	Transfer to Inventories RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2021 RM
2021										
Carrying Amount										
Owned assets										
Freehold land	1,436,000	-	-	-	-	-	-	-	-	1,436,000
Buildings	45,528,717	2,961,835	-	9,099,748	-	-	-	(4,093,325)	111,041	53,608,016
Furniture,fittings and equipment	8,468,555	1,225,665	-	304,514	(753)	-	-	(2,001,775)	5,186	8,001,392
Coldroom,plant and machinery	46,856,820	7,994,740	(10,108)	4,715,159	(1,033)	-	-	(10,789,930)	517,991	49,283,639
Motor vehicles	2,338,529	738,065	(11,200)	-	-	-	-	(1,179,447)	5,170	1,891,117
Renovation	5,480,631	1,433,230	-	-	(51,933)	-	-	(1,367,516)	-	5,494,412
Electrical installation	479,273	50,339	-	-	-	-	-	(54,413)	-	475,199
Capital work in progress	20,953,523	7,007,038	(15,000)	(14,119,421)	(218,453)	-	(1,260)	-	1,537	13,607,964
	131,542,048	21,410,912	(36,308)	-	(272,172)	-	(1,260)	(19,486,406)	640,925	133,797,739

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2021 RM	Additions RM	Disposals RM	Reclassi-fication RM	Write-offs RM	Reassessment/ Modification of Lease Liabilities RM	Transfer to Inventories RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2021 RM
2021										
Right-of-use assets										
Leasehold land	53,096,686	-	-	-	-	-	-	(602,615)	289,374	52,783,445
Buildings	18,114,613	2,404,432	-	-	-	205,674	-	(2,778,207)	7,376	17,953,888
Coldroom, plant									-	
and machinery	37,686	-	-	-	-	-	-	(34,786)	-	2,900
Motor vehicles	169,066	-	-	-	-	-	-	(72,456)	-	96,610
	71,418,051	2,404,432	-	-	-	205,674	-	(3,488,064)	296,750	70,836,843
	202,960,099	23,815,344	(36,308)	-	(272,172)	205,674	(1,260)	(22,974,470)	937,675	204,634,582

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2020 RM	Additions RM	Disposals RM	Derecognition RM	Write-offs RM	Transfer from Investment Properties RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2020 RM
2020									
Carrying Amount									
Owned assets									
Freehold land	1,436,000	-	-	-	-	-	-	-	1,436,000
Buildings	47,782,554	1,196,109	-	-	-	745,500	(4,118,434)	(77,012)	45,528,717
Furniture,fittings and equipment	6,699,528	3,485,956	(3,665)	-	-	-	(1,707,001)	(6,263)	8,468,555
Coldroom,plant and machinery	48,857,927	8,403,162	(26,071)	-	(23,322)	-	(9,875,456)	(479,420)	46,856,820
Motor vehicles	2,321,572	1,233,384	(81,943)	-	-	-	(1,126,928)	(7,556)	2,338,529
Renovation	4,056,691	2,647,707	-	-	-	-	(1,223,767)	-	5,480,631
Electrical installation	229,174	285,973	-	-	-	-	(35,874)	-	479,273
Capital work in progress	13,214,251	7,961,037	-	-	-	-	-	(221,765)	20,953,523
	124,597,697	25,213,328	(111,679)	-	(23,322)	745,500	(18,087,460)	(792,016)	131,542,048

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2020 RM	Additions RM	Disposals RM	Derecognition RM	Write-offs RM	Transfer from Investment Properties RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2020 RM
2020									
Right-of-use assets									
Leasehold land	53,437,577	1,046,191	-	-	-	-	(1,054,110)	(332,972)	53,096,686
Buildings	12,067,563	9,526,002	-	(575,348)	-	-	(2,898,080)	(5,524)	18,114,613
Coldroom, plant and machinery	58,462	20,734	-	-	-	-	(41,510)	-	37,686
Motor vehicles	241,522	-	-	-	-	-	(72,456)	-	169,066
	65,805,124	10,592,927	-	(575,348)	-	-	(4,066,156)	(338,496)	71,418,051
	190,402,821	35,806,255	(111,679)	(575,348)	(23,322)	745,500	(22,153,616)	(1,130,512)	202,960,099

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2021				
Owned assets				
Freehold land	1,630,091	-	(194,091)	1,436,000
Buildings	104,818,934	(51,210,918)	-	53,608,016
Furniture, fittings and equipment	32,427,295	(24,425,903)	-	8,001,392
Coldroom, plant and machinery	149,098,355	(99,814,716)	-	49,283,639
Motor vehicles	19,582,340	(17,691,223)	-	1,891,117
Renovation	19,520,992	(14,026,580)	-	5,494,412
Electrical installation	576,713	(101,514)	-	475,199
Capital work-in-progress	13,607,964	-	-	13,607,964
	341,262,684	(207,270,854)	(194,091)	133,797,739
Right-of-use assets				
Leasehold land	62,427,216	(9,086,042)	(557,729)	52,783,445
Buildings	25,677,307	(7,723,419)	-	17,953,888
Coldroom, plant and machinery	107,258	(104,358)	-	2,900
Motor vehicles	362,282	(265,672)	-	96,610
	88,574,063	(17,179,491)	(557,729)	70,836,843
	429,836,747	(224,450,345)	(751,820)	204,634,582
2020				
Owned assets				
Freehold land	1,630,091	-	(194,091)	1,436,000
Buildings	92,585,947	(47,057,230)	-	45,528,717
Furniture, fittings and equipment	30,958,126	(22,489,571)	-	8,468,555
Coldroom, plant and machinery	136,544,210	(89,687,390)	-	46,856,820
Motor vehicles	19,205,955	(16,867,426)	-	2,338,529
Renovation	18,221,828	(12,741,197)	-	5,480,631
Electrical installation	526,374	(47,101)	-	479,273
Capital work-in-progress	20,953,523	-	-	20,953,523
	320,626,054	(188,889,915)	(194,091)	131,542,048
Right-of-use assets				
Leasehold land	62,137,842	(8,496,061)	(545,095)	53,096,686
Buildings	23,094,315	(4,979,702)	-	18,114,613
Coldroom, plant and machinery	107,258	(69,572)	-	37,686
Motor vehicles	313,978	(144,912)	-	169,066
	85,653,393	(13,690,247)	(545,095)	71,418,051
	406,279,447	(202,580,162)	(739,186)	202,960,099

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
2021				
Owned assets				
Equipment	7,267	11,558	(4,115)	14,710
Renovation	3,107	-	(532)	2,575
	10,374	11,558	(4,647)	17,285
Right-of-use assets				
Leasehold land	8,665,587	-	(156,000)	8,509,587
	8,675,961	11,558	(160,647)	8,526,872

The Company	At 1.1.2020 RM	Depreciation Charges RM	At 31.12.2020 RM
2020			
Owned assets			
Equipment	11,105	(3,838)	7,267
Renovation	3,639	(532)	3,107
	14,744	(4,370)	10,374
Right-of-use assets			
Leasehold land	8,821,587	(156,000)	8,665,587
	8,836,331	(160,370)	8,675,961

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Owned assets			
Equipment	68,116	(53,406)	14,710
Renovation	5,324	(2,749)	2,575
	73,440	(56,155)	17,285
Right-of-use assets			
Leasehold land	9,401,979	(892,392)	8,509,587
	9,475,419	(948,547)	8,526,872

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2020			
Owned assets			
Equipment	56,558	(49,291)	7,267
Renovation	5,324	(2,217)	3,107
	61,882	(51,508)	10,374
Right-of-use assets			
Leasehold land	9,401,979	(736,392)	8,665,587
	9,463,861	(787,900)	8,675,961

(a) The carrying amount of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements is as follows:-

	The Group 2021 RM	The Group 2020 RM
Leasehold land	9,896,681	10,130,342
Buildings	12,076,407	11,736,414
	21,973,088	21,866,756

(b) Included in the assets of the Group were freehold lands with a total carrying amount of RM936,000 (2020 – RM936,000) which were held in trust by a third party.

(c) Leases – the Group as a lessee

The Group leases leasehold land, buildings, motor vehicles, coldroom, plant and machinery and other equipment for its operational purposes:-

i.) Leasehold land

The Group made upfront payment to secure the right-of-use of leasehold lands for a lease periods ranging from 14 to 906 years. Certain leasehold lands is pledged to licensed banks as security for banking facilities granted to the Group as disclosed in (a) above. There is no option to purchase the leasehold land at the expiry of the lease periods.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Leases – the Group as a lessee (Cont'd)

The Group leases leasehold land, buildings, motor vehicles, coldroom, plant and machinery and other equipment for its operational purposes:- (Cont'd)

ii.) Buildings

The Group leases a number of buildings which are used as retail stores that run between 1 year to 10 years, with an option to renew the leases upon the expiry of the respective lease terms. The lease agreements do not impose any covenant other than the ownership rights in the leased assets that are held by lessor. The Group is restricted from assigning and subleasing the leased assets without the written consent of the lessor and the leased assets may not be used as security for borrowing purposes.

Certain buildings of the Group are leased to customers under operating leases with rentals payable monthly. Each of the leases contains an initial non-cancellable period of 1 year and the subsequent renewals are negotiated separately on a contract by contract basis.

iii.) Motor vehicle

The motor vehicle has been leased under hire purchase arrangement. The lease is secured by the leased assets with lease term of 3 years and bear effective interest rate of 3.22%. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

iv.) Coldroom, plant and equipment

The Group leases 38 ponds for a lease period of 3 years with an option to renew the leases upon the expiry of the lease terms. The lease agreement do not impose any convenants other than the ownership rights in the leased assets that are held by the lessor.

v.) Other equipment

The Group also leases photocopier machines. The Group determines that these assets are low value when it is new, regardless of the age of the assets being leased. The Group elected not to recognised right-of-use assets and lease liabilities for these assets.

(d) Leases – the Group as an intermediate lessor

The Group subleases out buildings to third parties for monthly lease payments for a period ranging from 1 to 3 years and the subsequent renewals are renegotiated on a contract by contract basis. The sublease periods do not form part of the remaining lease terms under the head leases and accordingly, the subleases are classified as operating leases.

The Group does not require a financial guarantee. Instead, the Group requires 1 to 3 months of advance payments from the lessees. The leases do not include residual value guarantee and variable lease payments.

The lease income of the Group and of the Company, recognised during the financial year were RM 49,680 (2020 – RM 52,480) and RM NIL (2020 – RM NIL) respectively.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. INVESTMENT PROPERTIES

	The Group 2021 RM	The Group 2020 RM
Cost:-		
At 1 January	17,691,414	18,591,414
Transferred to property, plant and equipment	-	(900,000)
At 31 December	17,691,414	17,691,414
Accumulated depreciation:-		
At 1 January	1,478,735	1,506,535
Depreciation during the financial year	108,700	126,700
Transferred to property, plant and equipment	-	(154,500)
At 31 December	1,587,435	1,478,735
	16,103,979	16,212,679
Represented by:-		
Freehold land	11,075,000	11,075,000
Leasehold land	3,300,900	3,352,228
Buildings	1,728,079	1,785,451
At 31 December	16,103,979	16,212,679
Fair value	20,450,000	20,750,000

(a) The investment properties of the Group are leased to customers under operating leases with rental payable monthly. The leases contain initial non-cancellable periods of 1-5 years.

The undiscounted operating lease payments receivable are as follows:-

	The Group 2021 RM	The Group 2020 RM
Within one year	32,400	45,600
Between 1 and 2 years	18,000	4,800
Between 2 and 3 years	45,600	4,800
	96,000	55,200

(b) The leasehold land and buildings have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

(c) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. GOODWILL

	The Group 2021 RM	2020 RM
Cost:-		
At 1 January/31 December	380,224	380,224

Goodwill acquired through business combination has been allocated to the Group's trading and retailing cash-generating units.

10. DEFERRED TAX

The Group	At 1.1.2021 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Exchange differences RM	At 31.12.2021 RM
2021					
Deferred tax liabilities					
Property, plant and equipment	11,855,046	(1,164,832)	-	-	10,690,214
Unrealised gain on foreign exchange	-	1,290	-	-	1,290
	11,855,046	(1,163,542)	-	-	10,691,504
Deferred tax assets					
Inventory	(5,024)	(64,509)	-	-	(69,533)
Provision for employee benefits	(176,163)	(28,387)	11,396	4,715	(188,439)
Receivables	(28,981)	(31,386)	-	-	(60,367)
Unused tax losses and unabsorbed capital allowance	(3,469,842)	(314,879)	-	-	(3,784,721)
Unrealised loss on foreign exchange	(1,628)	1,628	-	-	-
	(3,681,638)	(437,533)	11,396	4,715	(4,103,060)
	8,173,408	(1,601,075)	11,396	4,715	6,588,444

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. DEFERRED TAX (CONT'D)

The Group	At 1.1.2020 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Exchange differences RM	At 31.12.2020 RM
2020					
Deferred tax liabilities					
Property,plant and equipment	10,259,002	1,596,044	-	-	11,855,046
Deferred tax assets					
Inventory	(6,455)	1,431	-	-	(5,024)
Provision for employee benefits	(193,991)	26,076	300	(8,548)	(176,163)
Receivables	(24,259)	(4,722)	-	-	(28,981)
Unused tax losses and unabsorbed capital allowance	(1,760,263)	(1,709,579)	-	-	(3,469,842)
Unrealised loss on foreign exchange	(1,400)	(228)	-	-	(1,628)
	(1,986,368)	(1,687,022)	300	(8,548)	(3,681,638)
	8,272,634	(90,978)	300	(8,548)	8,173,408

The Company	At 1.1.2021 RM	Recognised in profit or loss RM	At 31.12.2021 RM
2021			
Deferred tax liabilities			
Property,plant and equipment	1,593,155	(30,824)	1,562,331
Deferred tax assets			
Unused tax losses and unabsorbed capital allowance	(50,120)	(127,038)	(177,158)
	1,543,035	(157,862)	1,385,173

The Company	At 1.1.2020 RM	Recognised in profit or loss RM	At 31.12.2020 RM
2020			
Deferred tax liabilities			
Property,plant and equipment	1,624,653	(31,498)	1,593,155
Deferred tax assets			
Unused tax losses and unabsorbed capital allowance	(149,630)	99,510	(50,120)
	1,475,023	68,012	1,543,035

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. DEFERRED TAX (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same taxable entity and the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Deferred tax liabilities	8,380,469	9,766,525	1,385,173	1,543,035
Deferred tax assets	(1,792,025)	(1,593,117)	-	-
	6,588,444	8,173,408	1,385,173	1,543,035

No deferred tax assets are recognised in respect of the following items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences, and the carry forward tax losses and tax credits can be utilised:-

	The Group	
	2021	2020
	RM	RM
Unused tax losses	1,598,669	1,528,629
Unabsorbed capital allowance	627,974	598,217
Other temporary differences	170,464	149,724
	2,397,107	2,276,570

The unused tax losses are allowed to be utilised for 10 (2020: 7) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

11. INVENTORIES

	The Group	
	2021	2020
	RM	RM
At cost:-		
Trading goods	47,866,789	46,353,236
Raw materials	2,797,926	3,587,903
Consumable stores	6,812,867	5,584,913
	57,477,582	55,526,052
Less: Allowance for obsolescence and impairment losses of inventories	(316,057)	(25,122)
	57,161,525	55,500,930

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. BIOLOGICAL ASSETS

	At 1.1.2021 RM	Change in fair value RM	At 31.12.2021 RM
At fair value less costs to sell			
Broiler breeders	9,433,143	(1,044,088)	8,389,055
Broilers	1,889,574	(539,942)	1,349,632
Hatching eggs	1,028,562	225,100	1,253,662
Prawns	578,835	375,062	953,897
Layers	3,377,555	(1,763,947)	1,613,608
	16,307,669	(2,747,815)	13,559,854

	At 1.1.2020 RM	Change in fair value RM	At 31.12.2020 RM
At fair value less costs to sell			
Broiler breeders	8,751,414	681,729	9,433,143
Broilers	1,674,679	214,895	1,889,574
Hatching eggs	1,502,710	(474,148)	1,028,562
Prawns	490,564	88,271	578,835
Layers	2,904,495	473,060	3,377,555
	15,323,862	983,807	16,307,669

(a) In measuring the fair value of biological assets, management estimates and judgements are required, which include the followings:-

(i) estimated selling price of table eggs, day-old chicks, broilers and spent hen;

(ii) estimated number of day-old chick produced by each layer breeder and broiler breeder and table egg to be produced by layers;

(iii) estimated hatchability rate of the hatching rate and mortality rate of live birds;

(iv) estimated feed consumption rate and feed costs and other estimated costs to be incurred for the remaining life of the live birds and at the point of sales;

(v) pre-tax discount rates of 16.97% (2020: 14.47%)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. BIOLOGICAL ASSETS (CONT'D)

(b) The Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Breeders	Discounted cash flows: The valuation method considers the estimated quantity of day-old chick to be produced over the life of the breeders, taking into account the mortality rate of breeders and the estimated feed costs and other overheads.	• Estimated selling price of the agriculture produce. • Estimated feed costs and overheads expected to incur throughout the life cycle.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the agriculture produce were higher/(lower). • the estimated feed costs and overheads were (higher)/ lower.
Layers	Discounted cash flows: The valuation method considers the expected quantity and price of table eggs to be produced over the life of the layers, taking into account layers' mortality rate.	• Estimated selling price of the agriculture produce. • Estimated feed costs and overheads expected to incur throughout the life cycle.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the agriculture produce were higher/(lower). • the estimated feed costs and overheads were (higher)/ lower.
Broilers	Discounted cash flows: The valuation method considers the present value of net cash flows from sales of broilers less estimated feed costs and overheads incurred to the point of sale and taking into account the mortality rate of broilers.	• Estimated selling price of the broilers at the point of sale. • Estimated feed costs and overheads expected to incur throughout the life cycle.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the broilers at the point of sale were higher/(lower). • the estimated feed costs and overheads were (higher)/ lower.
Hatching eggs	Discounted cash flows: The valuation method considers the present value of net cash flows from sales of day-old chick less estimated hatching cost and overheads incurred to the point of sale and taking into account the hatchability rate of hatching eggs.	• Estimated selling price of the day-old chick at the point of sale. • Estimated hatching costs and overheads expected to incur throughout the hatching process.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the day-old chick at the point of sale were higher/(lower). • the estimated hatching costs and overheads were (higher)/ lower.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. BIOLOGICAL ASSETS (CONT'D)

(b) The Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model. (Cont'd)

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Prawns	Discounted cash flows: The valuation method considers the expected quantity of prawns to be harvested and expected selling prices, taking into account prawns' mortality rate.	• Estimated selling price of the prawns at the point of sale. • Estimated feed costs and other variable costs expected to incur up to the point of harvest.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the prawns at the point of sale were higher/(lower). • the estimated feed costs and variable costs were (higher)/lower.

(c) The key assumptions used for the fair value calculations are as follows:-

	The Group 2021 RM	The Group 2020 RM
Breeders		
Estimated selling price of day-old chick (parent stock)(per bird)	9.36 - 9.45	9.41 - 11.23
Estimated selling price of day-old chick (broiler)(per bird)	1.10	1.10
Estimated feed costs and other overheads (per bird)	8.54 - 9.47	7.84 - 8.31
Broilers		
Estimated selling price of broilers at the point of sale (per KG)	6.25 - 6.69	5.17 - 5.77
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)	1.68 - 2.10	1.68
Prawns		
Estimated selling price of prawns at the point of sale (per KG)	23.60	19.74
Estimated feed costs and other overheads (per KG)	2.86	4.33
Layers		
Estimated selling price of egg (per piece)	0.28	0.27
Estimated feed costs and other overheads (per bird)	10.93	9.48

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. BIOLOGICAL ASSETS (CONT'D)

(d) Reasonable possible changes at the reporting date to one of the key assumptions, holding other assumptions constant, would have affected the fair value of biological assets by the amounts shown below.

The Group

	Increase/(decrease) in fair value of biological assets	
	2021	**2020**
	RM	RM
Breeders		
Estimated selling price of day-old chick (broiler)(per bird)		
- increase by 10%	908,839	862,675
- decrease by 10%	(908,839)	(862,675)
Estimated selling price of day-old chick (parent)(per bird)		
- increase by 10%	14,000	19,000
- decrease by 10%	(14,000)	(19,000)
Estimated feed costs and other overheads (per bird)		
- increase by 10%	(84,000)	(122,000)
- decrease by 10%	84,000	122,000
Broilers		
Estimated selling price of broilers at the point of sale (per KG)		
- increase by 10%	130,238	188,850
- decrease by 10%	(130,238)	(188,850)
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)		
- increase by 10%	125,187	103,168
- decrease by 10%	(125,187)	(103,168)
Prawns		
Estimated selling price of prawns at the point of sale (per KG)		
- increase by 10%	95,390	57,884
- decrease by 10%	(95,390)	(57,884)
Layers		
Estimated selling price of egg (per piece)		
- increase by 10%	161,361	337,755
- decrease by 10%	(161,361)	(337,755)

In respect of other variables, a reasonable possible change in the assumptions used will not result in any material change to the fair value of the biological assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. TRADE RECEIVABLES

	The Group	
	2021	**2020**
	RM	RM
Trade receivables:-		
- related parties	36,269,790	31,414,971
- third parties	2,331,723	3,328,611
	38,601,513	34,743,582
Less: Allowance for impairment losses	(2,634,079)	(2,110,535)
	35,967,434	32,633,047
Allowance for impairment losses:-		
At 1 January	2,110,964	2,238,667
Exchange differences	2,593	2,593
Addition during the financial year	1,069,086	213,790
Reversal during the financial year	(172,277)	(67,509)
Write-off during the financial year	(376,287)	(277,006)
At 31 December	2,634,079	2,110,535

The Group's normal trade credit terms range from 30 to 90 (2020 – 30 to 90) days.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Other receivables:-				
- third parties	1,680,911	1,799,263	165,298	163,561
- related parties	55,226	74,459	4,600	9,011
- goods and services tax recoverable	272,475	460,448	-	26,618
	2,008,612	2,334,170	169,898	199,190
Deposits	2,758,130	3,074,958	-	-
Prepayments	4,913,756	4,926,416	262,877	105,156
Less: Allowance for impairment losses	(30,765)	-	-	-
	9,649,733	10,335,544	432,775	304,346
Allowance for impairment losses:-				
At 1 January	-	46,576	-	-
Addition during the financial year	30,765	-	-	-
Write-off during the financial year	-	(46,576)	-	-
At 31 December	30,765	-	-	-

The amount owing by related parties is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. AMOUNT OWING BY/(TO) SUBSIDIARIES

Included in the amount owing by subsidiaries is a sum of RM15,702,000 (2020 – RM22,600,000), which is unsecured advances granted to subsidiaries. The advances carry interest at rate ranging from 4.25% to 5.70% (2020 – 4.48% to 5.70%) per annum and are repayable on demand.

All other amounts are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

16. DEPOSITS WITH LICENSED BANKS

The deposits which represent overnight placements with licensed banks of the Group at the end of the reporting period bore effective interest at rates ranging from 0.05% to 2.75% (2020 – 0.15% to 2.75%) per annum.

17. SHARE CAPITAL

	The Group/The Company			
	2021	2020	2021	2020
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 31 December/ At 1 January	630,718,800	630,718,800	158,968,786	158,968,786

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

18. TREASURY SHARES

During the financial year, the Company has purchased Nil (2020 - 322,900) of its issued ordinary shares from the open market at an average price of RM Nil (2020 - RM0.35) per share. The total consideration paid for the purchase was RM Nil (2020 - RM112,205) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 630,718,800 (2020 - 630,718,800) issued and fully paid-up ordinary shares at the end of the reporting period, 4,074,100 (2020 - 4,074,100) ordinary shares are held as treasury shares by the Company.

19. RESERVES

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-distributable:-				
- foreign exchange translation reserve	(3,433,097)	(4,665,958)	-	-
Distributable:-				
- retained profits	161,053,633	149,061,197	29,324,677	32,999,254
	157,620,536	144,395,239	29,324,677	32,999,254

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. RESERVES (CONT'D)

Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

20. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Other payables:-				
- third parties	-	3,433,991	-	3,433,991
Current				
Other payables:-				
- third parties	9,221,848	6,651,111	6,975,391	3,181,554
- goods and services tax payables	-	53,353	-	-
Deposits	2,307,964	1,443,049	-	-
Accruals	10,429,528	13,835,670	499,965	603,965
	21,959,340	21,983,183	7,475,356	3,785,519
	21,959,340	25,417,174	7,475,356	7,219,510

Included in other payables is an amount of RM6,975,195 (2020 – RM6,615,376), which represents purchase consideration of an investment in an associate. The amount is repayable within 4 (2020 – 5) years and is subject to a late payment penalty fee of 6% (2020 – 6%) per annum.

21. BANK BORROWINGS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Long-term borrowings:-				
- term loans, secured	7,133,218	7,547,626	-	-
Short-term borrowings:-				
- bank overdrafts, secured	576,089	-	-	-
- bankers' acceptance, secured	25,785,255	22,995,306	-	-
- revolving credit, unsecured	6,000,000	12,000,000	6,000,000	12,000,000
- term loans, secured	819,369	1,024,754	-	-
	33,180,713	36,020,060	6,000,000	12,000,000
Total borrowings	40,313,931	43,567,686	6,000,000	12,000,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. BANK BORROWINGS (CONT'D)

The bank borrowings of the Group are secured by:-

(a) a fixed charge over certain subsidiaries' landed properties;

(b) a corporate guarantee provided by the Company; and

(c) a joint and several guarantee provided by certain directors of the Company

The repayment terms of the term loans are as follows:-

Term loan 1 at COF + 1.50% per annum	Repayable in 83 monthly instalments of RM5,250 each with a final instalment of RM194,250, effective from July 2014.
Term loan 2 at BLR + 0.70% per annum	Repayable in 180 monthly instalments of RM16,218 each, effective from March 2017.
Term loan 3 at CFR + 1.75% per annum	Repayable in 120 monthly instalments of RM10,519 each, effective from July 2018.
Term loan 4 at CFR + 1.75% per annum	Repayable in 120 monthly instalment of RM10,519 each effective from August 2018.
Term loan 5 at CFR + 1% per annum	Repayment in 120 monthly instalments of RM55,802 each, effective on the first day of the month following the full release of the term loan or the expiry of the initial Availability Period.

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rate ranging from 2.25% to 4.11% (2020 – 2.40% to 4.12%) per annum respectively.

The bank overdrafts of the Group at the end of the previous reporting period bore floating interest rates at 6.45% (2020 – 8.17%) per annum.

The revolving credit of the Company at the end of the reporting period bore effective interest at rate of 4.25% (2020 – 4.48%) per annum.

The term loans of the Group at the end of the reporting period bore effective interest at rate ranging from 3.30% to 4.84% (2020 – 3.30% to 4.36%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. LEASE LIABILITIES

	The Group	
	2021	**2020**
	RM	RM
At 1 January	19,277,513	12,803,701
Additions	2,404,432	10,592,927
Changes due to reassessment of lease term	213,234	-
Changes due to lease modification	(7,898)	-
Derecognition	-	(575,348)
Gain on derecognition of lease liabilities	-	(6,727)
Exchange differences	3,600	(4,800)
Interest expense recognised in profit or loss	916,072	409,623
Repayment principal	(2,887,955)	(3,532,240)
Repayment of interest expense	(916,072)	(409,623)
At 31 December	19,002,926	19,277,513
Analysed by:-		
Current liabilities	3,106,670	3,133,106
Non-current liabilities	15,896,256	16,144,407
	19,002,926	19,277,513

23. DEFERRED INCOME

	The Group	
	2021	**2020**
	RM	RM
Government grant	65,850	65,850
Less: Accumulated amortisation	(65,850)	(47,035)
	-	18,815

24. TRADE PAYABLES

	The Group	
	2021	**2020**
	RM	RM
Trade payables:-		
- third parties	18,075,798	14,027,366
- related parties	9,176,818	8,807,946
	27,252,616	22,835,312

The normal trade credit terms granted to the Group range from 60 to 90 (2020 – 60 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. PROVISION FOR EMPLOYEE BENEFITS

(a) The provision for employee benefits consist of the followings:-

	The Group 2021 RM	The Group 2020 RM
Defined benefit plans	856,540	880,817

The Group provides benefits for its employees who has reached the retirement age of 55 based on Government Regulation Number 35 Year 2021 (PP35/2021) for 2021 and the provision of Labour Law No. 13/2003 in Indonesia. The defined benefit plan is unfunded.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and investment risk.

The most recent actuarial valuation of the present value of the defined benefit plans were carried out by KKA Nandi and Sutana and PT Jasa Aktuaria Praptasentosa Gunajasa, a member of Institute of Actuaries Indonesia.

The following table shows a reconciliation from the opening balance to the closing balance for defined benefit plans and its components:-

	The Group 2021 RM	The Group 2020 RM
At 1 January	880,817	775,964
Recognised in Profit or Loss		
- current service cost	190,719	186,062
- past service cost	(190,770)	3,672
- interest cost	60,554	48,422
	60,503	238,156
Recognised in Other Comprehensive Income		
Remeasurement of defined benefit plans:-		
- effect of changes in financial assumptions	(60,468)	29,869
	(60,468)	29,869
Other		
Exchange differences	17,977	(22,798)
Utilisation during the financial year	(42,289)	(140,374)
At 31 December	856,540	880,817

(b) Principal actuarial assumptions at the end of the reporting period:-

	The Group 2021 RM	The Group 2020 RM
Discount rate	7%	7%
Salary growth rate	10%	10%
Normal retirement age	55	55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

(c) Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit plans by the amounts shown below:-

	The Group	
	2021	2020
	RM	RM
Discount rate		
Increase of 1%	(69,418)	(1,337)
Decrease of 1%	82,263	175,575
Salary growth rate		
Increase of 1%	75,984	168,416
Decrease of 1%	(65,717)	2,802

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

At 31 December 2021, the weighted-average duration of the defined benefit plans was 18.72 (2020 – 19.29) years.

26. REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cages rental income	11,848	13,362	-	-
Dividend income	-	-	10,000,000	12,264,000
Management fee	-	-	366,000	366,000
Trading sales	685,346,191	655,742,223	-	-
Transportation income	217,738	287,493	-	-
	685,575,777	656,043,078	10,366,000	12,630,000

The information on the disaggregation of revenue is disclosed in Note 36 to the financial statements.

27. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Impairment losses for the financial year	1,099,851	213,790	-	-
Reversal of impairment losses for the financial year	(172,277)	(67,509)	-	-
	927,574	146,281	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. PROFIT BEFORE TAXATION

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditor's remuneration:-				
- current financial year	510,893	448,852	86,000	86,000
- (over)/underprovision in the previous financial year	(2,000)	2,840	-	-
Allowance for stock obsolescence	290,935	700	-	-
Amortisation of government grant	(18,815)	-	-	-
Bad debts written off	146,298	68,929	-	-
Depreciation of investment properties	108,700	126,700	-	-
Depreciation of property, plant and equipment	22,974,470	22,153,616	160,647	160,370
Directors' remuneration (Note 34)	4,218,854	4,152,609	351,000	382,400
Dividend income:-				
- subsidiaries	-	-	(10,000,000)	(9,000,000)
- associates	-	-	-	(3,264,000)
Fair value loss/(gain) on biological assets	2,747,815	(983,807)	-	-
Gain on disposal of property, plant and equipment	(106,993)	(8,121)	-	-
Gain on modification of lease	(337)	-	-	-
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	21,193	13	-	-
- bankers' acceptance	660,029	880,490	-	-
- lease liabilities	916,072	409,623	-	-
- revolving credit	412,994	760,773	412,994	760,773
- term loans	74,678	103,378	-	-
Interest income				
- subsidiaries	-	-	(655,307)	(1,018,541)
- others	(352,387)	(373,772)	(1,737)	(1,705)
Gain on derecognition of lease contract	-	(6,727)	-	-
(Gain)/loss on foreign exchange:-				
- realised	(193,511)	(134,095)	-	-
- unrealised	(5,375)	7,056	-	-
Hiring of plant and equipment	3,600	3,600	-	-
Lease expenses:-				
- short-term leases	14,400	15,400	-	-
- low value assets	250	799	-	-
Lease income:-				
- rental income from investment properties	(675,600)	(472,100)	-	-
- sublease of right-of-use assets	(49,680)	(52,480)	-	-
Management fee	-	-	(366,000)	(366,000)
Property, plant and equipment written off	272,172	23,322	-	-
Rental income on:-				
- property, plant and equipment	(382,087)	(129,799)	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Rental expense on:-				
- office	60,117	13,800	-	-
- retail store	2,216,495	1,935,993	-	-
- rental factory	-	14,550	-	-
- rental warehouse	73,340	107,709	-	-
- rental of apartment	-	1,775	-	-
- rental of coldroom	-	7,486	-	-
- rental of farm	51,500	38,500	-	-
- rental of mess	-	1,734	-	-
- rental of ponds	219,222	239,394	-	-
- rental of worker room	77,540	67,320	-	-
- rental of equipment	192,347	178,100	-	-
Share of profits in an equity accounted associate	(5,533,296)	(6,465,440)	-	-
Staff cost:-				
- short-term employee benefits	51,015,485	50,409,445	442,072	400,392
- defined contribution plan	4,406,828	4,170,205	55,398	50,135

29. INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Income tax:				
- Malaysian tax	3,581,797	7,917,398	-	-
- Foreign tax	5,052,092	2,976,295	-	-
	8,633,889	10,893,693	-	-
Overprovision in previous financial year:-				
- Malaysian tax	(318,133)	(375,563)	-	-
Deferred tax (Note 10):-				
- origination and reversal of temporary differences	(149,688)	307,948	(53,250)	59,018
- (Over)/underprovision in previous financial year	(1,454,305)	(398,698)	(104,612)	8,994
	(1,603,993)	(90,750)	(157,862)	68,012
	6,711,763	10,427,380	(157,862)	68,012

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Profit before taxation	31,188,022	47,909,650	8,700,455	11,011,197
Tax at statutory tax rate of 24%	7,485,122	11,498,313	2,088,109	2,642,687
Tax effects of:-				
Deferred tax recognised at different tax rates	219,520	(262,116)	-	-
Non-taxable income	(1,614,676)	(2,091,265)	(2,513,319)	(3,073,805)
Non-deductible expenses	2,329,008	2,057,507	371,960	490,136
Deferred tax assets not recognised during the financial year	120,537	81,566	-	-
(Over)/underprovision in the previous financial year:-				
- current tax	(318,133)	(375,563)	-	-
- deferred tax	(1,454,305)	(398,698)	(104,612)	8,994
Others	(55,310)	(82,364)	-	-
Income tax expense for the financial year	6,711,763	10,427,380	(157,862)	68,012

30. OTHER COMPREHENSIVE INCOME

	The Group	
	2021	**2020**
	RM	RM
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>		
Remeasurement of defined benefit plans	49,071	(30,169)
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>		
Foreign exchange translation:-		
- changes during the financial year	1,232,861	(1,200,827)
	1,281,932	(1,230,996)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EARNINGS PER SHARE

	The Group	
	2021 RM	**2020** RM
Profit attributable to the owners of the Company (RM)	24,476,259	37,482,270
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	630,718,800	630,718,800
Effect of treasury shares held	(4,074,100)	(4,005,086)
Weighted average number of ordinary shares at 31 December	626,644,700	626,713,714
Basic earnings per share (sen)	3.91	5.98

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

32. DIVIDENDS

	The Company	
	2021 RM	**2020** RM
Ordinary Shares		
Final dividend of 2.00 sen (2020 - 0.50 sen) per ordinary share in respect of the previous financial year	12,532,894	3,133,223
First interim dividend of Nil (2020 - 1.25 sen) per ordinary share in respect of the previous financial year	-	7,833,059
	12,532,894	10,966,282

At the forthcoming Annual General Meeting, a final dividend of 1.25 sen per ordinary share amounting to RM7,883,985 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cost of property, plant and equipment purchased (Note 7)	23,815,344	35,806,255	11,558	-
Less: additions of new lease liabilities (Note (c) below)	(2,404,432)	(10,592,927)	-	-
	21,410,912	25,213,328	11,558	-

(b) The cash and cash equivalents comprise the followings:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	51,463,105	49,860,764	894,925	4,772,579
Deposits with licensed banks	6,318,588	9,266,229	-	-
Bank overdrafts	(576,089)	-	-	-
	57,205,604	59,126,993	894,925	4,772,579

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows: -

The Group	Bankers' Acceptance RM	Lease Liabilities RM	Revolving Credit RM	Term Loans RM	Total RM
2021					
At 1 January 2021	22,995,306	19,277,513	12,000,000	8,572,380	62,845,199
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	-	202,500	202,500
Repayment of principal	2,789,949	(2,887,955)	(6,000,000)	(822,293)	(6,920,299)
	2,789,949	(2,887,955)	(6,000,000)	(619,793)	(6,717,799)
Non-cash Changes					
Acquisition of new leases (Note 22)	-	2,404,432	-	-	-
Exchange differences (Note 22)	-	3,600	-	-	-
Reassessments/Modifications of leases (Note 22)	-	205,336	-	-	-
	-	2,613,368	-	-	-
At 31 December 2021	25,785,255	19,002,926	6,000,000	7,952,587	56,127,400

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

The Group	Bankers' Acceptance RM	Lease Liabilities RM	Revolving Credit RM	Term Loans RM	Total RM
2020					
At 1 January 2020	25,279,050	12,803,701	18,000,000	6,994,190	63,076,941
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	-	1,945,000	1,945,000
Repayment of principal	(2,283,744)	(3,532,240)	(6,000,000)	(366,810)	(12,182,794)
	(2,283,744)	(3,532,240)	(6,000,000)	1,578,190	(10,237,794)
Non-cash Changes					
Acquisition of new leases (Note 22)	-	10,592,927	-	-	10,592,927
Derecognition of lease contract (Note 22)	-	(575,348)	-	-	(575,348)
Gain on derecognition of lease contract (Note 22)	-	(6,727)	-	-	(6,727)
Exchange differences (Note 22)	-	(4,800)	-	-	(4,800)
	-	10,006,052	-	-	10,006,052
At 31 December 2020	22,995,306	19,277,513	12,000,000	8,572,380	62,845,199

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows (cont'd): -

The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2021			
At 1 January 2021	1,421,140	12,000,000	13,421,140
Changes in Financing Cash Flows			
Repayment to subsidiaries	(130,058)	-	(130,058)
Repayment of borrowing principal	-	(6,000,000)	(6,000,000)
	(130,058)	(6,000,000)	(6,130,058)
At 31 December 2021	1,291,082	6,000,000	7,291,082

The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2020			
At 1 January 2020	3,538,685	18,000,000	21,538,685
Changes in Financing Cash Flows			
Repayment to subsidiaries	(2,117,545)	-	(2,117,545)
Repayment of borrowing principal	-	(6,000,000)	(6,000,000)
	(2,117,545)	(6,000,000)	(8,117,545)
At 31 December 2020	1,421,140	12,000,000	13,421,140

(d) The total cash outflows for leases as a leasee are as follows:-

	The Group		The Company	
	2021 RM	**2020** RM	**2021** RM	**2020** RM
Interest paid on lease liabilities	916,072	409,623	-	-
Payment of lease liabilities	2,887,955	3,532,240	-	-
Payment of short-term leases	14,400	15,400	-	-
Payment of leases of low-value assets	250	799	-	-
	3,818,677	3,958,062	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

(a) Directors

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
<u>Directors of the Company</u>				
Executive Directors				
Short-term employee benefits:-				
- fees	72,380	82,480	62,900	73,000
- salaries, bonuses and other benefits	2,930,041	2,789,962	-	-
	3,002,421	2,872,442	62,900	73,000
Defined contribution plan	292,308	277,562	-	-
	3,294,729	3,150,004	62,900	73,000
Non-executive Directors				
Short-term employee benefits:-				
- fees	306,460	327,760	288,100	309,400
	3,601,189	3,477,764	351,000	382,400
<u>Directors of the Subsidiaries</u>				
Executive Directors				
Short-term employee benefits:-				
- fees	840	1,200	-	-
- salaries, bonuses and other benefits	570,960	617,370	-	-
	571,800	618,570	-	-
Defined contribution plan	45,865	56,275	-	-
	617,665	674,845	-	-
Total directors' remuneration (Note 28)	4,218,854	4,152,609	351,000	382,400

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries:-				
- accounting fee	-	-	24,000	24,000
- advisory fee income	-	-	53,400	53,400
- dividend income	-	-	10,000,000	9,000,000
- donations	-	-	3,947	6,029
- interest income	-	-	655,307	1,018,541
- management income	-	-	366,000	366,000
- service income	-	-	49,349	59,733
- sundry income	-	-	2,855	1,441
Associate:-				
- dividend income	-	-	-	3,264,000
- purchase of products	120,880,022	101,888,463	-	-
- freight charges	1,469,199	1,764,476	-	-
- sales	-	13,566	-	-
Companies in which the directors and their close family members have substantial financial interests:-				
- advisory fee	9,000	9,000	9,000	9,000
- purchase of products	30,019	60,374	-	-
- sale of products	-	633,460	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 5 main reportable segments as follows:-

- Poultry Segment – involved in the rearing and production of poultry products.
- Prawn Segment – involved in the rearing and production of prawn and seafood products.
- Food Service Segment – involved in the supply and trading of food products and related services.
- Retail Segment – involved in the trading of coldstorage products.
- Corporate Segment – involved in the provision of management services.

(a) The Group Managing Director assesses the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2021	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	83,679,281	20,335,990	5,910,243	575,650,263	-	685,575,777
Inter-segment revenue	197,659,278	18,808,548	10,767	83,142,805	10,366,000	309,987,398
	281,338,559	39,144,538	5,921,010	658,793,068	10,366,000	995,563,175
Consolidation adjustments						(309,987,398)
Consolidated revenue						685,575,777
Results						
Segment profit before interest and taxation	(6,074,911)	709,383	(1,529)	35,223,370	9,238,377	39,094,690
Finance costs						(2,084,966)
Share of results in an associate						5,533,296
Consolidation adjustments						(11,354,998)
Consolidated profit before taxation						31,188,022

Segment profit before interest and taxation includes the followings:-

	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Interest expense	232,767	3,266	-	519,867	412,994	1,168,894
Interest income	(1,225)	(70,712)	(6,057)	(272,656)	(1,737)	(352,387)
Interest expense on lease liabilities	9,598	15,340	-	891,134	-	916,072
Depreciation of investment properties	-	-	-	108,700	-	108,700
Depreciation of property, plant and equipment	6,342,709	662,519	160,732	15,777,682	30,828	22,974,470
Other material non-cash items	277,822	177,134	54,873	745,698	-	1,255,527
Share of results in an associate	-	-	-	-	5,533,296	5,533,296

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2021	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	89,612,814	20,537,378	7,707,754	265,964,906	11,035,948	394,858,800
Unallocated assets:-						
- investment in an associate						35,221,195
- goodwill						380,224
- deferred tax assets						1,792,025
- current tax assets						2,843,568
Consolidated total assets						435,095,812
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	6,443,550	253,576	1,573,450	15,011,605	533,163	23,815,344
Liabilities						
Segment liabilities	26,761,427	1,877,392	943,651	48,707,659	18,502,335	96,792,464
Unallocated liabilities:-						
- deferred tax liabilities						8,380,469
- lease liabilities						19,002,926
- current tax liabilities						3,081,003
- consolidated adjustments						(6,410,037)
Consolidated total liabilities						120,846,825

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2020	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	96,900,356	18,347,752	13,522,013	527,272,957	-	656,043,078
Inter-segment revenue	193,339,776	13,484,642	11,210	92,636,589	12,630,000	312,102,217
	290,240,132	31,832,394	13,533,223	619,909,546	12,630,000	968,145,295
Consolidation adjustments						(312,102,217)
Consolidated revenue						656,043,078
Results						
Segment profit before interest and taxation	9,564,187	629,263	1,624,746	33,851,731	11,898,098	57,568,025
Finance costs						(2,154,277)
Share of results in an associate						6,465,440
Consolidation adjustments						(13,969,538)
Consolidated profit before taxation						47,909,650
Segment profit before interest and taxation includes the followings:-						
Interest expense	338,292	7,357	-	638,232	760,773	1,744,654
Interest income	(2,402)	(44,979)	(12,399)	(312,287)	(1,705)	(373,772)
Interest expense on lease liabilities	7,694	27,252	-	374,677	-	409,623
Depreciation of investment properties	-	-	-	126,700	-	126,700
Depreciation of property, plant and equipment	7,044,137	640,727	152,154	14,286,047	30,551	22,153,616
Other material non-cash items	(6,965)	(15,256)	(235)	261,227	-	238,771
Share of results in an associate	-	-	-	-	6,465,440	6,465,440

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2020	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	95,064,448	22,837,531	6,348,876	254,790,206	14,035,900	393,076,961
Unallocated assets:-						
- investment in an associate						29,687,899
- goodwill						380,224
- deferred tax assets						1,593,117
- current tax assets						1,161,961
Consolidated total assets						425,900,162
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	3,687,931	347,173	550	29,681,124	2,089,477	35,806,255
Liabilities						
Segment liabilities	24,672,854	2,160,447	735,077	47,505,574	24,333,470	99,407,422
Unallocated liabilities:-						
- deferred tax liabilities						9,766,525
- lease liabilities						19,277,513
- current tax liabilities						3,112,630
- consolidated adjustments						(6,687,618)
Consolidated total liabilities						124,876,472

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current Assets	
	2021	**2020**	**2021**	**2020**
Group	RM	RM	RM	RM
Australia	1,022,831	537,242	-	-
Indonesia	138,627,277	116,089,567	37,732,216	35,632,472
Hong Kong	-	260,600	-	-
Japan	5,880,502	6,851,922	-	-
Korea	1,685,177	-	-	-
Middle East	-	343,512	-	-
Malaysia	537,834,618	531,212,386	218,607,764	213,608,429
Taiwan	525,372	747,849	-	-
	685,575,777	656,043,078	256,339,980	249,240,901

MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

37. CAPITAL COMMITMENTS

	The Group	
	2021	**2020**
	RM	RM
Purchase of property, plant and equipment	352,500	439,760

38. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2021	**2020**
	RM	RM
Performance guarantee extended by a subsidiary to third parties	4,017,736	4,427,171

The performance guarantee is supported by a corporate guarantee provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

39.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Indonesian Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2021				
Financial Assets				
Trade receivables	6,453,881	1,419,859	28,093,694	35,967,434
Other receivables and deposits	161,700	-	4,301,802	4,463,502
Deposits with licensed banks	-	-	6,318,588	6,318,588
Cash and bank balances	22,894,034	3,848	28,565,223	51,463,105
	29,509,615	1,423,707	67,279,307	98,212,629
Financial Liabilities				
Trade payables	8,518,307	-	18,734,309	27,252,616
Other payables, deposits and accruals	4,331,914	-	17,627,426	21,959,340
Bank borrowings:-				
- bank overdrafts	-	-	576,089	576,089
- other borrowings	-	-	39,737,842	39,737,842
Lease liabilities	-	-	19,002,926	19,002,926
	12,850,221	-	95,678,592	108,528,813
Net financial assets/(liabilities)	16,659,394	1,423,707	(28,399,285)	(10,316,184)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(16,659,394)	-	28,399,285	11,739,891
Currency exposure	-	1,423,707	-	1,423,707

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2020				
Financial Assets				
Trade receivables	6,956,459	918,591	24,757,997	32,633,047
Other receivables and deposits	540,741	-	4,407,939	4,948,680
Deposits with licensed banks	-	-	9,266,229	9,266,229
Cash and bank balances	14,437,930	459,628	34,963,206	49,860,764
	21,935,130	1,378,219	73,395,371	96,708,720
Financial Liabilities				
Trade payables	6,930,863	-	15,904,449	22,835,312
Other payables, deposits and accruals	3,950,325	-	21,413,496	25,363,821
Bank borrowings:-				
- other borrowings	-	-	43,567,686	43,567,686
Lease liabilities	-	-	19,277,513	19,277,513
	10,881,188	-	100,163,144	111,044,332
Net financial assets/(liabilities)	11,053,942	1,378,219	(26,767,773)	(14,335,612)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(11,053,942)	-	26,767,773	15,713,831
Currency exposure	-	1,378,219	-	1,378,219

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		2021	**2020**
		RM	RM
Effects on Profit after Taxation			
USD/RM	– strengthened by 10%	+ 108,000	+ 105,000
	– weakened by 10%	- 108,000	- 105,000
Effects on Equity			
IDR/RM	– strengthened by 10%	+ 1,266,000	+ 840,000
	– weakened by 10%	- 1,266,000	- 840,000
USD/RM	– strengthened by 10%	+ 108,000	+ 105,000
	– weakened by 10%	- 108,000	- 105,000

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2021	**2020**
	RM	RM
Effects on Profit after Taxation		
Increase of 25 basis points	- 15,000	- 16,000
Decrease of 25 basis points	+ 15,000	+ 16,000
Effects on Equity		
Increase of 25 basis points	- 15,000	- 16,000
Decrease of 25 basis points	+ 15,000	+ 16,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including deposits with licensed banks and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM30,989,382 (2020: RM29,371,453), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition was not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery despite they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:-

- significant financial difficulty of the receivable;
- a breach of contract, such as a default or a past due event;
- restructuring of a debt in relation to the receivable's financial difficulty;
- it is becoming probable that the receivable will enter bankruptcy and other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 150 days as credit impaired and assesses for their risk of loss individually. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

The expected loss rates are based on the historical credit losses experienced, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2021			
Current (not past due)	24,097,766	(4,535)	24,093,231
1 to 30 days past due	4,879,754	(8,814)	4,870,940
31 to 60 days past due	1,975,098	(9,092)	1,966,006
61 to 90 days past due	657,674	(71,945)	585,729
More than 90 days past due	5,216,860	(1,092,495)	4,124,365
	36,827,152	(1,186,881)	35,640,271
Credit impaired:-			
- individually impaired	1,774,361	(1,447,198)	327,163
	38,601,513	(2,634,079)	35,967,434

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2020			
Current (not past due)	22,295,222	-	22,295,222
1 to 30 days past due	4,764,889	-	4,764,889
31 to 60 days past due	1,458,885	-	1,458,885
61 to 90 days past due	857,759	-	857,759
More than 90 days past due	3,777,080	(873,381)	2,903,699
	33,153,835	(873,381)	32,280,454
Credit impaired:-			
- individually impaired	1,589,747	(1,237,154)	352,593
	34,743,582	(2,110,535)	32,633,047

The movements in the loss allowances in respect of trade receivables are disclosed in Note 13 to the financial statements.

Other Receivables (Including Related Parties)

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Including Related Parties) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis.

Loss allowance is measured on either 12-month or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2021			
Low credit risk	4,463,502	-	4,463,502
Credit impaired	30,765	(30,765)	-
	4,494,267	(30,765)	4,463,502
2020			
Low credit risk	4,948,680	-	4,948,680

The movements in the loss allowances in respect of other receivables are disclosed in Note 14 to the financial statements.

Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable other than those which had already impaired in the previous financial year.

Financial Guarantees Contract

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2021							
Trade and other payables							
- interest bearing	6.00	6,975,195	7,311,177	3,604,890	2,656,410	1,049,877	-
- non-interest bearing	-	42,236,761	42,236,761	42,236,761	-	-	-
Borrowings:-							
- bank overdraft	6.45	576,089	576,089	576,089	-	-	-
- bankers' acceptance	2.25 - 4.11	25,785,255	25,785,255	25,785,255	-	-	-
- revolving credit	4.25	6,000,000	6,000,000	6,000,000	-	-	-
- term loans	3.30 - 4.84	7,952,587	8,521,652	1,116,686	1,116,686	5,509,816	778,464
Lease liabilities	4.41 - 6.45	19,002,926	22,786,560	3,987,077	3,386,610	9,138,633	6,274,240
		108,528,813	113,217,494	83,306,758	7,159,706	15,698,326	7,052,704

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2020							
Trade and other payables							
- interest bearing	6.00	6,615,376	7,311,177	3,604,890	2,656,410	1,049,877	-
- non-interest bearing	-	41,583,757	41,583,737	41,583,737	-	-	-
Borrowings:-							
- bankers' acceptance	2.40 - 4.12	22,995,306	22,995,306	22,995,306	-	-	-
- revolving credit	4.48	12,000,000	12,000,000	12,000,000	-	-	-
- term loans	3.30 - 4.36	8,572,380	9,096,473	5,770,211	447,072	1,906,110	973,080
Lease liabilities	4.41 - 9.36	19,277,513	23,647,360	3,958,690	3,381,557	9,152,693	7,154,420
		111,044,332	116,634,053	89,912,834	6,485,039	12,108,680	8,127,500

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM
2021						
Trade and other payables						
- interest bearing	6.00	6,975,195	7,311,177	3,604,890	2,656,410	1,049,877
- non-interest bearing	-	500,161	500,161	500,161	-	-
Amount owing to subsidiaries	-	1,291,082	1,291,082	1,291,082	-	-
Borrowings:-						
- revolving credit	4.25	6,000,000	6,000,000	6,000,000	-	-
Financial guarantee contract *	-	-	30,989,382	30,989,382	-	-
		14,766,438	46,091,802	42,385,515	2,656,410	1,049,877

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM
2020						
Trade and other payables						
- interest bearing	6.00	6,615,376	7,311,177	3,604,890	2,656,410	1,049,877
- non-interest bearing	-	604,134	604,134	604,134	-	-
Amount owing to subsidiaries	-	1,421,140	1,421,140	1,421,140	-	-
Borrowings:-						
- revolving credit	4.48	12,000,000	12,000,000	12,000,000	-	-
Financial guarantee contract *	-	-	29,371,453	29,371,453	-	-
		20,640,650	50,707,904	47,001,617	2,656,410	1,049,877

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2021	**2020**
	RM	RM
Bank borrowings:-		
- bank overdrafts	576,089	-
- lease liabilities	19,002,926	19,277,513
- other borrowings	39,737,842	43,567,686
	59,316,857	62,845,199
Less: Deposits with licensed banks	(6,318,588)	(9,266,229)
Less: Cash and bank balances	(51,463,105)	(49,860,764)
Net debt	1,535,164	3,718,206
Total equity	314,248,987	301,023,690
Debt-to-equity ratio	0.00	0.01

There was no change in the Group's approach to capital management during the financial year.

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	35,967,434	32,633,047	-	-
Other receivables and deposits	4,463,502	4,948,680	169,898	172,572
Amount owing by subsidiaries	-	-	84,779,781	96,588,118
Deposits with licensed banks	6,318,588	9,266,229	-	-
Cash and bank balances	51,463,105	49,860,764	894,925	4,772,579
	98,212,629	96,708,720	85,844,604	101,533,269

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	27,252,616	22,835,312	-	-
Other payables, deposits and accruals	21,959,340	25,363,821	7,475,356	7,219,510
Amount owing to subsidiaries	-	-	1,291,082	1,421,140
Bank borrowings:-				
- bank overdrafts	576,089	-	-	-
- other borrowings	39,737,842	43,567,686	6,000,000	12,000,000
Lease liabilities	19,002,926	19,277,513	-	-
	108,528,813	111,044,332	14,766,438	20,640,650

39.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Financial Assets				
<u>Amortised Cost</u>				
Net losses/(gains) recognised in profit or loss	575,187	(227,491)	(1,737)	(1,705)
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	1,168,894	1,744,654	412,994	760,773

39.5 FAIR VALUE INFORMATION

As the end of the reporting period, there were no financial instruments carried at fair values in the statement of the financial position.

The fair values of the financial assets and financial liabilities of the Group maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair values of the term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

AUDIT AND NON-AUDIT FEES

The amount of audit fees payable to the Company's external auditors, Messrs Crowe Malaysia PLT ("CM") for the financial year ended 31 December 2021 by the Company and the Group are RM86,000 and RM370,500 respectively. The amount of non-audit fees incurred for services rendered to the Company and the Group for the financial year ended 31 December 2021 to CM and a firm or corporation affiliated to CM amounted to RM90,200 and RM163,100 respectively.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year under review.

MATERIAL CONTRACT INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

LIST OF TOP 10 PROPERTIES
AS AT 31 DECEMBER 2021

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Jl. Bhumimas I No. 9, Kawasan Industrial Cikupamas Cikupa Tangerang 15710 Banten, Indonesia	Factory, Office and Warehouse	Leasehold Expiring on 17.06.2028	31.12.2020	21	2.802	13,370,300
Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibu, Sarawak	Corporate Office, Coldroom and Warehouse	Leasehold Expiring on 10.01.2071	31.12.2020	15	3.571	11,019,308
H.S.(D.) No. 19776 P.T. No. 22244 Mukim of Batu Daerah Gombak State of Selangor	Industrial Factory	Freehold	31.12.2021	21	0.518	11,075,000
Lot 999, Section 66 Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak	Corporate Office, Coldroom and Abattoir	Leasehold Expiring on 24.09.2117	31.12.2020	26	5.671	9,766,565
Lot 511, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	31.12.2020	9	17.295	
Bau Occupation Ticket No. 3574, Bau Land District, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	31.12.2020	9	30.999	7,852,006
Lot 16, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	31.12.2020	9	10.459	
Lot 2704, Block 24 Muara Tuang Land District Sarawak	Vegetable Farm	Leasehold Expiring on 16.05.2073	31.12.2020	4	12.531	6,885,537
Country Lease No. 025092602 Papar District of Papar, Sabah	Broiler Farm	Leasehold Expiring on 02.07.2929	31.12.2021	10	12.320	6,301,595

LIST OF TOP 10 PROPERTIES (Cont'd)
AS AT 31 DECEMBER 2021

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Lot 123, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 19.04.2116	31.12.2020	19	12.390	
Lot 124, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 09.02.2116	31.12.2020	19	33.169	6,063,391
Lot 202, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 10.04.2077	31.12.2020	19	2.720	
Lot 203, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 17.04.2077	31.12.2020	19	4.960	
Lot 604, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 19.04.2116	31.12.2020	31	15.250	
Lot 650, Block 9 Senggi-Poak Land District Bau, Sarawak	Vacant land	Leasehold Expiring on 11.05.2116	31.12.2020	-	5.501	5,901,049
Lot 1097, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 18.04.2116	31.12.2020	31	14.443	
Bau Occupation Ticket No. 2596 of 1934, Bau Land District, Sarawak	Breeder Farm	Leasehold Expiring on 21.11.2116	31.12.2020	31	8.520	
Country Lease No. 025339753 & 025339762 Lok Kawi, District of Papar Sabah	Factory, Office and Warehouse	Leasehold Expiring on 31.12.2042	31.12.2021	24	2.679	5,591,500

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2022

SHARE CAPITAL

Total number of issued shares	:	630,718,800
Issued share capital	:	RM158,968,786
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

No. of holders	Size of shareholdings	% of holders	No. of shares	% of issued capital#
105	less than 100 shares	2.15	4,080	0.00
769	100 - 1,000 shares	15.72	405,383	0.07
2,254	1,001 - 10,000 shares	46.09	11,451,932	1.83
1,513	10,001 - 100,000 shares	30.93	45,844,817	7.34
246	100,001 - less than 5% of issued shares	5.03	256,860,472	41.14
4	5% and above of issued shares	0.08	309,858,716	49.62
4,891	**-**	**100.00**	**624,425,400**	**100.00**

Note:

excluding 6,293,400 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 1 April 2022.

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 1 April 2022)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.13	-	-
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.57	138,170,076[a]	22.13
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.38	-	-
4.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.55	241,596,156[b]	38.69
5.	Lau Liong Kii	14,740,752[c]	2.36	27,043,084[d]	4.33
6.	Puan Sri Datin Wong Bak Hee	2,589,224	0.42	241,596,156[b]	38.69
7.	Tiong Chiong Hiiung	1,699,624	0.27	241,596,156[e]	38.69
8.	Tiong Chiong Soon	1,515,360	0.24	241,596,156[e]	38.69
9.	Chong Shaw Fui	-	-	33,591,272[f]	5.38

Notes:

excluding 6,293,400 ordinary shares bought back and retained as treasury shares as at 1 April 2022.

(a) *Deemed interested through its wholly-owned subsidiary, Central Coldstorage Sarawak Sdn. Bhd.*

(b) *Deemed interested by virtue of their substantial shareholdings in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.*

(c) *3,204,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 3,882,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

(d) *Deemed interested by virtue of his substantial shareholding in Unione Enterprise (S) Sdn. Bhd.*

(e) *Deemed interested by virtue of their directorships in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.*

(f) *Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.*

ANALYSIS OF SHAREHOLDINGS (Cont'd)
AS AT 1 APRIL 2022

DIRECTORS' INTERESTS
(As per the Register of Directors' Shareholdings as at 1 April 2022)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.55	244,185,380[(a)]	39.11
2.	Chong Shaw Fui	-	-	33,601,272[(b)]	5.38
3.	Tiong Chiong Hiiung	1,699,624	0.27	244,567,888[(c)]	39.17
4.	Tiong Chiong Soon	1,515,360	0.24	241,596,156[(d)]	38.69
5.	Kueh Chung Peng	11,420,664[(e)]	1.83	4,307,400[(f)]	0.69
6.	Lau Liong Kii	14,740,752[(g)]	2.36	43,280,352[(h)]	6.93
7.	Ling Ting Leong @ Ling Chong Seng	521,428[(i)]	0.08	3,311,988[(j)]	0.53
8.	Datuk Temenggong Janggu anak Banyang	198,400	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

The Directors by virtue of their interests in shares in the Company are also deemed to have interests in shares in all of its related corporations to the extent the Company has an interest, pursuant to Section 8 of the Companies Act 2016.

Notes:

\# *excluding 6,293,400 ordinary shares bought back and retained as treasury shares as at 1 April 2022.*

(a) *Deemed interested by virtue of his substantial shareholdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.*

(b) *Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd. and the interest of his child in the Company.*

(c) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.*

(d) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.*

(e) *9,795,892 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 1,624,772 shares are held through RHB Nominees (Tempatan) Sdn. Bhd.*

(f) *Deemed interested by virtue of the interest of his children in the Company.*

(g) *3,204,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 3,882,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

(h) *Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.*

(i) *393,132 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.*

(j) *Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd. and De Supreme Sdn. Bhd.*

ANALYSIS OF SHAREHOLDINGS (Cont'd)
AS AT 1 APRIL 2022

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of shares	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.13
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.56
3.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.55
4.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.38
5.	Unione Enterprise (S) Sdn. Bhd.	27,043,084	4.33
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	19,819,100	3.17
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	14,142,800	2.26
8.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	11,439,200	1.83
9.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (MQ0352)	9,795,892	1.57
10.	Lau Liong Kii	7,653,760	1.23
11.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	7,021,300	1.12
12.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	6,555,876	1.05
13.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	6,365,032	1.02
14.	Annie Lau Ting Ting	5,463,072	0.87
15.	Wong See Khong	5,116,268	0.82
16.	Betty Lau Mei Mei	4,800,932	0.77
17.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	4,400,900	0.70
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii (MQ0348)	3,882,896	0.62
19.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Exempt an for Petroliam Nasional Berhad (KIB)	3,825,700	0.61
20.	Tiong Su Sing	3,726,000	0.60
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	3,664,100	0.59
22.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	3,554,800	0.57
23.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	3,204,096	0.51
24.	Wong Kee Hung	3,001,040	0.48
25.	Ng Ai Choo	2,967,500	0.48
26.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Ai Choo (MQ0359)	2,880,960	0.46
27.	Wong Poh Hwa	2,788,788	0.45
28.	Yong Hua Tang	2,773,332	0.44
29.	Hou, Hsin-Min	2,769,100	0.44
30.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tiong Sie Mew (MQ0172)	2,630,000	0.42

Note:

 # excluding 6,293,400 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 1 April 2022.

ANALYSIS OF WARRANT HOLDINGS
AS AT 1 APRIL 2022

WARRANT

Total number of warrants issued : 315,359,400
Exercise price of the warrants : RM0.90 each
Expiry date of the warrants : 18 June 2023

No. of holders	Size of holdings	% of holders	No. of warrants	% of issued warrants
202	less than 100 warrants	7.49	8,046	0.00
526	100 - 1,000 warrants	19.51	270,362	0.09
817	1,001 - 10,000 warrants	30.30	5,464,317	1.73
885	10,001 - 100,000 warrants	32.84	35,247,506	11.18
264	100,001 - less than 5% of issued warrants	9.79	153,571,091	48.70
2	5% and above of issued warrants	0.07	120,798,078	38.30
2,696	**-**	**100.00**	**315,359,400**	**100.00**

DIRECTORS' INTERESTS
(As per the Register of Directors' Warrant Holdings as at 1 April 2022)

No.	Name	No. of Warrants held			
		Direct Interest	%	Indirect Interest	%
1.	Tan Sri Datuk Tiong Su Kouk	11,960,644	3.79	120,798,078[(a)]	38.31
2.	Chong Shaw Fui	-	-	-	-
3.	Tiong Chiong Hiiung	849,812	0.27	122,283,944[(b)]	38.78
4.	Tiong Chiong Soon	757,680	0.24	120,798,078[(c)]	38.31
5.	Kueh Chung Peng	1,226,682[(d)]	0.39	2,034,300[(e)]	0.65
6.	Lau Liong Kii	6,340,276[(f)]	2.01	16,738,772[(g)]	5.31
7.	Ling Ting Leong @ Ling Chong Seng	60,048	0.02	-	-
8.	Datuk Temenggong Janggu anak Banyang	99,200	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

Notes:

(a) *Deemed interested by virtue of his substantial holdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.*

(b) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.*

(c) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.*

(d) *464,296 warrants are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 762,386 warrants are held through RHB Nominees (Tempatan) Sdn. Bhd.*

(e) *Deemed interested by virtue of the interest of his children in the Company.*

(f) *1,602,048 warrants are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 911,348 warrants are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

(g) *Deemed interested by virtue of his substantial holdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.*

ANALYSIS OF WARRANT HOLDINGS (Cont'd)
AS AT 1 APRIL 2022

THIRTY LARGEST WARRANT ACCOUNTS HOLDERS

No.	Name	No. of warrants	%
1.	Central Coldstorage Sarawak Sdn. Bhd.	69,085,038	21.91
2.	S.K. Tiong Enterprise Sdn. Bhd.	51,713,040	16.40
3.	Unione Enterprise (S) Sdn. Bhd.	13,521,542	4.29
4.	Tan Sri Datuk Tiong Su Kouk	11,960,644	3.79
5.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Loo Hock Yeaw (E-KLG)	5,000,000	1.59
6.	Khairul Azuan Bin Othman	4,851,200	1.54
7.	Lau Liong Kii	3,826,880	1.21
8.	Tan Kuan Kae	3,000,000	0.95
9.	Wong See Khong	2,568,134	0.81
10.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	2,404,838	0.76
11.	Wong Wai Sun	2,200,000	0.70
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	2,121,216	0.67
13.	Kueh Tze Siong	2,034,300	0.65
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Ngie Eng	2,000,000	0.63
15.	Maybank Nominees (Tempatan) Sdn. Bhd. - Ukashah Bin Md Zubi	2,000,000	0.63
16.	Sia Chew Hea	1,857,800	0.59
17.	Wong Peng Wen	1,809,000	0.57
18.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chan Kok Heng	1,796,000	0.57
19.	Tem Tem Song	1,736,000	0.55
20.	Goh Choun Mooi	1,650,000	0.52
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	1,602,048	0.51
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii (MQ0507)	1,600,000	0.51
23.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	1,554,600	0.49
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Johnathan Wong Qin Yuan	1,516,800	0.48
25.	Low Kai Yee	1,500,000	0.48
26.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Low Wai Chun (MY2655)	1,480,000	0.47
27.	Wong Kee Hung	1,423,520	0.45
28.	Yong Hua Tang	1,386,666	0.44
29.	Huang Wie Poh	1,359,600	0.43
30.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for David Ling Howe Kim	1,166,700	0.37

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of CCK Consolidated Holdings Berhad ("the Company") will be held at Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Thursday, 26 May 2022 at 12.00 noon to transact the following businesses:

A G E N D A

AS ORDINARY BUSINESS:

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.	*(Please refer to Note 1)*
2.	To declare and approve the payment of a first and final single-tier dividend of 1.25 sen per share in respect of the financial year ended 31 December 2021.	Resolution 1
3.	To approve the payment of Directors' fees for the financial year ended 31 December 2021.	Resolution 2
4.	To approve the meeting allowance payable to the Directors for the year ending 31 December 2022 until the next annual general meeting of the Company to be held in 2023.	Resolution 3
5.	To re-elect the following Directors retiring pursuant to Article 122 of the Company's Constitution and being eligible, have offered themselves for re-election:	
	(i) Chong Shaw Fui	Resolution 4
	(ii) Tiong Chiong Hiiung	Resolution 5
	(iii) Datuk Temenggong Janggu anak Banyang	Resolution 6
6.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.	Resolution 7

AS SPECIAL BUSINESS:

7. To consider and, if thought fit, pass the following ordinary resolutions pursuant to the Malaysian Code on Corporate Governance:

Continuation in office as Independent Non-Executive Directors

(i)	"THAT, subject to the passing of Resolution 6, approval be and is hereby given to Datuk Temenggong Janggu anak Banyang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."	Resolution 8
(ii)	"THAT, approval be and is hereby given to Datu Haji Putit bin Matzen who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."	Resolution 9
(iii)	"THAT, approval be and is hereby given to Bong Wei Leong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."	Resolution 10

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

8. To consider and if thought fit, pass the following ordinary resolution:

Proposed renewal of authority for the Company to purchase its own shares Resolution 11

"THAT, subject always to the Companies Act 2016 (as may be amended, modified or re-enacted from time to time) ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, where applicable, the Company be hereby unconditionally and generally authorised to purchase and/or hold such an amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and an amount of funds not exceeding the Company's total retained profits at the time of purchase be allocated by the Company for the Proposed Share Buy-Back AND THAT such shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company;

AND FURTHER THAT the authority hereby given will commence immediately upon the passing of this resolution and will continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting.

whichever occurs first, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities."

9. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a first and final single-tier dividend of 1.25 sen per share in respect of the financial year ended 31 December 2021, if approved at the Twenty-Sixth Annual General Meeting, will be payable on 20 June 2022 to depositors whose names appear in the Record of Depositors on 2 June 2022.

A depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the depositor's securities account before 4.30 p.m. on 2 June 2022 in respect of transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

Voon Jan Moi *(MAICSA 7021367)*
(SSM Practising Certificate No. 202008001906)

Yap Hui Yih *(MAICSA 7048748)*
(SSM Practising Certificate No. 202008000570)
Joint Company Secretaries

Dated: 27 April 2022
Kuching, Sarawak

NOTES:

1. This agenda item is meant for discussion only as under the provision of Section 340 of the Companies Act 2016 and the Company's Constitution, the Audited Financial Statements do not require the formal approval of shareholders and hence, this matter will not be put forward for voting.

2. **Re-election of Director**

   The Nomination Committee has assessed the contribution of Chong Shaw Fui, Tiong Chiong Hiiung and Datuk Temenggong Janggu anak Banyang as well as the independence of Datuk Temenggong Janggu anak Banyang and was satisfied with their performance and recommended for their re-election. The Board endorsed the Nomination Committee's recommendation that Chong Shaw Fui, Tiong Chiong Hiiung and Datuk Temenggong Janggu anak Banyang be re-appointed as Directors of the Company.

3. **Continuation in office as Independent Non-Executive Directors pursuant to the Malaysian Code on Corporate Governance**

   The Nomination Committee and the Board have assessed the independence of Datuk Temenggong Janggu anak Banyang, Datu Haji Putit bin Matzen and Bong Wei Leong. All of them have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years. The Board recommended them to continue to act as Independent Non-Executive Directors of the Company, based on the following justifications:

   (a) their experience, expertise, and networking have significant contribution to the operation and performance of the Group;

   (b) they participating in deliberations at Board meetings actively by providing unbiased and independent views, expressing disagreements, and stand up for their independent points of view for the best interest of the Group, shareholders, employees and other stakeholders as a whole; and

   (c) they fulfil the criteria as independent directors stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore can be entrusted to discharge their duties impartially and constructively.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

4. Proposed renewal of authority for purchase of own shares by the Company

The proposed Resolution 11 if passed, will renew the authority for the Company to purchase and/or hold its own shares up to ten per cent (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. This authority will expire at the conclusion of the next annual general meeting, unless revoked or varied by ordinary resolution passed by shareholders at general meeting.

Please refer to the Statement to Shareholders dated 27 April 2022 for further information.

5. Proxy

(a) A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(b) To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(c) If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

(d) A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(e) Where a Member 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 the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(f) Depositors whose names appear in the Record of Depositors as at 18 May 2022 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

CCK CONSOLIDATED HOLDINGS BERHAD
Registration no. 199601024340 (396692-T)

Number of shares held	
CDS Account No.	

FORM OF PROXY

*I/We, ____________________________ *(full name)* ____________________ **(I.C./Passport/Company No.)*

of ____ *(full address)*

being a member of CCK Consolidated Holdings Berhad ("the Company") hereby appoint ____________________

____________________________ *(full name)* ____________________ *(I.C./passport No.)*

of ____ *(full address)*

*and/or failing *him/her, ____________________ *(full name)* ____________________ *(I.C./passport No.)*

of ____ *(full address)*

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Thursday, 26 May 2022 at 12.00 noon and any adjournment thereof.

*My/our proxy shall vote as indicated with an "X" below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion:

Resolutions		For	Against
1.	Declaration and payment of a first and final single-tier dividend for the financial year ended 31 December 2021.		
2.	Payment of Directors' fees for the financial year ended 31 December 2021.		
3.	Payment of meeting allowance to the Directors.		
4.	Re-election of Chong Shaw Fui as Director.		
5.	Re-election of Tiong Chiong Hiiung as Director.		
6.	Re-election of Datuk Temenggong Janggu anak Banyang as Director.		
7.	Re-appointment of Messrs. Crowe Malaysia PLT as auditors.		
8.	Retention of Datuk Temenggong Janggu anak Banyang as Independent Non-Executive Director.		
9.	Retention of Datu Haji Putit bin Matzen as Independent Non-Executive Director.		
10.	Retention of Bong Wei Leong as Independent Non-Executive Director.		
11.	Proposed renewal of authority for the Company to purchase its own shares.		

The proportions of *my/our holdings to be presented by *my/our proxy are as follows:

		No. of shares	%
First named proxy	:		
Second named proxy	:	__________	______
Total:		__________	______

In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

Dated this ________ day of ______________ 2022

____
*Signature / common seal of shareholder(s)

* *Strike out whichever is not applicable*

Notes:

1. A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a Member 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 the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. Depositors whose names appear in the Record of Depositors as at 18 May 2022 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

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PLEASE
AFFIX STAMP
HERE

The Company Secretary
CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching
Sarawak, Malaysia

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CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)
(Incorporated in Malaysia)

Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia
Tel : 082-336 520 Fax : 082-331 479