

CCK CONSOLIDATED HOLDINGS BERHAD

[Registration No.: 199601024340 (396692-T)]

(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE TWENTY-EIGHTH (28TH) ANNUAL GENERAL MEETING (“AGM”) OF CCK CONSOLIDATED HOLDINGS BERHAD (“CCK” OR “THE COMPANY”) HELD AT THE COMPANY’S CONFERENCE ROOM AT LOT 999, SECTION 66, JALAN KELULI, BINTAWA INDUSTRIAL, ESTATE, 93450 KUCHING, SARAWAK ON FRIDAY, 31 MAY 2024 AT 12.00 NOON.

There were queries raised by a shareholder namely Minority Shareholders Watch Group prior to the 28th AGM and the responses from CCK are outlined in Appendix 1, a copy as attached herewith which has been presented at the 28th AGM.



**CCK CONSOLIDATED
HOLDINGS BERHAD**



***Minority Shareholders Watch Group
(MSWG)***

*Queries For 28th Annual General Meeting
May 2024*



QUESTION 1

Operational & Financial Matters

1. As Sarawak's largest integrated poultry supplier, CCK's wide-reaching retail network benefits from being vertically integrated with the poultry segment. CCK's farm operations and processing facilities are also located in Sarawak and Sabah. (page 6 of AR2023)
 - a) In relation to the Group's poultry segment, how many farms does the Group has? How many of the Group's farms are open house farms and closed house farms?

Answer:

- As at 31 March 2024, the Group has a total of 13 farms located across East Malaysia. The majority (more than 90%) of the Group's farms are closed house farms.



QUESTION 1 – *cont'd*

Operational & Financial Matters

1. As Sarawak's largest integrated poultry supplier, CCK's wide-reaching retail network benefits from being vertically integrated with the poultry segment. CCK's farm operations and processing facilities are also located in Sarawak and Sabah. (page 6 of AR2023)
- b) Notable capital expenditure carried out during FY2023 was for the commissioning of three (3) additional CCK Fresh Mart stores, upgrades to the poultry processing plant in Kuching, and new breeder houses and farms across East Malaysia. (page 7 of AR2023)

What are the Group's plans for farm expansion and upgrades for financial year ending 2024?

Answer:

- For the current financial year, there are no firm plans for expansion, upgrading, or specific capital expenditures. The Group maintains a prudent yet flexible policy, ensuring that any capital expenditure will be allocated as needed to address and alleviate bottlenecks at any point of our vertically integrated supply chain.
- This approach ensures that capital expenditures will be deployed strategically with a concerted focus on optimising economies of scale and enhancing the efficiency of our fully integrated supply chain.



QUESTION 2

Sustainability Matters

2. CCK's business comprises of four (4) segments, namely; retail, poultry, prawn and food service. For its retail segment, the Group operates retail stores, supermarkets and wholesale stores. The Group's revenue growth was driven by strong performances from the retail and prawn segments. (page 6 of AR2023)
- a. In the retail segment, fresh produce often has short shelf life. How does the Group reduce the fresh produce waste in order to minimise its environmental impact?

Answer:

- The Group undertakes several measures to reduce the waste of fresh produce such as:
 1. Effective cold chain logistic planning and just-in-time inventory system.
 2. In our retail stores, our refrigerators are monitored and temperature readings are recorded 3 times each day to ensure refrigerators are running at optimal temperature for products.
 3. We strictly adhere to internal procedures regarding waste management that are in compliance with government regulators and relevant agencies such as the Department of Environment (DoE).
 4. Waste and effluents are monitored and tested on a weekly basis by an independent, accredited lab.
- Notably, there were no penalties imposed on the Group for non-compliance with waste management regulations. This demonstrates our commitment to responsible waste management practices.



QUESTION 2 – *cont'd*

Sustainability Matters

2. CCK's business comprises of four (4) segments, namely; retail, poultry, prawn and food service. For its retail segment, the Group operates retail stores, supermarkets and wholesale stores. The Group's revenue growth was driven by strong performances from the retail and prawn segments. (page 6 of AR2023)
- b. How does the Company adapt its business model in response towards greener prawn aquaculture practices, reducing the environmental impact of its products?

Answer:

- CCK adopts industry best practices in monitoring and treating wastewater. This practise is an ongoing process as the operations team is required to submit quarterly samples to the NREB (Natural Resources and Environment Board) for water quality monitoring.
- c. To what extent has the Group assess the potential impact of climate change on its prawn aquaculture farming?

Answer:

- The Group is assessing the potential impact of its prawn aquaculture farming. The potential impact is mitigated by constant monitoring and tapping the technical expertise of seasoned aquaculture farming specialist in the team.



QUESTION 2 – *cont'd*

Sustainability Matters

2. CCK's business comprises of four (4) segments, namely; retail, poultry, prawn and food service. For its retail segment, the Group operates retail stores, supermarkets and wholesale stores. The Group's revenue growth was driven by strong performances from the retail and prawn segments. (page 6 of AR2023)
- d. What are the measures that can be taken by the Group to mitigate biosecurity and disease risk at its prawn farm?

Answer:

- The Group regularly performs Polymerase Chain Reaction (PCR) test for detection of potential / early stages of diseases whilst the ponds are regularly monitored for PH levels and ammonia.



QUESTION 3

Sustainability Matters

3. In the Sustainability Statement, some actual data were provided for the Group's material sustainability matters (i.e., economic, environment and social), but specific key performance indicators ("KPIs") and targets for sustainability matters were not included.

The inclusion of KPIs, and targets will enhance the message and facilitate a better understanding of the Group's approach in sustainability matters and the progress made over the years.

Please include the key targets and the performance indicators for each sustainability matter for future Sustainability Statement.

Answer:

- Recently we have developed our Sustainability Framework, with the Sustainability KPI and Targets reflected. In the midst of developing the Framework, we have reached out to all of our operations in determining a pragmatic target.
- Due to time constraint, we were unable to include our finalised Sustainability KPI and Target in the Statement. We appreciate your advice, the Sustainability KPI and Target will be included in the future Sustainability Statement.



QUESTION 4

Sustainability Matters

4. Bursa Malaysia's enhanced Sustainability Reporting Framework and the Securities Commission is rolling out the application of International Financial Reporting Standards ("IFRS") S1 – General Requirements for Disclosure of Sustainability related Financial Information ("IFRS S1") and IFRS S2 - Climate-related Disclosures ("IFRS S2"). IFRS S1 and IFRS S2 recommend that Main Market listed issuers apply the Standards mandatorily.
- a. Does the Group have the relevant resources to achieve its sustainability related goals? If no, how does the Group plan to obtain/ allocate the resources required?

Answer:

- The Group does have the relevant resources to achieve our sustainability goals. This is achieved by a combination of internal as well as external subject matter experts and consultants.
- We will continue working towards achieving the S1 and S2 requirements, as well as the TCFD-aligned disclosures, which consist of the 4 fundamental pillars: Governance, Strategy, Risk Management and Metrics and Targets.



QUESTION 4 – *cont'd*

Sustainability Matters

4. Bursa Malaysia's enhanced Sustainability Reporting Framework and the Securities Commission is rolling out the application of International Financial Reporting Standards ("IFRS") S1 – General Requirements for Disclosure of Sustainability related Financial Information ("IFRS S1") and IFRS S2 - Climate-related Disclosures ("IFRS S2"). IFRS S1 and IFRS S2 recommend that Main Market listed issuers apply the Standards mandatorily.
- b. During FY2023, how many of the Directors have attended the Mandatory Accreditation Programme Part II: Leading for Impact? How many Directors have yet to attend and when will the remaining Directors attend the new mandatory onboarding programme on sustainability, as required by Bursa Malaysia?

Answer:

- During FY2023, none of the Directors attended the Mandatory Accreditation Programme Part II: Leading for Impact.
- The majority of Directors are scheduled to attend the programme in FY2024. One Director attended this programme in April 2024 and eight Directors are scheduled to attend by August 2024.



QUESTION 5

Corporate Governance Matters

5. The Group has strengthened its Board diversity, from being an all-male Board previously and subsequently on 1 June 2023 appointed one woman Independent Director. (page 15 of AR2023)

What benefits has the Board experienced from gender diversity among its members? How has the Board's performance been impacted in relation to these benefits?

Answer:

- Different perspectives and insights from a gender diversified Board leads to more comprehensive analyses of issues, therefore encouraging Board members to engage in more thorough discussions and enhanced decision making.





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THANK YOU