



ANNUAL REPORT 2015



CCK CONSOLIDATED HOLDINGS BERHAD
(396692-T)

Vision

The Food People of Choice

Mission

We are committed to provide quality food through our dedicated team of people to our customers thereby enhancing the economic well-being and quality of life of stakeholders

CONTENTS

2	Corporate Information	42	Independent Auditors' Report
3	Corporate Structure	44	Statements of Financial Position
4	Chairman's Statement	46	Statements of Profit or Loss and Other Comprehensive Income
8	Directors' Profile	48	Statements of Changes in Equity
14	Statement on Corporate Governance	54	Statements of Cash Flows
26	Statement on Risk Management and Internal Control	58	Notes to the Financial Statements
29	Audit Committee Report	126	Additional Compliance Information
34	Statement of Directors' Responsibility	128	List of Top 10 Properties
	Financial Statements:	130	Analysis of Shareholdings
36	Directors' Report	133	Notice of Annual General Meeting
41	Statement by Directors	135	Notice of Dividend Entitlement and Payment
41	Statutory Declaration		Form of Proxy



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Non-Independent Non-Executive Director

Datuk Pemanca Jangu anak Banyang

Independent Director

Datu Haji Putit bin Matzen

Independent Director

Bong Wei Leong

Independent Director

REGISTERED OFFICE

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

Tel : 082-336520

Fax : 082-331479

COMPANY SECRETARIES

Ling Ting Leong @ Ling Chong Seng
(MACS 00754)

Voon Jan Moi
(MAICSA 7021367)

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : 03-7849 0777

Fax : 03-7841 8151 / 03-7841 8152

AUDITORS

Crowe Horwath
Chartered Accountants
2nd Floor, No.1, Lorong Pahlawan 7A2
Jalan Pahlawan, 96000 Sibu, Sarawak, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : CCK

Stock Code : 7035

WEBSITE

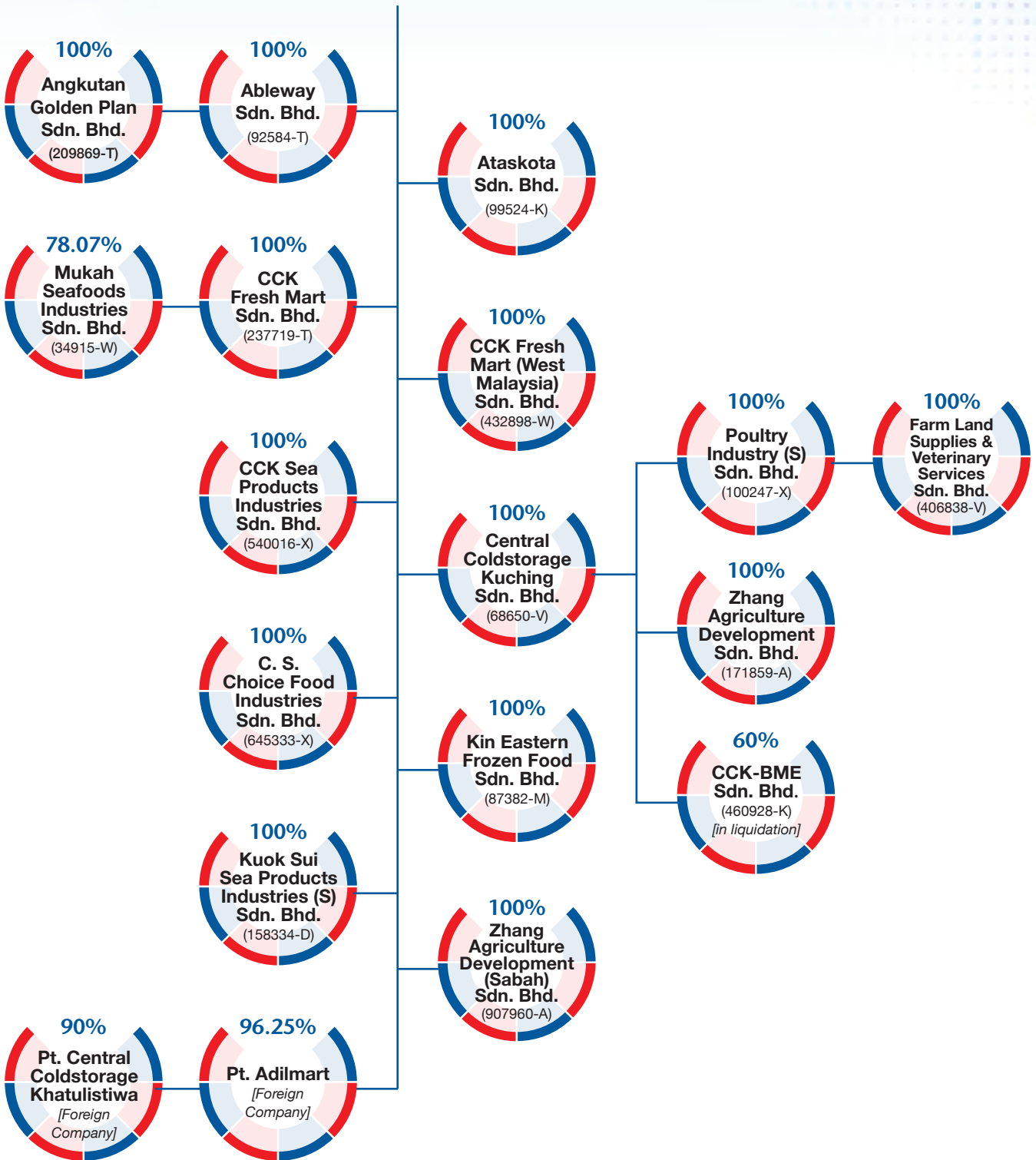
www.cck.com.my

CORPORATE STRUCTURE



CCK CONSOLIDATED HOLDINGS BERHAD

(396692-T)





Dear Shareholders,

On behalf of the Board of Directors ("Board"), it gives me great pleasure to present the Annual Report and Audited Financial Statements of CCK Consolidated Holdings Berhad and of its Group of Companies ("CCK Group") for the financial year ended 31 December 2015.

INDUSTRY TREND

The global economy faced a challenging time in 2015. Despite a prolonged 7-year period of economic stimuli, the major world economies continued to struggle to take-off. The fall in prices of oil and commodities indicated sluggish demands globally.

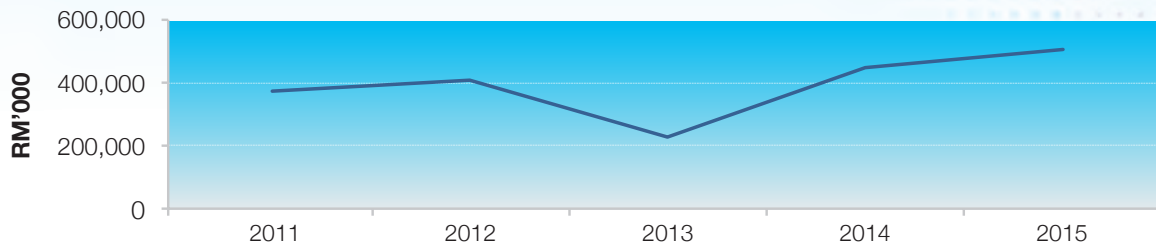
In Malaysia, consumer spending was affected by the implementation of GST in April 2015. High household debt, rising costs of living and a weaker employment market placed the economy under severe stress. Coupled with low global prices for oil and liquefied natural gas ("LNG"), one (1) of Malaysia's key exports, the country's fiscal and current account balances were badly hit. The weak economic performance and numerous fiscal challenges have also put pressure on the Malaysian Ringgit which depreciated to levels not seen since the Asian financial crisis of the late 1990s. GDP for 2015 fell to 5.0 (2014: 6.0) whilst the consumer price index ("CPI") stood at 2.1 (2014: 3.1).

CCK GROUP PERFORMANCE

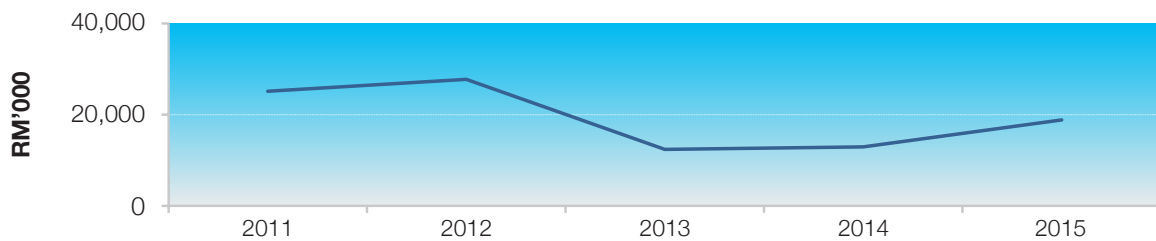
For the financial year ended 31 December 2015, the Group recorded a revenue of RM494 million as compared to RM451 million in the financial year ended 31 December 2014, an increase of 9.5%. Profit before tax for 2015 was recorded at RM16 million (2014: RM12.9 million), an increase of 24%. Despite the difficult economic conditions, we are indeed pleased to have been able to continue our gradual recovery and reap the benefits of our investments during the past few years.

CHAIRMAN'S STATEMENT (cont'd)

Revenue



Profit before tax



CORPORATE DEVELOPMENT

During the tabling of Budget 2016, the Prime Minister, Datuk Seri Najib Razak announced that the minimum wage for employees in Peninsular Malaysia will be raised by RM100 to RM1,000 per month and by RM120 from RM800 to RM920 for employees in East Malaysia, effective 1 July 2016. As such, we anticipate that this increment in wages will affect our costs.

DIVIDEND

In line with our continued focus on shareholder returns, the Board has recommended a first and final single-tier dividend of 3.0 sen per share for the financial year ended 31 December 2015. This final dividend is subject to the shareholders' approval at the forthcoming annual general meeting of CCK.

CORPORATE SOCIAL RESPONSIBILITY

At CCK Group, we believe in balancing our social, economic and environmental responsibilities. We constantly seek avenues to balance economic growth with a positive impact on the environment in which we operate. We



also recognise the importance of maintaining active dialogue with our stakeholders including employees, investors, suppliers, regulators and others. Some of our CSR contributions include:

1. "Feed the Poor" program of SMK Kampung Nangka in Sibu, Sarawak. The program aims to provide meals to the students of the school for the duration of the school year.
2. Wheelchairs for disabled senior citizens.
3. Food for victims of floods.
4. Various contributions to the Cheshire Home, Salvation Army Boys' Home, Sibu Autistic Association Food Fair, Kuching Autistic Association Food Fair and KFC & Pizza Hut Malaysia World Hunger Relief 2015.

Employee engagement remains a high priority as we believe that our people are our best assets. Recognising that we are in the food business, maintaining a high level of cleanliness and health among our employees is crucial. As such, we constantly strive to adhere to the standards of the Department of Safety and Health ("DOSH") and the Ministry of Health ("MOH"). To ensure our employees are fully aware of this, there are always new training courses and new equipment introduced to ensure our employees are working in a safe and secure environment.

PROSPECTS

The year ahead will be a challenging one for the Malaysian economy as low oil and commodity prices persist on the back of a weaker currency. Headline inflation is expected to rise to 2.7% in 2016, from 2.1% in 2015, on account of higher imported inflation from currency depreciation, higher toll charges and higher cost of goods and services from the removal of more subsidies.

With tough times expected, we at CCK remain positive about 2016 and beyond. The investments made in the past few years are now gradually bearing fruit and we believe that our performances in the future will reflect the strength of our position.

APPRECIATION

The consistency of CCK's growth relies on the quality of our people who have worked tirelessly to contribute to the Group's success. Here, I would like to say a big thank you to my fellow directors, the management teams and the various heads of departments together with all our staff for their dedication and hard work. I believe that together, we can continue to scale greater heights.

As always, on behalf of the Board and Management, I would like to express our appreciation to our shareholders, suppliers, customers and business partners for their continued support, loyalty and belief in CCK.

DATUK TIONG SU KOUK

Chairman
6 April 2016

CHAIRMAN'S STATEMENT (cont'd)

Appreciation from SMK Kg Nangka Food Bank

On behalf of the PTA and school, I wish to extend my thanks and gratitude to CCK for supporting us in making our program "Feed the poor" a success.

For this program to become successful, we need generous supporters and donors like CCK to make things happen for now and the months to come till the end of the school calendar year. I wish personally to thank you all at CCK for the prompt action to make this a success for us. You create many happy moments in the lives of students receiving the food. You put smiles on the faces of the students and their smiles could melt your heart! That is what we see in those smiles! I thank you all for putting such smiles in the students. Thank you so much.

Again, thanks so much.



●● DATUK TIONG SU KOUK

Non-Independent Non-Executive Chairman

Datuk Tiong Su Kouk, a Malaysian aged 74, 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 the CCK Group. Under his stewardship, the 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.

Datuk Tiong began his career as a seafood trader at the age of 14. He also involved in poultry industries for the past 31 years. Additionally, Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Zhang Associations in Malaysia. 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.

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 April 2011. He has relinquished his position as the CEO of NCL on 21 May 2013 but remained as the Executive Chairman of NCL. The NCL Group is one of the leading builders and suppliers of Offshore Support Vessels in Malaysia. He also sits on the boards of other private limited companies in Malaysia.

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.

During the financial year ended 31 December 2015, Datuk Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.



DIRECTORS' PROFILE (cont'd)

●● CHONG SHAW FUI

Executive Vice Chairman

Mr. Chong Shaw Fui, a Malaysian aged 71, was appointed as Executive Vice Chairman to the Board of CCK on 15 July 1997. He is also a member of the Risk Management Committee of CCK.

He has more than 44 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, 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 2015, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.



●● TIONG CHIONG HIIUNG

Group Managing Director

Mr. Tiong Chiong Hiiung, a Malaysian aged 49, was appointed to the Board of CCK on 15 July 1997. He is the Group Managing Director of CCK and also a member of the Remuneration Committee and 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 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.

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 2015, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.





●● **TIONG CHIONG SOON**

Executive Director

Mr. Tiong Chiong Soon, a Malaysian aged 46, was appointed as Executive Director of CCK on 15 July 1997. He is also a member of the Risk Management Committee of CCK.

He graduated with a Bachelor of Business from University of Oklahoma in USA in 1994. He joined the 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, responsible for NCL Group's shipbuilding operation including vessel chartering. NCL is a public company listed on the Singapore Exchange. He is also a Director of Nam Cheong Dockyard Sdn. Bhd. ("NCD") since 30 June 2010. NCD is a wholly-owned subsidiary of NCL. In addition, he also sits on the boards of various private limited companies.

During the financial year ended 31 December 2015, Mr. Tiong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.



●● **KUEH CHUNG PENG**

Executive Director

Mr. Kueh Chung Peng, a Malaysian aged 62, was appointed as Executive Director of CCK on 15 July 1997. He is also a member of the Risk Management Committee of CCK.

He has over 34 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 the 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 2015, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.

DIRECTORS' PROFILE (cont'd)

●● LAU LIONG KII

Executive Director

Mr. Lau Liong Kii, a Malaysian aged 65, was appointed to the Board on 15 July 1997 as Executive Director. Currently, he is also a member of the Remuneration Committee and Risk Management Committee of CCK.

He joined the 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.

During the financial year ended 31 December 2015, Mr. Lau attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.



●● LING TING LEONG @ LING CHONG SENG

Non-Independent Non-Executive Director

Mr. Ling Ting Leong @ Ling Chong Seng, a Malaysian aged 64, is a businessman with a wealth of experience. He also sits on the boards of other private limited companies.

Currently, he is a Non-Independent Non-Executive Director of CCK. He joined the CCK Group in 1983 and was responsible for the finance and corporate secretarial matters of the 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.

Mr. Ling obtained his Certificate in Higher Accounting in 1971. From 1971 to 1982, he 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.

During the financial year ended 31 December 2015, Mr. Ling attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.





●● **DATUK PEMANCA JANGGU ANAK BANYANG**

Independent Director

Datuk Pemanca Janggu anak Banyang, a Malaysian aged 69, was appointed to the Board of CCK as an Independent Director on 15 July 1997. He is the Chairman of the Audit Committee and Nomination Committee of CCK and also a member of CCK's Remuneration Committee.

After completing his formal education, he worked for various companies and subsequently held directorship in these 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.

Datuk Pemanca Janggu 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 was also awarded the Johan Mangku Negara (JMN) by his Excellency Yang Di-Pertuan Agong on the 4 June 2011.

In the year 16 September 1990, he was awarded Pegawai Bintang Kenyalang (PBK) by Tuan Yang Terutama Gabanor Sarawak on the occasion of his excellency birthday.

During the financial year ended 31 December 2015, Datuk Pemanca Janggu attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2016 are disclosed on page 131 of this annual report.

●● **DATU HAJI PUTIT BIN MATZEN**

Independent Director

Datu Haji Putit bin Matzen, a Malaysian aged 71, was appointed as an Independent Director to the Board of CCK on 20 March 2002. He is also a member of the Nomination Committee and Remuneration Committee of CCK.

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, he is a Deputy-Chairman of the Sarawak Branch of the Malaysian Red Crescent Society, the President of the Malaysian Historical Society (Sarawak Branch), Deputy Chairman of the Darul Falah Charitable Trust and Deputy Chairman of the Welfare Charitable Trust of Sadong Jaya.

During the financial year ended 31 December 2015, 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

Mr. Bong Wei Leong, a Malaysian aged 49, was appointed as Independent Director to the Board of CCK on 30 September 2009. He is also a member of the Audit Committee of CCK.

He was a partner of a public accountants firm prior to starting his own practice in 2004. He has more than 22 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 also sits on the board of a public listed company, Rimbunan Sawit Berhad.

During the financial year ended 31 December 2015, Mr. Bong attended all the five (5) Board meetings held. He holds no share in CCK.



Additional information:

- The Directors have no family relationship with each other or the major shareholders of CCK, except for Mr. Tiong Chiong Hiiung and Mr. Tiong Chiong Soon who are the sons of Datuk Tiong Su Kouk and Datin Wong Bak Hee.
- None of the Directors has been convicted of any offences within the past ten (10) years.
- None of the Directors holds any directorship in other public companies, except for Mr. Bong Wei Leong.
- None of the Directors has any conflict of interests with the Company.