



>> annual report 2005



CCK CONSOLIDATED HOLDINGS BERHAD

396692-T



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Consolidated
Holdings Berhad
...Incorporated in Malaysia

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CORPORATE PROFILE

CORPORATE PROFILE

CCK CONSOLIDATED HOLDINGS BERHAD
396692-T



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*)
Lau Liong Kii (*Executive Director*)
Ling Ting Leong @ Ling Chong Seng (*Executive Director*)
Wong See Khong (*Executive Director*)
Kueh Chung Peng (*Executive Director*)
Janggu Anak Banyang (*Independent Director*)
Francis Wong Chin Sing @ Wong Chin Sing (*Independent Director*)
Douglas Jerukan @ Jarukan Ak Kanyan (*Independent Director*)
Datu Haji Putit Bin Matzen (*Independent Director*)
Dato' Fuziah @ Fauziah Binti Dato' Ismail (*Non-independent Non- Executive Director*)

AUDIT COMMITTEE

Janggu Anak Banyang (*Chairman*)
Datuk Tiong Su Kouk (*Member*)
Francis Wong Chin Sing @ Wong Chin Sing (*Member*)
Douglas Jerukan @ Jarukan Ak Kanyan (*Member*)

COMPANY SECRETARIES

Ling Ting Leong @ Ling Chong Seng (*MACS 00754*)
Voon Jan Moi (*MAICSA 7021367*)

REGISTERED OFFICE

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching Sarawak
Telephone No: 082-336520
Facsimile No: 082-331479

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose, Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No: 03-2721 2222
Facsimile No: 03-2721 2530 / 2721 2531

AUDITORS

Hii & Lee Chartered Accountants
2nd Floor, No. 1, Lorong Pahlawan 7A2,
Jalan Pahlawan, 96000 Sibul, Sarawak

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
EON Bank Bhd

STOCK EXCHANGE LISTING

Second Board of Bursa Malaysia Securities Berhad



CORPORATE STRUCTURE



CCK CONSOLIDATED HOLDINGS BERHAD

(CO. NO. 396692-T)



CHAIRMAN'S STATEMENT



On behalf of the Board of directors, I am pleased to present to you the Annual Report and Audited Financial Statements of CCK Consolidated Holdings Group of Companies for the financial year ended 30 June 2005.

INDUSTRY TREND AND DEVELOPMENT

Year 2005 was a challenging year for the food industry. The unprecedented price hike in fuel prices had no doubt made the operating environment more costly for many businesses, including ours. Consumers have generally become more selective in making their choices, especially the higher price products. However, domestic demand for our poultry products remained very strong as supply from overseas poultry producers had been limited after the Avian-flu incidents.

On the other hand, our seafood products again experienced a lackluster year as both the demand and selling prices were depressed amidst an uncertain global economy.

FINANCIAL OVERVIEW

For the financial year ended 30 June 2005, CCK Group of companies recorded total revenue of RM223.447 million, representing an increase of 2.1% from previous year (2004: RM218.714 million). The increases in revenue were principally attributable to increases in both the sales volume and selling price of our poultry products.

In tandem with the increase in turnover, Profit before tax increased by 5.6% from RM5.457 million achieved in previous year to RM5.761 million for this financial year. The better result was principally due to better cost management. Net profit after tax for the year was recorded at RM3.732 million (2004: RM3.862 million). Earning per share was calculated at 7.37 sen for the year. (2004: 7.78 sen). Total assets and shareholders' funds as at 30 June 2005 were RM124.958 million and RM85.383 million respectively.

DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 3.5% less income tax at 28% amounting RM1.254 million in respect of the current financial year ended 30 June 2005, subject to the shareholders' approval at the fourthcoming Annual General Meeting.



CHAIRMAN'S STATEMENT (cont'd)

PROSPECTS

The high fuel price will no doubt make the operating environment very challenging for the coming year. Our group of companies will continue to strive to improve operational efficiency and productivity together with proper cost management. We are committed to implement strategies to supply more value-added and high quality products, and to provide consistent and excellent quality services to both our domestic and international customers. Barring any unforeseen circumstances, the Board is confident that CCK Group will have another fruitful year ahead.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record my appreciation to the Malaysian Government, financiers, business associates, valued customers and shareholders for their continued support and confidence in CCK Group.

I would like to express my sincere appreciation to the management and staff of CCK Group for their commitment, dedication and contributions throughout the year. Last but not least, I would like to thank my fellow Directors for their invaluable support and advice.

DATUK TIONG SU KOUK

Chairman

Sibu, Sarawak



BOARD OF DIRECTORS

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)



Lau Liong Kii
(Executive Director)



**Ling Ting Leong
@ Ling Chong Seng**
(Executive Director)



Wong See Khong
(Executive Director)



Kueh Chung Peng
(Executive Director)



Janggu Anak Banyang
(Independent Director)



**Francis Wong Chin Sing
@ Wong Chin Sing**
(Independent Director)



**Douglas Jerukan
@ Jarukan Ak Kanyan**
(Independent Director)



**Datu Haji Putit Bin
Matzen**
(Independent Director)



**Dato' Fuziah @ Fauziah Binti
Dato' Ismail**
(Non-independent Non-Executive Director)



BOARD OF DIRECTORS' PROFILE

DATUK TIONG SU KOUK

- Aged 63/Malaysian

Datuk Tiong Su Kouk is a businessman. He is the founder member 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-Executive Chairman on 20 March 2002. He is also a member of the Audit Committee of CCK and appointed as Chairman of the Nomination and Remuneration Committees 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 Sarawak's largest integrated poultry producer and producers of frozen seafood.

Datuk Tiong began his career as a seafood trader and has been involved in the seafood and poultry industry for the past thirty and ten years respectively. He is a well-respected member of the industry in Sarawak and brings to the Group his wealth of experience gained in the past. Additionally, Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Tiong Associations in Sibu. He was conferred the Panglima Jasa Negara (PJN) which carried 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 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 contribution to the community. He also sits on the boards of other private limited companies.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

CHONG SHAW FUI

- Aged 60/Malaysian

Mr. Chong Shaw Fui was appointed as Executive Vice Chairman to the Board of CCK on 15 July 1997. He is responsible for the management of the poultry business unit, which ranges from the breeding, hatchery to the production line accordingly.

Mr. Chong brings to the CCK Group a vast and invaluable experience of over twenty years in the poultry industry. He commenced his poultry breeding experience in Singapore in 1972 and he was one of the co-founders of the Sarawak Breeding Farm specialising in the hatching of day-old chicks. He developed this business into a company, named Zhang Agriculture Development Sdn. Bhd., which is now a wholly-owned subsidiary of CCK. In 1983, Mr. Chong also formed another company known as Poultry Industry (S) Sdn. Bhd., a wholly-owned subsidiary of CCK, with the sole intention of rearing broiler chicken.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.



BOARD OF DIRECTORS' PROFILE (cont'd)

TIONG CHIONG HIIUNG

- Aged 38/Malaysian

Mr. Tiong Chiong Hiiung is a young and dynamic entrepreneur with sound business judgement and acumen beyond his years. He was appointed to the Board of CCK on 15 July 1997 and is a member of the Remuneration Committee. He is also the Group Managing Director of CCK.

Mr. Tiong graduated with a Bachelor of Economics Degree from Monash University in Australia in 1989 and joined the Group as a Director of a subsidiary company. In 1994, he was appointed as Managing Director of Central Coldstorage Kuching Sdn. Bhd., and subsequently was responsible for the overall management and operation of the CCK Group. Although he has been actively involved in virtually every aspect of the Group's operations, including breeding operations, broiler farming, and processing of seafood, he was instrumental in transforming the Group's operations into one of the most modern in the state. As a result of his foresight, the Group has also embarked aggressively into various expansion programmes resulting in a fully integrated operation for the Group. He also sits on the boards of various private limited companies.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

TIONG CHIONG SOON

- Aged 35/Malaysian

Mr. Tiong Chiong Soon is a businessman and was appointed as Executive Director of CCK on 15 July 1997. He graduated from Oklahoma University, USA with a Bachelor of Business Degree in 1994. He joined the Group since his graduation, and is principally responsible for the purchasing function and the retail division of the Group. He has an excellent rapport with the suppliers thus ensuring timely delivery of products of the highest quality for the Group. He also sits on the boards of various private limited companies.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

LING TING LEONG @ LING CHONG SENG

- Aged 53/Malaysian

Mr. Ling Ting Leong @ Ling Chong Seng is a businessman with a wealth of experience behind him. He was appointed as Executive Director to the Board of CCK on 15 July 1997. He obtained a Certificate in Higher Accounting in 1971 and has gained vast experience in accounting and auditing for eleven years from 1971 to 1982. He joined the CCK Group in 1983 and is responsible for the finance and corporate secretarial matters of the CCK Group.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.



BOARD OF DIRECTORS' PROFILE (cont'd)

■ LAU LIONG KII

- Aged 54/Malaysian

Mr. Lau Liong Kii was appointed as Executive Director to the Board of CCK on 15 July 1997. He is also a member of the Remuneration Committee of CCK. He is principally responsible for the operations of Ableway Sdn. Bhd., and the production and marketing functions of the prawn division. He joined the Group in 1982 and as the Managing Director of Ableway Sdn. Bhd., he has accumulated vast experience in the domestic food market and the international aspects of the food industry. He brings to the Group in-depth understanding of the various and specialist trends of the food industry.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

■ WONG SEE KHONG

- Aged 49/Malaysian

Mr. Wong See Khong was appointed as Executive Director of the Board of CCK on 15 July 1997. He first joined the Group in 1985 as Director to one of the subsidiary companies and is one of the pioneers of the Group, having served as Managing Director of Central Coldstorage Kuching Sdn. Bhd. since its incorporation to 1986. He is now responsible for the prawn hatchery functions within the prawn division.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

■ JANGGU ANAK BANYANG

- Aged 58/Malaysian

Mr. Janggu Anak Banyang was appointed to the Board of CCK as an Independent Director on 15 July 1997. He is also the Chairman of the Audit Committee as well as a member of CCK's Nomination and Remuneration Committees. 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.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

■ KUEH CHUNG PENG

- Aged 51/Malaysian

Mr. Kueh Chung Peng was appointed as Executive Director to the Board of CCK on 15 July 1997. He joined Kin Eastern Frozen Food Sdn. Bhd. in 1992 as its Managing Director and is also responsible for the aquaculture farming division of the CCK Group. He was appointed as a Director to CCK Fresh Mart Sdn. Bhd., a wholly-owned subsidiary of CCK, in 1993 and has over fifteen years experience in the prawn and coldstorage products industry.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.



BOARD OF DIRECTORS' PROFILE (cont'd)

FRANCIS WONG CHIN SING @ WONG CHIN SING

- Aged 41/Malaysian

Mr. Francis Wong Chin Sing @ Wong Chin Sing was appointed as an Independent Director on 20 March 2002. He is also a member of the Audit Committee. Having graduated with a Bachelor of Commerce and Master of Commerce from Deakin University and University of Auckland respectively, he joined Coopers & Lybrand, Auckland, New Zealand from 1988 to 1993. Subsequently, he came back to Malaysia and joined Ernst & Young for two years. During his employment with the said Chartered Accounting firms, he has gained extensive experience in audit and corporate advisory services. After leaving the Chartered Accountancy career, he joined a public listed company in Malaysia, as a Group Financial Controller for a period of four years. Currently, he operates a management consulting company providing corporate advisory services to various companies.

DOUGLAS JERUKAN @ JARUKAN AK KANYAN

- Aged 66/Malaysian

Mr. Douglas Jerukan @ Jarukan Ak Kanyan was appointed as an Independent Director on 20 March 2002. He is also a member of the Audit, Nomination and Remuneration Committees of CCK. He graduated as a Trade Instructor from Christchurch Technical Institute and Canterbury Teachers College, Canterbury, New Zealand. He joined the Sarawak Education Service from 1962 to 1994 and rose from a teacher to Principal, District Education Officer and Group Supervisor of Schools Gd. 2, Divisional Education Office, Sibul. Currently, he is a Board member of Rejang Port Authority, Sibul. Besides this, he is the Principal of a Tuition Center and holds directorship for various private limited companies.

His shareholdings in CCK as at 18 October 2005 are disclosed in page 74 of this annual report.

DATU HAJI PUTIT BIN MATZEN

- Aged 60/Malaysian

Datu Haji Putit bin Matzen was appointed as an Independent Director on 20 March 2002. He is also a member of the Nomination and Remuneration Committees 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 has held various senior positions including Director of Education within the State Education Department and 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 crisis management. Currently, he is the Vice-President of Systematic Education Group International Berhad, a public listed company and is a director of Yayasan Guru Malaysia Berhad. He is also the President of Sarawak Islamic Council.



BOARD OF DIRECTORS' PROFILE (cont'd)

DATO' FUZIAH @ FAUZIAH BINTI DATO' ISMAIL

- Aged 63/Malaysian

Dato' Fuziah @ Fauziah binti Dato' Ismail was appointed as a Non-Independent Non-Executive Director on 26 May 2004 as a nominee of Permodalan Nasional Berhad. Dato' Fauziah holds a Bachelor of Arts (Honours) from University of Malaya, a postgraduate Diploma in Development Administration from the London School of Economics and a Masters in Public Administration from the University of Houston, USA. She also attended a certificate course at Harvard Institute of International Development (HIID) of Harvard University, USA in Public Enterprise Management and Privatisation.

Dato' Fauziah served in the Malaysian Administration and Diplomatic Services, from 1966 to her retirement in 1997, in various positions and capacities. She served, amongst others, in the Public Services Department, the Prime Minister's Department, and the Ministry of Rural Development. While in the public service, Dato' Fauziah also served as Board member to Malaysian International Shipping Corporation Berhad (MISC), Urban Development Authority (UDA), Rubber Industries Smallholders Development Authority (RISDA) and Penang Development Corporation (PDC) as well as serving as Deputy Chairman of Penang Regional Development Authority (PERDA) and Jengka Regional Development Authority, Pahang.

She currently sits on the Board of UEM Builders Berhad, Crest Petroleum Berhad and KAF Seagroatt & Campbell Berhad.

Additional information :-

- Tiong Chiong Hiiung and Tiong Chiong Soon are the sons of Datuk Tiong Su Kouk. Apart for this, the other Directors have no family relationship with each other or the substantial shareholders of CCK.*
- None of the Directors have been convicted of offences within the past 10 years other than traffic offences.*
- Apart for Datu Haji Putit bin Matzen and Dato' Fuziah @ Fauziah binti Dato' Ismail, none of the other Directors hold any directorship in public companies.*
- There are no options, warrants or convertible securities exercised in respect of the financial year under review other than the exercise of 1,234 share options as disclosed in note 17 of the financial statements outlined in page 58 of this annual report.*
- There are no material contracts of the Company or its subsidiaries involving Directors and substantial shareholders' interest subsisting at the end of the financial year under review or entered into since the end of the financial year under review or entered into since the end of the previous financial year. Significant related party disclosures are set out in note 35 to the Financial Statements on page 68 of this annual report.*
- In the course of the year in 2005, the Company was found to be in breach of Paragraph 9.22(1) of the Bursa Malaysia Securities Listing Requirements for not submitting the Company's quarterly report for the quarter ended 31 March 2005 to Bursa Malaysia Securities Berhad ("Bursa Securities") on or before 31 May 2005. The said quarterly report was only furnished to Bursa Securities on 15 June 2005, after a delay of 10 market days. As a result, the Company suffered a public reprimand and fine of RM10,000 imposed by Bursa Securities on 12 August 2005.*

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

CCK CONSOLIDATED HOLDINGS BERHAD
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STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Malaysian Code on Corporate Governance (“the Code”) sets out principles and best practices on structures and processes that companies may use in their operations towards achieving optimal governance framework. To this end, Bursa Malaysia Securities Listing Requirements requires listed companies to disclose in their Annual Report a statement on the application of these principles and best practices as advocated by the Code.

The Board of Directors of CCK Consolidated Holdings Berhad (“CCK” or “the Company”) believes in the principles of good corporate governance and supports the implementation of the highest standards of corporate governance throughout the CCK Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and the financial performance of the CCK Group.

In line with this, the Board of CCK is pleased to disclose the manner in which it has applied the principles of good governance and the extent to which it has complied with all the Best Practices as outlined in Part 2 of the Code.

THE BOARD OF DIRECTORS

- **Composition of the Board**

The CCK Group is led and managed by an experienced Board comprising thirteen members. The Non-Executive Chairman, the Group Managing Director, six Executive Directors and five Independent Directors have a wide range of experience in relevant fields required to successfully direct and supervise the CCK Group’s business activities. The profiles of each member are presented on pages 9 to 13 of this annual report.

To ensure that there is balance of power and authority, the roles of the Chairman and the Group Managing Director are separated and clearly defined. The Chairman is primarily responsible for the orderly conduct and effectiveness of the Board, whilst the Group Managing Director is responsible for the operating units, organisational effectiveness and implementation of Board policies and decisions.

The presence of Independent Directors fulfils a crucial role in corporate governance, for the provision of unbiased and independent views, advice and judgement to take account of the interests of shareholders, employees, customers, suppliers and the communities in which the CCK Group conducts business. Mr. Janggu Anak Banyang is the appointed Senior Independent Director to whom concerns may be conveyed to.

- **Board Procedures**

Besides its statutory duties, the Board is responsible for good corporate governance, including the setting of the CCK Group’s overall strategic direction, overseeing the conduct of the businesses, identifying principal risks, ensuring that systems are in place to manage these risks, implementation of succession planning programme for Senior Management, implementation of an investors relations programme and reviewing the adequacy of the CCK Group’s system of internal controls.

The Board holds at least four regularly scheduled meetings annually, with additional meetings convened as necessary. During the financial year ended 30 June 2005, five (5) Board Meetings were held. The attendance of the Directors at the Board Meetings is outlined in page 16 of this annual report.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

	No. Attended
Datuk Tiong Su Kouk	4
Chong Shaw Fui	5
Tiong Chiong Hiiung	5
Tiong Chiong Soon	5
Lau Liong Kii	5
Ling Ting Leong @ Ling Chong Seng	5
Wong See Khong	3
Kueh Chung Peng	4
Janggu Anak Banyang	5
Francis Wong Chin Sing @ Wong Chin Sing	4
Datu Haji Putit bin Matzen	4
Douglas Jerukan @ Jarukan Ak Kanyan	5
Dato' Fuziah @ Fauziah binti Dato' Ismail	5

- Supply Of Information**

The Directors have unrestricted access to information pertaining to the CCK Group's business and affairs to enable them in discharging their duties and responsibilities. All Directors are provided with an agenda and a set of Board papers in a timely manner prior to Board Meetings, to enable the Directors to obtain further explanations, where necessary, in order to be properly briefed before the meeting, so that time can be conserved and used for focussed discussion.

All Directors have access to the advice of the Company Secretaries, independent professional advisors, and internal/external auditors in appropriate circumstances at the Company's expense.

- Committees Of The Board**

The following Board Committees have been established to assist the Board in discharging its duties. All the Board Committees do not have executive powers but to report to the Board on all matters considered and their recommendations thereon. The Board has approved the terms of reference of each Committee, and where applicable, these comply with the recommendations of the Code.

- a. Audit Committee**

The Audit Committee, formed on 12 July 1997, reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the in-house internal auditor, ensures that an objective and professional relationship is maintained with the external auditors, and that conflicts of interest are avoided.

The Report of the Audit Committee is set out on pages 22 to 25 of this annual report.

- b. Nomination Committee**

The Board has set up, on 27 February 2002 a Nomination Committee, which is mainly responsible for the identification and recommendation of new nominees to the Board, for the annual review of the required mix of skills and experience of the Board and for the annual assessment of the effectiveness of the Board Committees, the Board as a whole and the contribution of each Director. During the year, the Nomination Committee has met once.

The members of the Nomination Committee, all of whom are non-executive Directors and a majority of whom are independent, are as follows :-

Datuk Tiong Su Kouk - Chairman (*Non-Independent Non-Executive Director*)
 Mr. Janggu Anak Banyang (*Independent Director*)
 Datu Haji Putit bin Matzen (*Independent Director*)
 Mr. Douglas Jerukan @ Jarukan Ak Kanyan (*Independent Director*)



STATEMENT ON CORPORATE GOVERNANCE (cont'd)

c. Remuneration Committee

The Remuneration Committee was established on 27 February 2002 and is principally responsible for setting the policy framework and for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. During the year, the Remuneration Committee met once.

The members of the Remuneration Committee, the majority of whom are non-executive, are as follows :-

Datuk Tiong Su Kouk - Chairman (*Non-Independent Non-Executive Director*)

Mr. Tiong Chiong Hiiung (*Group Managing Director*)

Mr. Lau Liong Kii (*Executive Director*)

Mr. Jangu Anak Banyang (*Independent Director*)

Datu Haji Putit bin Matzen (*Independent Director*)

Mr. Douglas Jerukan @ Jarukan Ak Kanyan (*Independent Director*)

• Appointments to the Board

As indicated above, the Nomination Committee recommends the appointment of new Directors to the Board. Thereafter upon approval by the Board, the new Directors undergo a familiarisation programme, which includes visits to the CCK Group's operating units, and meetings with Senior Management, as appropriate, to facilitate the new Directors' understanding of the CCK Group.

• Re-election of Directors

In accordance with CCK's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting after their appointment. One-third of the remaining Directors are required to submit themselves for re-election by rotation at each Annual General Meeting, and all Directors must submit themselves for re-election at least once every three (3) years.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

• Directors' and Senior Management's Training and Update Programmes

All new Board members and Senior Management are guided on a familiarisation programme, including visits to the CCK Group's offices and manufacturing facilities and meetings with senior management as appropriate, to facilitate their understanding of the CCK Group.

All the Directors have attended the Mandatory Accreditation Programme. They are also attending Continuing Education Programmes ("CEP") from time to time to equip themselves with the knowledge to discharge their duties effectively.

DIRECTORS' REMUNERATION

CCK recognises the need to ensure that remuneration of Directors is appreciative and reflective of the responsibility and commitment that goes with Board membership. In line with this, the Board, via its Remuneration Committee, has adopted a remuneration structure that attempts to retain and attract the Executive Directors with the right caliber for CCK. The fees for Non-Executive Directors are determined by the Board as a whole.

Contrary to the disclosure recommendations as indicated in the best practices of the Code, the Board would not be providing details of remuneration awarded to each Director. The Board is of the opinion that matters pertaining to Directors' remuneration are of a personal nature.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

In compliance with Bursa Malaysia Securities Listing Requirements, the fees and remuneration paid to Directors of the CCK Group during the financial year ended 30 June 2005, in aggregate and analysed into bands of RM50,000, were as follows :-

	Executive Directors	Non-Executive Directors
	RM	RM
Fee	46,260	226,320
Salary	888,000	-
Bonus	222,000	-
Allowances	12,000	-
Benefits-in-kind	-	-
Commissions	6,227	-

	Executive Directors	Non-Executive Directors
	No.	No.
RM200,001 to RM250,000	1	-
RM150,001 to RM200,000	2	1
RM100,001 to RM150,000	4	-
RM50,001 to RM100,000	-	-
RM50,000 and below	-	5

SHAREHOLDERS COMMUNICATION

CCK maintains a regular policy of disseminating information that is material for shareholders' information via announcements made through the Bursa Malaysia Securities Berhad website. In compliance with the Bursa Malaysia Securities Listing Requirements, the Company also releases timely financial information on a quarterly basis, which includes an overview of the performance of CCK Group. The Company uses the Annual General Meeting as a principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the questions and answers session. Members of the Board as well as the external auditors of the Company are present to answer queries raised at the meeting.

ACCOUNTABILITY AND AUDIT

- Financial Reporting**

The Directors aim to present a balanced and understandable assessment of the CCK Group's position and prospects in presenting its annual financial statements and quarterly announcements to shareholders. These financial statements are drawn-up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board, and are reviewed by the Audit Committee prior to approval by the Board. In compliance with statutory requirements, the annual financial statements are subjected to audit by an independent external auditor.

- Internal Control**

The Board of Directors acknowledge their responsibility for the CCK Group's system of internal control, which is designed to identify and manage the risks of the businesses of the CCK Group, in pursuit of its objectives. In addition, the system of internal control practiced by the CCK Group spans over financial, operational and compliance aspects, particularly to safeguard the CCK Group's assets and hence shareholders' investments. In executing this responsibility, the Board via the Audit Committee and the internal auditors, has adopted procedures to monitor the ongoing adequacy and integrity of the system of internal control.



STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Further details of the state of the system of internal control of the CCK Group are presented on pages 20 to 21 of this annual report.

- **Relationship with the Auditors**

Through the Audit Committee, the CCK Group has established a formal and transparent relationship with the external auditors. The Audit Committee meets with the external auditors without the presence of the executive members of the Board at least once a year.

The Audit Committee has been explicitly accorded the power to communicate directly with both external auditors and internal auditors. The auditors may from time to time throughout the financial year, highlight to the Audit Committee and the Board on matters that require the Board's attention.

The amount of non-audit fees paid to the external auditors, Messrs. Hii & Lee by the Company and its subsidiaries during the financial year ended 30 June 2005 amounted to RM25,000.



STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“Code”) requires listed companies to maintain a sound system of internal control to safeguard shareholders’ investment and the company’s assets. In line with this Bursa Malaysia Listing Requirements requires the Board of Directors to include a statement in annual reports on the state of internal control of the Company and its group of subsidiary companies has also issued “Guidance for Directors of Public Listed Companies” (Guidance”) in making this statement accordingly.

The Board of Directors of CCK Consolidated Holdings Bhd is pleased to present this Statement on Internal Control, which has been prepared in accordance with the Guidance.

INTERNAL CONTROL SYSTEM

A sound system of internal control incorporates the need to have in place an appropriate risk assessment framework. Identification of internal controls to manage and control these risks, implementation of an effective information and communications system, and an ongoing process for monitoring the continuing adequacy and integrity of the system of internal control.

Within CCK and its group of Companies (“CCK”), the Board has implemented a Risk Management and Internal Control Framework which encompasses the following:-

a) The identification of principal risks faced by the CCK Group

In January 2002, the Board, led by the Group Managing Director, held a Strategic Risk Assessment exercise to ensure that all Directors and Senior Management have a common Vision, Mission and Strategic Objectives. Within this workshop, the Board and Senior Management also undertook a risk assessment exercise to identify the principal risks faced by the CCK Group.

These principal risks shall on an annual basis, be updated by Senior Management for review and approval by the Board accordingly.

b) The identification of internal controls to manage these principal risks

A review of the inventory of the current internal controls framework was carried out to ascertain its adequacy in meeting the principal risks identified and actions plans or revised internal controls were drawn up in bridging the gaps, having regard to cost/benefit, materiality and likelihood of crystallisation of risks.

c) Implementation of internal controls within the information and communication processes

These revised internal controls were then built into the processes of the CCK Group. Accountabilities are placed on the Heads of each Operating Unit for the effective implementation thereon.

d) Monitoring and reporting process to continuously review the adequacy and integrity of internal control

The Board, via the Audit Committee, monitors the system of internal control through quarterly reviews, which is normally undertaken by the in-house Internal Auditor. The review also includes a balanced assessment of the significant risks and the adequacy and integrity of the internal control systems of the CCK Group. Where any significant weaknesses have been identified, the Internal Auditor together with input from Management would recommend measures to improve the internal controls accordingly. Follow-up audits are also undertaken to assess the status of implementation thereof by Management.

Further details on the scope of activities of the Internal Audit are set out in the Report of the Audit Committee, which is available on pages 18 to 20 this Annual Report.



STATEMENT ON INTERNAL CONTORL (cont'd)

Other Elements of Internal Control

The other key elements of the CCK Group's internal control systems that are in place are described below:-

- * Regular review of operational reports, including key performance indicators, by the Group Managing Director and Executive Directors of the CCK Group;
- * Regular review of financial reporting by the Audit Committee and the Board;
- * Detailed budgeting process by both the Operating Units and Head Office;
- * Regular monitoring of actual results against budgets, with major variances analysed for effective management actions thereafter; and
- * Regular inspection visits by directors, in particular executive directors, to operating units to have a first-hand account of the efficiency and effectiveness of the Group's strategy, mode of operation and control.

The Board is also in the process of putting in place a system to ensure that there are adequate financial and operational policies and procedures relating to delegation of authority within the CCK Group.

BOARD OF DIRECTORS' ACKNOWLEDGEMENT

The Board of Directors affirms its overall responsibility for the CCK Group's system of internal control, and for reviewing its adequacy and integrity. It should be noted however that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system could provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board of Directors is also pleased to report that there were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.



REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee was established on 12 July 1997 and comprises of the following Directors :-

Jangu Anak Banyang - Chairman	-	Independent Director
Datuk Tiong Su Kouk	-	Non-Independent Non-Executive Director
Francis Wong Chin Sing @ Wong Chin Sing ¹	-	Independent Director
Douglas Jerukan @ Jarukan Ak Kanyan (appointed on 29 September 2005)	-	Independent Director

1. *Francis Wong is a member of the Malaysian Institute of Accountants*

The term of office and performance of the Audit Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE

- **Objectives**

The Audit Committee will give assurance to the Company's shareholders that compliance with specified financial standards and disclosure policies developed and administered by Bursa Malaysia Securities Berhad ("Bursa Securities") are being adhered to. In addition, the Audit Committee will assure that certain standard of corporate responsibility, integrity and accountability to the Company's shareholders are being inculcated in the duties and responsibility of the Board of Directors of the Company.

- **Membership**

The Audit Committee shall be appointed by the Directors from amongst their number (pursuant to a resolution of the Board of Directors) which shall consist of not less than three (3) members, the majority of whom shall be non-executive and independent directors, and free from any relationship, which might in the opinion of the Board of Directors, interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee. No alternate director can be a member of the Audit Committee.

The members of the Audit Committee shall elect a chairman from among their number who is a non-executive and independent director.

At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants ("MIA") or if he is not a member of the MIA, he must have at least three (3) years' working experience and :-

- a. he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- b. he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which results in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.



REPORT OF THE AUDIT COMMITTEE (cont'd)

- **Meetings**

A quorum shall be two (2) members and a majority of members present must be independent directors. The Finance Director and Head of Internal Audit shall normally attend meetings. A representative of external auditors shall attend as and when required. The Company Secretary shall be the secretary of the Audit Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee.

- **Frequency of Meetings**

The Audit Committee shall meet as and when the need arises provided that it shall meet at least four (4) times a year. The external auditors may request for a meeting if they consider that one is necessary.

- **Authority**

The Audit Committee is authorised by the Board on the following :-

- i. investigate any activity within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee;
- iv. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity, if any;
- v. obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- vi. upon request of the external auditor, to convene meeting of the Audit Committee, excluding the attendance of the Executive Directors if deemed necessary, to consider any matter the external auditor believes should be brought to the attention of the Board of Directors or shareholders.

Where the Audit Committee is of the view that a matter reported to the Board of Directors has not been satisfactorily resolved resulting in a breach of Bursa Malaysia Securities Listing Requirements, the Audit Committee has the responsibility to promptly report such matter to Bursa Securities.

The Audit Committee shall be reporting to the full Board from time to time its recommendations for consideration and implementation and the actual decision shall be the responsibility of the Board of Directors after considering the recommendation of the Committee.

- **Duties and Responsibilities**

To review :-

- a. with the external and internal auditors: their respective audit plan, the audit report - major findings and management's responses thereof, and their evaluation of the CCK Group's system of internal control;
- b. the assistance given by the CCK Group's employees to both the internal and external auditors;
- c. the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;



REPORT OF THE AUDIT COMMITTEE (cont'd)

- d. the audit fees proposed by external auditors;
- e. the appointment (and re-appointment), resignation and dismissal of the external and internal auditors;
- f. the appraisal of the performance of the internal auditor;
- g. the quarterly and annual financial statements of the Company and the Group, focusing on the matters set out below, and thereafter to submit them to the Board :-
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and regulatory requirements;
- h. any related party transactions that may arise within the Company or Group; and
- i. any other functions as may be agreed to by the Audit Committee and the Board.

ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

- **Meetings and Attendance**

Four (4) Audit Committee meetings were held during the financial year ended 30 June 2005. The attendance of each member is as follows :-

	No. Attended
Janggu Anak Banyang	4
Datuk Tiong Su Kouk	3
Francis Wong Chin Sing @ Wong Chin Sing	4
Douglas Jerukan @ Jarukan Ak Kanyan (appointed on 29 September 2005)	Not Applicable

- **Summary of Activities of Audit Committee**

The following activities were carried out by the Audit Committee during the financial year ended 30 June 2005 in discharge of its functions and duties :-

- a. reviewed and approved the audit plans of the CCK Group with the internal and external auditors;
- b. reviewed and deliberated the audit reports for the CCK Group and consideration of the major findings by the internal and external auditors, and Management's responses thereof;
- c. reviewed and deliberated the quarterly and annual financial reports of the Company and the CCK Group prior to submission to the Board of Directors for their consideration and approval;
- d. reviewed of any related party transactions to be entered into by the Company and the CCK Group prior to submission to the Board of Directors for their consideration and approval;
- e. reviewed adequacy of the disclosure on related party transactions entered into by the Company and the CCK Group in the quarterly and annual reports of the Company;



REPORT OF THE AUDIT COMMITTEE (cont'd)

- f. met with the external auditors without the presence of any executives except for the Joint Company Secretaries;
- g. considered the nomination and appointment of external auditors, as well as their fees;
- h. reviewed the Statement on Internal Control and Report of the Audit Committee prior to submission to the Board of Directors for their consideration and approval;
- i. reviewed and deliberated the budget and strategic plan for the financial year ending 30 June 2006;
- j. reviewed and deliberated the report on comparison of actual v budgeted results on a quarterly basis; and
- k. verified the allocation of options pursuant to Employees' Share Options Scheme.

ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The internal audit department, which was established since incorporation of CCK, has carried out planned audits during the financial year and provided regular reports on compliance with internal financial policies and operational procedures to the Audit Committee. In particular the Internal Auditor has, under the remit of the Audit Committee, performed audit work on the following :-

- reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls of the CCK Group over inventory management, treasury and receivable process, and the production process flow;
- ascertaining the extent to which the CCK Group's assets are accounted for and safeguarded from losses of all kinds;
- conducting of the following :-
 - physical stock count, control and review;
 - physical cash count, control and review;
 - debtors analysis, control and review;
 - petty cash review;
 - fixed assets review;
 - export sales review;
 - gross profit reconciliation;
 - production information control; and
 - performance review;
- identifying opportunities to improve the operations of and processes within the CCK Group, in particular over financial reporting of key indicators for Management's information; and
- carrying out audit work in liaison with external auditors to maximise the use of resources and for effective coverage of audit risks.

STATEMENT VERIFYING ALLOCATION OF OPTIONS

The Audit Committee has verified that the allocation of share options pursuant to the Employees' Share Options Scheme ("ESOS") for the financial year ended 30 June 2005 was made in accordance with the criteria as set out in the bye-laws of the Company's ESOS.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are required under Bursa Malaysia Securities Listing Requirements, to issue a statement explaining their responsibility for preparation of the annual audited financial statements.

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements of CCK Consolidated Holdings Berhad for the financial year ended 30 June 2005, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

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

The auditors' responsibilities are stated in their report to the shareholders.

FINANCIAL INFORMATION

FINANCIAL INFORMATION



CCK CONSOLIDATED HOLDINGS BERHAD
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DIRECTOR'S REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company cover investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit after taxation	3,732,241	1,230,470
Minority interests	(66,787)	-
	<hr/>	<hr/>
Net profit for the financial year	<u>3,665,454</u>	<u>1,230,470</u>

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

DIVIDEND

Since the end of the previous financial year, the Company paid a first and final dividend of 3.5 sen gross less tax at 28% amounting to RM1,253,579.90 in respect of the previous financial year ended 30 June 2004.

The directors recommend the payment of a first and final dividend of 3.5 sen gross less income tax at 28% in respect of the financial year ended 30 June 2005 which, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 16 January 2006 to Depositors whose names appear in the Record of Depositors on 29 December 2005.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (i) Shares transferred into the Depositor's securities account before 4:00 p.m. on 29 December 2005, in respect of ordinary transfers; and
- (ii) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company was increased from RM49,744,000 to RM49,745,234 by issuing 1,234 ordinary shares of RM1.00 each at a premium of RM0.20 each by virtue of the exercise of share options.

The abovementioned shares rank pari passu in all respects with the then existing shares of the Company.



DIRECTOR'S REPORT (cont'd)

EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

Pursuant to the ESOS which became effective on 20 December 2000, options to subscribe for up to 4,626,000 ordinary shares of the Company were made available to eligible directors and employees of the Group.

The main features of the ESOS are as follows:-

- (a) The ESOS shall continue to be in force for a period of five years from 23 March 2001, being the approval date of the Companies Commission of Malaysia and shall end on 22 March 2006.
- (b) The maximum number of shares to be offered under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (c) The ESOS is for eligible persons who are full-time executive directors and confirmed employees of the Group with at least twelve months of continuous service.
- (d) The options granted are exercisable only by the eligible person during his/her life time and within the option period whilst he/she is employed by the Group.
- (e) The option price for each RM1.00 share shall be the higher of the following:-
 - (i) A discount of not more than 10% from the five-market-day weighted average market price of the Company's shares at the date of offer, or
 - (ii) The par value of the shares.
- (f) The options are non-assignable.
- (g) The shares to be allotted under the ESOS shall rank pari passu in all respects with the then existing shares of the Company.

During the financial year, 1,234 ordinary shares of RM1.00 each were issued by virtue of the exercise of options granted in prior year at an option price of RM1.20.

The outstanding offered options to take up unissued ordinary shares of RM1.00 each and the option price are as follows:-

Options over ordinary shares of RM1 each				
Date of offer	Option price (RM)	At 1.7.2004	Exercised	At 30.6.2005
6.4.2001	1.20	4,382,000	(1,234)	4,380,766

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings.

DIRECTOR'S REPORT (cont'd)

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

Datuk Tiong Su Kouk
 Chong Shaw Fui
 Tiong Chiong Hiiung
 Tiong Chiong Soon
 Lau Liong Kii
 Ling Ting Leong @ Ling Chong Seng
 Wong See Khong
 Kueh Chung Peng
 Jangu Anak Banyang
 Francis Wong Chin Sing @ Wong Chin Sing
 Douglas Jerukan @ Jarukan Ak Kanyan
 Datu Haji Putit Bin Matzen
 Dato' Fauziah Binti Dato' Ismail

In accordance with Article 81 of the Company's Articles of Association, Chong Shaw Fui, Francis Wong Chin Sing @ Wong Chin Sing, Douglas Jerukan @ Jarukan Ak Kanyan and Datu Haji Putit Bin Matzen retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

The following directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act 1965, an interest in the shares of the Company as stated below:-

Shares in the Company	1.7.2004	Ordinary shares of RM1 each		30.6.2005
		Acquired	Disposed	
Datuk Tiong Su Kouk				
- Direct	677,616	-	-	677,616
- Indirect	16,611,282	-	-	16,611,282
Chong Shaw Fui				
- Direct	15,000	-	-	15,000
- Indirect	3,430,424	-	-	3,430,424
Tiong Chiong Hiiung				
- Direct	15,000	-	-	15,000
- Indirect	17,288,898	-	-	17,288,898
Tiong Chiong Soon				
- Direct	15,000	-	-	15,000
- Indirect	17,288,898	-	-	17,288,898
Lau Liong Kii				
- Direct	297,800	-	-	297,800
- Indirect	824,814	-	-	824,814
Ling Ting Leong @ Ling Chong Seng				
- Direct	219,511	-	-	219,511
- Indirect	255,636	-	-	255,636
Wong See Khong				
- Direct	500,022	-	-	500,022



DIRECTOR'S REPORT (cont'd)

DIRECTORS' SHAREHOLDINGS (cont'd)

Shares in the Company	1.7.2004	Ordinary shares of RM1 each		30.6.2005
		Acquired	Disposed	
Kueh Chung Peng				
- Direct	1,500	-	-	1,500
- Indirect	880,932	-	-	880,932
Douglas Jerukan @ Jarukan Ak Kanyan				
- Direct	379,500	-	-	379,500
Janggu Anak Banyang				
- Direct	15,000	-	-	15,000

Shares options in the Company	1.7.2004	Ordinary shares of RM1 each		30.6.2005
		Exercised		
Datuk Tiong Su Kouk	110,000	-		110,000
Chong Shaw Fui	110,000	-		110,000
Tiong Chiong Hiiung	110,000	-		110,000
Tiong Chiong Soon	66,000	-		66,000
Lau Liong Kii	110,000	-		110,000
Ling Ting Leong @ Ling Chong Seng	110,000	-		110,000
Wong See Khong	110,000	-		110,000
Kueh Chung Peng	110,000	-		110,000

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the benefits disclosed as directors' remuneration in Note 23 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 he is a member, or with a company in which he has a substantial financial interest, except for any benefits arising from transactions as disclosed in Note 35 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the directors took reasonable steps:

- (a) to ascertain that actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or



DIRECTOR'S REPORT (cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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.

No contingent or other liability 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 or of the Company to meet their obligations as and when they fall due.

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

- (a) any charge on the assets of the Group or of the Company which 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.

OTHER STATUTORY INFORMATION

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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors,

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, **Hii & Lee**, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATUK TIONG SU KOUK

Chairman

TIONG CHIONG HIIUNG

Managing Director

Sibu, Sarawak.

29 September 2005



STATEMENT BY DIRECTORS

We, **DATUK TIONG SU KOUK** and **TIONG CHIONG HIIUNG**, being two of the directors of **CCK CONSOLIDATED HOLDINGS BERHAD**, stated that, in the opinion of the directors, the financial statements set out on pages 35 to 68 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2005 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATUK TIONG SU KOUK
Chairman

TIONG CHIONG HIIUNG
Managing Director

Sibu, Sarawak.
29 September 2005

STATUTORY DECLARATION

I, **TIONG CHIONG HIIUNG** (I/C No. 670208-13-6277), being the managing 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 35 to 68 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **TIONG CHIONG HIIUNG** at **SIBU** on 29th day of September 2005.

TIONG CHIONG HIIUNG

Before me
Commissioner for Oaths
29 September 2005



REPORT OF THE AUDITORS TO THE MEMBERS OF

CCK CONSOLIDATED HOLDINGS BERHAD

HII & LEE AF 0123

Chartered Accountants

2nd Floor, 1, Lorong Pahlawan 7A2
Jalan Pahlawan 96000 Sibul,
Sarawak, Malaysia.

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96007 Sibul, Sarawak, Malaysia

Phone: 084-211777(4 lines)
Fax : 084-216622
Email: hii_lee@tm.net.my

Also at Kuching, Bintulu,
Miri & Kota Kinabalu

We have audited the financial statements set out on pages 35 to 68. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements which have been prepared under the historical cost convention are properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and the Company as at 30 June 2005 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the financial year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualifications and did not include any comments made under Section 174(3) of the said Act.

HII & LEE
No.AF0123
Chartered Accountants

Sibu, Sarawak.
29 September 2005

MORRIS HII SU ONG
1682/4/07(J)
Partner of the firm

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2005

	Note	2005 RM	2004 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	47,176,871	49,722,519
Investment in associated companies	8	627,617	755,820
Other investment	9	50,000	50,000
Deferred tax assets	19	37,280	34,314
Goodwill on consolidation	10	82,790	-
		<u>47,974,558</u>	<u>50,562,653</u>
CURRENT ASSETS			
Inventories	11	29,326,962	24,376,205
Trade receivables	12	33,300,672	33,908,593
Other receivables, deposits and prepayments		6,069,566	4,080,524
Amount due from associated companies	14	93	532
Cash and bank balances		8,286,356	11,535,917
		<u>76,983,649</u>	<u>73,901,771</u>
CURRENT LIABILITIES			
Trade payables		13,090,490	13,135,712
Other payables, deposits and accruals		3,027,217	2,516,100
Amount due to associated companies	14	124,736	50,000
Hire purchase creditors	15	720,187	380,616
Bank borrowings	16	15,138,553	19,318,461
Taxation payable		229,514	183,450
		<u>32,330,697</u>	<u>35,584,339</u>
NET CURRENT ASSETS			
		<u>44,652,952</u>	<u>38,317,432</u>
		<u>92,627,510</u>	<u>88,880,085</u>
FINANCED BY:-			
SHARE CAPITAL	17	49,745,234	49,744,000
RESERVES	18	35,638,135	33,226,014
		<u>85,383,369</u>	<u>82,970,014</u>
SHAREHOLDERS' EQUITY			
		<u>502,778</u>	<u>497,591</u>
MINORITY INTERESTS			
NON-CURRENT AND DEFERRED LIABILITIES			
Hire purchase creditors	15	548,736	791,959
Bank borrowings	16	3,573,861	2,804,821
Deferred taxation	19	2,618,766	1,815,700
		<u>6,741,363</u>	<u>5,412,480</u>
		<u>92,627,510</u>	<u>88,880,085</u>
		<u>Sen</u>	<u>Sen</u>
Net tangible assets per share	20	171	167

The notes on pages 43 to 68 form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2005

	Note	2005 RM	2004 RM
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,192,692	1,350,719
Investment in subsidiary companies	7	41,749,149	41,739,149
Investment in associated companies	8	400,050	325,050
		<u>43,341,891</u>	<u>43,414,918</u>
CURRENT ASSETS			
Other receivables and prepayment		658,450	592,685
Amount due from subsidiary companies	13	14,313,662	15,114,333
Amount due from associated company		93	-
Cash and bank balances		1,608,984	746,236
		<u>16,581,189</u>	<u>16,453,254</u>
CURRENT LIABILITIES			
Other payable and accruals		155,047	104,150
Amount due to subsidiary companies	13	866,495	916,752
Amount due to associated companies	14	124,736	50,000
		<u>1,146,278</u>	<u>1,070,902</u>
NET CURRENT ASSETS			
		<u>15,434,911</u>	<u>15,382,352</u>
		<u>58,776,802</u>	<u>58,797,270</u>
FINANCED BY:-			
SHARE CAPITAL	17	49,745,234	49,744,000
RESERVES	18	9,029,406	9,052,269
		<u>58,774,640</u>	<u>58,796,269</u>
SHAREHOLDERS' EQUITY			
NON-CURRENT AND DEFERRED LIABILITY			
Deferred taxation	19	2,162	1,001
		<u>58,776,802</u>	<u>58,797,270</u>

The notes on pages 43 to 68 form an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Group 2005	Note	Share capital RM	Share premium RM	Non-distributable Reserve on consolidation RM	Distributable Retained profits RM	Total RM
At 1 July 2004		49,744,000	691,378	-	32,534,636	82,970,014
Options exercised		1,234	247	-	-	1,481
Net profit for the financial year		-	-	-	3,665,454	3,665,454
Dividend	31	-	-	-	(1,253,580)	(1,253,580)
At 30 June 2005		<u>49,745,234</u>	<u>691,625</u>	<u>-</u>	<u>34,946,510</u>	<u>85,383,369</u>

2004

At 1 July 2003		49,616,000	665,778	-	29,922,576	80,204,354
Options exercised		128,000	25,600	-	-	153,600
Net profit for the financial year		-	-	-	3,862,484	3,862,484
Dividend	31	-	-	-	(1,250,424)	(1,250,424)
At 30 June 2004		<u>49,744,000</u>	<u>691,378</u>	<u>-</u>	<u>32,534,636</u>	<u>82,970,014</u>

Company 2005		Share capital RM	Share premium RM	Retained profits RM	Total equity RM
At 1 July 2004		49,744,000	691,378	8,360,891	58,796,269
Options exercised		1,234	247	-	1,481
Net profit for the financial year		-	-	1,230,470	1,230,470
Dividend	31	-	-	(1,253,580)	(1,253,580)
At 30 June 2005		<u>49,745,234</u>	<u>691,625</u>	<u>8,337,781</u>	<u>58,774,640</u>

2004

At 1 July 2003		49,616,000	665,778	6,605,183	56,886,961
Options exercised		128,000	25,600	-	153,600
Net profit for the financial year		-	-	3,006,132	3,006,132
Dividend	31	-	-	(1,250,424)	(1,250,424)
At 30 June 2004		<u>49,744,000</u>	<u>691,378</u>	<u>8,360,891</u>	<u>58,796,269</u>

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	2005 RM	2004 RM
REVENUE	21	223,447,269	218,713,873
Cost of sales		(193,558,442)	(190,813,379)
GROSS PROFIT		29,888,827	27,900,494
Other operating income	22	1,237,494	1,640,648
Operating expenses	23	(24,495,836)	(23,237,347)
PROFIT FROM OPERATING ACTIVITIES		6,630,485	6,303,795
Finance costs	24	(826,276)	(898,847)
Share of (losses)/profits in associated companies		(42,821)	51,632
PROFIT BEFORE TAXATION		5,761,388	5,456,580
Taxation	25	(2,029,147)	(1,492,678)
PROFIT AFTER TAXATION		3,732,241	3,963,902
Minority interests		(66,787)	(101,418)
NET PROFIT FOR THE FINANCIAL YEAR		3,665,454	3,862,484
Earnings per ordinary share		Sen	Sen
- Basic	26	7.37	7.78
- Diluted	26	7.35	7.74
Net dividends per ordinary share in respect of the year	31	2.52	2.52

The notes on pages 43 to 68 form an integral part of these financial statements.



INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	2005 RM	2004 RM
REVENUE	21	2,578,000	4,578,000
Other operating income	22	54,673	51,865
Operating expenses	23	(819,778)	(839,008)
PROFIT FROM OPERATING ACTIVITIES		1,812,895	3,790,857
Finance costs	24	(133)	(1,772)
PROFIT BEFORE TAXATION		1,812,762	3,789,085
Taxation	25	(582,292)	(782,953)
NET PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		<u>1,230,470</u>	<u>3,006,132</u>
Net dividends per ordinary share in respect of the year	31	<u>Sen 2.52</u>	<u>Sen 2.52</u>

The notes on pages 43 to 68 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

Note	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,761,388	5,456,580
Adjustments for:-		
Allowance for doubtful debts	82,619	202,718
Amortisation of goodwill on consolidation	20,697	-
Bad debts recovered	(170)	-
Bad debts written off	62,252	52,239
Property, plant and equipment written off	8,000	64,351
Depreciation	5,952,494	5,968,901
Interest expenses	826,276	898,847
Interest income	(45,757)	(36,638)
Inventories written down	496,078	48,698
Inventories written off	1,090,893	-
Loss on disposals of property, plant and equipment	21,992	37,166
Profit on disposals of property, plant and equipment	(232,275)	(13,526)
Share of losses/(profits) in associated companies	42,821	(51,632)
Unrealised exchange gain	-	(46,737)
Unrealised exchange loss	14,663	-
Operating profit before working capital changes	14,101,971	12,580,967
(Increase)/decrease in inventories	(6,529,068)	5,249,425
Decrease/(increase) in trade receivables	565,044	(6,745,854)
(Increase)/decrease in other receivables, deposits and prepayments	(1,940,542)	413,379
Decrease in amount due from an associated company	75,175	50,655
(Decrease)/increase in trade payables	(45,222)	1,091,685
Increase in other payables, deposits and accruals	493,292	686,441
Cash generated from operations	6,720,650	13,326,698
Dividends received from associated companies	2,880	10,000
Interest paid	(826,276)	(898,847)
Interest received	45,757	36,638
Tax paid	(1,184,983)	(1,421,174)
Net cash provided by operating activities	4,758,028	11,053,315

The notes on pages 43 to 68 form an integral part of these financial statements.



CONSOLIDATED CASH FLOW STATEMENT (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	2005 RM	2004 RM
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposals of property, plant and equipment		862,955	242,095
Acquisition of subsidiary companies	27	(302,084)	-
Increase in investment in an associated company		(75,000)	-
Purchase of investment in an associated company		-	(125,050)
Purchase of property, plant and equipment	28	(3,087,241)	(3,399,439)
Net cash used in investing activities		(2,601,370)	(3,282,394)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Dividend paid to minority shareholders of a subsidiary company		(61,600)	(61,600)
Dividend paid		(1,253,580)	(1,250,424)
Proceeds from issue of shares under ESOS		1,481	153,600
Proceeds from term loans and other facilities		49,072,801	32,453,750
Repayment of hire purchase liabilities		(681,652)	(452,349)
Repayment of term loans and other facilities		(51,669,366)	(31,521,743)
Net cash used in financing activities		(4,591,916)	(678,766)
Net (decrease)/increase in cash and cash equivalents		(2,435,258)	7,092,155
Cash and cash equivalents brought forward		8,536,634	1,444,479
Cash and cash equivalents carried forward	29	6,101,376	8,536,634

The notes on pages 43 to 68 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	2005 RM	2004 RM
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before taxation		1,812,762	3,789,085
Adjustments for:-			
Depreciation		158,027	156,643
Dividends income		(2,230,000)	(4,230,000)
Interest expenses		133	1,772
Interest income		(54,673)	(51,865)
Operating loss before working capital changes		(313,751)	(334,365)
Increase in other receivables and prepayment		(4,592)	(209,658)
Increase in other payable and accruals		50,897	-
Decrease in net amount due from subsidiary companies		750,414	4,305,100
(Decrease)/increase in amount due to associated companies		(74,643)	50,000
Cash generated from operations		557,611	3,811,077
Dividends received		1,605,600	3,390,000
Interest received		54,673	51,865
Interest paid		(133)	(1,772)
Tax paid		(17,904)	(20,145)
Net cash provided by operating activities		2,199,847	7,231,025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of subsidiary companies	27	(10,000)	-
Purchase of property, plant and equipment		-	(8,300)
Increase in investment in subsidiary companies		-	(5,499,998)
Increase in investment in an associated company		(75,000)	-
Acquisition of an associated an companies		-	(125,050)
Net cash used in investing activities		(85,000)	(5,633,348)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from issue of shares under ESOS		1,481	153,600
Dividend paid		(1,253,580)	(1,250,424)
Net cash used in financing activities		(1,252,099)	(1,096,824)
Net increase in cash and cash equivalents		862,748	500,853
Cash and cash equivalents brought forward		746,236	245,383
Cash and cash equivalents carried forward	29	1,608,984	746,236

The notes on pages 43 to 68 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Bursa Malaysia.

The address of the registered office of the Company is Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak.

The addresses of the principal places of business of the Company are as follows:-

- (a) Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak; and
- (b) 49A-B, Lanang Road, 96000 Sibu, Sarawak.

The number of employees including executive directors in the Group and in the Company at the end of the financial year were 979 (2004: 849) and 7 (2004: 7) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29th September 2005.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose itself to a variety of financial risks, including credit risk, interest rate risk, liquidity risk and foreign currency risk. The Group's overall financial risk management objective is to ensure that its Group of Companies creates value for its shareholders and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Group does not trade in financial instruments or engage in speculative transaction.

The policies for managing each of these risks which the Group is exposed to are summarised below:-

Credit risk

The Group's exposure to credit risk arises mainly from trade receivables. It is the Group's policy to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history and it monitors the financial standing of the receivables on an ongoing basis to ensure that it is exposed to minimal credit risk.

Interest rate risk

The Group's exposure to interest rate risk arises mainly from its borrowings and fixed deposits. The Group's policy is to obtain the most favourable interest rates available and it mitigates the exposure on interest rate fluctuations by borrowings at both fixed and floating rate of interest. Surplus funds are placed with licensed financial institutions.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that are deemed adequate by the management to finance the Group's operations. To mitigate the effects of fluctuation in cash flows, the Group also ensures the availability of funding through an adequate amount of committed credit facilities.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The currencies giving rise to this risk are primarily US Dollars. Since the Malaysian Government has pegged Ringgit Malaysia against the US Dollar at a fix rate, the Group's direct exposure to foreign exchange rate risk is minimal. It is the Group's policy not to trade in derivative contracts.

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention and in compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965.

The preparation of the financial statements, in conformity with the provisions of the Companies Act 1965 and applicable approved accounting standards, requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and its subsidiary companies, all of which are of the same reporting date, and prepared in accordance with the Group's accounting policies.

Subsidiary companies are consolidated using the acquisition method of accounting from the date on which control is transferred to the Group until the date that control ceases. The results of the subsidiary companies acquired or disposed during the financial year are included in the Group's financial statements from the date of their acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the Group's financial statements. The difference between the acquisition cost and fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate.

All inter-company balances and significant transactions have been eliminated on consolidation.

Minority interests are measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interests.

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Leasehold lands are depreciated over the terms of the respective lease period ranging from 13 years to 91 years. Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives. The principal annual depreciation rates are as follows:-

Buildings	2% - 5%
Furniture, fittings and equipment	10% - 20%
Coldroom, plant and machinery	10% - 20%
Motor vehicles	20%
Renovation	10% - 20%



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment and depreciation (cont'd)

No depreciation is provided for assets under construction. Depreciation of such assets will only be provided when construction is completed and in use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

(d) Investment in subsidiary companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The subsidiary companies are disclosed in Note 7 to the financial statements.

Investment in unquoted shares of the subsidiary companies, which is eliminated on consolidation, is stated at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Investments are written down where there is an impairment loss that is other than temporary in value of investments.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(e) Investment in associated companies

Associated companies are those companies in which the Group has a long term equity interest and exercises significant influence over the financial and operating policies through management participation. The associated companies are disclosed in Note 8 to the financial statements.

Investment in associated companies is accounted for using the equity method. The Group's interest in the associated companies is stated at cost less impairment losses plus adjustments to reflect changes in the Group's share of results in the associated companies.

The Group's share of results and reserves of the associated companies are included in the consolidated financial statements from their effective date of acquisition.

The results of the associated companies accounted for are based on the latest audited or management financial statements of these companies made up to the end of the financial year.

(f) Other investment

Other investment in unquoted shares held for long term is stated at cost less impairment losses, if any. When an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(g) Provisions

A provision is recognised when the Company or Group has a present obligation as a result of a past event where it is probable that the obligation will result in an outflow of economic benefits that can be reasonably estimated.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Impairment of assets

The carrying amounts of all assets, other than financial assets, are reviewed at balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an item of the assets exceeds its recoverable amount. An impairment loss is charged to the income statement.

The recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the assets belong.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(i) Goodwill/reserve on consolidation

The difference between the acquisition cost and fair values of the subsidiary companies' separable net assets at the acquisition date is treated as goodwill/ reserve on consolidation. Goodwill/reserve on consolidation is amortised over a period of five years on a straight line basis through the income statement.

(j) Inventories

Inventories consisting of trading inventories, raw materials, work-in-progress, consumable stores and aquaculture products are stated at the lower of cost and net realisable value.

Cost of trading inventories is determined on a first-in-first-out (FIFO) basis.

Cost of raw materials and work-in-progress, and consumable stores is determined on a FIFO or weighted average basis. Cost of aquaculture products is determined on a specific identification basis. Cost of raw materials comprises the original cost of purchases plus the cost of bringing the inventories to their present locations and conditions. Cost of work-in-progress includes the cost of raw materials, direct labour and a proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(l) Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Deferred tax liabilities and assets

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

(n) Employee benefits

Short-term employee benefits

All short-term employee benefits, including salary, payment, bonus accumulated and compensated absences are recognised in the income statements in the year in which the employees render their services to the Company.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

Equity compensation benefits

Under the Employee Share Options Scheme of the Group, eligible employees are entitled to subscribe for the shares issued by the Company. No compensation cost or obligation is recognised in the income statement when the share options are granted. Share capital and share premium account are increased when the proceeds are received from the share options exercised by the employees in that financial year.

(o) Revenue recognition

Revenue is recognised on the following basis:-

Trading sales - upon delivery of products and buyer's acceptance, net of discounts and returns, and when the risks and rewards of ownership have passed to the buyer.

Transportation services - when services are rendered.

Management income - when services are rendered.

Dividends income - when the shareholder's right to receive payment is established.

(p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Income tax (cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative 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 is 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 tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(q) Foreign currency transactions

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling on transaction dates. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at the approximate rates of exchange at the balance sheet date.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:-

Foreign currency	30.6.2005 RM	30.6.2004 RM
1 US Dollar	3.7996	3.8000
1 Sterling Pound	6.7900	6.9440
1 Singapore Dollar	2.2310	2.2375
1 Euro	4.4610	4.6410

(r) Assets acquired under hire purchase and term loan arrangements

Assets financed by hire purchase and term loan arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statements over the period of the arrangements to give a constant periodic rate of charge on the remaining hire purchase and term loan liabilities.

(s) Financial instruments

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

The fair values of the financial assets and liabilities maturing within 12 months are stated at approximately the carrying value as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Cash and cash equivalents

Cash and cash equivalents consists of cash and bank balances, demand deposits, bank overdrafts 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.

(u) Segment reporting

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the Group's financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated item mainly comprises corporate administration expenses.

6. PROPERTY, PLANT AND EQUIPMENT

Group 2005 Cost	Land and buildings RM	Furniture, fittings and equipment RM	Coldroom, plant and Machinery RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
At 1 July 2004	38,501,304	9,382,972	33,310,066	7,823,825	2,355,070	394,214	91,767,451
Acquisition of subsidiaries	529,029	51,952	-	10,000	-	-	590,981
Reclassifications	-	826	(7,800)	-	6,974	-	-
Additions	211,862	472,672	634,894	2,276,422	60,424	208,967	3,865,241
Written off	-	-	-	(40,000)	-	-	(40,000)
Disposals	(284,174)	(412,936)	(4,125)	(1,225,512)	-	-	(1,926,747)
At 30 June 2005	38,958,021	9,495,486	33,933,035	8,844,735	2,422,468	603,181	94,256,926
Accumulated depreciation							
At 1 July 2004	9,535,524	5,243,726	19,377,194	6,630,101	1,258,387	-	42,044,932
Acquisition of subsidiaries	353,880	24,824	-	10,000	-	-	388,704
Reclassifications	-	248	(2,340)	-	2,092	-	-
Charge for the year	1,346,510	952,565	2,558,093	875,725	219,601	-	5,952,494
Written off	-	-	-	(32,000)	-	-	(32,000)
Disposals	(117,673)	(90,227)	(825)	(1,065,350)	-	-	(1,274,075)
At 30 June 2005	11,118,241	6,131,136	21,932,122	6,418,476	1,480,080	-	47,080,055
Net book value							
At 30 June 2005	27,839,780	3,364,350	12,000,913	2,426,259	942,388	603,181	47,176,871

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2004 Cost	Land and buildings RM	Furniture, fittings and equipment RM	Coldroom, plant and Machinery RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
At 1 July 2003	38,218,233	8,270,150	32,774,427	7,563,376	2,166,523	22,061	89,014,770
Additions	309,021	1,155,091	1,035,095	355,095	222,984	372,153	3,449,439
Written off	-	(15,868)	(242,862)	(10,660)	-	-	(269,390)
Disposals	(25,950)	(26,401)	(256,594)	(83,986)	(34,437)	-	(427,368)
At 30 June 2004	38,501,304	9,382,972	33,310,066	7,823,825	2,355,070	394,214	91,767,451
Accumulated depreciation							
At 1 July 2003	8,212,929	4,318,170	16,869,048	6,006,905	1,035,651	-	36,442,703
Charge for the year	1,323,254	957,415	2,802,008	663,001	223,223	-	5,968,901
Written off	-	(13,889)	(180,493)	(10,657)	-	-	(205,039)
Disposals	(659)	(17,970)	(113,369)	(29,148)	(487)	-	(161,633)
At 30 June 2004	9,535,524	5,243,726	19,377,194	6,630,101	1,258,387	-	42,044,932
Net book value							
At 30 June 2004	28,965,780	4,139,246	13,932,872	1,193,724	1,096,683	394,214	49,722,519

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Breakdown of the land and buildings of the Group are as follows:-

2005 Cost	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Total land RM	Buildings RM	Total land and Buildings RM
At 1 July 2004	3,058,630	1,863,977	11,237,509	16,160,116	22,341,188	38,501,304
Acquisition of subsidiaries	-	-	-	-	529,029	529,029
Reclassification	-	-	-	-	-	-
Additions	-	-	74,432	74,432	137,430	211,862
Written off	-	-	-	-	-	-
Disposals	-	-	(10,093)	(10,093)	(274,081)	(284,174)
At 30 June 2005	3,058,630	1,863,977	11,301,848	16,224,455	22,733,566	38,958,021
Accumulated depreciation						
At 1 July 2004	-	56,398	3,751,919	3,808,317	5,727,207	9,535,524
Acquisition of subsidiaries	-	-	-	-	353,880	353,880
Reclassifications	-	-	-	-	-	-
Charge for the year	-	21,229	558,020	579,249	767,261	1,346,510
Written off	-	-	-	-	-	-
Disposal	-	-	(2,584)	(2,584)	(115,089)	(117,673)
At 30 June 2005	-	77,627	4,307,355	4,384,982	6,733,259	11,118,241
Net book value						
At 30 June 2005	3,058,630	1,786,350	6,994,493	11,839,473	16,000,307	27,839,780
2004 Cost						
At 1 July 2003	3,058,630	1,863,977	18,959,669	23,882,276	14,335,957	38,218,233
Reclassifications	-	-	(7,789,202)	(7,789,202)	7,789,202	-
Additions	-	-	67,042	67,042	241,979	309,021
Written off	-	-	-	-	-	-
Disposals	-	-	-	-	(25,950)	(25,950)
At 30 June 2004	3,058,630	1,863,977	11,237,509	16,160,116	22,341,188	38,501,304
Accumulated depreciation						
At 1 July 2003	-	14,938	4,762,436	4,777,374	3,435,555	8,212,929
Reclassifications	-	20,232	(1,565,196)	(1,544,964)	1,544,964	-
Charge for the year	-	21,228	554,679	575,907	747,347	1,323,254
Written off	-	-	-	-	-	-
Disposal	-	-	-	-	(659)	(659)
At 30 June 2004	-	56,398	3,751,919	3,808,317	5,727,207	9,535,524
Net book value						
At 30 June 2004	3,058,630	1,807,579	7,485,590	12,351,799	16,613,981	28,965,780

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2005 Cost	Short leasehold land RM	Equipment RM	Total RM
At 1 July 2004	1,946,085	15,100	1,961,185
Addition	-	-	-
At 30 June 2005	1,946,085	15,100	1,961,185
Accumulated depreciation			
At 1 July 2004	608,150	2,316	610,466
Charge for the year	155,686	2,341	158,027
At 30 June 2005	763,836	4,657	768,493
Net book value			
At 30 June 2005	1,182,249	10,443	1,192,692
2004 Cost			
At 1 July 2003	1,946,085	6,800	1,952,885
Additions	-	8,300	8,300
At 30 June 2004	1,946,085	15,100	1,961,185
Accumulated depreciation			
At 1 July 2003	452,463	1,360	453,823
Charge for the year	155,687	956	156,643
At 30 June 2004	608,150	2,316	610,466
Net book value			
At 30 June 2004	1,337,935	12,784	1,350,719

The net book value of the property, plant and equipment of the Group, which were acquired under hire purchase and term loan arrangements, are analysed as follows:-

	Group	
	2005 RM	2004 RM
Under hire purchase arrangements		
Coldroom, plant and machinery	2,020,325	2,293,678
Motor vehicles	1,331,775	249,073
	3,352,100	2,542,751
Under term loan arrangements		
Long leasehold land	1,786,350	1,807,579
Buildings	828,987	846,866
	2,615,337	2,654,445

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The net book value of the property, plant and equipment of certain subsidiary companies which were charged as securities for banking facilities granted to the Group (Note 16) are analysed as follows:-

	Group	
	2005 RM	2004 RM
Freehold land and buildings	1,904,708	1,994,932
Leasehold land and buildings	11,889,800	12,177,632
Plant and equipment	3,313,487	3,794,148
	<u>17,107,995</u>	<u>17,966,712</u>

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2005 RM	2004 RM
Unquoted shares, at cost	<u>41,749,149</u>	<u>41,739,149</u>

Details of the subsidiary companies, all incorporated in Malaysia, are as follows:-

Company name	Principal activities	Group equity interest	
		2005	2004
Direct subsidiary companies of CCK Consolidated Holdings Berhad		%	%
Ableway Sdn Bhd	General trading in goods and provisions	100	100
Ataskota Sdn Bhd	Selling, spawning and culturing of prawn	100	100
CCK Fresh Mart Sdn Bhd	Retailing in coldstorage products and fish farming	100	100
CCK Fresh Mart (West Malaysia) Sdn Bhd	Retailing in coldstorage products	100	100
Central Coldstorage Kuching Sdn Bhd	Trading of coldstorage goods, live stock farming and poultry processing	100	100
Kin Eastern Frozen Food Sdn Bhd	Processing and sale of seafood	100	100
Kuok Sui Sea Products Industries (S) Sdn Bhd	Processing and sale of prawns	100	100
CCK Aquaculture Sdn Bhd	Culturing, processing and trading of prawns	100	100
CCK Sea Products Industries Sdn Bhd	Culturing, processing and trading of prawns	100	100
Positive Everising Sdn Bhd	Dormant	100	-
Subsidiary company of Ableway Sdn Bhd			
Angkutan Golden Plan Sdn Bhd	Provision of transportation services	100	100
Subsidiary companies of Central Coldstorage Kuching Sdn Bhd			
CCK-BME Sdn Bhd	Trading of coldstorage goods	60	60
Poultry Industry (S) Sdn Bhd	Rearing of broilers	100	100
Zhang Agriculture Development Sdn Bhd	Poultry farming	100	100
# Vibrant Team Sdn Bhd	Poultry farming	100	40
Subsidiary company of Poultry Industry (S) Sdn Bhd			
Farm Land Supplies and Veterinary Services Sdn Bhd	Veterinary supplies and related Services	60	60

Not audited by Hii & Lee

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

8. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Unquoted shares, at cost	400,051	525,051	400,050	325,050
Share of post-acquisition profits	230,446	240,769	-	-
Post-acquisition dividends received, net	(2,880)	(10,000)	-	-
	<u>627,617</u>	<u>755,820</u>	<u>400,050</u>	<u>325,050</u>
Represented by:-				
Group's share of net assets	644,417	762,862	-	-
Reserve on acquisition	(16,800)	(7,042)	-	-
	<u>627,617</u>	<u>755,820</u>	<u>-</u>	<u>-</u>

Details of the associated companies, all incorporated in Malaysia, are as follows:-

Company Name	Principal activities	Group	
		equity 2005	interest 2004
Associated company of CCK			
Consolidated Holdings Berhad			
# Astral Foods Sdn Bhd	Processing of downstream food products	50%	50%
Convi Food Sdn Bhd	Dormant	50%	50%
# C.S. Choice Food Industries Sdn Bhd	Manufacturing, processing, packing and distributing of meat and other food products	50%	50%
Associated company of CCK			
Fresh Mart Sdn Bhd			
# Fishmart Marketing Sarawak Sdn Bhd	Fish processing	50%	50%

Not audited by Hii & Lee

The results of Astral Foods Sdn Bhd and Fishmark Marketing Sarawak Sdn Bhd are based on the unaudited management financial statements for the financial year ended 30 June 2005.

The results of Convi Food Sdn Bhd and C.S. Choice Food Industries Sdn Bhd have been accounted for based on the audited financial statements for the financial year ended 30 June 2005.

9. OTHER INVESTMENT

	Group	
	2005 RM	2004 RM
Unquoted shares, at cost	<u>50,000</u>	<u>50,000</u>



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

10. GOODWILL ON CONSOLIDATION

	Group	
	2005 RM	2004 RM
Cost		
At 1 July	60,000	60,000
Addition	103,487	-
	<hr/>	<hr/>
At 30 June	163,487	60,000
	<hr/>	<hr/>
Accumulated amortisation		
At 1 July	60,000	60,000
Amortisation for the financial year	20,697	-
	<hr/>	<hr/>
At 30 June	80,697	60,000
	<hr/>	<hr/>
Net book value		
At 30 June	82,790	-
	<hr/> <hr/>	<hr/> <hr/>

11. INVENTORIES

	Group	
	2005 RM	2004 RM
At cost,		
Trading inventories	23,709,923	19,983,776
Raw materials and work-in-progress	2,079,458	1,927,957
Aquaculture products	1,656,922	509,149
Consumable stores	661,498	663,465
	<hr/>	<hr/>
	28,107,801	23,084,347
At net realisable value,		
Trading inventories	1,219,161	1,291,858
	<hr/>	<hr/>
	29,326,962	24,376,205
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE RECEIVABLES

	Group	
	2005 RM	2004 RM
Trade receivables	33,990,095	34,855,097
Allowance for doubtful debts	(689,423)	(946,504)
	<hr/>	<hr/>
	33,300,672	33,908,593
	<hr/> <hr/>	<hr/> <hr/>

13. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

The amount due from/to subsidiary companies was interest free with flexible terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

14. AMOUNT DUE FROM/TO ASSOCIATED COMPANIES

The amount due from/to associated companies arose from an advance, which is unsecured, interest-free and has flexible terms of repayment.

15. HIRE PURCHASE CREDITORS

	Group	
	2005 RM	2004 RM
Analysis of hire purchase liabilities:-		
Payable within 1 year	817,453	463,584
Payable between 1 to 2 years	550,984	463,584
Payable between 2 to 5 years	91,444	497,601
	<hr/>	<hr/>
	1,459,881	1,424,769
Less: Interest in suspense	(190,958)	(252,194)
	<hr/>	<hr/>
Present value of hire purchase liabilities	1,268,923	1,172,575
	<hr/>	<hr/>
Representing hire purchase liabilities, net of interest in suspense:-		
Payable within 1 year	720,187	380,616
Payable after 1 year	548,736	791,959
	<hr/>	<hr/>
Total payable	1,268,923	1,172,575
	<hr/>	<hr/>

The hire purchase liabilities bear interest at rates ranging between 2.60% to 5.5% (2004: 4.75% to 5.50%) per annum.

16. BANK BORROWINGS

	Group	
	2005 RM	2004 RM
<u>Current</u>		
<u>Secured</u>		
Term loans	1,076,573	749,178
Bank overdrafts	1,781,488	2,864,868
Banker's acceptances	10,142,000	12,272,000
Export credit refinancing loans	1,279,000	2,803,000
	<hr/>	<hr/>
	14,279,061	18,689,046
	<hr/>	<hr/>
<u>Current</u>		
<u>Unsecured</u>		
Bank overdrafts	403,492	134,415
Export credit refinancing loans	456,000	495,000
	<hr/>	<hr/>
	859,492	629,415
	<hr/>	<hr/>
	15,138,553	19,318,461
	<hr/>	<hr/>
<u>Long-term</u>		
<u>Secured</u>		
Term loans	3,573,861	2,804,821
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

16. BANK BORROWINGS (cont'd)

	2005 RM	Group 2004 RM
Details of term loans:-		
(a) Term loan I at interest of 5.55% per annum, 0% above base lending rate (BLR) and 1.25% above BLR for first, second and subsequent years respectively repayable by 120 monthly instalments of RM15,664, RM16,489 and RM17,254 each for first, second and subsequent years respectively commencing 15 May 2001	968,961	1,100,464
(b) Term loan II at interest of 3% per annum (2004: 3%) repayable by 60 monthly instalments of RM18,416 each commencing 16 August 2001	-	40,527
(c) Term Loan III at interest of 3% per annum, 5.5% per annum and 7.5% per annum for first, second and subsequent years respectively repayable by 96 monthly instalments of RM4,346, RM4,565 and RM4,794 each for first, second and subsequent years respectively commencing 2 November 2002	206,417	248,917
(d) Term loan IV at interest of 3% per annum, 5.5% per annum and 7.5% per annum for first, second and subsequent years respectively repayable by 60 monthly instalments of RM11,183, RM11,402 and RM11,614 each for first, second and subsequent years respectively commencing 27 December 2003	300,644	414,099
(e) Term loan V at interest of 1.5% (2004: 1.5%) per annum above base lending rate on a daily basis repayable by 47 monthly instalments of RM20,834 each and a final instalment of RM20,802 commencing 26 July 2003	499,984	749,992
(f) Term loan VI at interest of 3.75% (2004: NIL) per annum above base lending rate on daily basis repayable of 47 monthly instalments of RM44,935 each and a final instalment of RM44,921.08 commencing on March 2005	1,826,620	1,000,000
(g) Term loan VII at interest of 1.75% per annum below base lending rate (BLR), 0.90% below BLR and 0.80% above BLR for first, second and subsequent years respectively, repayable by 60 monthly instalments of RM18,529, RM18,843 and RM19,326 each for first, Second and subsequent year respectively commencing 26th September 2004	847,808	-
	<u>4,650,434</u>	<u>3,553,999</u>
Representing term loan liabilities, net of interest in suspense:-		
Payable within 1 year	1,076,573	749,178
Payable between 1 to 2 years	1,096,424	1,087,960
Payable between 2 to 5 years	2,299,669	1,342,687
Payable later than 5 years	177,768	374,174
Total payable	<u>4,650,434</u>	<u>3,553,999</u>

The bank borrowings pertaining to subsidiary companies are secured by way of either fixed or floating charges, or both, over certain landed properties and other assets of the subsidiary companies (Note 6) and guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

17. SHARE CAPITAL - Group and Company

Ordinary shares of RM1 each	2005 Number of shares	2004	2005 RM	2004 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At 1 July	49,744,000	49,616,000	49,744,000	49,616,000
Options exercised	1,234	128,000	1,234	128,000
At 30 June	49,745,234	49,744,000	49,745,234	49,744,000

During the financial year, the issued and paid-up share capital of the Company was increased from RM49,744,000 to RM49,745,234 by issuing 1,234 ordinary shares of RM1.00 each at a premium of RM0.20 each by virtue of the exercise of share options.

The abovementioned shares rank pari passu in all respects with the then existing shares of the Company.

As at 30 June 2005, there were 4,380,766 (2004: 4,382,000) unissued shares under options granted pursuant to the Employees' Share Options Scheme which was implemented on 23 March 2001.

18. RESERVES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Distributable				
Retained profits	34,946,510	32,534,636	8,337,781	8,360,891
Non-distributable				
Share premium reserve	691,625	691,378	691,625	691,378
	35,638,135	33,226,014	9,029,406	9,052,269

19. DEFERRED TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Balance brought forward	1,781,386	1,702,768	1,001	380
Acquisition of subsidiary	2,000	-	-	-
Recognised in the income statement	798,100	78,618	1,161	621
	2,581,486	1,781,386	2,162	1,001
Presented after appropriate offsetting as follows:-				
Deferred tax assets	(37,280)	(34,314)	-	-
Deferred tax liabilities	2,618,766	1,815,700	2,162	1,001
At 30 June	2,581,486	1,781,386	2,162	1,001

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

19. DEFERRED TAXATION (cont'd)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:-

Deferred tax assets of the Group:	Unabsorbed Capital allowance			Total RM
	Receivables RM	allowance RM	Others RM	
At 1 July 2004	33,180	1,134	-	34,314
Recognised in the income Statement	-	(1,134)	4,100	2,966
At 30 June 2005	33,180	-	4,100	37,280
At 1 July 2003	32,180	4,490	-	36,670
Recognised in the income Statement	1,000	(3,356)	-	(2,356)
At 30 June 2004	33,180	1,134	-	34,314
Deferred tax liabilities of the Group:	Accelerated Capital allowance			Total RM
		allowance RM		
At 1 July 2004		1,815,700		1,815,700
Acquisition of subsidiaries		2,000		2,000
Recognised in the income statement		801,066		801,066
At 30 June 2005		2,618,766		2,618,766
At 1 July 2003		1,739,438		1,739,438
Recognised in the income statement		76,262		76,262
At 30 June 2004		1,815,700		1,815,700
Deferred tax liabilities of the Company:	Accelerated Capital allowance			Total RM
		allowance RM		
At 1 July 2004		1,001		1,001
Recognised in the income statement		1,161		1,161
At 30 June 2005		2,162		2,162
At 1 July 2003		380		380
Recognised in the income statement		621		621
At 30 June 2004		1,001		1,001

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

19. DEFERRED TAXATION (cont'd)

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2005 RM	2004 RM
Unused tax losses	1,260,356	800,618
Unabsorbed capital allowance	1,847,835	1,123,355
Unutilised investment tax allowance	465,800	1,416,800
	<u>3,573,991</u>	<u>3,340,773</u>

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset against taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

20. NET TANGIBLE ASSETS PER SHARE

The net tangible assets per share is calculated by dividing the net tangible assets of the Group of RM85.263 million (2004: RM82.936 million) by 49.745 million (2004: 49.744 million) number of shares of the Company in issue as at the financial year end.

21. REVENUE

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trading sales	223,062,229	218,416,670	-	-
Transportation services	385,040	297,203	-	-
Management income	-	-	348,000	348,000
Dividends income	-	-	2,230,000	4,230,000
	<u>223,447,269</u>	<u>218,713,873</u>	<u>2,578,000</u>	<u>4,578,000</u>

22. OTHER OPERATING INCOME

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Over provision of audit fee in previous year	2,107	3,017	-	-
Allowance for doubtful debts no longer required	-	5,000	-	-
Bad debt recovered	170	-	-	-
Handling charges income	160,677	135,543	-	-
Hiring Income	7,665	8,632	-	-
Insurance compensation	1,646	15,277	-	-
Interest income - others	29,576	36,638	38,492	51,865
- fixed deposit	16,181	-	16,181	-
Miscellaneous income	180,351	274,828	-	-
Profit on disposals of property, plant and equipment	232,275	13,526	-	-
Realised exchange gain	77,702	328,985	-	-
Rental income	123,728	107,560	-	-
Secretarial service income	13,800	7,900	-	-
Service charges income	77,230	439,372	-	-
Storage charges income	314,386	217,633	-	-
Unrealised exchange gain	-	46,737	-	-
	<u>1,237,494</u>	<u>1,640,648</u>	<u>54,673</u>	<u>51,865</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

23. OPERATING EXPENSES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Distribution costs	4,686,928	4,499,045	-	-
Other operating expenses	9,629,186	8,867,474	-	-
Administration expenses	10,179,722	9,870,828	819,778	839,008
	<u>24,495,836</u>	<u>23,237,347</u>	<u>819,778</u>	<u>839,008</u>

The above expenses include the following statutory disclosure items:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Auditors' remuneration	107,000	105,500	15,000	15,000
Allowance for doubtful debts	82,619	202,718	-	-
Amortisation of goodwill on consolidation	20,697	-	-	-
Bad debts written off	62,252	52,239	-	-
Depreciation	5,952,494	5,968,901	158,027	156,643
Directors' remuneration:-				
- fees	272,580	263,062	239,000	229,000
- other emoluments	1,128,227	948,000	120,000	120,000
Hiring of plant and equipment	10,888	1,280	-	-
Inventories written down	496,078	48,698	-	-
Inventories written off	1,090,893	-	-	-
Loss on disposals of property, plant and equipment	21,992	37,166	-	-
Management fee paid	2,000	12,000	-	-
Property, plant and equipment written off	8,000	64,351	-	-
Realised exchange loss	40	-	-	-
Rental of premises	1,557,351	1,441,331	-	-
Unrealised exchange loss	14,663	-	-	-
	<u>11,557,351</u>	<u>11,441,331</u>	<u>158,027</u>	<u>156,643</u>

The remuneration paid to the Directors for the financial year ended 30 June 2005 is categorised as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Directors				
Salaries	888,000	768,000	96,000	96,000
Fees	46,260	46,742	35,000	35,000
Bonus	222,000	168,000	24,000	24,000
Commission	6,227	-	-	-
Allowances	12,000	12,000	-	-
	<u>1,174,487</u>	<u>994,742</u>	<u>155,000</u>	<u>155,000</u>
Non-executive Directors				
Fees	226,320	216,320	204,000	194,000
Total	<u>1,400,807</u>	<u>1,211,062</u>	<u>359,000</u>	<u>349,000</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

23. OPERATING EXPENSES (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Number of directors	
	2005	2004
Executive Directors		
> RM200,000 to RM250,000	1	-
> RM150,000 to RM200,000	2	3
> RM100,000 to RM150,000	4	4
Non-Executive Directors		
> RM150,000 to RM200,000	1	1
> RM50,000 and below	5	4

24. FINANCE COSTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Bank overdrafts interest	67,013	159,229	133	1,772
Term loans interest	277,175	166,015	-	-
Hire purchase interest	98,847	84,688	-	-
Banker's acceptances interest	339,232	400,923	-	-
Export credit refinancing loans interest	44,009	87,992	-	-
	<u>826,276</u>	<u>898,847</u>	<u>133</u>	<u>1,772</u>

25. TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Based on profit for the year	1,568,580	1,477,700	581,649	782,035
(Over)/under provision in prior years	(337,533)	(82,414)	(518)	297
Share of taxation in associated companies	-	18,774	-	-
Transfer to deferred taxation	798,100	78,618	1,161	621
	<u>2,029,147</u>	<u>1,492,678</u>	<u>582,292</u>	<u>782,953</u>

The Company has sufficient tax credit under Section 108 of the Income tax Act 1967 to frank future dividend payments out of its entire retained profits as at 30 June 2005.

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

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit before taxation	<u>5,761,388</u>	<u>5,456,580</u>	<u>1,812,762</u>	<u>3,789,085</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

25. TAXATION (cont'd)

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Income tax at 28% (2004: 28%)	1,613,189	1,527,842	507,573	1,060,944
Tax effect of permanent differences:-				
Expenses not deductible for tax purposes	110,131	124,726	29,363	22,520
Non-qualifying property, plant and Equipment	192,059	190,466	43,592	43,592
Income not subject to tax	(51,288)	(399)	-	(344,400)
Double deduction on marine insurance	(1,241)	(4,812)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(81,054)	(658,522)	1,585	-
Deferred tax assets not recognised during the year	812,918	721,878	-	-
Others	4,119	-	-	-
(Over)/under provision of deferred tax in prior years	(27,710)	(483)	697	-
Effect in change of statutory tax rates	(204,443)	(325,604)	-	-
Over provision in prior years	(337,533)	(82,414)	(518)	297
	<u>2,029,147</u>	<u>1,492,678</u>	<u>582,292</u>	<u>782,953</u>

26. EARNINGS PER SHARE

Basic:-

The basic earnings per share is calculated by dividing the consolidated profit after taxation and minority interests of RM3,665,454 (2004: RM3,862,484) by the weighted average number of ordinary shares in issue during the financial year of 49,744,630 (2004: 49,647,125).

Weighted average number of ordinary shares is calculated as follows:-

	Group	
	2005 RM	2004 RM
Issued ordinary shares at 1 July	49,744,000	49,616,000
Effect of option shares exercised	630	31,125
Weighted average number of ordinary shares at 30 June	<u>49,744,630</u>	<u>49,647,125</u>

Diluted:-

The diluted earnings per share is calculated by dividing the consolidated profit after taxation and minority interests of RM3,665,454 (2004: RM3,862,484) by the diluted weighted average number of ordinary shares in issue during the financial year of 49,885,945 (2004: 49,921,000).

	Group	
	2005 RM	2004 RM
Weighted average number of ordinary shares as above	49,744,630	49,647,125
Effect from full exercise of outstanding share options into ordinary shares	141,315	273,875
Weighted average number of ordinary shares (diluted) at 30 June	<u>49,885,945</u>	<u>49,921,000</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

27. ACQUISITION OF SUBSIDIARY COMPANIES

The acquisition had the following effect on the Group's financial Results for the year:-

	Group RM
Revenue	1,696,533
Profit from operations	(1,712,697)
Net loss for the year	(21,645)

The acquisition had the following effect on the financial position of the Group as at the end of the year:-

	RM
Property, plant and equipment	161,366
Goodwill on consolidation	82,790
Inventories	119,144
Cash and bank balances	41,886
Other payables, deposits and accruals	(17,294)
	<u>387,892</u>

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary were as follows:-

	Group RM	Company RM
Property, plant and equipment (Note 6)	202,277	-
Inventories	8,660	-
Trade receivables	116,487	-
Other receivables, deposits and prepayments	48,500	10,000
Cash and bank balances	7,916	-
Other payables, deposits and accruals	(17,825)	(15,294)
Deferred tax liabilities (Note 19)	(2,000)	-
Fair value of total net assets	<u>364,015</u>	<u>(5,294)</u>
Goodwill on consolidation (Note 10)	103,487	15,294
Cost of acquisition	<u>467,502</u>	<u>10,000</u>
Add: Post result transfer from investment in associated companies	42,498	-
Less: Reclassification from investment in associated companies	(200,000)	-
Total cash outflow on acquisitions	<u>310,000</u>	<u>10,000</u>
Cash and cash equivalents of subsidiaries acquired	(7,916)	-
Net cash outflow on acquisitions	<u>302,084</u>	<u>10,000</u>

There was no acquisition for the financial year ended 30 June 2004.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

28. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2005 RM	2004 RM
Total purchases of property, plant and equipment	3,865,241	3,449,439
Hire purchase arrangements	(778,000)	(50,000)
Cash disbursed for purchases of property, plant and equipment	<u>3,087,241</u>	<u>3,399,439</u>

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash and bank balances	8,286,356	11,535,917	1,608,984	746,236
Bank overdrafts - secured	(1,781,488)	(2,864,868)	-	-
- unsecured	(403,492)	(134,415)	-	-
	<u>6,101,376</u>	<u>8,536,634</u>	<u>1,608,984</u>	<u>746,236</u>

30. EMPLOYEES INFORMATION

	Group		Company	
Staff costs	2005 RM	2004 RM	2005 RM	2004 RM
Salaries, wages and allowances	14,180,468	11,902,198	120,000	120,000
Employees provident fund contribution	1,247,390	1,149,610	11,520	14,160
Socso contribution	126,171	116,188	445	410
Other employee benefits	1,774,561	2,565,783	42,732	72,740
	<u>17,328,590</u>	<u>15,733,779</u>	<u>174,697</u>	<u>207,310</u>

Included in staff cost of the Group and of the Company are executive directors' remuneration amounting to RM1,174,487 (2004: RM994,742) and RM155,000 (2004: RM155,000) respectively as further disclosed in Note 23.

31. DIVIDEND

	Group/Company	
	2005 RM	2004 RM
Final dividend paid on ordinary shares of 3.5 sen gross (2004: 3.5 sen) per share, less tax	<u>1,253,580</u>	<u>1,250,424</u>

The Board of Directors proposed a final dividend of 3.5 sen gross less income tax at 28% in respect of the financial year ended 30 June 2005. These dividends are not recognised as a liability at the balance sheet date and will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2006 after approval by the members at the forthcoming Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

32. SEGMENT REPORTING

Segment reporting is presented in respect of the Group's business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate administration expenses.

Business segments

- a) Poultry: Poultry products processing and retail business.
- b) Seafood: Seafood products processing and retail business.
- c) Aquaculture: Prawn culturing and fish farming.

Geographical segmental reporting is not presented as the Group operates principally within Malaysia.

Group 2005	Poultry RM	Seafood RM	Aquaculture RM	Consolidated RM
Revenue from external customers	145,355,943	71,042,321	7,049,005	223,447,269
Segment results	15,748,233	14,756,595	(616,001)	29,888,827
Other operating income				1,191,737
Unallocated expenses				(25,322,112)
Operating income				5,758,452
Interest income				45,757
Share of losses in associated companies				(42,821)
Profit before taxation				5,761,388
Other information				
Segment assets	64,710,141	42,333,777	13,814,217	120,858,135
Investments in associates				627,617
Unallocated corporate assets				3,472,455
Consolidated total assets				124,958,207
Segment liabilities	20,097,759	11,268,697	7,408,365	38,774,821
Unallocated corporate liabilities				297,239
Consolidated total liabilities				39,072,060
Significant non-cash expenses				
Depreciation	3,314,300	1,480,833	998,775	

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

32. SEGMENT REPORTING (cont'd)

Group 2004	Poultry RM	Seafood RM	Aquaculture RM	Consolidated RM
Revenue from external customers	136,564,540	72,333,425	9,815,908	218,713,873
Segment results	15,490,833	13,716,744	(1,307,083)	27,900,494
Other operating income				1,604,010
Unallocated expenses				(24,136,194)
Operating income				5,368,310
Interest income				36,638
Share of profits in associated companies				51,632
Profit before taxation				5,456,580
Other information				
Segment assets	63,760,912	43,470,743	13,787,309	121,018,964
Investments in associates				755,820
Unallocated corporate assets				2,689,640
Consolidated total assets				124,464,424
Segment liabilities	21,333,390	13,371,074	6,137,204	40,841,668
Unallocated corporate liabilities				155,151
Consolidated total liabilities				40,996,819
Significant non-cash expenses				
Depreciation	3,384,537	1,464,932	962,789	

33. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment:-	Group 2005 RM	2004 RM
Approved and contracted for	1,040,710	142,700

34. CONTINGENT LIABILITIES

Unsecured	Group 2005 RM	2004 RM	Company 2005 RM	2004 RM
Guarantees for the borrowings of subsidiary companies	-	-	68,530,500	68,530,500
Guarantees for export bills financing	-	2,984,672	-	-
Guarantees to the Kastam Dan Eksais Diraja, Bahagian Import	10,000	10,000	-	-
	10,000	2,994,672	68,530,500	68,530,500

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, the Group entered into the following significant related party transactions. The related party transactions described below have been entered into in the normal course of business and have been established under terms negotiated between the parties concerned, and were not materially different from those entered with third parties.

Transactions with subsidiary companies:-	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest income received from:-				
- CCK Sea Products Industries Sdn Bhd	-	-	33,465	34,026
- Central Coldstorage Kuching Sdn Bhd	-	-	15	2,561
- Kuok Sui Sea Products Industries Sdn Bhd	-	-	29,012	15,278
Management income received from:-				
- Ableway Sdn Bhd	-	-	60,000	60,000
- Ataskota Sdn Bhd	-	-	12,000	12,000
- CCK Fresh Mart Sdn Bhd	-	-	72,000	72,000
- Central Coldstorage Kuching Sdn Bhd	-	-	132,000	132,000
- Kin Eastern Frozen Food Sdn Bhd	-	-	36,000	36,000
- Kuok Sui Sea Products Industries Sdn Bhd	-	-	36,000	36,000
Secretarial fee paid to:-				
- Central Coldstorage Kuching Sdn Bhd	-	-	18,000	18,000
Accounting fee paid to:-				
- Central Coldstorage Kuching Sdn Bhd	-	-	24,000	24,000
Interest expense paid to:-				
- CCK Aquaculture Sdn Bhd	-	-	24,000	-
Transactions with a company in which certain directors and substantial shareholder have financial interests:-				
Rental paid to/(received from):-				
- S. K. Tiong Enterprise Sdn Bhd *	178,800	178,800	-	-

* The nature and extent of the financial interests of the Directors concerned are shown below:-

- (a) Datuk Tiong Su Kouk (A substantial shareholder of the Company)
- A substantial shareholder and Director of S. K. Tiong Enterprise Sdn Bhd.
- (b) Tiong Chiong Hiiung
- Director of S. K. Tiong Enterprise Sdn Bhd.
- (c) Tiong Chiong Soon
- Director of S. K. Tiong Enterprise Sdn Bhd and Econsmix Concrete Sdn Bhd.

36. STATUS OF CORPORATE PROPOSAL

On 15 May 2001, the Company entered into a Joint Venture Agreement with Perbadanan Pembangunan Ekonomi Sarawak, a statutory body corporate, to undertake the development, and to conduct and manage the aquaculture business on a commercial basis.

However, the Joint Venture project might not materialize as the parties involved had not finalized the terms and conditions of the joint venture.

ADDITIONAL INVESTOR

INFORMATION

ADDITIONAL INVESTOR INFORMATION



CCK CONSOLIDATED HOLDINGS BERHAD
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LIST OF PROPERTIES

FOR THE YEAR ENDED 30 JUNE 2005

FOR THE YEAR ENDED 30 JUNE 2003						
Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	NET Book Value
CCK Consolidated Hlgs Bhd						
Lot 2969, Block 19, Seduan Land District, Sarawak	Light Industrial Land/Vacant	Leasehold (8 Yrs Remaining) Expiring on 30.08.2013	10.04.2001	-	-	1,182,248.70
Ableway Sdn. Bhd.						
Lot 248, Song Town District, Sarawak	3 Storey Terraced Shophouse/Office	Leasehold (47 Yrs Remaining) Expiring on 07.05.2052	03.04.1996	9 Yrs	111.6 Sq.M.	165,910.60
Lot 332, Sungei Antu, Sibu, Sarawak	Industrial Shophouse/Office	Leasehold (19 Yrs Remaining) Expiring on 31.12.2024	17.02.1984	36 Yrs	265.7 Sq.M.	135,987.96
CCK Fresh Mart Sdn. Bhd.						
Lot 1032, Block 5, Miri Concession Land District,	5 Units Of 3 Storey Shophouse/Office	Leasehold (44 Yrs Remaining) Expiring on 04.12.2049	07.12.1996	10 Yrs	2,456 Sq.M.	1,443,562.48
Lot 759, Miri Concession Land District, Miri	Agriculture Land/ Vacant	Leasehold (17 Yrs Remaining) Expiring on 31.12.2022	30.05.2001	-	-	307,671.40
Kuok Sui Sea Products Industries (S) Sdn. Bhd.						
Lot 22, Block 9 Sibu Town District, Sarawak	3 Storey Detached Factory	Freehold	12.06.1999	6 Yrs	9,590 Sq.ft.	1,904,708.42
Kin Eastern Frozen Food Sdn. Bhd.						
Lot 868 Green Road, Sarikei, Sarawak	Prawn Processing Factory/Office	Leasehold (32 Yrs Remaining) Expiring on 17.05.2037	22.05.1989	16 Yrs	2,122.3 Sq.M.	796,746.88
Lot 871 Green Road, Sarikei, Sarawak			22.08.1988			
Lot 1445 Green Road, Sarikei, Sarawak			03.11.1987			
Cck Fresh Mart (West Malaysia) Sdn. Bhd.						
H.S.(D.) No.:19776, P.T. No.:22244 Mukim of Batu, District of Gombak, State of Selangor	3 Storey Detached Factory	Freehold	28.09.1999	8.5 Yrs	2,095.61 Sq.M.	3,941,991.84
H.S.(D.) No.:24157, P.T. No.:19461, Bandar Kajang, Daerah Ulu Langat State of Selangor	3 Storey Corner Terraced Shophouse	Leasehold (84 Yrs Remaining) Expiring on 26.06.2089	15.02.2001	9 Yrs	2,533 Sq.ft.	1,879,952.01
H.S.(D.) No.:15142, P.T. No.:19418, Mukim Kapar, Daerah Klang	Four Storey Shoplot	Leasehold (88 Yrs Remaining) Expiring on 15.06.2093	01.08.2002	3 Yrs	153 Sq.M.	735,385.60
Central Coldstorage Kuching Sdn. Bhd.						
Lot 187-189, Block 11, Senggi Poak Land District	Agriculture Land / Broiler Farm	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	05.09.1996	-	18.744 Hectares	127,572.14

LIST OF PROPERTIES (cont'd)

FOR THE YEAR ENDED 30 JUNE 2005

Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	NET Book Value
Lot 605, Block 10, Senggi Poak Land District	Agriculture Land / Broiler Farm	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	13.08.1998	-	2.0243 Hectares	97,894.22
Bau OT No 3091 Of 1937, No.1020 Of 1927 No.2596 Of 1934 Sarawak	Agriculture Land / Breeder Farm	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	20.07.1996	-	11.8454 Hectares	355,811.94
Bau OT No 2998 Of 2936 Sarawak	Agriculture Land / Breeder Farm	Leasehold (30 Yrs Remaining) Expiring on 31.12.2035	20.07.1996	-	6.799 Hectares	194,284.82
Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, Sarawak	Industrial Land/ Corporate Office, Coldroom and Abattoir	Leasehold (31 Yrs Remaining) Expiring on 06.07.2035	23.06.1992	9 Yrs	2.295 Hectares	5,554,357.43
Lot 123 Senggi Poak Land District	Turtle Breeding	Leasehold (22 Yrs Remaining) Expiring on 31.12.2027	28.06.1993	11 Yrs	9.39 Acres	175,464.72
Lot 124 Senggi Poak Land District	Turtle Breeding	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	28.06.1993	11 Yrs	9.40 Acres	
Lot 115, Block 10, Senggi Poak Land District	Agriculture Land / Vacant	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	28.06.2000	27 Yrs	1.5985 Hectares	178,959.24
Poultry Industry (S) Sdn. Bhd. 8th Mile, Penrissen Road, Kupap, Kuching, Sarawak	Agricultural Land	Leasehold (11 Yrs Remaining) Expiring on 14.03.2016	18.11.1985	22 Yrs	9.53 Acres (14,009 Sq.M.)	255,891.56
Lot 187-189, Block 11, Senggi Poak Land District Sarawak	Broiler Breeding Shed	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	1998	8 Yrs	2,227.37 Sq.M.	539,621.54
Lot 605, Block 10, Senggi Poak Land District Sarawak	Broiler Breeding Shed	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	1998	8 Yrs	6,614.48 Sq.M.	496,030.59
Lot 123 Senggi Poak Land District	Broiler Farm	Leasehold (22 Yrs Remaining) Expiring on 31.12.2027	28.06.1993	-	9.39 Acres	178,136.32
Lot 124 Senggi Poak Land District	Broiler Farm	Leasehold (21 Yrs Remaining) Expiring on 31.12.2026	28.06.1993	-	9.40 Acres	
Lot 202 Senggi Poak Land District	Broiler Farm	Leasehold (16 Yrs Remaining) Expiring on 31.12.2021	28.06.1993	-	9.41 Acres	
Lot 203 Senggi Poak Land District	Broiler Farm	Leasehold (16 Yrs Remaining) Expiring on 31.12.2021	28.06.1993	-	9.42 Acres	
Lot 123, 124, 202 & 203 all of Senggi Poak Land District	Chicken Sheds, Residential House and Worker Quarters	Leasehold	2002	3 Yrs		533,672.27

LIST OF PROPERTIES (cont'd)

FOR THE YEAR ENDED 30 JUNE 2005

Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	NET Book Value
Zhang Agriculture Development Sdn. Bhd.						
Bau OT No.284 Ta Foh Shak, Bau, Sarawak	Agriculture Land/ (Vacant)	Leasehold (21 Yrs Remaining) Expiring on 07.06.2026	25.01.1990	-	8.5 Acres	85,618.12
Bau OT No.2405 Paku Podam, Bau, Sarawak	Agriculture Land/ Vacant	Leasehold (23 Yrs Remaining) Expiring on 17.11.2028	12.11.1991	-	11.75 Acres	121,743.40
Bau OT No.3653 Paku, Bau, Sarawak	Agriculture Land/ Breeder Farm	Leasehold (34 Yrs Remaining) Expiring on 02.08.2039	12.11.1991	8.5 Yrs	4.37 Acres*	552,520.47
Bau OT No.645 Ta Foh Shak, Bau, Sarawak	Agriculture Land/ Hatchery, Office, Workers Quarters & Laboratory	Leasehold (21 Yrs Remaining) Expiring on 08.03.2036	03.10.1990	8.5 Yrs	10.44 Acres*	1,053,268.40
Bau OT No.795 Ta Foh Shak, Bau, Sarawak	Agriculture Land/ Breeder Farm	Leasehold (21 Yrs Remaining) Expiring on 08.03.2026	12.11.1991	12 Yrs	15.97 Acres*	610,791.99
Bau OT No.3091 Of 1937, No.1020 Of 1927 No. 2596 Of 1934, No. 2998 Of 2936	Breeding Shed	Leasehold (30 Yrs Remaining) Expiring on 31.12.2035	1987	18 Yrs	11,000 Sq.M.	1,097,582.52
Ataskota Sdn Bhd						
Lot 271, Block 8, Pueh Land District	Agriculture Land/ Prawn Breeding Farm	Leasehold (11 Yrs Remaining) Expiring on 08.09.2015	15.04.1999	7 Yrs	5,463 Sq.M.	276,382.18
Farm Land Supplies & Veterinary Services Sdn. Bhd.						
Sublot No. 29 of Lot 84, Block 233, Kuching North Land District	1 1/2 storey Reinforced Concrete Semi-Detached Light Industrial Workshop	Leasehold	15.04.2002	2 Yrs	590.5 Sq.M.	458,646.54
CCK Aquaculture Sdn. Bhd.						
Lot 739, Block 6, Salak Land District	Farm building/ Staff quarters	Leasehold	2003	2 Yrs	8.1 Acres	30,395.39
CCK Sea Products Industries Sdn. Bhd.						
Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, Sarawak	Factory/Office Coldroom, Worker Quarters Farm Building and Guard House	Leasehold (31 Yrs Remaining) Expiring on 06.07.2035	2002	3 Yrs	-	2,247,197.35

ANALYSIS OF SHAREHOLDINGS

AS AT 18 OCTOBER 2005

SHARE CAPITAL

Authorised share capital	:	RM100 million
Issued and fully paid-up capital	:	RM49,761,234
Class of shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of Holders	Total Holdings	%
less than 100 shares	1	50	0.00 *
100 - 1,000 shares	99	82,700	0.17
1,001 - 10,000 shares	874	2,385,435	4.79
10,001 - 100,000 shares	102	2,724,195	5.47
100,001 - less than 5% of issued shares	36	14,289,648	28.72
5% and above of issued shares	5	30,279,206	60.85
Total	1,117	49,761,234	100.00

Notes:

* negligible

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
1. Central Coldstorage Sarawak Sdn. Bhd.	10,446,327	20.99	-	-
2. S.K. Tiong Enterprise Sdn. Bhd.	6,164,955	12.39	10,446,327 ^(a)	20.99
3. Permodalan Nasional Berhad	5,737,500	11.53	-	-
4. Skim Amanah Saham Bumiputera	4,500,000 ^(b)	9.04	-	-
5. Chong Nyuk Kiong Enterprise Sdn. Bhd.	3,430,424	6.89	-	-
6. Datuk Tiong Su Kouk	677,616	1.36	16,611,282 ^(c)	33.38
7. Datin Wong Bak Hee	45,000	0.09	16,611,282 ^(d)	33.38
8. Tiong Chiong Hiiung	15,000	0.03	16,611,282 ^(d)	33.38
9. Tiong Chiong Soon	15,000	0.03	16,611,282 ^(d)	33.38
10. Chong Shaw Fui	15,000	0.03	3,430,424 ^(e)	6.89
11. Chong Min Fui	-	-	3,430,424 ^(e)	6.89
12. Chong Kong Fui	-	-	3,430,424 ^(e)	6.89

Notes:

(a) Deemed interested through its wholly-owned subsidiary, Central Coldstorage Sarawak Sdn. Bhd.

(b) 4,500,000 shares are held through Amanah Raya Nominees (Tempatan) Sdn. Bhd.

(c) Deemed interested by virtue of his substantial shareholdings in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.

(d) Deemed interested by virtue of their directorships in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.

(e) Deemed interested by virtue of their substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS (cont'd)

AS AT 18 OCTOBER 2005

DIRECTORS' SHAREHOLDINGS

Name	Direct Interest	%	Deemed Interest	%
1. Datuk Tiong Su Kouk	677,616	1.36	16,611,282 ^(a)	33.38
2. Chong Shaw Fui	15,000	0.03	3,430,424 ^(b)	6.89
3. Tiong Chiong Hiiung	15,000	0.03	16,611,282 ^(c)	33.38
4. Tiong Chiong Soon	15,000	0.03	16,611,282 ^(c)	33.38
5. Lau Liong Kii	485,600 ^(f)	0.98	824,814 ^(d)	1.66
6. Ling Ting Leong @ Ling Chong Seng	219,511	0.44	250,636 ^(e)	0.50
7. Wong See Khong	500,022	1.00	-	-
8. Kueh Chung Peng	882,432 ^(g)	1.77	-	-
9. Janggu Anak Banyang	15,000	0.03	-	-
10. Datu Haji Putit bin Matzen	-	-	-	-
11. Douglas Jerukan @ Jarukan Ak Kanyan	379,500	0.76	-	-
12. Francis Wong Chin Sing @ Wong Chin Sing	-	-	-	-
13. Dato' Fuziah @ Fauziah binti Dato' Ismail	-	-	-	-

Notes:

(a) Deemed interested by virtue of his substantial shareholdings in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.

(b) Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.

(c) Deemed interested by virtue of their directorships in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.

(d) Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn. Bhd.

(e) Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd.

(f) 224,100 shares are held through Mayban Nominees (Tempatan) Sdn. Bhd.

(g) 865,932 shares are held through HLB Nominees (Tempatan) Sdn. Bhd. and 15,000 shares are held through TA Nominees (Tempatan) Sdn. Bhd.

30 LARGEST SHAREHOLDERS

Name	No. of Shares	%
1. Central Coldstorage Sarawak Sdn. Bhd.	10,446,327	20.99
2. S.K. Tiong Enterprise Sdn. Bhd.	6,164,955	12.39
3. Permodalan Nasional Berhad	5,737,500	11.53
4. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Skim Amanah Saham Bumiputera	4,500,000	9.04
5. Chong Nyuk Kiong Enterprise Sdn. Bhd.	3,430,424	6.89
6. Lembaga Tabung Haji	1,968,750	3.96
7. Yu Bang Din	1,248,000	2.51
8. HLB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (SRK 08866-8)	865,932	1.74
9. Unione Enterprise (S) Sdn. Bhd.	824,814	1.66
10. Tasec Nominees (Tempatan) Sdn. Bhd. - Yii Ching Yii	738,000	1.48
11. Datuk Tiong Su Kouk	677,616	1.36
12. Tiong Sie Mew	573,346	1.15
13. Wong See Khong	500,022	1.00
No. of Shares c/f	37,675,686	75.70



ANALYSIS OF SHAREHOLDINGS (cont'd)

AS AT 18 OCTOBER 2005

30 LARGEST SHAREHOLDERS (cont.)

Name	No. of Shares	%
No. of Shares b/f	37,675,686	75.70
14. Cheng Sang Uh	489,000	0.98
15. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chen Hien Chong	405,700	0.82
16. Douglas Jerukan @ Jarukan Ak Kanyan	379,500	0.76
17. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Hii Leh Ming	362,000	0.73
18. Yeu Choo Sieng	328,500	0.66
19. TA Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii	310,080	0.62
20. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yong Leh Hook	307,300	0.62
21. Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	289,762	0.58
22. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Teck Song Sdn. Bhd.	289,580	0.58
23. Wong Puo Hung	280,500	0.56
24. Yong Pei Ling	276,000	0.55
25. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liaw Kian Heng	266,500	0.54
26. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Wong Poh Hwa	263,600	0.53
27. Joseph Tang Chiod Sui	261,794	0.53
28. Tseng Tseng Enterprise Sdn. Bhd.	250,636	0.50
29. Lau Pek Kii	230,000	0.46
30. Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii (11216AW3899)	224,100	0.45
Total No. of Shares	42,890,238	86.17

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NOTICE OF ANNUAL

GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING



CCK CONSOLIDATED HOLDINGS BERHAD
396692-T



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of the Company will be held at Kingwood Hotel, No. 12, Lorong Lanang 4, 96000 Sibul, Sarawak on Thursday, 15 December 2005 at 11.00 am to transact the following businesses :-

A G E N D A

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2005 together with the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To declare a First and Final Dividend of 3.5% per share, less 28% Income Tax, for the financial year ended 30 June 2005. | Resolution 2 |
| 3. To approve the payment of Directors' fees of RM239,000 for the financial year ended 30 June 2005. | Resolution 3 |
| 4. To re-elect the following Directors retiring pursuant to Article 81 of the Company's Articles of Association, and being eligible offer themselves for re-election :- | |
| 4.1 Mr. Chong Shaw Fui | Resolution 4 |
| 4.2 Mr. Francis Wong Chin Sing @ Wong Chin Sing | Resolution 5 |
| 4.3 Mr. Douglas Jerukan @ Jarukan Ak Kanyan | Resolution 6 |
| 4.4 Datu Haji Putit bin Matzen | Resolution 7 |
| 5. To re-appoint Messrs. Hii & Lee as Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 8 |
| 6. As Special Businesses :- | |

To consider and, if thought fit, pass the following resolutions as Ordinary and Special Resolutions :-

Ordinary Resolution No. 1

- **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965**

“**THAT** pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being **AND THAT** the Directors be and are also hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

Ordinary Resolution No. 2

- **Proposed renewal of authority for purchase of own shares by the Company of up to ten percent (10%) of the total issued and paid-up share capital of the Company**

“**THAT**, subject always to the Companies Act, 1965 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority, the Directors of the Company (“Directors”) be and are hereby unconditionally and generally authorised to purchase and hold on the market of Bursa Securities such number of ordinary shares of RM1.00 each (“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 4,976,123 Shares representing approximately ten percent (10%) of the total issued and paid-up share capital of 49,761,234 ordinary shares of RM1.00 each of the Company as at 25 October 2005 and an amount not exceeding the total of the Company's latest audited retained profit reserve of RM8,337,781 and/or audited share premium reserve of the Company



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

of RM691,625 as at 30 June 2005, 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 authority or authorities **AND FURTHER THAT** the authority hereby given shall commence immediately upon passing of this ordinary resolution and shall continue in force until :-

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall 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;
- (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.”

Special Resolution No. 1

Resolution 11

• Proposed amendment to the Company's Articles of Association

- (i) “**THAT** the existing Article 56 of the Company's Articles of Association be deleted in its entirety and replaced with the following new Article 56 :-

Subject to the provisions of the Act relating to convening meetings to pass special resolutions and agreements for shorter notice, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meeting from the Company. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the Annual General Meeting of every such meeting shall be given by advertisement in **at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper** and in writing to the Securities Exchange upon which the Company is listed, such that notices of all meetings shall be given to such Securities Exchange and advertised in the **newspaper** at the same time as shareholders are notified.”

- (ii) “**THAT** the existing Article 153(d) of the Company's Articles of Association be deleted in its entirety and replaced with the following new Article 153(d) :-

At least fourteen (14) days' notice of every general meeting or at least twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting shall be given by advertisement in **at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper** and any such advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.”

- 7. To transact any other business of which, due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.



NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final dividend of 3.5% per share, less 28% Income Tax, in respect of the financial year ended 30 June 2005, if approved at the forthcoming Annual General Meeting, will be paid on 16 January 2006 to Depositors whose names appear in the Record of Depositors on 29 December 2005.

A Depositor shall qualify for entitlement only in respect of :-

- (a) Shares transferred to the Depositor's securities account before 4.00 pm on 29 December 2005 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

Ling Ting Leong @ Ling Chong Seng (MACS 00754)

Voon Jan Moi (MAICSA 7021367)

Joint Company Secretaries

Kuching, Sarawak

Date : 23 November 2005

Notes :-

- 1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- 2. To be valid, the proxy form, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- 3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
- 4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 5. If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- 6. Explanatory Notes on Special Businesses :-

Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965

The proposed resolution No. 9 in relation to authority to issue shares pursuant to Section 132D of the Companies Act, 1965, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interests of the Company including but not limited to such shares as may be issued pursuant to the Employees' Share Option Scheme approved at the Extraordinary General Meeting held on 20 December 2000. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting ("AGM").

Ordinary Resolution on proposed renewal of authority for purchase of own shares by the Company of up to ten percent (10%) of the total issued and paid-up share capital of the Company

The proposed resolution No. 10 in relation to proposed renewal of authority for purchase of own shares, if passed, will renew the authority for the Company to purchase its own shares up to ten per cent (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Malaysia Securities Berhad. The authority to purchase share will expire at the conclusion of the next AGM, unless earlier revoked or varied by ordinary resolution passed by shareholders at general meeting.

Special Resolution on proposed amendment to the Company's Articles of Association

The proposed resolution No. 11 in relation to the proposed amendment to the Company's Articles of Association is to be in line with the recent amendments made to Bursa Malaysia Securities Listing Requirements.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The following Directors who are standing for re-election in accordance to Article 81 of the Company's Articles and Association, at the Ninth Annual General Meeting of the Company are :-
 - (i) Mr. Chong Shaw Fui
 - (ii) Mr. Francis Wong Chin Sing @ Wong Chin Sing
 - (iii) Mr. Douglas Jerukan @ Jarukan Ak Kanyan
 - (iv) Datu Haji Putit bin Matzen
2. Further details of Directors who are standing for re-election at the Ninth Annual General Meeting are available on pages 9 to 13 of this annual report.
3. There were five (5) Board of Directors' Meetings held during the financial year ended 30 June 2005. Details of attendance at Board Meetings are outlined on page 16 of this annual report.
4. Place, date and time of the Ninth Annual General Meeting

The Ninth Annual General Meeting of the Company will be held at Kingwood Hotel, No. 12, Lorong Lanang 4, 96000 Sibu, Sarawak on Thursday, 15 December 2005 at 11.00 am.

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**CCK CONSOLIDATED HOLDINGS BERHAD**

(Company No. 396692-T)

FORM OF PROXY

Number of shares held	
-----------------------	--

I/We _____
 (NRIC/Company No. _____) of _____
 _____ (full address) being a member/members of
CCK Consolidated Holdings Berhad hereby appoint _____
 _____ (NRIC No. _____) of _____
 _____ (full address) or failing him/her,
 _____ (NRIC No. _____) of _____
 _____ (full address) as my/our proxy to vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company to be held on Thursday, 15 December 2005 at 11.00 am and, at any adjournment thereof :-

Resolutions	For	Against
1. To receive the Audited Financial Statements of the Company.		
2. To approve the payment of a First and Final Dividend of 3.5% per share, less 28% Income Tax.		
3. To approve the payment of Directors' fees of RM239,000.		
To re-elect the following Directors retiring pursuant to Article 81 of the Company's Articles of Association :-		
4. • Mr. Chong Shaw Fui		
5. • Mr. Francis Wong Chin Sing @ Wong Chin Sing		
6. • Mr. Douglas Jerukan @ Jarukan Ak Kanyan		
7. • Datu Haji Putit bin Matzen		
8. To re-appoint Messrs. Hii & Lee as Auditors for the ensuing year.		
As special businesses :-		
9. To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
10. To approve the proposed renewal of authority for purchase of own shares by the Company of up to ten percent (10%) of the total issued and paid-up share capital of the Company.		
11. To approve the proposed amendment to the Company's Articles of Association		

[Please indicate with a (✓) in the space above how you wish your vote to be cast. If no specific direction as to voting is indicated, the proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2005

 Signature / common seal of shareholder(s)

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. To be valid, the proxy form, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Kehuli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

STAMP

The Company Secretary
CCK CONSOLIDATED HOLDINGS BERHAD (396692-T)
Lot 999, Section 66,
Bintawa Industrial Estate,
93450 Kuching,
Sarawak, Malaysia.



CCK CONSOLIDATED HOLDINGS BERHAD
(Incorporated in Malaysia) 396692-T

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

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