2019 ANNUAL REPORT

CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)

VISION

The Food People of Choice

MISSION

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

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATUK TIONG SU KOUK
Non-Independent Non-Executive Chairman

CHONG SHAW FUI
Executive Vice Chairman

TIONG CHIONG HIIUNG
Group Managing Director

TIONG CHIONG SOON
Executive Director

KUEH CHUNG PENG
Executive Director

LAU LIONG KII
Executive Director

LING TING LEONG @ LING CHONG SENG
Independent Director

DATUK PEMANCA JANGGU ANAK BANYANG
Independent Director

DATU HAJI PUTIT BIN MATZEN
Independent Director

BONG WEI LEONG
Independent Director

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARIES

Voon Jan Moi
(MAICSA 7021367)

Yap Hui Yih
(MAICSA 7048748)

REGISTERED OFFICE

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

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

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

Tel No. : 03-7890 4700
Fax No. : 03-7890 4670

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
1st Floor, No. 1, Lorong Pahlawan 7A2
Jalan Pahlawan
96000 Sibu, Sarawak, Malaysia

Tel No. : 084-211 777
Fax No. : 084-216 622

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : CCK
Stock Code : 7035

WEBSITE

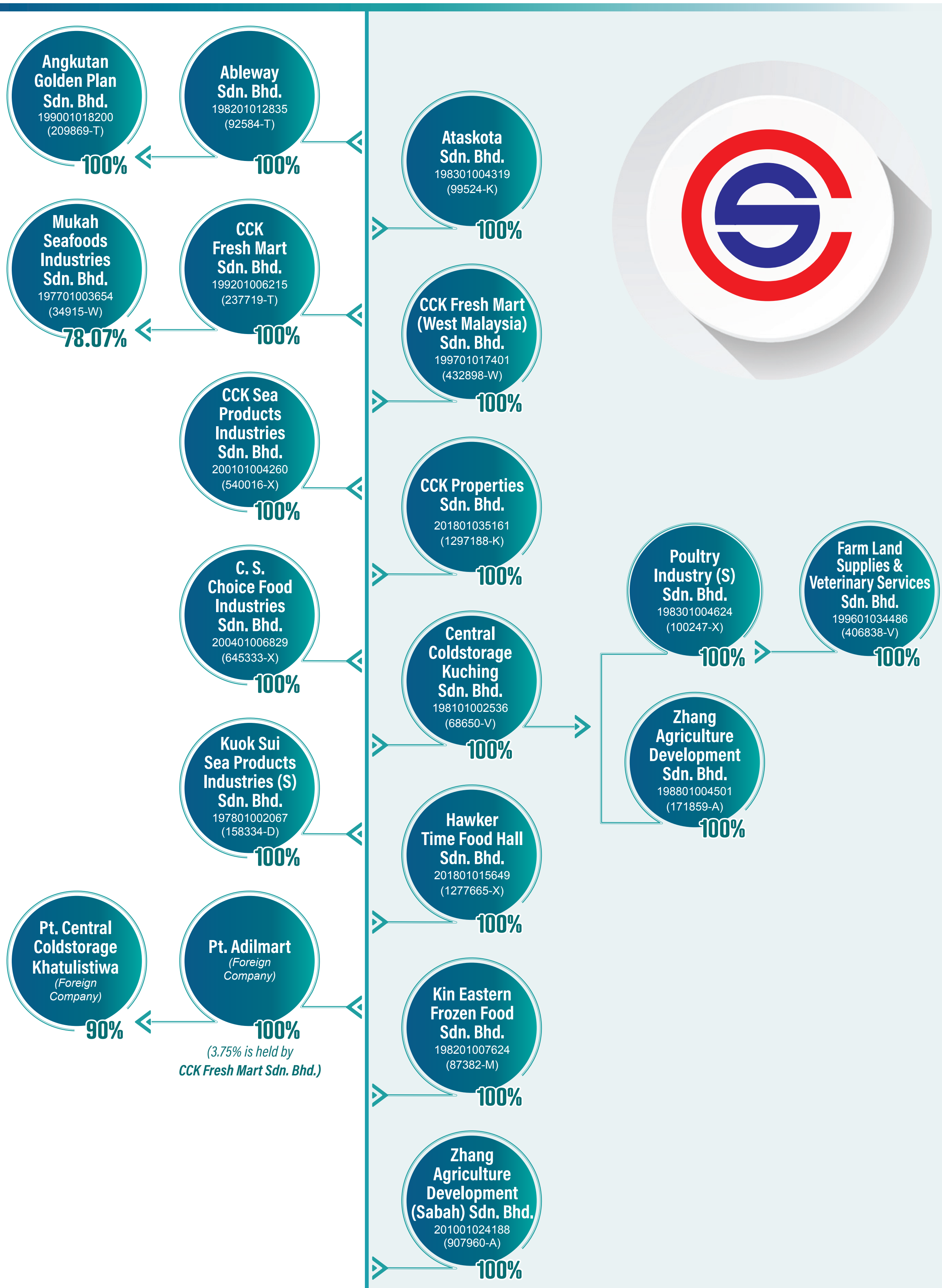
www.cck.com.my

INVESTOR RELATIONS

investor@cck.com.my

CORPORATE STRUCTURE

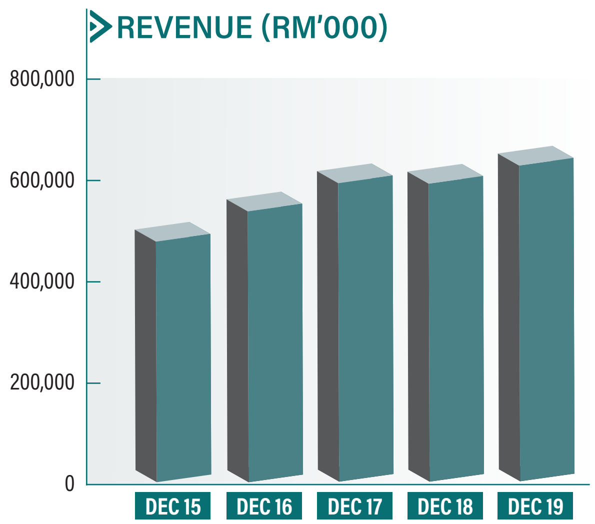
CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)

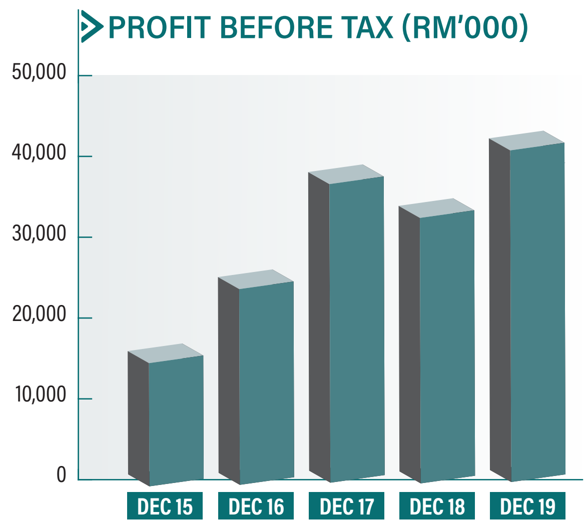


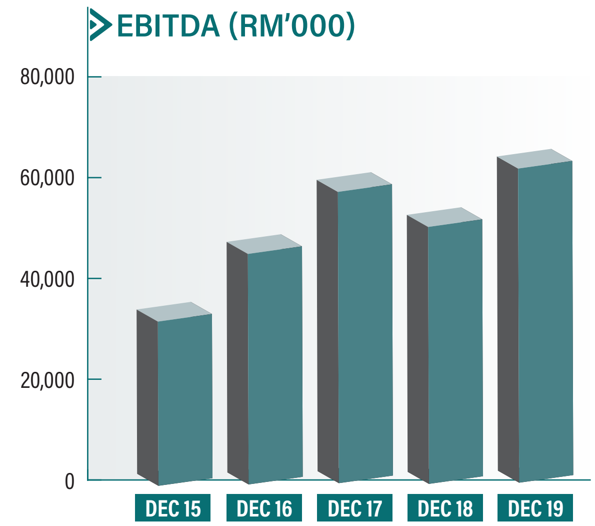
MANAGEMENT DISCUSSION & ANALYSIS

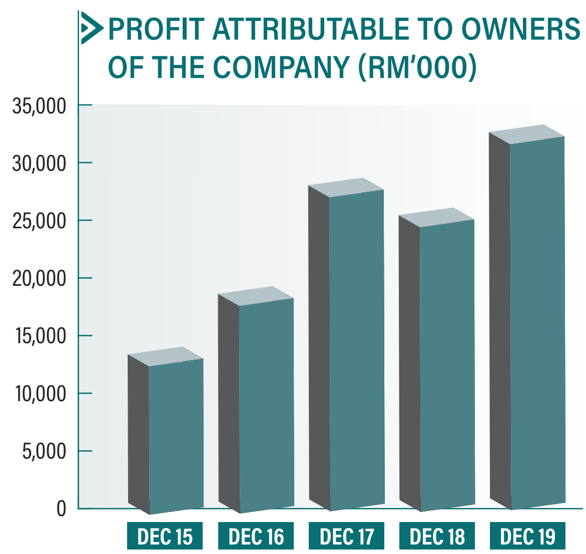
5 YEARS FINANCIAL SUMMARY

	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
Revenue (RM'000)	494,095	559,049	615,789	614,833	651,314
Profit before tax (RM'000)	16,028	25,375	38,637	34,365	42,891
EBITDA (RM'000)	34,191	47,883	57,475	53,344	65,170
Profit attributable to owners of the company (RM'000)	13,510	18,855	29,063	25,817	33,170
Earnings per share (Basic)	4.32	6.01	4.61	4.09	5.28









MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Dear valued shareholders,

The Management Discussion and Analysis ("MD&A") is intended to provide the reader with operational and financial highlights of CCK Consolidated Holdings Berhad ("CCK" or "The Group") for the financial year ended 31 December 2019.

The MD&A should be read together with the audited financial statements of the Group and Company.

INTRODUCTION

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

Since the opening of the first retail store in Sibu in 1970, our network of more than 55 retail stores now spans across Sarawak and Sabah. Fresh dressed chicken and chicken parts make up approximately 60% of our stores products. The remaining 40% of our stores' products comprise frozen products, table eggs and fresh fruits and vegetables.

As Sarawak's largest integrated poultry supplier, our retail network is strongly supported by the poultry segment. CCK's farm operations are also located in Sarawak and Sabah.

FINANCIAL REVIEW

Key Financial Indicators

	FY 2019 RM'000	FY 2018 RM'000	VARIANCE %
Revenue	651,314	614,833	5.93%
Indonesian operations revenue	105,884	100,162	5.71%
Cost of sales	528,756	505,941	4.51%
Gross profit	122,557	108,892	12.55%
Other income	5,759	7,725	-25.45%
Share of results in associate	5,252	4,100	28.10%
Profit before tax	42,891	34,365	24.81%
Property plant and equipment	190,403	173,431	9.79%
Inventories	55,843	55,221	1.13%
Cash & cash equivalents	43,211	30,081	43.65%

Contribution of Indonesian operations to Group revenue	16.26%	16.29%	

Financial Highlights

- For financial year ended 31 December 2019, the Group recorded a total revenue of RM651.314m, an increase of 5.93% when compared to financial year ended 31 December 2018. The revenue contribution from our Indonesian operations towards the Group revenue remained at 16.2% as chicken prices in Indonesia in 2019 were generally lower than in 2018. Our retail network ended the years with 62 stores (2017 : 57 stores).

- Profit before taxation was recorded at RM42.891m, an increase of 24.81% over 2018. The actual increase in the Group's profit before tax for 2019 was 39% as there were insurance compensations received of RM3.5 million in 2018.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Taking into consideration last year's insurance compensation effect, the retail segment showed a net increase in profit before tax and interest of 46% in 2019. This is attributed to a better performance by our network of retail stores in Malaysia.

- Other income decreased by 25.45% in 2019 compared 2018 mainly due to insurance compensations received for a fire that occurred at one of our subsidiary's plant in 2018.

- Share of results in associate improved by 28.1% over 2018 as our associate company, Gold Coin Sarawak Sdn. Bhd. recorded an improvement in performance in 2019.

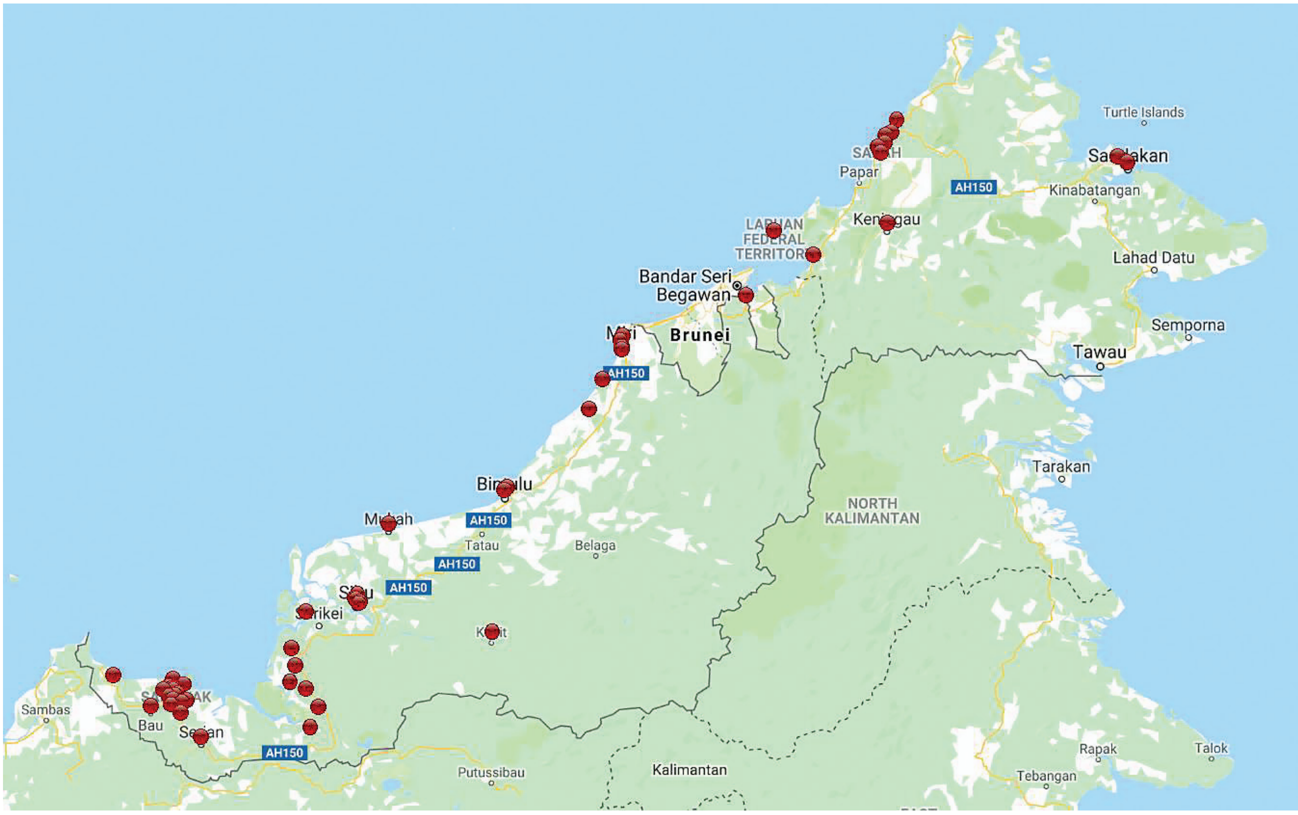
- The Group's property, plant and equipment increased in 2018 by 9.79% when compared to 2018. This was mainly due to the construction of a new factory in Pontianak, Indonesia which is expected to be completed in 2020.

- Cash and cash equivalents increased by 43.65% in line with the increase in revenue.

- A first and final single tier dividend of RM7.8m was paid out to shareholders on 28 June 2019.

- The prawn segment's revenue for 2019 improved by 4.1%. The segment re-commenced culturing and selling black tiger prawns this year, in addition to their current production of vannamei.

OPERATIONS REVIEW



- In 2019, the retail network expanded with the opening of new stores in Sibu Jaya in Sibu, BDC Commercial Centre in Kuching, Bandar Sandakan in Sabah, Limbang in Northern Sarawak, The Federal Territory of Labuan and Permai in Sibu. In order to improve the efficiency of our network, 2 stores were closed ie in Putatan, Sabah and Sungai Merah, Sibu, Sarawak.

  The Group ended the year with 62 stores in Sabah and Sarawak.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

❖ The Group's Indonesian operations is continuing to expand with the construction of a new factory and logistics centre in Pontianak, Indonesia. The complex will be completed in 2020 and will comprise a coldroom, chicken abattoir and downline food processing of sausages, burgers, meatballs etc.

ANTICIPATED OR KNOWN RISKS

a. Credit Risk

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

b. Foreign Currencies Fluctuation Risk

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

c. Liquidity Risk

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

d. Competition Risk

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

e. Biosecurity and Disease Risk

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

DIVIDENDS

CCK has a dividend policy of paying up to 30% of the profit after taxation and minority interests and also considering the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

In line with our continued focus on shareholder returns, the Board is pleased to announce a first and final single-tier dividend of 1.25 sen per share for the financial year ended 31 December 2019.

FORWARD LOOKING STATEMENT

On 28 March 2020, the International Monetary Fund (IMF) declared that the world was in recession amidst the ongoing global covid-19 pandemic. Citing the uncertainties on the duration and impact of the pandemic, the World Bank has projected a negative economic growth of -0.1% for Malaysia in 2020, but said the country is likely to recover in the fourth quarter of the year before bouncing back into smoother momentum in 2021.

Despite being an essential industry and required to continue operations during the pandemic, the Group's business has been affected particularly as our corporate clients, our restaurant customers and other food businesses experience sluggish or even no demand.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group had planned to open 2 supermarkets in the second quarter of 2020, one in Kuching and one in Kota Kinabalu. However, with the growing uncertainties, the Group will now proceed with the planned projects once the situation has stabilised.

APPRECIATION

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

TIONG CHIONG HIIUNG
GROUP MANAGING DIRECTOR

DIRECTORS' PROFILE

TAN SRI DATUK TIONG SU KOUK

Non-Independent Non-Executive Chairman
Malaysian, Male

YBhg. Tan Sri Datuk Tiong Su Kouk, aged 78, is the founder of CCK Consolidated Holdings Berhad ("CCK") and its subsidiaries ("CCK Group" or "the Group"). He was appointed as Executive Chairman to the Board of CCK on 15 July 1997 and re-designated as Non-Independent Non-Executive Chairman on 20 March 2002. He is also a member of the Audit Committee and Nomination Committee of CCK and the Chairman of the Remuneration Committee of CCK. He also acts as Chairman of the other companies within CCK Group. Under his stewardship, CCK Group has progressed from a small family-run business to one of the Sarawak's largest integrated poultry producers and producers of frozen seafood.

YBhg. Tan Sri Datuk Tiong began his career as a seafood trader at the age of 14. He also involved in poultry industries for the past 35 years. YBhg. Tan Sri Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Zhang Associations in Malaysia. He is the Honorary Life President of the Sibu Chinese Chamber of Commerce and Industry and the Honorary President of The Association Chinese Chambers of Commerce and Industry of Sarawak. He was appointed as the Honorary Life President of World Federation of Foochow Association in 2004 and the Permanent Honorary Life Chairman and Inaugurator of the World Zhang Clan Association in 2011.

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

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

During the financial year ended 31 December 2019, YBhg. Tan Sri Datuk Tiong attended all the five (5) Board meetings held.

His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

DIRECTORS' PROFILE (CONT'D)

CHONG SHAW FUI

Executive Vice Chairman
Malaysian, Male

Mr. Chong Shaw Fui, aged 75, was appointed as Executive Vice Chairman to the Board of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has more than 48 years of experience in the field of poultry industry. He is responsible for the management of the poultry business unit of CCK, which ranges from breeding, hatchery, and table eggs to the production line accordingly.

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

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

During the financial year ended 31 December 2019, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

TIONG CHIONG HIIUNG

Group Managing Director
Malaysian, Male

Mr. Tiong Chiong Hiiung, aged 53, was appointed to the Board of CCK on 15 July 1997. He is the Group Managing Director of CCK and a member of Remuneration Committee and the Chairman of Risk Management Committee.

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

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

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

During the financial year ended 31 December 2019, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

DIRECTORS' PROFILE (CONT'D)

TIONG CHIONG SOON

Executive Director
Malaysian, Male

Mr. Tiong Chiong Soon, aged 50, was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

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

He is a Group General Manager of Nam Cheong Limited ("NCL") Group since 2009, responsible for NCL Group's shipbuilding operation including vessel chartering, repairs, procurement and sourcing of equipment required for shipbuilding operation. NCL is a public company listed on the Singapore Exchange. He is also a Director of Nam Cheong Dockyard Sdn. Bhd. ("NCD") since 30 June 2010. NCD is a wholly-owned subsidiary of NCL. In addition, he also sits on the boards of various private limited companies.

During the financial year ended 31 December 2019, Mr. Tiong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

KUEH CHUNG PENG

Executive Director
Malaysian, Male

Mr. Kueh Chung Peng, aged 66, was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has over 38 years' experience in aquaculture and coldstorage products industry, and he plays an advisory role for CCK in the field of coldstorage, aquaculture farming and poultry processing.

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

During the financial year ended 31 December 2019, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

DIRECTORS' PROFILE (CONT'D)

LAU LIONG KII

Executive Director
Malaysian, Male

Mr. Lau Liong Kii, aged 69, was appointed as Executive Director to the Board on 15 July 1997. Currently, he is also a member of the Remuneration Committee and Risk Management Committee.

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

During the financial year ended 31 December 2019, Mr. Lau attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

LING TING LEONG @ LING CHONG SENG

Independent Director
Malaysian, Male

Mr. Ling Ting Leong @ Ling Chong Seng, aged 68, is a businessman with a wealth of experience. He also sits on the boards of other private limited companies.

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

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

During the financial year ended 31 December 2019, Mr. Ling attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

DIRECTORS' PROFILE (CONT'D)

DATUK PEMANCA JANGGU ANAK BANYANG

Independent Director
Malaysian, Male

YBhg. Datuk Pemanca Janggu anak Banyang, aged 73, was appointed to the Board as an Independent Director of CCK on 15 July 1997. He is the Chairman of Audit Committee and Nomination Committee and a member of Remuneration Committee.

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

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

During the financial year ended 31 December 2019, YBhg. Datuk Pemanca Janggu attended all the five (5) Board meetings held. His shareholdings in CCK as at 12 May 2020 are disclosed on page 131 of this annual report.

DATU HAJI PUTIT BIN MATZEN

Independent Director
Malaysian, Male

YBhg. Datu Haji Putit bin Matzen, aged 75, was appointed to the Board as an Independent Director of CCK on 20 March 2002. He is a member of Audit Committee, Nomination Committee and Remuneration Committee.

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

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

During the financial year ended 31 December 2019, YBhg. Datu Haji Putit attended all the five (5) Board meetings held. He holds no share in CCK.

DIRECTORS' PROFILE (CONT'D)

BONG WEI LEONG

Independent Director
Malaysian, Male

Mr. Bong Wei Leong, aged 53, was appointed to the Board as an Independent Director of CCK on 30 September 2009. He is a member of Audit Committee.

He was a Partner of a public accountants firm prior to starting his own practice in 2004. He has more than 25 years of experience in providing auditing, accounting and taxation services to various clients.

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

During the financial year ended 31 December 2019, Mr. Bong attended all the five (5) Board meetings held. He holds no share in CCK.

Other Information of Directors:

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

(ii) None of the Directors has been convicted any offences within the past five (5) years other than traffic offences (if any) and there was no public sanctions and penalty imposed by the relevant regulatory bodies during the financial year under review;

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

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

Grand Opening of Hawker Time
(23.03.2019)

Signing of Memorandum of Understanding to support Environmental Awareness Program with Department of Environment (29.11.2019)

Grand Opening of BDC, Kuching Outlet
(29.03.2019)

Anugerah Penternakan Jaya 2019
(26.10.2019)

Grand Opening of Labuan Outlet
(18.07.2019)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of CCK Consolidated Holdings Berhad ("the Company") presents this Statement to provide shareholders and investors with an overview of the corporate governance practices during the financial year 2019 in accordance with the Malaysian Code on Corporate Governance ("MCCG").

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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

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

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

II. Board Composition

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

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

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

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

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

III. Remuneration

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the financial year 2019, the Remuneration Committee met once with full attendance of its members. They reviewed and recommended to the Board the remuneration packages of Directors, taking into consideration commitment and responsibilities assumed, experience and skills required, performance of the members of the Board, as well as the performance of the Group.

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprises four (4) Independent Directors and one (1) Non-Executive Non-Independent Director. The AC is chaired by an Independent Director.

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

The AC oversees the financial reporting, ensures the quarterly and annual financial statements are prepared in accordance with the provision of the Companies Act 2016, applicable approved accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs, results and cash flows of the Group for the financial year 2019.

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

The Board is satisfied with the performance of the AC and its members in discharged their functions.

Further details on the AC are disclosed in the Audit Committee Report as outlined on pages 29 to 30 of this Annual Report.

II. Risk Management and Internal Control Framework

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

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

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

The details of the System are set out in the Statement of Risk Management and Internal Control on pages 26 to 28 of this Annual Report.

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

I. Communication with Stakeholders

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Conduct of General Meetings

Annual General Meeting ("AGM") is the principal forum for communicating between the Company and its shareholders. Notice of AGM and annual report were dispatched to shareholders 28 days before the date of the AGM in 2019.

The Chairmen of the Board Committees together with the top management and external auditors were present to address queries during AGM. The Chairman briefed the shareholders of their rights to raise questions and vote. Shareholders were also briefed on the voting procedures by the poll administrator prior to the poll voting. The vote cast and poll results were validated by the independent scrutineer. The poll results of each resolutions tabled at the AGM were announced to Bursa Securities on the same day of the AGM.

This Statement is made in accordance with the resolution of the Board of Directors dated 13 April 2020.

SUSTAINABILITY STATEMENT

This Sustainability Statement provides an overview of CCK Consolidated Holdings Berhad and its Group of Companies' ("CCK") approach to sustainability-related areas pertaining to our shareholders and stakeholders. These areas cover Economic, Environmental and Social performances in our daily operations.

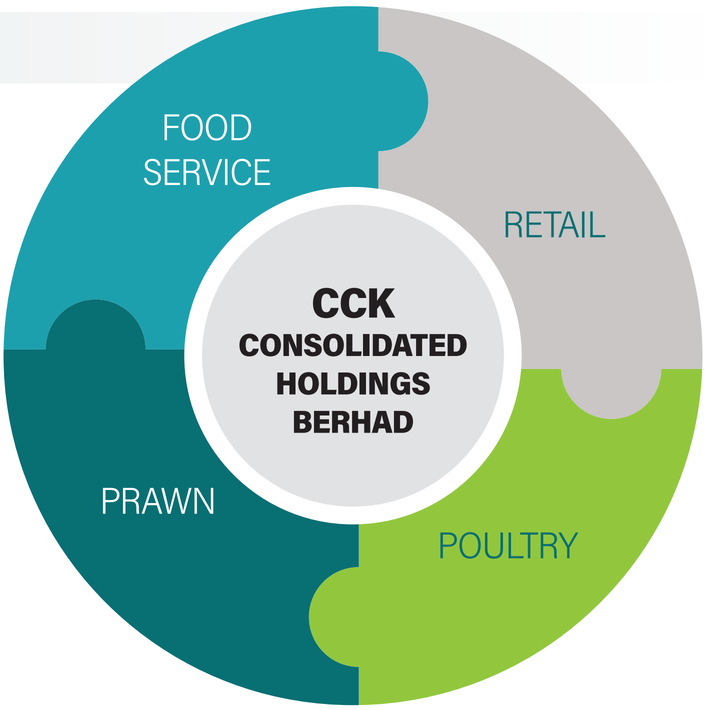
- Economic - Creation of long-term values for stakeholders and shareholders.
- Environment - Strive to reduce the environmental impact of our business activities in the environment we operate in.
- Social - Dealing with our customers, staff and the public in general, in accordance with industry best practices.

ABOUT CCK

CCK's business is divided into 4 segments namely retail, poultry, prawn and food service. The sustainability initiatives will continue to focus on the retail and poultry segments, as these are our core business components and major revenue contributors. CCK's retail segment comprises of operations in Malaysia (Sarawak and Sabah) and Indonesia (Jakarta and Pontianak).

As CCK has grown to become Sarawak's leading integrated poultry chain supporting a network of retail outlets spanning Sarawak and Sabah, the concept of sustainable development has been increasingly integrated into our business culture.

By ensuring sustainability throughout our Group, we are establishing the platform for our businesses to strengthen operational efficiencies and deliver long-term growth for all stakeholders.



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

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

VISION
The Food People of Choice

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

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

Our sustainability framework is led from the top. The roles and responsibilities of each level of our corporate structure are as follows –

01 Board of Directors

- Formulates sustainable business strategies
- Monitors business strategies

02 Management

- Oversees implementation of sustainability strategies
- Sets targets
- Evaluates overall sustainability risks and opportunities
- Oversees departments and their functions to ensure the viability of the sustainability framework
- Considers and reviews inputs of all departments in the sustainability process

03 Departments

- Implement sustainability strategies
- Ensures processes and controls are in place
- Reviews and reports on the performance process and the respective controls
- Reports on the targets sets by Management
- Input to Management on sustainability options and opportunities

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Proactive stakeholder engagement ensures that our business operations remain relevant and viable. CCK engages with a diverse group of stakeholders –

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

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT

We conducted materiality assessments to identify and prioritise the economic, environmental and social areas that will drive our sustainability development. The following was adopted as CCK's materiality assessment –

Identification	An internal sustainability group consisting of key senior management and heads of department was created to identify material sustainability issues across the retail and poultry segments.
Prioritisation	In the process of prioritising material sustainability issues, the following matters were considered – • The economic, environmental and social impacts • Factors that may affect CCK's financial sustainability • The perspectives and interests of both internal and external stakeholders
Governance	Sustainability in any organisation is constantly evolving. The Board of Directors and management team will constantly and systemically review the current procedures in view of developing further the existing processes.

MATERIAL SUSTAINABILITY TOPICS & SUSTAINABLE DEVLEOPMENT GOALS

People

The success of the Group is built on our people. As the nature of our work is evolving, we must continue focussing on attracting, retaining and developing skilled teams for today and for the future. This also includes continuing focus on maintaining a safe work environment and a safe shopping environment.

- Developing a values-based business based on a culture of good governance and ethical conduct which supports the effective functioning of core systems and processes.
- Our customers are at the heart of everything we do and customer satisfaction is a priority in our outlets.
- Playing a role in the local community where we operate our business.

Planet

Assessing and managing "responsible" and "ethical" issues within our retail and poultry operations, including both social and environmental issues.

SUSTAINABILITY STATEMENT (CONT'D)

▪▪ MANAGING SUSTAINABILITY - ECONOMIC

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

A significant component of CCK's economic performance is derived from profitability. This is measured regularly against budgets and KPIs. A full breakdown and detailed report on the economic performance of the Group for the financial year ended 31 December 2019 is appended in this Annual Report.

The stakeholders impacted by our achievements are not limited to those who rely on our business directly through salaries, dividends and returns. The community in which we operate in also shares in our continued sustainable performance.

We are continuously finding ways to work together with our partners ie suppliers, customers and communities. The strong ties of these relationships build trust and enables us to maximise our positive impact.

Achieving Prosperity

Strategy	Commitment	Achievement
1. Strengthening the charitable meal system 2. Investing in communities 3. Incentive schemes 4. Educating the young	1. Feeding programmes for schools 2. Bursaries and incentives for school children 3. Donations in cash or kind to the disadvantaged 4. Educational visits to stores	1. Continuing with sponsoring Sekolah Menengah Kampung Nangka Food Bank for the 2019 school year 2. Bursaries for 100 students from lower income families of CCK staff 3. Education incentives for students 4. Donations to Kuching Autistic Network, Malaysian Blind Association for purchase of equipment and organising Braille courses etc. 5. School visits to stores

Shool visit to a retail store

SUSTAINABILITY STATEMENT (CONT'D)

▪▪ MANAGING SUSTAINABILITY - ENVIRONMENTAL

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

Saving the planet

Strategy	Commitment	Achievement
1. Waste water management 2. Toxic waste management 3. Managing odour and noise pollution 4. Reducing emissions	1. Re-cycling waste water from our abattoir 2. Disposing of all toxic waste in a responsible manner 3. Enhance the waste management system 4. Minimise odour and noise pollution in the farms 5. Reducing emissions from our fleet of logistic trucks	1. Water output from abattoir meets parameters set by regulators 2. Scheduled toxic waste disposal arrangement with a licensed company 3. Collaboration between CCK and Centre for Water Research of University Malaysia Sarawak 4. Building closed-house farms 5. Scheduled deliveries that regulate the number and frequency of CCK vehicles on the road 6. Beach clean-up in collaboration with Kuching Beach Cleaners, Sarawak Eco Warriors and Wildlife Conservation Society

Beach Clean-up: Pasir Panjang
20 July 2019
302kg
79 bags
131 volunteers: RECORD BREAKING

Beach clean-up

SUSTAINABILITY STATEMENT (CONT'D)

▪▪ MANAGING SUSTAINABILITY - SOCIAL

The success of our business relies on our employees. In a work environment which is evolving rapidly, the Group is continuing to concentrate on attracting, retaining and developing skilled teams. With a staff-strength of more than 2000 across the CCK Group, we are an established source of stable employment.

Our people

Strategy	Commitment	Achievement
1. Providing jobs 2. Career development 3. Training 4. Talent management 5. Recruitment selection 6. Safe workplace	1. Employee welfare 2. Team development 3. Leadership development 4. Skills fit for roles 5. Enhanced recruitment program 6. Coaching 7. Effective occupational health and safety measures	1. Internship placement for interns from local universities and colleges in the farms and factory 2. In-house training for retail staff as part of Career Advancement Program 3. All new employees are required to attend mandatory orientation programs 4. Periodic briefing sessions to employees on topics of safety and health care issues 5. Adhering to Occupational, Safety and Health management system 6. Continuous assessment of training needs

Basic Fire Safety and Chemical Spill/ Leak Response Training by Bomba

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of the Company is pleased to present the Statement on Risk Management and Internal Control in compliance with Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the Statement on Risk Management and Internal control: Guidelines for Directors of Listed Issuers ("Guidelines"), the Malaysian Code on Corporate Governance and Corporate Governance Guide.

The objective for establishing a sound risk management framework and internal control system ("System") in the Group is to safeguard the Group's assets and shareholders' investments as well as the interests of customers, employees and other stakeholders.

BOARD'S RESPONSIBILITY

The Board is committed to maintain a sound System and affirms its overall responsibility for the System of the Group by continuously reviewing the adequacy and effectiveness of the System.

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

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

The Board has reviewed the adequacy and effectiveness of the System through Audit Committee ("AC") and Risk Management Committee ("RMC") for the financial year 2019. Necessary actions have been and are being taken to remedy weaknesses identified from the review.

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

RISK MANAGEMENT FRAMEWORK

The risk management and internal control framework is embedded into the culture of the Group, which is responsive to changes in the business and market environment, economy, as well as the world situation.

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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

INTERNAL CONTROL PROCESS

Audit

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

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

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

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

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

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

Authority and Responsibility

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

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

Policies and Procedures

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

Insurance

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THIS STATEMENT

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

CONCLUSION

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

This Statement is made in accordance with the resolution of the Board dated 13 April 2020.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") presents the Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") discharged its functions for the Group during the financial year ended 2019.

COMPOSITION AND ATTENDANCE

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

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

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

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

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

SUMMARY OF ACTIVITIES

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

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

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

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

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

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

AUDIT COMMITTEE REPORT (CONT'D)

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

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

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

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

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

INTERNAL AUDIT FUNCTION

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

The IAD is headed by Ms. Catherine Kung Sie Ting, who was appointed as head of IAD in August 2018. The IAD is staffed by eleven (11) team members, including the Head of IAD. Five (5) of the staff have tertiary qualifications in the field of business management, accountancy, finance, chemistry and social science. All the Internal Auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence.

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

The internal audit reports, submitted to the AC quarterly, incorporating findings, recommendations to rectify weaknesses and enhance controls, together with corrective measures taken within an agreed timeline, were presented to the AC. Follow-up audits on significant engagements were conducted to ensure that corrective and preventive measures have been implemented accordingly.

The total costs incurred by IAD in discharging its functions and responsibilities in 2019 amounted to RM421,167 (2018: RM417,420).

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

This Report is made in accordance with the resolution of the Board of Directors dated 13 April 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR PREPARING THE AUDITED FINANCIAL STATEMENTS

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

The Directors are also responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of their financial performance and cash flows of the Group for the financial year ended 31 December 2019.

In preparing the financial statements, the Directors ensure that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made estimates and judgements that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

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

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

This Statement is made in accordance with the resolution of the Board of Directors dated 13 April 2020.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	33,205,007	10,168,120
Attributable to:-		
Owners of the Company	33,170,065	10,168,120
Non-controlling interests	34,942	-
	33,205,007	10,168,120

DIVIDENDS

A first and final single-tier dividend of 1.25 sen per ordinary share amounting to RM7,853,777 for the financial year ended 31 December 2018 was approved by the shareholders at the Annual General Meeting held on 28 May 2019 and paid on 28 June 2019.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 1.25 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2020.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

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

TREASURY SHARES

During the financial year, the Company purchased 1,434,600 of its issued ordinary shares from the open market at an average price of RM0.49 per share. The total consideration paid for the purchase was RM705,752 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

DIRECTORS' REPORT (CONT'D)

As at 31 December 2019, the Company held as treasury shares a total of 3,751,200 of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM2,320,244. The details of the treasury shares are disclosed in Note 18 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

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

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

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

DIRECTORS' REPORT (CONT'D)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

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

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

Chai Min Diang
Chong Min Fui
Chong Pio
Chong Su Khiun
Ethan Tiong Ing Hung
Joseph Tang Chiod Sui
Kapitan Goh Sung Hien @ Goh Soon Hien
Kapitan Lau Hieng Wuong
Ko Chang Mui @ Robert Khu
Kueh Tiong Ching
Lau Pek Kii
Ung Yiik Hieng
Wong Hua Tiing

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.1.2019	Bought	Sold	At 31.12.2019
The Company				
Direct Interests				
Tan Sri Datuk Tiong Su Kouk	40,721,288	-	-	40,721,288
Tiong Chiong Hiiung	1,699,624	-	-	1,699,624
Tiong Chiong Soon	1,515,360	-	-	1,515,360
Lau Liong Kii	12,680,552	1,660,200	-	14,340,752
Ling Ting Leong @ Ling Chong Seng	986,428	-	-	986,428
Kueh Chung Peng	10,453,364	450,000	-	10,903,364
Datuk Pemanca Janggu Anak Banyang	198,400	-	-	198,400
Indirect Interests				
Tan Sri Datuk Tiong Su Kouk	244,185,380	-	-	244,185,380
Tiong Chiong Hiiung	244,567,888	-	-	244,567,888
Chong Shaw Fui	33,611,272	-	-	33,611,272
Kueh Chung Peng	4,107,400	-	-	4,107,400
Tiong Chiong Soon	241,596,156	-	-	241,596,156
Lau Liong Kii	43,729,152	474,900	-	44,204,052
Ling Ting Leong @ Ling Chong Seng	3,312,388	-	-	3,312,388

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37(b) to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT (CONT'D)

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

AUDITORS

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

The auditors' remuneration are disclosed in Note 29 to the financial statements.

Signed in accordance with a resolution of the directors dated 13 April 2020

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

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

We, Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung, being two of the directors of CCK Consolidated Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 126 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 13 April 2020

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

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

I, Tiong Chiong Hiiung, I/C No. 670208-13-6277, being the director primarily responsible for the financial management of CCK Consolidated Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 126 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tiong Chiong Hiiung, I/C No. 670208-13-6277
at Sibu
in the State of Sarawak
on this 22 May 2020

Tiong Chiong Hiiung
Director

Before me

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CCK Consolidated Holdings Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 126.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysia Financial Reporting Standards, international Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

<table>
<tr><td colspan="2">Impairment of Inventories
Refer to Note 11 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>The Group's inventories were stated at a carrying amount of RM55.8 million as of 31 December 2019.

The assessment of impairment of inventories on hand due to obsolescence as at the end of the reporting period require management estimates and judgements. This, in combination with the significance of inventories in the financial statements, made us identify the impairment of inventories as a key audit matter of our audit.</td><td>Our procedures included, amongst others:-

(a) Understanding management's process in determining impairment of inventories

(b) Reviewing the ageing analysis of inventories

(c) Understanding and testing the operating effectiveness of control over inventories; including observing the process of year-end inventory count

(d) Inquiring of management action plans to slow-moving and obsolete inventories

(e) Evaluating the adequacy of the disclosures in the financial statements</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (CONT'D)

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

Key Audit Matters (Cont'd)

Cash Sales Transactions
Refer to Note 27 in the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group's revenue is mainly contributed by the retail segment, which represents 74% of the total revenue as per financial year ended 31 December 2019. Majority of the Group's transactions are settled in cash. Cash sales transactions is a key audit matter due to voluminous transactions arising at multiple sales points. Revenue recognition is a key audit matter due to: • risk that revenue may be overstated because of the pressure from management to achieve the planned results as revenue recognition has a direct impact on the results of the Group. • Most of the retail revenue is settled in cash which is subjectable to misappropriation.	Our procedures included, amongst others: - (a) Inquiring, inspecting, observing and documenting cash sales cycle to obtain an understanding of the Group's design and implementation of policies and procedures of the cycle (b) Performing walkthrough tests, test of controls on cash sales cycle with samples documented on identified key controls and evaluation of the control processes for cash sales transactions cycle especially the cash receipts and payment processes (c) Examining and reviewing year end cut-off to ensure revenue are accounted for in the appropriate period

Valuation of biological assets
Refer to Note 12 in the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
Upon adoption of the MFRS framework, the Group changed its measurement basis of biological assets from cost method to fair value method as required by MFRS 141 Agriculture. The biological assets of the Group mainly comprise broilers and layers. In determining the fair value of the biological assets, the Group uses the discounted cash flows model and significant judgement is involved in determining the key assumptions which will impact the amount of fair value of biological assets recognised. We focused on this area because there is key judgement involved in determining the expected number of eggs produced by each layer, the expected selling price of the eggs, mortality rate, feed consumption rate and feed costs over the remaining life of the layers, as well as the discount rates. The accounting policy for biological assets has been disclosed in Note 4.12 to the financial statements. The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 12 to the financial statements.	Our procedures included, amongst others: - (a) Evaluating the appropriateness of the methodology and key assumptions used by management in valuation of the biological assets. (b) Checking the mathematical accuracy of the valuation model prepared by management. (c) Corroborating the weekly number of eggs produced and weekly feed consumption volume to the historical data provided to us by management. (d) In respect of the projected selling prices and feed costs, we have back-tested by comparing the projected prices against historical prices and checked the reasonableness of the adjustments made for abnormal market movements. (e) Test checking the mortality rate assumption against historical actual mortality rate. (f) Assessing the appropriateness of the range used to test the sensitivity analysis performed by management as disclosed in Note 12. (g) Evaluating the adequacy of the disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (CONT'D)

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (CONT'D)

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

Crowe Malaysia PLT	**Morris Hii Su Ong**
201906000005 (LLP0018817-LCA) & AF 1018	Approval No: 1682/04/21(J)
Chartered Accountants	Chartered Accountant

Sibu, Sarawak
Date: 22 May 2020

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	81,448,101	80,948,102
Investment in an associate	6	26,486,459	21,234,139	19,930,171	19,930,171
Property, plant and equipment	7	190,402,821	173,431,122	8,836,331	8,996,791
Investment properties	8	17,084,879	17,211,580	-	-
Goodwill	9	380,224	380,224	-	-
Deferred tax assets	10	1,388,522	1,377,875	-	-
		235,742,905	213,634,940	110,214,603	109,875,064
CURRENT ASSETS					
Inventories	11	55,842,815	55,220,935	-	-
Biological assets	12	15,323,862	14,257,248	-	-
Trade receivables	13	39,678,504	39,095,170	-	-
Other receivables, deposits and prepayments	14	11,216,604	13,855,198	216,644	517,629
Amount owing by subsidiaries	15	-	-	111,860,628	112,715,665
Current tax assets		770,942	2,393,167	-	-
Deposits with licensed banks	16	4,925,406	7,968,850	-	-
Cash and bank balances		39,100,668	24,075,426	428,783	1,388,066
		166,858,801	156,865,994	112,506,055	114,621,360
TOTAL ASSETS		402,601,706	370,500,934	222,720,658	224,496,424
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	158,968,786	158,968,786	158,968,786	158,968,786
Treasury shares	18	(2,320,244)	(1,614,492)	(2,320,244)	(1,614,492)
Reserves	19	119,124,773	92,763,943	33,022,351	30,708,008
Equity attributable to owners of the Company		275,773,315	250,118,237	189,670,893	188,062,302
Non-controlling interests		380,252	433,014	-	-
TOTAL EQUITY		276,153,567	250,551,251	189,670,893	188,062,302

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AT 31 DECEMBER 2019

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
NON-CURRENT LIABILITIES					
Other payables, deposits and accruals	20	6,265,023	6,608,612	6,265,023	6,608,612
Bank borrowings	21	6,310,420	3,878,957	-	-
Lease liabilities	23	10,977,619	-	-	-
Deferred income	24	18,815	18,815	-	-
Deferred tax liabilities	10	9,661,156	10,187,723	1,475,023	1,292,532
		33,233,033	20,694,107	7,740,046	7,901,144
CURRENT LIABILITIES					
Trade payables	25	23,697,959	27,889,956	-	-
Other payables, deposits and accruals	20	19,586,308	15,805,446	3,771,034	2,879,875
Amount owing to subsidiaries	15	-	-	3,538,685	1,653,103
Bank borrowings:-	21				
- bank overdrafts		814,819	1,963,505	-	-
- other borrowings		43,962,820	50,015,225	18,000,000	24,000,000
Lease liabilities	23	1,826,082	-	-	-
Provision for employee benefits	26	775,964	675,718	-	-
Current tax liabilities		2,551,154	2,905,726	-	-
		93,215,106	99,255,576	25,309,719	28,532,978
TOTAL LIABILITIES		126,448,139	119,949,683	33,049,765	36,434,122
TOTAL EQUITY AND LIABILITIES		402,601,706	370,500,934	222,720,658	224,496,424

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
REVENUE	27	651,314,172	614,832,774	11,366,000	19,751,030
COST OF SALES		(528,756,655)	(505,940,966)	-	-
GROSS PROFIT		122,557,517	108,891,808	11,366,000	19,751,030
OTHER INCOME		5,759,212	7,724,898	2,390,994	1,624,286
SELLING AND DISTRIBUTION EXPENSES		(18,272,147)	(18,037,795)	-	-
ADMINISTRATIVE EXPENSES		(26,566,394)	(25,740,688)	(2,183,997)	(3,699,446)
OTHER OPERATING EXPENSES		(41,886,133)	(38,895,677)	-	-
FINANCE COSTS		(3,957,210)	(3,157,319)	(1,222,386)	(1,571,794)
NET IMPAIRMENT GAIN/(LOSSES) ON FINANCIAL ASSETS	28	4,353	(520,557)	-	-
SHARE OF PROFITS OF AN EQUITY ACCOUNTED ASSOCIATE		5,252,320	4,100,128	-	-
PROFIT BEFORE TAXATION	29	42,891,518	34,364,798	10,350,611	16,104,076
INCOME TAX EXPENSE	30	(9,686,511)	(8,516,536)	(182,491)	249,433
PROFIT AFTER TAXATION		33,205,007	25,848,262	10,168,120	16,353,509
OTHER COMPREHENSIVE INCOME	31				
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Remeasurement of defined benefits plan		28,018	65,948	-	-
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		1,016,524	(1,323,990)	-	-
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSES)		1,044,542	(1,258,042)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		34,249,549	24,590,220	10,168,120	16,353,509

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		33,170,065	25,816,913	10,168,120	16,353,509
Non-controlling interests		34,942	31,349	-	-
		33,205,007	25,848,262	10,168,120	16,353,509
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		34,214,607	24,558,871	10,168,120	16,353,509
Non-controlling interests		34,942	31,349	-	-
		34,249,549	24,590,220	10,168,120	16,353,509
EARNINGS PER SHARE (SEN):-	32				
Basic		5.28	4.09		
Diluted		Not applicable	Not applicable		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2018		158,968,786	-	(3,157,665)	80,823,519	236,634,640	401,665	237,036,305
Profit after taxation for the financial year		-	-	-	25,816,913	25,816,913	31,349	25,848,262
Other comprehensive income for the financial year:-	31							
- Remeasurement of defined benefit plans		-	-	-	65,948	65,948	-	65,948
- Foreign currency translation differences		-	-	(1,323,990)	-	(1,323,990)	-	(1,323,990)
Total comprehensive income for the financial year		-	-	(1,323,990)	25,882,861	24,558,871	31,349	24,590,220
Contributions by and distribution to owners of the Company:-								
- Purchase of treasury shares	18	-	(1,614,492)	-	-	(1,614,492)	-	(1,614,492)
- Dividends:-								
- by the Company	34	-	-	-	(9,460,782)	(9,460,782)	-	(9,460,782)
Total transactions with owners		-	(1,614,492)	-	(9,460,782)	(11,075,274)	-	(11,075,274)
Balance at 31.12.2018		158,968,786	(1,614,492)	(4,481,655)	97,245,598	250,118,237	433,014	250,551,251

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group								
Balance at 31.12.2018/1.1.2019		158,968,786	(1,614,492)	(4,481,655)	97,245,598	250,118,237	433,014	250,551,251
Profit after taxation for the financial year		-	-	-	33,170,065	33,170,065	34,942	33,205,007
Other comprehensive income for the financial year:-	31							
- Remeasurement of defined benefit plans		-	-	-	28,018	28,018	-	28,018
- Foreign currency translation differences		-	-	1,016,524	-	1,016,524	-	1,016,524
Total comprehensive income for the financial year		-	-	1,016,524	33,198,083	34,214,607	34,942	34,249,549
Contributions by and distributions to owners of the Company:-								
- Purchase of treasury shares	18	-	(705,752)	-	-	(705,752)	-	(705,752)
- Dividends:-								
- by the Company	34	-	-	-	(7,853,777)	(7,853,777)	-	(7,853,777)
- by the Subsidiary to non controlling interest		-	-	-	-	-	(87,704)	(87,704)
Total transactions with owners		-	(705,752)	-	(7,853,777)	(8,559,529)	(87,704)	(8,647,233)
Balance as at 31.12.2019		158,968,786	(2,320,244)	(3,465,131)	122,589,904	275,773,315	380,252	276,153,567

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 1.1.2018		158,968,786	-	23,815,281	182,784,067
Profit after taxation/Total comprehensive income for the financial year		-	-	16,353,509	16,353,509
Contributions by and distributions to owners of the Company:-					
- Purchase of treasury shares	18	-	(1,614,492)	-	(1,614,492)
- Dividends	34	-	-	(9,460,782)	(9,460,782)
		-	(1,614,492)	(9,460,782)	(11,075,274)
Balance at 31.12.2018/1.1.2019		158,968,786	(1,614,492)	30,708,008	188,062,302
Profit after taxation/Total comprehensive income for the financial year		-	-	10,168,120	10,168,120
Contributions by and distributions to owners of the Company:-					
- Purchase of treasury shares	18	-	(705,752)	-	(705,752)
- Dividends	34	-	-	(7,853,777)	(7,853,777)
		-	(705,752)	(7,853,777)	(8,559,529)
Balance at 31.12.2019		158,968,786	(2,320,244)	33,022,351	189,670,893

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	42,891,518	34,364,798	10,350,611	16,104,076
Adjustments for:-				
Allowance for impairment losses on receivables	344,420	574,879	-	-
Allowance for impairment losses on receivables no longer required	(348,773)	(54,322)	-	-
Bad debts written off	126,290	142,572	118	-
Changes in fair value of biological assets	(1,066,614)	(487,553)	-	-
Depreciation of investment properties	126,701	126,746	-	-
Depreciation of property, plant and equipment	22,152,168	18,852,806	161,210	148,720
Dividend income	-	-	(11,000,000)	(19,385,030)
Loss/(gain) on disposal of property, plant and equipment	27,853	(30,299)	-	-
Interest expense	3,957,210	3,157,319	1,222,386	1,571,794
Interest income	(419,037)	(459,500)	(1,288,752)	(1,519,627)
Property, plant and equipment written off	45,448	57,320	-	-
Provision for employee benefits	147,540	181,343	-	-
Provision for obsolescence and losses on inventories	-	25,647	-	-
Share of profits of an equity accounted associate	(5,252,320)	(4,100,128)	-	-
Unrealised loss/(gain) on foreign exchange	18,399	(4,303)	-	-
Operating profit/(loss) before working capital changes	62,750,803	52,347,325	(554,427)	(3,080,067)
(Increase)/decrease in inventories	(344,394)	3,210,859	-	-
Decrease/(increase) in trade and other receivables	2,159,051	(9,580,381)	300,867	(93,330)
(Decrease)/increase in trade and other payables	(163,647)	(2,291,928)	547,570	(2,926,497)
Employee benefits paid	(32,272)	-	-	-
CASH FROM/(FOR) OPERATIONS/ BALANCE CARRIED FORWARD	64,369,541	43,685,875	294,010	(6,099,894)

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

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		64,369,541	43,685,875	294,010	(6,099,894)
Income tax paid		(11,180,403)	(10,773,570)	-	-
Income tax refunded		849,094	1,597,903	-	-
Interest paid		(3,957,210)	(3,157,319)	(1,222,386)	(1,571,794)
Interest received		419,037	459,500	1,288,752	1,519,627
NET CASH FROM/(FOR) OPERATING ACTIVITIES		50,500,059	31,812,389	360,376	(6,152,061)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired	33	-	-	(499,999)	(100,001)
Repayment from subsidiaries		-	-	855,037	5,702,920
Dividend received		-	3,536,000	11,000,000	19,385,030
Proceeds from disposal of property, plant and equipment		152,099	1,997,897	-	-
Purchase of property, plant and equipment	35(a)	(24,030,785)	(32,119,074)	(750)	(1,559,465)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(23,878,686)	(26,585,177)	11,354,288	23,428,484
BALANCE CARRIED FORWARD		26,621,373	5,227,212	11,714,664	17,276,423

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

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
BALANCE BROUGHT FORWARD		26,621,373	5,227,212	11,714,664	17,276,423
CASH FLOWS FOR FINANCING ACTIVITIES					
Advance from/(repayment to) subsidiaries	35(c)	-	-	1,885,582	(1,114,252)
Dividend paid:-	34				
- by the Company		(7,853,777)	(9,460,782)	(7,853,777)	(9,460,782)
- by subsidiaries to non-controlling interests		(87,704)	-	-	-
Drawdown of bankers' acceptance	35(c)	-	5,501,000	-	-
Drawdown of term loans	35(c)	3,152,500	1,960,000	-	-
Purchase of treasury shares		(705,752)	(1,614,492)	(705,752)	(1,614,492)
Repayment of bankers' acceptance	35(c)	(213,950)	-	-	-
Repayment of hire purchase payables	35(c)	-	(68,226)	-	-
Repayment of lease liabilities	35(d)	(1,671,768)	-	-	-
Repayment of revolving credit	35(c)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Repayment of term loans	35(c)	(320,718)	(643,072)	-	-
NET CASH FOR FINANCING ACTIVITIES		(13,701,169)	(10,325,572)	(12,673,947)	(18,189,526)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		12,920,204	(5,098,360)	(959,283)	(913,103)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		210,280	(315,064)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		30,080,771	35,494,195	1,388,066	2,301,169
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(b)	43,211,255	30,080,771	428,783	1,388,066

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 April 2020.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

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

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. MFRS 16 requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months whereby the right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. For a lessor, MFRS 16 continues to allow the lessor to classify its leases as either operating leases or finance leases and to account them differently. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Write-down of Inventories

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

(c) Impairment of Trade Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 14 and 15 to the financial statements.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(f) Biological Assets

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

Critical Judgements Made in Applying Accounting Policies

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

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

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

(b) Lease Terms

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

(c) Contingent Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

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

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

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

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

4.3 GOODWILL

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

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

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

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

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

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

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

4.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Investments in Equity Instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

(ii) Treasury Shares

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

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

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

(d) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

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

(e) Financial Guarantee Contracts

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

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

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 INVESTMENTS IN ASSOCIATES

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

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

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2019. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

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

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

4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 INVESTMENT PROPERTIES

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

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

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

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

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

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

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

4.10 LEASES

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 LEASES (CONT'D)

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

Accounting Policies Applied Until 31 December 2018

(a) Finance Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which is in substance is a finance lease is classified as property, plant and equipment.

(b) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

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

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

(b) Impairment of Non-financial Assets

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

An impairment loss is recognised in profit or loss immediately.

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

4.12 BIOLOGICAL ASSETS

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

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

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

4.13 INVENTORIES

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 CASH AND CASH EQUIVALENTS

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

4.15 PROVISIONS

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

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

(c) Defined Benefit Plans

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 EMPLOYEE BENEFITS (CONT'D)

(c) Defined Benefit Plans (Cont'd)

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

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

4.17 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

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

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

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

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

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

4.18 CONTINGENT LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 CONTINGENT LIABILITIES (CONT'D)

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

4.19 OPERATING SEGMENTS

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

4.20 EARNINGS PER ORDINARY SHARES

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

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

4.21 BORROWING COSTS

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

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

4.22 FAIR VALUE MEASUREMENTS

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 FAIR VALUE MEASUREMENTS (CONT'D)

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

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of Goods (Credit Sales)

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

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

(b) Sales of Goods (Cash Sales)

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

(c) Services

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

4.24 OTHER INCOME

(a) Interest Income

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

(b) Dividend Income

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

(c) Rental Income

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

(d) Government Grant

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2019 RM	The Company 2018 RM
Unquoted shares, at cost		
- in Malaysia	63,339,149	62,839,150
- outside Malaysia	18,108,952	18,108,952
	81,448,101	80,948,102

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	Percentage of Issued Share Capital Held by Parent 2018 %	Principal Activities
Ableway Sdn. Bhd.	Malaysia	100	100	General trading and investment holding
Ataskota Sdn. Bhd.	Malaysia	100	100	Selling, spawning and culturing of prawns
CCK Fresh Mart Sdn. Bhd.	Malaysia	100	100	Retailing in coldstorage products
CCK Fresh Mart (West Malaysia) Sdn. Bhd.	Malaysia	100	100	Leasing of building
CCK Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Culturing, processing and trading of prawns
Central Coldstorage Kuching Sdn. Bhd.	Malaysia	100	100	Retailing in coldstorage products, poultry processing, importer and distributor of frozen food
C.S. Choice Food Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing, processing, packing and distribution of meat and other food products
Kin Eastern Frozen Food Sdn. Bhd.	Malaysia	100	100	Processing and selling of frozen seafood and ice
Kuok Sui Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Processing and exporting of sea products
Pt. Adilmart^	Indonesia	100	100	Retailing in coldstorage products
Zhang Agriculture Development (Sabah) Sdn. Bhd.	Malaysia	100	100	Poultry breeding, hatching of eggs and trading
Hawker Time Food Hall Sdn. Bhd. #	Malaysia	100	100	Food and beverage

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
CCK Properties Sdn. Bhd. #	Malaysia	100	100	Real property developers and investment holding
Subsidiary of Ableway Sdn. Bhd.:-				
Angkutan Golden Plan Sdn. Bhd.	Malaysia	100	100	Provision of transportation services
Subsidiary of CCK Fresh Mart Sdn. Bhd.:-				
Mukah Seafoods Industries Sdn. Bhd.	Malaysia	78.1	78.1	Trading of seafood and coldstorage foodstuff
Subsidiaries of Central Coldstorage Kuching Sdn. Bhd.:-				
Poultry Industry (S) Sdn. Bhd.	Malaysia	100	100	Livestock breeding, egg laying and trading
Zhang Agriculture Development Sdn. Bhd.	Malaysia	100	100	Poultry farming and trading
Subsidiary of Poultry Industry (S) Sdn. Bhd.:-				
Farm Land Supplies & Veterinary Services Sdn. Bhd.	Malaysia	100	100	Provision of pharmaceutical supplies for chickens and related services
Subsidiary of Pt. Adilmart:-				
Pt. Central Coldstorage Khatulistiwa^	Indonesia	90	90	Dormant

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

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

(a) On 30 January 2019 and 8 May 2019, the Company subscribe for 99,999 and 400,000 number of ordinary shares for a cash consideration of RM99,999 and RM400,000, in a wholly-owned subsidiary, CCK Properties Sdn. Bhd.

(b) In the previous financial year, the Company has acquired 100% equity interests in Hawker Time Food Hall Sdn. Bhd. and CCK Properties Sdn. Bhd. The details of the acquisition are disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective Equity Interest		The Group	
	2019	2018	**2019**	**2018**
	%	%	RM	RM
Mukah Seafoods Industries Sdn. Bhd.	21.9	21.9	288,138	340,774
Pt. Central Coldstorage Khatulistiwa	10.0	10.0	92,114	92,240
			380,252	433,014

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

	Mukah Seafoods Industries Sdn. Bhd.	
	2019	**2018**
	RM	RM
<u>At 31 December</u>		
Non-current assets	433,461	88,189
Current assets	1,338,959	1,550,419
Non-current liabilities	(323,899)	(5,675)
Current liabilities	(134,473)	(78,793)
Net assets	1,314,048	1,554,140
<u>Financial Year Ended 31 December</u>		
Revenue	4,038,890	3,850,375
Profit for the financial year	159,908	171,552
Total comprehensive income	159,908	171,552
Total comprehensive income attributable to non-controlling interests	35,068	37,621
Dividends paid to non-controlling interests	(87,704)	-
Net cash flows from/(for) operating activities	561,937	(483,891)
Net cash flows for investing activities	(2,738)	(11,130)
Net cash flows for financing activities	(453,806)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Pt. Central Coldstorage Khatulistiwa	
	2019	**2018**
	RM	RM
At 31 December		
Non-current assets	-	33
Current assets	1,127,147	1,111,762
Non-current liabilities	-	-
Current liabilities	(256,002)	(265,985)
Net assets	871,145	845,810
Financial Year Ended 31 December		
Revenue	-	255,521
Loss for the financial year	(1,260)	(60,825)
Total comprehensive income	(1,260)	(60,825)
Total comprehensive income attributable to non-controlling interests	(126)	(6,083)
Dividends paid to non-controlling interests	-	-
Net cash flows for operating activities	(44,233)	(480,234)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	RM	RM	RM	RM
Unquoted shares, at cost	19,930,171	19,930,171	19,930,171	19,930,171
Share of post-acquisition profits, net of dividend received	6,556,288	1,303,968	-	-
	26,486,459	21,234,139	19,930,171	19,930,171

The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2019 %	Effective Equity Interest 2018 %	Principal Activities
Gold Coin Sarawak Sdn. Bhd.#	Malaysia	27.20	27.20	Manufacture and sale of animal feeds and trading in feed grains

The associate was audited by another firm of chartered accountants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

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

	Gold Coin Sarawak Sdn. Bhd. 2019 RM	Gold Coin Sarawak Sdn. Bhd. 2018 RM
At 31 December		
Non-current assets	10,995,000	11,716,000
Current assets	140,244,000	108,215,000
Non-current liabilities	(771,000)	(841,000)
Current liabilities	(65,683,000)	(53,594,000)
Net assets	84,785,000	65,496,000
Non-controlling interest	(402,000)	(423,000)
	84,383,000	65,073,000
Financial Year Ended 31 December		
Revenue	318,482,000	301,538,000
Profit for the financial year	19,310,000	15,074,000
Total comprehensive income	19,310,000	15,074,000
Group's share of profit for the financial year	5,252,320	4,100,128
Group's share of other comprehensive income	-	-
Dividend received	-	3,536,000
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	22,952,176	17,699,856
Goodwill	3,534,283	3,534,283
Carrying amount of the Group's interest in this associate	26,486,459	21,234,139

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

7. PROPERTY, PLANT AND EQUIPMENT

	1.1.2019									
The Group	As Previously Reported RM	Initial Application of MFRS 16 RM	As Restated RM	Additions RM	Disposals RM	Write-offs RM	Reclassifi-cations RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2019 RM
2019										
Carrying Amount										
<u>Owned assets</u>										
Freehold land	936,000	-	936,000	-	-	-	-	-	-	936,000
Leasehold land	55,131,684	(55,131,684)	-	-	-	-	-	-	-	-
Buildings	50,922,795	-	50,922,795	2,233,253	-	-	(308,782)	(5,123,037)	93,125	47,817,354
Furniture, fittings and equipment	6,944,100	-	6,944,100	1,599,680	(19,142)	(8,351)	182,570	(1,795,895)	6,232	6,909,194
Coldroom, plant and machinery	45,370,463	-	45,370,463	6,857,738	(47,899)	(10,905)	5,341,539	(9,342,527)	479,852	48,648,261
Motor vehicles	3,269,623	(313,978)	2,955,645	497,940	(77,876)	-	(10,000)	(1,053,126)	8,989	2,321,572
Renovation	3,493,845	-	3,493,845	1,723,270	(35,035)	(26,192)	-	(1,099,197)	-	4,056,691
Electrical installation	-	-	-	240,401	-	-	-	(11,227)	-	229,174
Capital work-in-progress	7,362,612	-	7,362,612	10,878,503	-	-	(5,205,327)	-	178,463	13,214,251
	173,431,122	(55,445,662)	117,985,460	24,030,785	(179,952)	(45,448)	-	(18,425,009)	766,661	124,132,497

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

The Group	1.1.2019 As Previously Reported RM	1.1.2019 Initial Application of MFRS 16 RM	1.1.2019 As Restated RM	Additions RM	Disposals RM	Write-offs RM	Reclassifi-cations RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2019 RM
2019										
Right-of-use assets										
Leasehold land	-	55,131,684	55,131,684	-	-	-	-	(1,544,033)	315,126	53,902,777
Buildings	-	14,150,171	14,150,171	-	-	-	-	(2,082,608)	-	12,067,563
Coldroom, plant and machinery	-	86,524	86,524	-	-	-	-	(28,062)	-	58,462
Motor vehicles	-	313,978	313,978	-	-	-	-	(72,456)	-	241,522
	-	69,682,357	69,682,357	-	-	-	-	(3,727,159)	315,126	66,270,324
	173,431,122	14,236,695	187,667,817	24,030,785	(179,952)	(45,448)	-	(22,152,168)	1,081,787	190,402,821

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

The Group	At 1.1.2018 RM	Additions RM	Disposals RM	Write-offs RM	Reclassifi-cations RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2018 RM
2018								
Carrying Amount								
Freehold land	936,000	-	-	-	-	-	-	936,000
Leasehold land	57,150,708	1,554,000	(1,552,200)	-	-	(1,530,628)	(490,196)	55,131,684
Buildings	48,737,552	4,836,715	(95,419)	-	2,588,001	(4,987,812)	(156,242)	50,922,795
Furniture, fittings and equipment	6,228,790	1,960,616	(47,713)	(45,686)	727,037	(1,868,943)	(10,001)	6,944,100
Coldroom, plant and machinery	38,733,349	9,922,142	(15,901)	(10,853)	5,611,631	(8,215,166)	(654,739)	45,370,463
Motor vehicles	2,156,903	2,333,664	(256,365)	-	356,562	(1,302,837)	(18,304)	3,269,623
Renovation	2,274,922	1,707,163	-	-	459,180	(947,420)	-	3,493,845
Capital work-in-progress	7,154,921	10,111,774	-	(781)	(9,742,610)	-	(160,692)	7,362,612
	163,373,145	32,426,074	(1,967,598)	(57,320)	(199)	(18,852,806)	(1,490,174)	173,431,122

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2019				
Owned assets				
Freehold land	1,130,091	-	(194,091)	936,000
Buildings	90,628,600	(42,811,246)	-	47,817,354
Furniture, fittings and equipment	27,742,531	(20,833,337)	-	6,909,194
Coldroom, plant and machinery	129,185,985	(80,537,724)	-	48,648,261
Motor vehicles	18,638,942	(16,317,370)	-	2,321,572
Renovation	15,574,121	(11,517,430)	-	4,056,691
Electrical installation	240,401	(11,227)	-	229,174
Capital work-in-progress	13,214,251	-	-	13,214,251
	296,354,922	(172,028,334)	(194,091)	124,132,497
Right-of-use assets				
Leasehold land	61,885,927	(7,496,772)	(486,378)	53,902,777
Buildings	14,150,171	(2,082,608)	-	12,067,563
Coldroom, plant and machinery	86,524	(28,062)	-	58,462
Motor vehicles	313,978	(72,456)	-	241,522
	76,436,600	(9,679,898)	(486,378)	66,270,324
	372,791,522	(181,708,232)	(680,469)	190,402,821
2018				
Freehold land	1,130,091	-	(194,091)	936,000
Leasehold land	61,570,801	(6,011,456)	(427,661)	55,131,684
Buildings	88,581,232	(37,658,437)	-	50,922,795
Furniture, fittings and equipment	26,428,225	(19,484,125)	-	6,944,100
Coldroom, plant and machinery	116,850,613	(71,480,150)	-	45,370,463
Motor vehicles	18,510,852	(15,241,229)	-	3,269,623
Renovation	14,134,522	(10,640,677)	-	3,493,845
Capital work-in-progress	7,362,612	-	-	7,362,612
	334,568,948	(160,516,074)	(621,752)	173,431,122

The Company	At 1.1.2019 RM	Additions RM	Depreciation Charges RM	At 31.12.2019 RM
2019				
Carrying Amount				
Leasehold land	8,977,587	-	(156,000)	8,821,587
Equipment	15,033	750	(4,678)	11,105
Renovation	4,171	-	(532)	3,639
	8,996,791	750	(161,210)	8,836,331

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

The Company	At 1.1.2018 RM	Additions RM	Depreciation Charges RM	At 31.12.2018 RM
2018				
Carrying Amount				
Leasehold land	7,567,694	1,554,000	(144,107)	8,977,587
Equipment	13,649	5,465	(4,081)	15,033
Renovation	4,703	-	(532)	4,171
	7,586,046	1,559,465	(148,720)	8,996,791

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2019			
Leasehold land	9,401,979	(580,392)	8,821,587
Equipment	56,558	(45,453)	11,105
Renovation	5,324	(1,685)	3,639
	9,463,861	(627,530)	8,836,331
2018			
Leasehold land	9,401,979	(424,392)	8,977,587
Equipment	55,808	(40,775)	15,033
Renovation	5,324	(1,153)	4,171
	9,463,111	(466,320)	8,996,791

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

	The Group	
	2019 RM	**2018** RM
Leasehold land	14,237,704	15,503,656
Buildings	10,438,157	6,102,957
	24,675,861	21,606,613

(b) Included in the assets of the Group were freehold lands with a total carrying amount of RM936,000 (2018 – RM936,000) which were held in trust by a third party.

(c) In the previous financial year, included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM313,978 which were acquired under hire purchase terms. These leased assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

(d) Leases – the Group as a lessee

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

i.) Leasehold land

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

ii.) Buildings

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

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

iii.) Motor vehicle

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

iv.) Coldroom, plant and equipment

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

v.) Other equipment

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

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

(e) Leases – the Group as an intermediate lessor

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

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

The lease income of the Group and of the Company, recognised during the financial year were RM 59,040 and RM NIL respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. INVESTMENT PROPERTIES

	The Group	
	2019	**2018**
	RM	RM
Cost:-		
At 1 January/31 December	18,591,414	18,591,414
Accumulated depreciation:-		
At 1 January	1,379,834	1,253,088
Depreciation during the financial year	126,701	126,746
At 31 December	1,506,535	1,379,834
	17,084,879	17,211,580
Represented by:-		
Freehold land	11,075,000	11,075,000
Leasehold land	3,403,555	3,454,882
Buildings	2,606,324	2,681,698
At 31 December	17,084,879	17,211,580
Fair value	18,475,000	18,475,000

(a) The investment properties of the Group are leased to customers under operating leases with rental payable monthly. The leases contain initial non-cancellable periods of 2-5 years and an option that is exercisable by the customers to extend their leases for 3-5 years.

The Group requires 3 months of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on the index or rate.

The undiscounted operating lease payments receivable are as follows:-

	The Group 2019 RM
Within one year	405,600
Between 1 and 2 years	405,600
Between 2 and 3 years	360,000
	1,171,200

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

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

(c) The fair values of the investment properties are within level 3 of the fair value hierarchy and are estimated by the Directors by making reference to market evidence of transaction prices for similar properties in close proximity and are adjusted for differences in key attributes. In the previous financial year, the fair value was determined by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. GOODWILL

	The Group	
	2019	2018
	RM	RM
Cost:-		
At 1 January/31 December	380,224	380,224

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

10. DEFERRED TAX

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At 1 January	8,809,848	9,009,407	1,292,532	1,541,965
Exchange difference	9,452	(15,062)	-	-
Recognised in other comprehensive income	9,339	21,983	-	-
Recognised in profit or loss	(556,005)	(206,480)	182,491	(249,433)
At 31 December	8,272,634	8,809,848	1,475,023	1,292,532

The deferred tax is attributable to the followings:-

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Property, plant and equipment and biological assets	10,259,002	10,791,316	1,624,653	1,656,318
Provision for employee benefits	(193,991)	(168,930)	-	-
Other deductible temporary differences	(32,114)	(25,820)	-	-
Unabsorbed capital allowances	(991,503)	(954,875)	(21)	-
Unused tax losses	(768,760)	(831,843)	(149,609)	(363,786)
At 31 December	8,272,634	8,809,848	1,475,023	1,292,532

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

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deferred tax liabilities	9,661,156	10,187,723	1,475,023	1,292,532
Deferred tax assets	(1,388,522)	(1,377,875)	-	-
	8,272,634	8,809,848	1,475,023	1,292,532

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. DEFERRED TAX (CONT'D)

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

	The Group	
	2019	**2018**
	RM	RM
Unused tax losses	371,000	734,859
Unabsorbed capital allowance	-	145,374
	371,000	880,233

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

11. INVENTORIES

	The Group	
	2019	**2018**
	RM	RM
At cost:-		
Trading goods	38,781,366	45,545,109
Raw materials	10,592,168	4,446,710
Consumable stores	6,469,281	5,229,116
	55,842,815	55,220,935

12. BIOLOGICAL ASSETS

	At 1.1.2019 RM	Increase due to purchases RM	Decrease due to harvest RM	Change in fair value RM	At 31.12.2019 RM
At fair value less costs to sell					
Broiler breeders	8,341,451	424,700	(424,700)	409,963	8,751,414
Broilers	1,508,264	375,814	(375,814)	166,415	1,674,679
Hatching eggs	682,623	-	-	820,087	1,502,710
Prawns	264,320	-	-	226,244	490,564
Layers	3,460,590	-	-	(556,095)	2,904,495
	14,257,248	800,514	(800,514)	1,066,614	15,323,862

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. BIOLOGICAL ASSETS (CONT'D)

	At 1.1.2018 RM	Increase due to purchases RM	Decrease due to harvest RM	Change in fair value RM	At 31.12.2018 RM
At fair value less costs to sell					
Broiler breeders	7,548,060	2,160,958	(2,160,958)	793,391	8,341,451
Broilers	1,692,034	320,422	(320,422)	(183,770)	1,508,264
Hatching eggs	660,993	-	-	21,630	682,623
Prawns	301,094	-	-	(36,774)	264,320
Layers	3,567,514	-	-	(106,924)	3,460,590
	13,769,695	2,481,380	(2,481,380)	487,553	14,257,248

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

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

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

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

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

(v) pre-tax discount rates ranging from 13.16% - 15.07% (2018: 13.16%)

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

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Breeders	Discounted cash flows: The valuation method considers the estimated quantity of day-old chick to be produced over the life of the breeders, taking into account the mortality rate of breeders and the estimated feed costs and other overheads.	• Estimated selling price of the agriculture produce. • Estimated feed costs and overheads expected to incur throughout the life cycle.	The estimated fair value would increase/(decrease) if:- • the estimated selling price of the agriculture produce were higher/(lower). • the estimated feed costs and overheads were (higher) / lower.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. BIOLOGICAL ASSETS (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. BIOLOGICAL ASSETS (CONT'D)

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

	The Group	
	2019	2018
	RM	RM
Breeders		
Estimated selling price of day-old chick (parent stock)(per bird)	9.03 - 12.35	9.47 - 11.51
Estimated selling price of day-old chick (boiler)(per bird)	1.20	1.20
Estimated feed costs and other overheads (per bird)	6.17 - 8.69	7.94 - 8.68
Broilers		
Estimated selling price of broilers at the point of sale (per KG)	5.05 - 5.53	5.09 - 5.53
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)	1.68	1.68
Prawns		
Estimated selling price of prawns at the point of sale (per KG)	18.34	17.12
Estimated feed costs and other overheads (per KG)	6.22	5.43
Layers		
Estimated selling price of egg (per piece)	0.27	0.28
Estimated feed costs and other overheads (per bird)	9.53	9.04

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

The Group

	Increase / (decrease) in fair value of biological assets	
	2019	2018
	RM	RM
Breeders		
Estimated selling price of day-old chick (boiler)(per bird)		
- increase by 10%	358,490	341,298
- decrease by 10%	(358,490)	(341,298)
Estimated selling price of day-old chick (parent)(per bird)		
- increase by 10%	14,000	19,000
- decrease by 10%	(14,000)	(19,000)
Estimated feed costs and other overheads (per bird)		
- increase by 10%	(110,000)	(116,000)
- decrease by 10%	110,000	116,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. BIOLOGICAL ASSETS (CONT'D)

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

The Group

	Increase / (decrease) in fair value of biological assets	
	2019	**2018**
	RM	RM
Broilers		
Estimated selling price of broilers at the point of sale (per KG)		
- increase by 10%	167,442	152,570
- decrease by 10%	(167,442)	(152,570)
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)		
- increase by 10%	150,322	67,934
- decrease by 10%	(150,322)	(67,934)
Prawns		
Estimated selling price of prawns at the point of sale (per KG)		
- increase by 10%	49,056	26,432
- decrease by 10%	(49,056)	(26,432)
Layers		
Estimated selling price of egg (per piece)		
- increase by 10%	120,514	126,842
- decrease by 10%	(120,514)	(126,842)
Estimated feed costs and other overheads (per bird)		
- increase by 10%	-	-
- decrease by 10%	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. TRADE RECEIVABLES

	The Group	
	2019	2018
	RM	RM
Trade receivables:-		
- related parties	38,640,480	38,856,401
- third parties	3,281,589	2,484,094
	41,922,069	41,340,495
Less: Allowance for impairment losses	(2,243,565)	(2,245,325)
	39,678,504	39,095,170
Allowance for impairment losses:-		
At 1 January	2,245,325	2,003,966
Exchange differences	2,593	-
Addition during the financial year	344,420	574,879
Reversal during the financial year	(348,773)	(41,546)
Write-off during the financial year	-	(291,974)
At 31 December	2,243,565	2,245,325

The Group's normal trade credit terms range from 30 to 90 (2018 – 30 to 90) days.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other receivables:-				
- third parties	75,918	76,559	74,061	371,046
- related parties	1,083,094	1,654,843	9,061	10,290
- goods and services tax recoverable	1,287,971	2,045,552	27,974	27,974
	2,446,983	3,776,954	111,096	409,310
Deposits	2,714,137	2,838,492	-	2,900
Prepayments	6,102,060	7,286,328	105,548	105,419
Less: Allowance for impairment losses	(46,576)	(46,576)	-	-
	11,216,604	13,855,198	216,644	517,629
Allowance for impairment losses:-				
At 1 January	46,576	59,352	-	-
Reversal during the financial year	-	(12,776)	-	-
At 31 December	46,576	46,576	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. AMOUNT OWING BY/(TO) SUBSIDIARIES

Included in the amount owing by subsidiaries is a sum of RM24,549,000 (2018 – RM26,268,000), which is unsecured advances granted to subsidiaries. The advances carry interest at rate ranging from 5.54% to 5.70% (2018 – 5.70% to 5.77%) per annum and are repayable on demand.

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

16. DEPOSITS WITH LICENSED BANKS

The deposits which represent overnight placements with licensed banks of the Group at the end of the reporting period bore effective interest at rates ranging from 0.13% to 2.75% (2018 – 2.30% to 6.25%) per annum.

17. SHARE CAPITAL

	The Group/The Company			
	2019	**2018**	**2019**	**2018**
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	630,718,800	315,359,400	158,968,786	158,968,786
Share spilt - subdivision of 1 into 2 ordinary shares	-	315,359,400	-	-
At 31 December	630,718,800	630,718,800	158,968,786	158,968,786

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

18. TREASURY SHARES

During the financial year, the Company has purchased 1,434,600 (2018 – 2,316,600) of its issued ordinary shares from the open market at an average price of RM0.49 (2018 – RM0.70) per share. The total consideration paid for the purchase was RM705,752 (2018 – RM1,614,492) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 630,718,800 (2018 – 630,718,800) issued and fully paid-up ordinary shares at the end of the reporting period, 3,751,200 (2018 – 2,316,600) ordinary shares are held as treasury shares by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. RESERVES

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Non-distributable:-				
- foreign exchange translation reserve	(3,465,131)	(4,481,655)	-	-
Distributable:-				
- retained profits	122,589,904	97,245,598	33,022,351	30,708,008
	119,124,773	92,763,943	33,022,351	30,708,008

Foreign Exchange Translation Reserve

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

20. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Non-current				
Other payables:-				
- third parties	6,265,023	6,608,612	6,265,023	6,608,612
Current				
Other payables:-				
- third parties	5,801,875	3,930,146	3,264,569	2,401,910
- goods and services tax payables	49,937	58,466	-	-
Deposits	1,710,647	1,774,748	-	-
Accruals	12,023,849	10,042,086	506,465	477,965
	19,586,308	15,805,446	3,771,034	2,879,875
	25,851,331	22,414,058	10,036,057	9,488,487

Included in other payables is an amount of RM9,529,023 (2018 – RM9,010,352), which represents purchase consideration of an investment in an associate. The amount is repayable within 6 (2018 – 7) years and is subject to a late payment penalty fee of 6% (2018 – 6%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. BANK BORROWINGS

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Long-term borrowings:-				
- hire purchase obligations (Note 22)	-	136,536	-	-
- term loans, secured	6,310,420	3,742,421	-	-
	6,310,420	3,878,957	-	-
Short-term borrowings:-				
- bank overdrafts, secured	814,819	1,963,505	-	-
- bankers' acceptance, secured	25,279,050	25,493,000	-	-
- hire purchase obligations (Note 22)	-	102,238	-	-
- revolving credit, unsecured	18,000,000	24,000,000	18,000,000	24,000,000
- term loans, secured	683,770	419,987	-	-
	44,777,639	51,978,730	18,000,000	24,000,000
Total borrowings	51,088,059	55,857,687	18,000,000	24,000,000

The bank borrowings of the Group are secured by:-

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

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

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

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

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

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rate ranging from 3.99% to 4.70% (2018 – 4.08% to 4.70%) per annum respectively.

The bank overdrafts of the Group at the end of the reporting period bore floating interest rates at 8.17% (2018 – 7.70% to 8.93%) per annum.

The revolving credit of the Group and of the Company at the end of the reporting period bore effective interest at rate of 5.54% (2018 – 5.77%) per annum respectively.

The term loans of the Group at the end of the reporting period bore effective interest at rate ranging from 4.50% to 6% (2018 – 4.80%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. HIRE PURCHASE OBLIGATIONS

	The Group 2018 RM
Minimum hire purchase payments:-	
- not later than 1 year	107,496
- later than 1 year and not later than 2 years	107,496
- later than 2 years and not later than 5 years	35,817
	250,809
Less: future finance charges	(12,035)
Present value of hire purchase obligations	238,774
Current	
- not later than 1 year	102,238
Non-current	
- later than 1 year and not later than 2 years	102,238
- later than 2 years and not later than 5 years	34,298
	136,536
	238,774

(a) The hire purchase obligations have been represented as 'lease liabilities' as shown in Note 23 to the financial statement following the application of MFRS 16 by the Group using the modified retrospective approach.

(b) In the last financial year, the hire purchase obligations of the Group were secured by the Group's motor vehicles under finance leases as disclosed in Note 7(c) to the financial statements. The hire purchase arrangements were expiring in 3 years.

(c) In the last financial year, the hire purchase obligations of the Group at the end of the reporting period bore effective interest rates at 3.22%. The interest rate was fixed at the inception of the hire purchase arrangements.

23. LEASE LIABILITIES

	The Group 2019 RM
At 1 January	-
Initial application of MFRS 16	14,475,469
Interest expense recognised in profit or loss	1,240,249
Repayment principal	(1,671,768)
Repayment of interest expense	(1,240,249)
At 31 December	12,803,701
Analysed by:-	
Current liabilities	1,826,082
Non-current liabilities	10,977,619
	12,803,701

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

24. DEFERRED INCOME

	The Group	
	2019	2018
	RM	RM
Government grant	65,850	65,850
Less: Accumulated amortisation	(47,035)	(47,035)
	18,815	18,815

25. TRADE PAYABLES

	The Group	
	2019	2018
	RM	RM
Trade payables:-		
- third parties	15,570,800	19,563,344
- related parties	8,127,159	8,326,612
	23,697,959	27,889,956

The normal trade credit terms granted to the Group range from 60 to 90 (2018 – 60 to 90) days.

26. PROVISION FOR EMPLOYEE BENEFITS

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

	The Group	
	2019	2018
	RM	RM
Defined benefit plans	775,964	675,718

The Group provides benefits for its employees who has reached the retirement age of 55 based in the provision of Labour Law 13/2003 in Indonesia. The defined benefit plan is unfunded.

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

The most recent actuarial valuation of the present value of the defined benefit plans were carried out at 17 February 2020 by PT Jasa Aktuaria Praptasentosa Gunajasa, a member of Institute of Actuaries Indonesia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

26. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

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

	The Group	
	2019	2018
	RM	RM
At 1 January	675,718	613,152
Recognised in Profit or Loss		
- current service cost	101,714	126,333
- past service cost	-	-
- interest cost	45,826	33,027
	147,540	159,360
Recognised in Other Comprehensive Income		
Remeasurement of defined benefit plans:-		
- effect of changes in financial assumptions	(37,357)	(65,948)
	(37,357)	(65,948)
Other		
Exchange differences	22,335	(30,846)
Utilisation during the financial year	(32,272)	-
At 31 December	775,964	675,718

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

	The Group	
	2019	2018
	RM	RM
Discount rate	8%	8%
Salary growth rate	10%	10%
Normal retirement age	55	55

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

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

	The Group	
	2019	2018
	RM	RM
Discount rate		
Increase of 1%	(27,666)	(26,822)
Decrease of 1%	32,651	31,654
Salary growth rate		
Increase of 1%	30,407	29,479
Decrease of 1%	(26,379)	(25,574)

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

At 31 December 2019, the weighted-average duration of the defined benefit plans was 20.08 (2018 – 20.08) years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

27. REVENUE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Dividend income	-	-	11,000,000	19,385,030
Management fee	-	-	366,000	366,000
Trading sales	650,930,034	614,444,015	-	-
Transportation income	384,138	388,759	-	-
	651,314,172	614,832,774	11,366,000	19,751,030

The information on the disaggregation of revenue is disclosed in Note 38 to the financial statements.

28. NET IMPAIRMENT (GAIN)/LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Impairment losses for the financial year	344,420	574,879	-	-
Reversal of impairment losses for the financial year	(348,773)	(54,322)	-	-
	(4,353)	520,557	-	-

29. PROFIT BEFORE TAXATION

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditor's remuneration:-				
- current financial year	430,686	425,443	80,000	80,000
- underprovision in the previous financial year	21,585	-	5,000	-
Bad debts recovered	(1,569)	-	-	-
Bad debts written off	126,290	142,572	118	-
Depreciation of investment properties	126,701	126,746	-	-
Depreciation of property, plant and equipment	22,152,168	18,852,806	161,210	148,720
Directors' remuneration (Note 36)	3,605,583	3,833,833	291,800	337,000
Dividend income:-				
- subsidiaries	-	-	(11,000,000)	(15,849,030)
- associates	-	-	-	(3,536,000)
Fair value gain on biological assets	(1,066,614)	(487,553)	-	-
Loss/(Gain) on disposal of property, plant and equipment	27,853	(30,299)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

29. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	21,728	556,953	-	-
- bankers' acceptance	1,206,745	919,315	-	-
- hire purchase obligations	-	3,438	-	-
- lease liabilities	1,240,249	-	-	-
- revolving credit	1,222,386	1,571,794	1,222,386	1,571,794
- term loans	266,102	105,819	-	-
Interest income				
- subsidiaries	-	-	(1,279,985)	(1,516,219)
- others	(419,037)	(459,500)	(8,767)	(3,408)
(Gain)/loss on foreign exchange:-				
- realised	(165,065)	(87,907)	-	-
- unrealised	18,399	(4,303)	-	-
Hiring of plant and equipment	5,555	8,880	-	-
Lease expenses:-				
- short-term leases	14,400	-	-	-
- low value assets	10,741	-	-	-
Lease income:-				
- rental income from investment properties	(675,113)	-	-	-
- sublease of right-of-use assets	(59,040)	-	-	-
Management fee	-	-	(366,000)	(366,000)
Property, plant and equipment written off	45,448	57,320	-	-
Provision for obsolescence and losses on inventories	-	25,647	-	-
Rental income on:-				
- investment properties	(275,860)	(776,920)	-	-
- property, plant and equipment	(22,501)	(92,484)	-	-
- coldroom	-	(1,350)	-	-
- warehouse	(10,000)	(237,608)	-	-
Rental expense on:-				
- office	11,400	2,179,279	-	-
- retail store	2,139,106	2,335,923	-	-
- rental factory	14,405	13,899	-	-
- rental warehouse	238,478	519,136	-	-
- rental of mess	25,663	60,528	-	-
- rental of ponds	360,848	208,509	-	-
- rental of worker room	30,000	185,896	-	-
- rental of equipment	206,557	55,480	-	-
Share of profits in an equity accounted associate	(5,252,320)	(4,100,128)	-	-
Staff cost:-				
- short-term employee benefits	48,206,258	43,395,682	367,534	334,609
- defined contribution plan	4,018,765	3,849,405	44,613	45,201

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

30. INCOME TAX EXPENSE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Income tax:-				
- Malaysian tax	8,186,594	7,024,259	-	-
- Foreign tax	2,341,127	1,677,913	-	-
	10,527,721	8,702,172	-	-
(Over)/underprovision in previous financial year:-				
- Malaysian tax	(285,205)	19,566	-	-
- Foreign tax	-	1,278	-	-
	(285,205)	20,844	-	-
Deferred tax (Note 10):-				
- origination and reversal of temporary differences	(176,295)	(229,022)	(51,103)	(258,544)
- (Over)/underprovision in previous financial year	(379,710)	22,542	233,594	9,111
	(556,005)	(206,480)	182,491	(249,433)
	9,686,511	8,516,536	182,491	(249,433)

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

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Profit before taxation	42,891,518	34,364,798	10,350,611	16,104,076
Tax at statutory tax rate of 24%	10,293,964	8,247,552	2,484,147	3,864,978
Tax effects of:-				
Deferred tax recognised at different tax rates	95,730	56,956	-	-
Non-taxable income	(1,585,102)	(1,181,835)	(2,801,410)	(4,830,072)
Non-deductible expenses	1,798,312	1,963,008	266,160	706,550
Utilisation of deferred tax assets previously not recognised in previous financial year	(238,319)	(606,371)	-	-
(Over)/underprovision in the previous financial year:-				
- current tax	(285,205)	20,844	-	-
- deferred tax	(379,710)	22,542	233,594	9,111
Others	(13,159)	(6,160)	-	-
Income tax expense for the financial year	9,686,511	8,516,536	182,491	(249,433)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

31. OTHER COMPREHENSIVE INCOME

	The Group 2019 RM	The Group 2018 RM
Items that Will Not be Reclassified Subsequently to Profit or Loss		
Remeasurement of defined benefit plans	28,018	65,948
Items that Will be Reclassified Subsequently to Profit or Loss		
Foreign exchange translation:-		
- changes during the financial year	1,016,524	(1,323,990)
	1,044,542	(1,258,042)

32. EARNINGS PER SHARE

	The Group 2019 RM	The Group 2018 RM
Profit attributable to the owners of the Company (RM)	33,170,065	25,816,913
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	630,718,800	315,359,400
Effect of treasury shares held	(2,891,118)	(607,033)
Effect of share split - subdivision of 1 into 2 ordinary shares	-	315,359,400
Weighted average number of ordinary shares at 31 December	627,827,682	630,111,767
Basic earnings per share (sen)	5.28	4.09

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

33. ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group acquired 100% equity interests in Hawker Time Food Hall Sdn. Bhd. and CCK Properties Sdn. Bhd.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition: -

	The Group/ The Company 2018 RM
Cash and bank balances	100,001
Net identifiable assets acquired/Total purchase considerations, to be settled by cash	100,001
Less: cash and bank balances of subsidiaries acquired	(100,001)
Net cash outflows for the acquisition of subsidiaries	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. DIVIDENDS

	The Company			
	2019		2018	
	Dividend per Share Sen	Amount of Dividend RM	Dividend per Share Sen	Amount of Dividend RM
Dividend paid in respect of the financial year ended 31 December 2018:-				
- first and final single-tier dividend	1.25	7,853,777	-	-
Dividend paid in respect of the financial period ended 31 December 2017:-				
- first and final single-tier dividend	-	-	3.00	9,460,782
	1.25	7,853,777	3.00	9,460,782

At the forthcoming Annual General Meeting, a final single-tier dividend of 1.25 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2020.

35. CASH FLOW INFORMATION

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

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cost of property, plant and equipment purchased	24,030,785	32,426,074	750	1,559,465
Amount financed through hire purchase (Note(c) below)	-	(307,000)	-	
Cash disbursed for purchase of property, plant and equipment	24,030,785	32,119,074	750	1,559,465

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

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash and bank balances	39,100,668	24,075,426	428,783	1,388,066
Deposits with licensed banks	4,925,406	7,968,850	-	-
Bank overdrafts	(814,819)	(1,963,505)	-	-
	43,211,255	30,080,771	428,783	1,388,066

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

35. CASH FLOW INFORMATION (CONT'D)

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

The Group	Bankers' Acceptance RM	Hire Purchase RM	Lease Liabilities RM	Revolving Credit RM	Term Loans RM	Total RM
2019						
At 1 January 2019, as previously reported	25,493,000	238,774	-	24,000,000	4,162,408	53,894,182
Effects on adoption of MFRS 16	-	(238,774)	14,475,469	-	-	14,236,695
At 1 January, as restated	25,493,000	-	14,475,469	24,000,000	4,162,408	68,130,877
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-		-	3,152,500	3,152,500
Repayment of principal	(213,950)	-	(1,671,768)	(6,000,000)	(320,718)	(8,206,436)
	(213,950)	-	(1,671,768)	(6,000,000)	2,831,782	(5,053,936)
At 31 December 2019	25,279,050	-	12,803,701	18,000,000	6,994,190	63,076,941

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

35. CASH FLOW INFORMATION (CONT'D)

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

The Group	Bankers' Acceptance RM	Hire Purchase RM	Revolving Credit RM	Term Loans RM	Total RM
2018					
At 1 January 2018	19,992,000	-	30,000,000	2,851,703	52,843,703
Changes in Financing Cash Flows					
Proceeds from drawdown	5,501,000	-	-	1,960,000	7,461,000
Repayment of principal	-	(68,226)	(6,000,000)	(643,072)	(6,711,298)
	5,501,000	(68,226)	(6,000,000)	1,316,928	749,702
Non-cash Changes					
New hire purchase (Note (a) above)	-	307,000	-	-	307,000
Foreign exchange adjustments	-	-	-	(6,223)	(6,223)
	-	307,000	-	(6,223)	300,777
At 31 December 2018	25,493,000	238,774	24,000,000	4,162,408	53,894,182

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

35. CASH FLOW INFORMATION (CONT'D)

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

The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2019			
At 1 January 2019	1,653,103	24,000,000	25,653,103
Changes in Financing Cash Flows			
Advance from subsidiaries	1,885,582	-	1,885,582
Net of drawdown/(repayment) of borrowing principal	-	(6,000,000)	(6,000,000)
	1,885,582	(6,000,000)	(4,114,418)
At 31 December 2019	3,538,685	18,000,000	21,538,685

The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2018			
At 1 January 2018	2,767,355	30,000,000	32,767,355
Changes in Financing Cash Flows			
Repayment to subsidiaries	(1,114,252)	-	(1,114,252)
Net of drawdown/(repayment) of borrowing principal	-	(6,000,000)	(6,000,000)
	(1,114,252)	(6,000,000)	(7,114,252)
At 31 December 2018	1,653,103	24,000,000	25,653,103

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

	The Group		**The Company**	
	2019 RM	**2018** RM	**2019** RM	**2018** RM
Interest paid on lease liabilities	1,240,249	-	-	-
Payment of lease liabilities	1,671,768	-	-	-
Payment of short-term leases	14,400	-	-	-
Payment of leases of low-value assets	10,741	-	-	-
	2,937,158	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

(a) Directors

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Short-term employee benefits:-				
- fees	58,280	65,980	48,800	55,900
- salaries, bonuses and other benefits	2,404,601	2,424,682	-	-
	2,462,881	2,490,662	48,800	55,900
Defined contribution plan	218,117	228,204	-	-
	2,680,998	2,718,866	48,800	55,900
Non-executive Directors				
Short-term employee benefits:-				
- fees	261,360	299,820	243,000	281,100
Defined contribution plan	-	-	-	-
	261,360	299,820	243,000	281,100
	2,942,358	3,018,686	291,800	337,000
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:-				
- fees	1,200	1,200	-	-
- salaries, bonuses and other benefits	601,230	739,944	-	-
	602,430	741,144	-	-
Defined contribution plan	60,795	74,003	-	-
	663,225	815,147	-	-
Total directors' remuneration (Note 29)	3,605,583	3,833,833	291,800	337,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

37. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	RM	RM	RM	RM
Subsidiaries:-				
- accounting fee	-	-	24,000	24,000
- advisory fee	-	-	53,400	53,400
- dividend income	-	-	11,000,000	15,849,030
- interest income	-	-	1,279,985	1,516,219
- management income	-	-	366,000	366,000
- service income	-	-	45,309	42,260
- sundry income	-	-	714	-
Associate:-				
- dividend income	-	-	-	3,536,000
- purchase of products	105,077,275	120,110,280	-	-
- freight charges	2,005,698	-	-	-
Companies in which the directors and their close family members have substantial financial interests:-				
- advisory fee	-	9,000	9,000	9,000
- purchase of products	107,310	365,167	-	-
- sale of products	987,314	911,922	-	-
- service income	4,469	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2019	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	126,017,504	23,935,943	16,465,357	484,895,368	-	651,314,172
Inter-segment revenue	184,090,436	27,183,236	14,331	101,875,670	11,366,000	324,529,673
	310,107,940	51,119,179	16,479,688	586,771,038	11,366,000	975,843,845
Consolidation adjustments						(324,529,673)
Consolidated revenue						651,314,172
Results						
Segment profit before interest and taxation	11,131,279	2,516,473	1,346,189	28,037,071	11,696,794	54,727,806
Finance costs						(3,957,210)
Share of results in an associate						5,252,320
Consolidation adjustments						(13,131,398)
Consolidated profit before taxation						42,891,518

Segment profit before interest and taxation includes the followings:-

Interest expense	500,613	25,403	-	2,208,808	1,222,386	3,957,210
Interest income	(6,610)	(108,062)	(16,344)	(279,254)	(8,767)	(419,037)
Depreciation of investment properties	-	-	-	126,701	-	126,701
Depreciation of property, plant and equipment	6,848,344	1,408,727	157,395	13,706,311	31,391	22,152,168
Other material non-cash items	229,955	(84,205)	-	65,802	118	211,670
Share of results in an associate	-	-	-	-	5,252,320	5,252,320

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2019	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	83,450,352	30,964,561	9,523,629	241,944,457	7,692,560	373,575,559
Unallocated assets:-						
- investment in an associate						26,486,459
- goodwill						380,224
- deferred tax assets						1,388,522
- current tax assets						770,942
Consolidated total assets						402,601,706
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	3,029,166	678,328	11,154	15,790,624	4,521,513	24,030,785
Liabilities						
Segment liabilities	25,049,019	3,052,711	1,406,268	46,440,786	31,204,259	107,153,043
Unallocated liabilities:-						
- deferred tax liabilities						9,661,156
- lease liabilities						12,803,701
- current tax liabilities						2,551,154
- consolidated adjustments						(5,720,915)
Consolidated total liabilities						126,448,139

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2018	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	119,403,198	22,992,110	14,396,136	458,041,330	-	614,832,774
Inter-segment revenue	171,973,274	23,816,367	14,203	94,330,061	19,751,030	309,884,935
	291,376,472	46,808,477	14,410,339	552,371,391	19,751,030	924,717,709
Consolidation adjustments						(309,884,935)
Consolidated revenue						614,832,774
Results						
Segment profit before interest and taxation	8,783,497	4,515,473	1,162,224	22,619,375	17,800,806	54,881,375
Finance costs						(3,157,319)
Share of results in an associate						4,100,128
Consolidation adjustments						(21,459,386)
Consolidated profit before taxation						34,364,798

Segment profit before interest and taxation includes the followings:-

	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Interest expense	363,734	18,695	-	1,203,096	1,571,794	3,157,319
Interest income	(8,984)	(38,089)	(19,635)	(389,384)	(3,408)	(459,500)
Depreciation of investment properties	-	-	-	126,746	-	126,746
Depreciation of property, plant and equipment	6,720,684	1,136,318	81,652	11,145,179	148,720	19,232,553
Other material non-cash items	330,084	(92,879)	(18,868)	467,408	-	685,745
Share of results in an associate	-	-	-	-	4,100,128	4,100,128

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2018	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	82,044,887	30,054,028	10,802,193	217,499,431	4,714,990	345,115,529
Unallocated assets:-						
- investment in an associate						21,234,139
- goodwill						380,224
- deferred tax assets						1,377,875
- current tax assets						2,393,167
Consolidated total assets						370,500,934
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	7,902,544	2,600,743	847,947	19,515,375	1,559,465	32,426,074
Liabilities						
Segment liabilities	25,280,483	4,928,605	1,441,902	46,269,319	33,490,487	111,410,796
Unallocated liabilities:-						
- deferred tax liabilities						10,187,723
- current tax liabilities						2,905,726
- consolidated adjustments						(4,554,562)
Consolidated total liabilities						119,949,683

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

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

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

	Revenue		Non-current Assets	
	2019	2018	2019	2018
Group	RM	RM	RM	RM
Australia	1,797,912	653,654	-	-
Indonesia	105,883,910	100,161,476	33,065,004	27,712,061
Hong Kong	665,353	2,066,829	-	-
Japan	7,379,921	5,752,832	-	-
Korea	524,067	-	-	-
Middle East	-	530,087	-	-
People's Republic of China	-	649,796	-	-
Malaysia	534,305,425	505,018,100	201,289,379	184,545,004
Taiwan	455,754	-	-	-
Vietname	301,830	-	-	-
	651,314,172	614,832,774	234,354,383	212,257,065

MAJOR CUSTOMERS

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

39. CAPITAL COMMITMENTS

	The Group	
	2019	2018
	RM	RM
Purchase of property, plant and equipment	2,529,237	6,345,000

40. CONTINGENT LIABILITIES

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

	The Group	
	2019	2018
	RM	RM
Performance guarantee extended by a subsidiary to third parties	6,602,054	4,556,401

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS

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

41.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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

Foreign Currency Exposure

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2019				
Financial Assets				
Trade receivables	6,664,522	1,358,777	31,655,205	39,678,504
Other receivables and deposits	315,158	-	3,511,415	3,826,573
Deposits with licensed banks	-	-	4,925,406	4,925,406
Cash and bank balances	8,149,230	516,910	30,434,528	39,100,668
	15,128,910	1,875,687	70,526,554	87,531,151
Financial Liabilities				
Trade payables	6,514,757	-	17,183,202	23,697,959
Other payables, deposits and accruals	3,534,050	-	22,267,344	25,801,394
Bank borrowings:-				
- bank overdrafts	-	-	814,819	814,819
- other borrowings	-	-	50,273,240	50,273,240
Lease liabilities	-	-	12,803,701	12,803,701
	10,048,807	-	103,342,306	113,391,113
Net financial assets/(liabilities)	5,080,103	1,875,687	(32,815,752)	(25,859,962)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(5,080,103)	-	32,815,752	27,735,649
Currency exposure	-	1,875,687	-	1,875,687

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2018				
Financial Assets				
Trade receivables	5,735,881	1,104,387	32,254,902	39,095,170
Other receivables and deposits	268,173	-	4,255,145	4,523,318
Deposits with licensed banks	2,860,000	-	5,108,850	7,968,850
Cash and bank balances	2,847,572	531,470	20,696,384	24,075,426
	11,711,626	1,635,857	62,315,281	75,662,764
Financial Liabilities				
Trade payables	7,351,003	-	20,538,953	27,889,956
Other payables, deposits and accruals	2,549,083	-	19,806,509	22,355,592
Bank borrowings:-				
- bank overdrafts	-	-	1,963,505	1,963,505
- other borrowings	-	-	53,894,182	53,894,182
	9,900,086	-	96,203,149	106,103,235
Net financial assets/(liabilities)	1,811,540	1,635,857	(33,887,868)	(30,440,471)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(1,811,540)	-	33,887,868	32,076,328
Currency exposure	-	1,635,857	-	1,635,857

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

		The Group	
		2019	**2018**
		RM	RM
Effects on Profit after Taxation			
USD/RM	– strengthened by 10%	+ 143,000	+ 124,000
	– weakened by 10%	- 143,000	- 124,000
Effects on Equity			
IDR/RM	– strengthened by 10%	+ 386,000	+ 138,000
	– weakened by 10%	- 386,000	- 138,000
USD/RM	– strengthened by 10%	+ 143,000	+ 124,000
	– weakened by 10%	- 143,000	- 124,000

(ii) Interest Rate Risk

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

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

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

Interest Rate Risk Sensitivity Analysis

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

	The Group	
	2019	**2018**
	RM	RM
Effects on Profit after Taxation		
Increase of 25 basis points	- 5,500	- 3,500
Decrease of 25 basis points	+ 5,500	+ 3,500
Effects on Equity		
Increase of 25 basis points	- 5,500	- 3,500
Decrease of 25 basis points	+ 5,500	+ 3,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

(b) Credit Risk

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

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

(i) Credit Risk Concentration Profile

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

(ii) Exposure to Credit Risk

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

(iii) Assessment of Impairment Losses

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

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (ie. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Balances

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 150 days, are deemed credit impaired.

The expected loss rates are based on the historical credit losses experienced, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Balances (Cont'd)

The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 for trade receivables is summarised below: -

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2019			
Current (not past due)	23,498,822	-	23,498,822
1 to 30 days past due	7,057,275	-	7,057,275
31 to 60 days past due	3,536,314	(500)	3,535,814
61 to 90 days past due	2,634,304	-	2,634,304
More than 90 days past due	3,708,669	(983,750)	2,724,919
	40,435,384	(984,250)	39,451,134
Credit impaired:-			
- individually impaired	1,486,685	(1,259,315)	227,370
	41,922,069	(2,243,565)	39,678,504

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2018			
Current (not past due)	23,339,028	-	23,339,028
1 to 30 days past due	5,206,223	-	5,206,223
31 to 60 days past due	2,981,543	-	2,981,543
61 to 90 days past due	2,417,429	(21,727)	2,395,702
More than 90 days past due	7,396,272	(2,223,598)	5,172,674
	41,340,495	(2,245,325)	39,095,170

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence is not provided for.

Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount owing by Subsidiaries

The Company applies the general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The identified impairment loss was immaterial and hence, it is not provided for.

Financial Guarantees Contract

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2019							
Trade and other payables							
- interest bearing	6.00	9,529,023	11,337,395	4,083,609	3,552,950	3,700,836	-
- non-interest bearing	-	39,970,330	39,970,330	39,970,330	-	-	-
Borrowings:-							
- bank overdrafts	8.17	814,819	814,819	814,819	-	-	-
- bankers' acceptance	3.99 - 4.70	25,279,050	25,279,050	25,279,050	-	-	-
- revolving credit	5.54	18,000,000	18,000,000	18,000,000	-	-	-
- term loans	4.50 - 6.00	6,994,190	7,706,952	3,780,448	750,950	1,797,024	1,378,530
Lease liabilities	6.14	12,803,701	19,070,365	2,954,307	2,674,847	7,640,999	5,800,212
		113,391,113	122,178,911	94,882,563	6,978,747	13,138,859	7,178,742

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2018							
Trade and other payables							
- interest bearing	6.00	9,010,352	11,337,395	4,083,609	3,552,950	3,700,836	-
- non-interest bearing	-	41,235,196	41,235,196	41,235,196	-	-	-
Borrowings:-							
- bank overdrafts	8.06	1,963,505	1,963,505	1,963,505	-	-	-
- bankers' acceptance	4.11	25,493,000	25,493,000	25,493,000	-	-	-
- hire purchase obligation	3.22	238,774	250,809	107,496	107,496	35,817	
- revolving credit	5.77	24,000,000	24,000,000	24,000,000	-	-	-
- term loans	5.39	4,162,408	4,784,000	526,000	523,000	2,162,000	1,573,000
		106,103,235	109,063,905	97,408,806	4,183,446	5,898,653	1,573,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2019							
Trade and other payables							
- interest bearing	6.00	9,529,592	11,337,395	4,083,609	3,552,950	3,700,836	-
- non-interest bearing	-	506,465	506,465	506,465	-	-	-
Amount owing to subsidiaries	-	3,538,685	3,538,685	3,538,685	-	-	-
Borrowings:-							
- revolving credit	5.54	18,000,000	18,000,000	18,000,000	-	-	-
Financial guarantee contract *	-	-	34,973,470	34,973,470	-	-	-
		31,574,742	68,356,015	61,102,229	3,552,950	3,700,836	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2018							
Trade and other payables							
- interest bearing	6.00	9,010,352	11,337,395	4,083,609	3,552,950	3,700,836	-
- non-interest bearing	-	478,135	478,135	478,135	-	-	-
Amount owing to subsidiaries	-	1,653,103	1,653,103	1,653,103	-	-	-
Borrowings:-							
- revolving credit	5.49	24,000,000	24,000,000	24,000,000	-	-	-
Financial guarantee contract *	-	-	31,971,901	31,971,901	-	-	-
		35,141,590	69,440,534	62,186,748	3,552,950	3,700,836	-

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2019	**2018**
	RM	RM
Bank borrowings:-		
- bank overdrafts	814,819	1,963,505
- lease liabilities	12,803,701	-
- other borrowings	50,273,240	53,894,182
	63,891,760	55,857,687
Less: Deposits with licensed banks	(4,925,406)	(7,968,850)
Less: Cash and bank balances	(39,100,668)	(24,075,426)
Net debt	19,865,686	23,813,411
Total equity	276,153,567	250,551,251
Debt-to-equity ratio	0.07	0.09

The debt-to-equity ratio has increased from 0.09 to 0.15 following the adoption of MFRS 16 due to the recognition of lease liabilities on 1 January 2019 while the comparative information has not been restated.

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2019	
	The Group	**The Company**
	RM	RM
Financial Assets		
Amortised Cost		
Trade receivables	39,678,504	-
Other receivables and deposits	3,826,573	83,122
Amount owing by subsidiaries	-	111,860,628
Deposits with licensed banks	4,925,406	-
Cash and bank balances	39,100,668	428,783
	87,531,151	112,372,533

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2019	
	The Group RM	The Company RM
Financial Liabilities		
Amortised Cost		
Trade payables	23,697,959	-
Other payables, deposits and accruals	25,801,394	10,036,057
Amount owing to subsidiaries	-	3,538,685
Bank borrowings:-		
- bank overdrafts	814,819	-
- other borrowings	50,273,240	18,000,000
Lease liabilities	12,803,701	-
	113,391,113	31,574,742

	2018	
	The Group RM	The Company RM
Financial Assets		
Amortised Cost		
Trade receivables	39,095,170	-
Other receivables and deposits	4,523,318	384,236
Amount owing by subsidiaries	-	112,715,665
Deposits with licensed banks	7,968,850	-
Cash and bank balances	24,075,426	1,388,066
	75,662,764	114,487,967
Financial Liabilities		
Amortised Cost		
Trade payables	27,889,956	-
Other payables, deposits and accruals	22,355,592	9,488,487
Amount owing to subsidiaries	-	1,653,103
Bank borrowings:-		
- bank overdrafts	1,963,505	-
- other borrowings	53,894,182	24,000,000
	106,103,235	35,141,590

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 2019 RM	The Group 2018 RM
Financial Assets		
Amortised Cost		
Net gain/(losses) recognised in profit or loss	4,353	(520,557)

	The Group 2019 RM	The Group 2018 RM
Financial Liabilities		
Amortised Cost		
Net losses recognised in profit or loss	1,240,249	-

41.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period.

	Fair Value of Financial Instruments not Carried at Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	**Total Fair Value** RM	**Carrying Amount** RM
2018					
Financial Liabilities					
Hire purchase obligations	-	238,000	-		238,774

The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instrustments at the end of the reporting period. The interest rate used to discount the estimated cash flows is 3.22%

The fair values of the term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

42. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of initial application is recognised as an adjustment to the retained profits as at 1 January 2019 (date of initial application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

(a) Lessee Accounting

At 1 January 2019, for leases that were classified as operating leases under MFRS 17, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at that date of 6.14%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 January 2019;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

For leases that were classified as finance leases, the Group has recognised the carrying amount of the lease asset and lease liability immediately before 1 January 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

The following table explains the difference between the operating lease commitments disclosed in the previous financial year (determined under MFRS 117) and lease liabilities recognised at 1 January 2019:-

	The Group 2019 RM
Operating lease commitments as at 31 December 2018 as disclosed in previous financial year	-
Discounted using the incremental borrowing rate as at 1 January 2019	-
Add: Finance lease liabilities recognised as at 31 December 2018	238,774
Add: Lease liabilities recognised upon initial application of lease definition under MFRS 16	14,236,695
Lease liabilities recognised as at 1 January 2019	14,475,469

There were no financial impacts to the Company's financial statements upon the transition to MFRS 16 at the date of initial application.

(b) Lessor Accounting

The Group did not make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

42. INITIAL APPLICATION OF MFRS 16 (CONT'D)

(c) Financial Impacts

The main impacts resulting than the adoption of MFRS 16 at 1 January 2019 are summarized bellow:-

The Group	As previously reported RM	1 January 2019 MFRS 16 Adjustments RM	As Restated RM
Consolidated Statement of Financial Position			
Property, plant and equipment	173,731,122	14,475,469	188,206,591
Borrowings			
- non-current	3,878,957	(136,536)	3,742,421
- current	51,978,730	(102,238)	51,876,492
Lease liabilities			
- non-current	-	12,803,701	12,803,701
- current	-	1,671,768	1,671,768

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

AUDIT AND NON-AUDIT FEES

The amount of audit fees payable to the Company's external auditors, Messrs Crowe Malaysia PLT ("CM") for the financial year ended 31 December 2019 by the Company and the Group are RM85,000 and RM359,000 respectively. The amount of non-audit fees incurred for services rendered to the Company and the Group for the financial year ended 31 December 2019 by CM and a firm or corporation affiliated to CM amounted to RM84,000 and RM73,868 respectively.

MATERIAL CONTRACT INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There was no material contract entered into by the Group involving interests of directors and major shareholders, either subsisting at the end of the financial year ended 31 December 2019 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There was no proceeds raised from any corporate proposals during the financial year under review.

LIST OF TOP 10 PROPERTIES
AS AT 31 DECEMBER 2019

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Jl. Bhumimas I No. 9, Kawasan Industrial Cikupamas Cikupa Tangerang 15710 Banten, Indonesia	Factory, Office and Warehouse	Leasehold Expiring on 17.06.2028	16.02.2015	19	2.802	10,787,345
Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibu, Sarawak	Corporate Office, Coldroom and Warehouse	Leasehold Expiring on 10.01.2071	20.01.2015	13	3.571	11,637,693
H.S.(D.) No. 19776 P.T. No. 22244 Mukim of Batu Daerah Gombak State of Selangor	3 Storey Detached Industrial Factory	Freehold	20.01.2015	19	0.518	11,075,000
Lot 999, Section 66 Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak	Industrial Land, Corporate Office, Coldroom and Abbattoir	Leasehold Expiring on 24.09.2117	20.01.2015	24	5.671	7,948,351
Lot 511, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	20.01.2015	7	17.295	
Bau Occupation Ticket No. 3574, Bau Land District, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	20.01.2015	7	30.999	7,363,352
Lot 16, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	20.01.2015	7	10.459	
Lot 604, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 19.04.2116	20.01.2015	29	15.250	
Lot 650, Block 9 Senggi-Poak Land District Bau, Sarawak	Vacant land	Leasehold Expiring on 11.05.2116	20.01.2015	-	5.501	7,807,121
Lot 1097, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 18.04.2116	20.01.2015	29	14.443	
Bau Occupation Ticket No. 2596 of 1934, Bau Land District, Sarawak	Breeder Farm	Leasehold Expiring on 21.11.2116	20.01.2015	29	8.520	
Country Lease No. 025092602 Papar District of Papar, Sabah	Broiler Farm	Leasehold Expiring on 02.07.2929	20.01.2015	8	12.320	6,757,439

LIST OF TOP 10 PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2019

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Lot 123, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 19.04.2116	20.01.2015	17	12.390	6,065,145
Lot 124, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 09.02.2116	20.01.2015	17	33.169	
Lot 202, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 10.04.2077	20.01.2015	17	2.720	
Lot 203, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 17.04.2077	20.01.2015	17	4.960	
Country Lease No. 025339753 & 025339762 Lok Kawi, District of Papar Sabah	Factory, Office and Warehouse	Leasehold Expiring on 31.12.2042	20.01.2015	22	2.679	5,705,296
Lot 2704, Block 24 Muara Tuang Land District Sarawak	Vegetable Farm	Leasehold Expiring on 16.05.2073	20.01.2015	2	12.531	5,647,353

ANALYSIS OF SHAREHOLDINGS
AS AT 12 MAY 2020

SHARE CAPITAL

Total number of issued shares	:	630,718,800
Issued share capital	:	RM158,968,786
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

No. of holders	Size of shareholdings	% of holders	No. of shares	% of issued capital#
94	less than 100 shares	1.86	3,871	0.00
738	100 - 1,000 shares	14.59	383,177	0.06
2,330	1,001 - 10,000 shares	46.07	12,191,616	1.95
1,652	10,001 - 100,000 shares	32.67	51,254,868	8.18
240	100,001 - less than 5% of issued shares	4.75	287,623,740	45.90
3	5% and above of issued shares	0.06	275,187,428	43.91
5,057	**-**	**100.00**	**626,644,700**	**100.00**

Note:

excluding 4,074,100 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 12 May 2020.

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 12 May 2020)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.05	-	-
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.51	138,170,076[a]	22.05
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.36	-	-
4.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.53	241,596,156[b]	38.55
5.	Lau Liong Kii	14,340,752[c]	2.29	27,043,084[d]	4.32
6.	Puan Sri Datin Wong Bak Hee	2,589,224	0.41	241,596,156[b]	38.55
7.	Tiong Chiong Hiiung	1,699,624	0.27	241,596,156[e]	38.55
8.	Tiong Chiong Soon	1,515,360	0.24	241,596,156[e]	38.55
9.	Chong Shaw Fui	-	-	33,591,272[f]	5.36

Notes:

excluding 4,074,100 ordinary shares bought back and retained as treasury shares as at 12 May 2020.

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

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

(c) *3,204,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 3,482,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

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

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

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

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 12 MAY 2020

DIRECTORS' INTERESTS
(As per the Register of Directors' Shareholdings as at 12 May 2020)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.53	244,185,380(a)	38.97
2.	Chong Shaw Fui	-	-	33,611,272(b)	5.36
3.	Tiong Chiong Hiiung	1,699,624	0.27	244,567,888(c)	39.03
4.	Tiong Chiong Soon	1,515,360	0.24	241,596,156(d)	38.55
5.	Kueh Chung Peng	11,420,664(e)	1.82	4,107,400(f)	0.66
6.	Lau Liong Kii	14,340,752(g)	2.29	44,204,052(h)	7.05
7.	Ling Ting Leong @ Ling Chong Seng	521,428(i)	0.08	3,312,388(j)	0.53
8.	Datuk Pemanca Janggu anak Banyang	198,400	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

The Directors by virtue of their interests in shares in the Company are also deemed to have interests in shares in all of its related corporations to the extent the Company has an interest, pursuant to Section 8 of the Companies Act 2016.

Notes:

\# *excluding 4,074,100 ordinary shares bought back and retained as treasury shares as at 12 May 2020.*

(a) *Deemed interested by virtue of his substantial shareholdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.*

(b) *Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd. and the interest of his child in the Company.*

(c) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.*

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

(e) *9,795,892 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 1,624,772 shares are held through RHB Nominees (Tempatan) Sdn. Bhd.*

(f) *Deemed interested by virtue of the interest of his children in the Company.*

(g) *3,204,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 3,482,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

(h) *Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.*

(i) *393,132 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.*

(j) *Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd. and De Supreme Sdn. Bhd.*

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 12 MAY 2020

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of shares	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.05
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.50
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.36
4.	Unione Enterprise (S) Sdn. Bhd.	27,043,084	4.32
5.	Tan Sri Datuk Tiong Su Kouk	24,115,664	3.85
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	16,812,300	2.68
7.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	14,054,900	2.24
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	12,407,700	1.98
9.	Tan Sri Datuk Tiong Su Kouk	10,555,624	1.68
10.	Amanahraya Trustees Berhad - PB Islamic Smalcap Fund	10,256,600	1.64
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (MQ0352)	9,795,892	1.56
12.	Lau Liong Kii	7,653,760	1.22
13.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	6,715,876	1.07
14.	Annie Lau Ting Ting	6,466,772	1.03
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	5,801,532	0.93
16.	Wong See Khong	5,116,268	0.82
17.	Betty Lau Mei Mei	4,800,932	0.77
18.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	4,735,964	0.76
19.	Wong Poh Hwa	3,928,788	0.63
20.	Cartaban Nominees (Tempatan) Sdn. Bhd. - CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2	3,863,300	0.62
21.	Tiong Su Sing	3,626,000	0.58
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	3,584,100	0.57
23.	CIMB Islamic Nominees (Tempatan) Sdn. Bhd. - CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	3,503,500	0.56
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii (MQ0348)	3,482,896	0.56
25.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	3,204,096	0.51
26.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ng Ai Choo (MQ0359)	3,183,260	0.51
27.	Wong Kee Hung	2,967,040	0.47
28.	Yong Hua Tang	2,773,332	0.44
29.	Hou, Hsin-Min	2,769,100	0.44
30.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tiong Sie Mew (MQ0172)	2,600,000	0.41

Note:
\# *excluding 4,074,100 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 12 May 2020.*

ANALYSIS OF WARRANT HOLDINGS
AS AT 12 MAY 2020

WARRANT

Total number of warrants issued	:	315,359,400
Exercise price of the warrants	:	RM0.90 each
Expiry date of the warrants	:	18 June 2023

No. of holders	Size of holdings	% of holders	No. of warrants	% of issued warrants
176	less than 100 warrants	6.12	7,206	0.00
569	100 - 1,000 warrants	19.77	295,027	0.09
978	1,001 - 10,000 warrants	33.98	6,495,714	2.06
934	10,001 - 100,000 warrants	32.45	34,981,769	11.09
219	100,001 - less than 5% of issued warrants	7.61	152,781,606	48.45
2	5% and above of issued warrants	0.07	120,798,078	38.30
2,878	**-**	**100.00**	**315,359,400**	**100.00**

DIRECTORS' INTERESTS
(As per the Register of Directors' warrant holdings as at 12 May 2020)

No.	Name	No. of warrants held			
		Direct Interest	%	Indirect Interest	%
1.	Tan Sri Datuk Tiong Su Kouk	19,760,644	6.27	122,092,690[(a)]	38.72
2.	Chong Shaw Fui	-	-	9,306,736[(b)]	2.95
3.	Tiong Chiong Hiiung	849,812	0.27	122,283,944[(c)]	38.78
4.	Tiong Chiong Soon	757,680	0.24	120,798,078[(d)]	38.31
5.	Kueh Chung Peng	7,226,682[(e)]	2.29	53,700[(f)]	0.02
6.	Lau Liong Kii	6,340,276[(g)]	2.01	25,059,072[(h)]	7.95
7.	Ling Ting Leong @ Ling Chong Seng	64,148	0.02	-	-
8.	Datuk Pemanca Janggu anak Banyang	99,200	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

Notes:

(a) *Deemed interested by virtue of his substantial holdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.*

(b) *Deemed interested by virtue of his substantial holdings in Chong Nyuk Kiong Enterprise Sdn. Bhd. and the interest of his child in the Company.*

(c) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.*

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

(e) *6,464,296 warrants are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 762,386 warrants are held through RHB Nominees (Tempatan) Sdn. Bhd.*

(f) *Deemed interested by virtue of the interest of his children in the Company.*

(g) *1,602,048 warrants are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 911,348 warrants are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.*

(h) *Deemed interested by virtue of his substantial holdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.*

ANALYSIS OF WARRANT HOLDINGS (CONT'D)
AS AT 12 MAY 2020

THIRTY LARGEST WARRANT ACCOUNTS HOLDERS

No.	Name	No. of warrants	%
1.	Central Coldstorage Sarawak Sdn. Bhd.	69,085,038	21.91
2.	S.K. Tiong Enterprise Sdn. Bhd.	51,713,040	16.40
3.	Unione Enterprise (S) Sdn. Bhd.	13,521,542	4.29
4.	Tan Sri Datuk Tiong Su Kouk	11,457,832	3.63
5.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	9,296,736	2.95
6.	Tan Sri Datuk Tiong Su Kouk	8,302,812	2.63
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (MQ0352)	6,464,296	2.05
8.	James Lau Hing Wei	4,000,000	1.27
9.	Lau Liong Kii	3,826,880	1.21
10.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	3,562,938	1.13
11.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Cheng Szi Chion (E-BTL)	3,340,000	1.06
12.	Annie Lau Ting Ting	3,233,386	1.03
13.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	2,785,016	0.88
14.	Wong See Khong	2,568,134	0.81
15.	Betty Lau Mei Mei	2,561,066	0.81
16.	Chiang Siong Chiew @ Chiong Siong Chiew	2,485,000	0.79
17.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	2,367,982	0.75
18.	Maybank Nominees (Tempatan) Sdn. Bhd. - Chew Leng Kay	2,200,000	0.70
19.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Pua Chye (E-SKC)	2,047,000	0.65
20.	Goh Choun Mooi	1,650,000	0.52
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	1,602,048	0.51
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	1,554,600	0.49
23.	Wong Kee Hung	1,423,520	0.45
24.	Yong Hua Tang	1,386,666	0.44
25.	Puan Sri Datin Wong Bak Hee	1,294,612	0.41
26.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tong Lam Kong (D.J. Kepong-CL)	1,280,000	0.41
27.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yeo Eng Tee	1,200,000	0.38
28.	David Ling Howe Kim	1,117,100	0.35
29.	Siddiq Bin Mohd Amin	1,079,500	0.34
30.	Chong Wee Jie	1,000,000	0.32

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