

Annual Report **2009**



**CCK CONSOLIDATED HOLDINGS BERHAD**

396692-T



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Annual Report **2009**  
CCK CONSOLIDATED HOLDINGS BERHAD 396692-T

# CORPORATE PROFILE



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

>>>>

Datuk Tiong Su Kouk (*Non-Independent Non-Executive Chairman*)  
 Chong Shaw Fui (*Executive Vice Chairman*)  
 Tiong Chiong Hiiung (*Group Managing Director*)  
 Tiong Chiong Soon (*Executive Director*)  
 Lau Liong Kii (*Executive Director*)  
 Ling Ting Leong @ Ling Chong Seng (*Executive Director*)  
 Wong See Khong (*Executive Director*)  
 Kueh Chung Peng (*Executive Director*)  
 Janggu anak Banyang (*Independent Director*)  
 Douglas Jerukan @ Jarukan ak Kanyan (*Independent Director*)  
 Datu Haji Putit bin Matzen (*Independent Director*)  
 Dato' Fuziah @ Fauziah binti Dato' Ismail (*Non-Independent Non-Executive Director*)  
 Bong Wei Leong (*Independent Director*)

### COMPANY SECRETARIES

>>>>

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

### REGISTERED OFFICE

>>>>

Lot 999, Section 66, Jalan Keluli  
 Bintawa Industrial Estate  
 93450 Kuching, Sarawak  
 Tel: 082-336520  
 Fax: 082-331479

### SHARE REGISTRAR

>>>>

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

### AUDITORS

>>>>

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

### PRINCIPAL BANKERS

>>>>

HSBC Bank Malaysia Berhad  
 RHB Bank Berhad  
 EON Bank Berhad

### STOCK EXCHANGE LISTING

>>>>

Main Market of Bursa Malaysia Securities Berhad  
 Stock Name: CCK  
 Stock Code: 7035

### WEBSITE

>>>>

[www.cck.com.my](http://www.cck.com.my)

## CORPORATE STRUCTURE



## CCK CONSOLIDATED HOLDINGS BERHAD

(Company No. 396692-T)





## CHAIRMAN'S STATEMENT



Datuk Tiong Su Kouk

On behalf of the Board of Directors, I am pleased to report an excellent performance from CCK Consolidated Holdings Berhad and its Group of Companies for the financial year ended 30 June 2009 in the face of a challenging economic environment.

### FINANCIAL PERFORMANCE

Despite the difficult economic recessionary conditions, we are pleased to report that the Group's turnover recorded an increase of 15% from RM285.83 million in 2008 to RM328.57 million in 2009. Pre-tax profit for the Group was RM16.79 million which was 11.33% higher when compared to RM15.08 million in 2008. Total assets and shareholders' funds were recorded at RM153.07 million, an increase of 3.17% from RM148.36 million in 2008.

### DIVIDEND

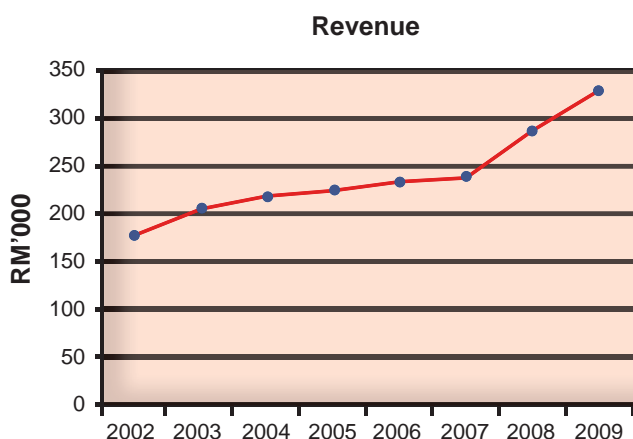
The Board of Directors is pleased to recommend a first and final single-tier dividend of 2.25 sen per share in respect of the current financial year ended 30 June 2009, subject to the shareholders' approval at the forthcoming Annual General Meeting.

In recognition of the Group's strong performance, the Board of Directors have also declared a special interim dividend of 7.0 sen gross per share less tax at 25% in respect of the financial year ending 30 June 2010, which was paid on 15 October 2009.

### BUSINESS AND OPERATIONS REVIEW

Once again, the retail and poultry sectors lead the way with strong performances. We have again proven our resiliency by continuing to deliver growths in turnover and profit before tax. The expansion of retail outlets in Sabah and Indonesia which commenced in the previous financial year have begun to bear fruit with positive contributions to the Group's performance.

The prawn sector was badly affected by the European ban on Malaysian seafood products. Replacement markets were sourced but were not sufficient to cover the loss of the European markets.



During the financial year, the Board of Directors has approved the acquisition of land and buildings in Sabah for the purpose of setting up a logistics centre in Kota Kinabalu in support of our retail expansion program.

### CORPORATE EXERCISE

On 15 October 2009, the company distributed 5,071,340 treasury shares to its shareholders on the basis of one (1) treasury share for every existing thirty (30) ordinary shares held.

## CHAIRMAN'S STATEMENT [cont'd]

### CORPORATE SOCIAL RESPONSIBILITY

The Group recognizes that it is our corporate social responsibility to ensure that we conduct our business in a professional, ethical and socially responsible manner. We also recognize our responsibility to our employees, business associates and community within which we conduct our business as well as the environment we operate in.

Our employees are an important asset of the Group and we have always endeavored to ensure their well being and welfare are taken care of. Various Occupational Safety and Health Programmes have been established to provide a safe and healthy working environment for the employees. Employees are also provided and equipped with the necessary training by both internal and external parties on an ongoing basis to further enhance their knowledge and skills.

The Group adheres strictly to all applicable environmental laws and regulations. Production processes are constantly monitored to ensure compliance with the environmental laws and regulations. The Group is committed to seek continuous improvements in its operations to minimize any negative impact on the environment.

In recognition of its corporate social responsibility, the Group has also from time to time donated cash and sponsored company products to various organizations and schools for their community welfare activities. A subsidiary, Central Coldstorage Kuching Sdn Bhd and its staff participated in the Green Ribbon Charity Food Sale of which proceeds were donated to various charitable bodies. A donation of three (3) wheelchairs was also made to the Malaysian Association for the Terminally Ill by the same subsidiary.

### OUTLOOK AND PROSPECTS

The past financial year was a very challenging year for the Group. As the nation begins to feel the effects of the various monetary and fiscal packages initiated by the Government, we are confident of an improvement in the business outlook for the coming financial year. We will strive to maintain our market share by expansions both in our retail and poultry sectors. Infrastructure works for our new hatchery have commenced in Sabah and we expect the hatchery to be completed and operational within the financial year ending 30 June 2010.

### ACKNOWLEDGEMENT

As we embark on a new financial year, I would like to take this opportunity to record my sincere thanks and appreciation to the Board of Directors, Management team and staff for their commitment and dedication which have contributed to the Group's success for the past financial year. I would also like to thank our consumers, customers, suppliers, advisers, business partners and shareholders for their strong and continued support.

### DATUK TIONG SU KOUK

Chairman  
Sibu, Sarawak







## BOARD OF DIRECTORS' PROFILE



- **Datuk Tiong Su Kouk**

*Non-Independent  
Non-Executive Chairman  
(Malaysian, aged 67)*

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

Datuk Tiong began his career as a seafood trader and has been involved in the seafood and poultry industry for the past thirty and ten years respectively. He is a well-respected member of the industry in Sarawak and brings to the Group his wealth of experience gained in the past. Additionally, Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Tiong Associations in Sibiu. He was conferred the Panglima Jasa Negara (PJN) which carried the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong on the occasion of His Excellency's 75th Birthday on 2 June 2001. He was awarded the "Pingat Bintang Sarawak" (PBS) and "Johan Setia Mahkota" (JSM) in 1987 and 2000 respectively by the Sarawak State Government and Seri Paduka Baginda Yang Di-Pertuan Agong respectively for his contribution to the community. He also sits on the boards of other private limited companies.

During the financial year ended 30 June 2009, Datuk Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Chong Shaw Fui**

*Executive Vice Chairman  
(Malaysian, aged 64)*

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

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

During the financial year ended 30 June 2009, Mr. Chong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.

## BOARD OF DIRECTORS' PROFILE [cont'd]



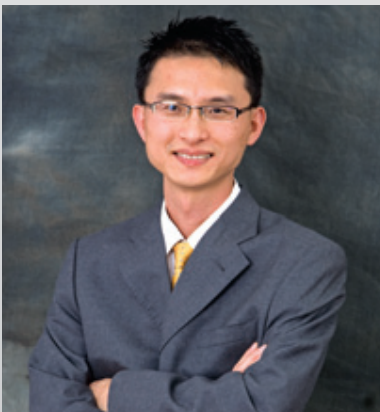
- **Tiong Chiong Hiiung**

*Group Managing Director*  
(Malaysian, aged 42)

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

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

During the financial year ended 30 June 2009, Mr. Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Tiong Chiong Soon**

*Executive Director*  
(Malaysian, aged 39)

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

During the financial year ended 30 June 2009, Mr. Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Lau Liong Kii**

*Executive Director*  
(Malaysian, aged 58)

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

During the financial year ended 30 June 2009, Mr. Lau has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



## BOARD OF DIRECTORS' PROFILE [cont'd]



- **Ling Ting Leong @ Ling Chong Seng**

*Executive Director*  
(Malaysian, aged 57)

**Mr. Ling Ting Leong @ Ling Chong Seng** is a businessman with a wealth of experience behind him. He was appointed as Executive Director to the Board of CCK on 15 July 1997. He obtained a Certificate in Higher Accounting in 1971 and has gained vast experience in accounting and auditing for eleven years from 1971 to 1982. He is a Certified Company Secretary and is a member of the Malaysian Association of Company Secretaries since year 2001. He joined the CCK Group in 1983 and is responsible for the finance and corporate secretarial matters of the CCK Group.

During the financial year ended 30 June 2009, Mr. Ling has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Wong See Khong**

*Executive Director*  
(Malaysian, aged 53)

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

During the financial year ended 30 June 2009, Mr. Wong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Kueh Chung Peng**

*Executive Director*  
(Malaysian, aged 55)

**Mr. Kueh Chung Peng** was appointed as Executive Director to the Board of CCK on 15 July 1997. He joined Kin Eastern Frozen Food Sdn. Bhd. in 1982 as its Managing Director and is also responsible for the aquaculture farming division of the CCK Group. He was appointed as a Director to CCK Fresh Mart Sdn. Bhd., a wholly-owned subsidiary of CCK, in 1993 and has over twenty-five years experience in the prawn and coldstorage products industry.

During the financial year ended 30 June 2009, Mr. Kueh has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.

## BOARD OF DIRECTORS' PROFILE [cont'd]



- **Janggu anak Banyang**

*Independent Director*  
(Malaysian, aged 62)

**Mr. Janggu anak Banyang** was appointed to the Board of CCK as an Independent Director on 15 July 1997. He is also the Chairman of the Audit Committee as well as a member of CCK's Nomination and Remuneration Committees. After completing his formal education, he worked for various companies and subsequently held directorship in these companies, which are principally involved in the activities of supply of rations, property development and timber contractor.

During the financial year ended 30 June 2009, Mr. Janggu has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Douglas Jerukan @ Jarukan ak Kanyan**

*Independent Director*  
(Malaysian, aged 70)

**Mr. Douglas Jerukan @ Jarukan ak Kanyan** was appointed as an Independent Director on 20 March 2002. He is also a member of the Audit, Nomination and Remuneration Committees of CCK. He went on further study on Colombo Plan Scholarship (1958-1961) and graduated as a Trade Instructor from Christchurch Technical Institute and Canterbury Teachers College, Canterbury, New Zealand. He joined the Sarawak Education Service from 1962 to 1994 and rose from a teacher to Principal, District Education Officer and Group Supervisor of Schools Gd. 2, Divisional Education Office, Sibul. Currently, he is a Board member of Rejang Port Authority, Sibul. Besides this, he holds directorship for various private limited companies.

During the financial year ended 30 June 2009, Mr. Douglas has attended all the five (5) Board meetings held. His shareholdings in CCK as at 19 October 2009 are disclosed on page 87 of this annual report.



- **Datu Haji Putit bin Matzen**

*Independent Director*  
(Malaysian, aged 64)

**Datu Haji Putit bin Matzen** was appointed as an Independent Director on 20 March 2002. He is also a member of the Nomination and Remuneration Committees of CCK. He holds a Bachelor of Science Degree and obtained a professional post-graduate Diploma in Teaching. He started his career with the Sarawak Education Service in 1972 and has held various senior positions including Director of Education, in the State Education Department and the Ministry of Education in Kuala Lumpur. While in service, he pursued other professional courses, notably in educational management and administration, development, innovation, testing and examinations and crisis management. Currently, he is the Vice-President of Systematic Education Group International Berhad, a public listed company, the Vice-Chairman of the Sarawak Branch of the Malaysian Red Crescent Society, President of Malaysian Historical Society (Sarawak Branch), a Member of the Lembaga Amanah Kebajikan Masjid Negeri Sarawak, and the President of Sarawak Islamic Council.

During the financial year ended 30 June 2009, Datu Haji Putit has attended all the five (5) Board meetings held. He holds no share in CCK.



## BOARD OF DIRECTORS' PROFILE [cont'd]



• **Dato' Fuziah @ Fauziah binti Dato' Ismail**

*Non-Independent  
Non-Executive Director  
(Malaysian, aged 67)*

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

Dato' Fauziah served in the Malaysian Administration and Diplomatic Services, from 1966 to her retirement in 1997, in various positions and capacities. She served, amongst others, in the Public Services Department, the Prime Minister's Department, Ministry of Agriculture and the Ministry of Rural Development. While in the public service, Dato' Fauziah also served as Board member on several government companies and bodies including Rubber Industries Smallholders Development Authority (RISDA) as well as serving as Deputy Chairman of Penang Regional Development Authority (PERDA) and Jengka Regional Development Authority, Pahang. She has extensive experience in rural sector and agro industries.

She is currently also a director of SapuraCrest Petroleum Berhad, KAF-Seagroatt & Campbell Berhad and Sapura Resources Berhad.

During the financial year ended 30 June 2009, Dato' Fauziah has attended four (4) out of five (5) Board meetings held. She holds no share in CCK.



• **Bong Wei Leong**

*Independent Director  
(Malaysian, aged 42)*

**Mr. Bong Wei Leong** is a businessman and was appointed as Independent Director to the Board of CCK on 30 September 2009. He is also a member of the Audit Committee of CCK. He graduated with a Bachelor of Business (Accountancy) and Bachelor of Law from Queensland University of Technology, Australia in 1993. Mr. Bong was a partner of a public accountants firm prior to starting his own practice in 2004. He has more than twelve years of experience in providing auditing, accounting and taxation services to various clients. He is a member of the Malaysian Institute of Accountants and the CPA Australia. Currently, he is the Senior Independent Director of Rimbunan Sawit Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

As Mr. Bong was appointed to the Board on 30 September 2009, he did not attend any Board meeting held during the financial year ended 30 June 2009. He holds no share in CCK.

Notes:-

- The Directors have no family relationship with each other or the major shareholders of CCK, except for Mr. Tiong Chiong Hiiung and Mr. Tiong Chiong Soon who are the sons of Datuk Tiong Su Kouk and Datin Wong Bak Hee.
- None of the Directors have been convicted of any offences within the past ten (10) years other than traffic offences.
- None of the Directors hold any directorship in public companies, except for Dato' Fuziah @ Fauziah binti Dato' Ismail and Mr. Bong Wei Leong.
- Apart from Datuk Tiong Su Kouk, Mr. Tiong Chiong Hiiung and Mr. Tiong Chiong Soon, none of the other Directors have conflict of interests with the Company. Significant related party disclosures are set out in note 36 of the financial statements on pages 76 to 77 of this annual report.

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# CORPORATE GOVERNANCE



# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

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

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

In line with this, the Board of CCK is pleased to disclose the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in Part 2 of the Code. These disclosures are contained in this statement, the Statement of Internal Control and the Report of the Audit Committee.

## THE BOARD OF DIRECTORS

### ***Composition of the Board***

The CCK Group is led and managed by an experienced Board comprising thirteen (13) members. The Non-Independent Non-Executive Chairman, the Executive Vice Chairman, the Group Managing Director, the Non-Independent Non-Executive Director, five (5) Executive Directors and four (4) Independent Directors have a wide range of experience in relevant fields required to successfully direct and supervise the CCK Group’s business activities. The profiles of each Director are presented on pages 8 to 12 of this annual report.

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

The presence of Independent Directors fulfils a crucial role in corporate governance, for the provision of unbiased and independent views, advice and judgement to take account of the interests, not only of the CCK Group, but also of all shareholders including employees, customers, suppliers and the many communities in which the CCK Group conducts its business. Mr. Janggu anak Banyang is the appointed Senior Independent Director to whom concerns or queries concerning the CCK Group may be conveyed to.

### ***Board Procedures***

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

# STATEMENT ON CORPORATE GOVERNANCE [cont'd]

The Board holds at least four (4) regularly scheduled meetings annually, with additional meetings for particular matters convened as and when necessary. Informal meetings and consultations are frequently and freely held to share expertise and experiences. During the financial year ended 30 June 2009, five (5) Board meetings were held. The details of attendance of each of the Director at the Board meetings are outlined as follows :-

	Number of Meetings Attended
Datuk Tiong Su Kouk	5 out of 5
Chong Shaw Fui	4 out of 5
Tiong Chiong Hiiung	5 out of 5
Tiong Chiong Soon	5 out of 5
Lau Liong Kii	5 out of 5
Ling Ting Leong @ Ling Chong Seng	5 out of 5
Wong See Khong	5 out of 5
Kueh Chung Peng	5 out of 5
Janggu anak Banyang	5 out of 5
Francis Wong Chin Sing @ Wong Chin Sing <i>[Vacated office on 1 July 2009]</i>	2 out of 5
Douglas Jerukan @ Jarukan ak Kanyan	5 out of 5
Datu Haji Putit bin Matzen	5 out of 5
Dato' Fuziah @ Fauziah binti Dato' Ismail	4 out of 5

*Mr. Bong Wei Leong was appointed to the Board on 30 September 2009. Hence, he did not attend any meeting held during the financial year ended 30 June 2009.*

## Supply of and access to information

Every Director has ready and unrestricted access to the information pertaining to the CCK Group's business and affairs to enable them in discharging their duties and responsibilities. All Directors are provided with an agenda and a set of board papers in a timely manner prior to Board meetings, to ensure the Directors receive sufficient relevant information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in Board decisions. All Directors have the right to make further enquiries where they consider necessary prior to Board meetings.

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

## Committees of the Board

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

### (a) Audit Committee

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

The Report of the Audit Committee is set out on pages 21 to 25 of this annual report.





## STATEMENT ON CORPORATE GOVERNANCE [cont'd]

### (b) Nomination Committee

The Board has on 27 February 2002 set up a Nomination Committee, which is mainly responsible for the identification and recommendation of new nominees to the Board, for the annual review of the required mix of skills and experience of the Board and for the annual assessment of the effectiveness of the Board Committees, the Board as a whole and the contribution of each Director, and these processes have been properly documented. During the financial year ended 30 June 2009, the Nomination Committee has met once.

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

Chairman : Datuk Tiong Su Kouk (*Non-Independent Non-Executive Director*)  
 Members : Janggu anak Banyang (*Independent Director*)  
           Datu Haji Putit bin Matzen (*Independent Director*)  
           Douglas Jerukan @ Jarukan ak Kanyan (*Independent Director*)

### (c) Remuneration Committee

The Remuneration Committee was established on 27 February 2002 and is principally responsible for setting the policy framework and for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. During the financial year ended 30 June 2009, the Remuneration Committee met twice.

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

Chairman : Datuk Tiong Su Kouk (*Non-Independent Non-Executive Director*)  
 Members : Tiong Chiong Hiiung (*Group Managing Director*)  
           Lau Liong Kii (*Executive Director*)  
           Janggu anak Banyang (*Independent Director*)  
           Datu Haji Putit bin Matzen (*Independent Director*)  
           Douglas Jerukan @ Jarukan ak Kanyan (*Independent Director*)

### **Appointments to the Board**

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

### **Re-election of Directors**

In accordance with CCK's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the ensuing annual general meeting after their appointment.

In addition, in accordance with the CCK's Articles of Association and in compliance with the Listing Requirements, one-third (1/3) of the remaining Directors, including the Managing Director, are required to submit themselves for re-election by rotation at each annual general meeting, and all Directors must submit themselves for re-election at least once every three (3) years.

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

# STATEMENT ON CORPORATE GOVERNANCE [cont'd]

## Directors' Training and Update Programmes

All the Directors have attended the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad ("Bursa Securities") and have fulfilled the minimum Continuing Education Programme ("CEP") points requirements as prescribed in the Main Market Listing Requirements of Bursa Securities.

The Board acknowledges that continuous training is important to broaden their perspectives and to keep them abreast with regulatory and corporate governance developments. During the financial year ended 30 June 2009, the Directors have attended appropriate training programmes conducted by external experts and the description of the training/seminar are set out below :-

<u>Title of training/seminar</u>	<u>No. of day(s) spent</u>
• Directors' Duties and Liabilities – Beyond Compliance / Directors' Performance Evaluation – Building a High Performance Board Post – Election Scenario	1
• Continuing Professional Development Program	1
• Modern Internal Auditing for directors, Audit Committee, Senior Management and Auditors	1
• Seminar on "Shares – What you need to know" and "Transfer of deceased members' shares"	1
• Seminar on "Human Capital Management and Employment Laws"	1
• Seminar on Non-Financial Institutions (Financial Instruments: Recognition, Measurement, Presentation and Disclosure)	2
• Related Party Transaction & Insider Trading	1

All Directors will continue to attend further training/seminar as may be required from time to time to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments in the marketplace.

## DIRECTORS' REMUNERATION

CCK recognises the need to ensure that remuneration of Directors is reflective of the responsibility and commitment that goes with Board membership. In line with this, the Board, via its Remuneration Committee, has adopted a remuneration structure that attempts to retain and attract the Executive Directors with the right caliber for CCK. The fees for Non-Executive Directors are determined by the Board as a whole. The remuneration package is determined in accordance to fair and equitable criterias based on the performance of the Directors. Each individual Director abstains from the Board discussion and decision on his own remuneration.

The Board is of the opinion that matters pertaining to Directors' remuneration are of a personal nature. However, in compliance with the Listing Requirements, the fees and remuneration paid to Directors of the CCK Group during the financial year ended 30 June 2009, in aggregate and analysed into bands of RM50,000, were as follows :-

	<b>Executive Directors (RM)</b>	<b>Non-Executive Directors (RM)</b>
Fee	75,260	251,880
Salary	914,400	-
Bonus	728,371	-
Allowances	12,000	-
Benefits-in-kind	-	-
Commissions	344,216	-



## STATEMENT ON CORPORATE GOVERNANCE [cont'd]

	Executive Directors (No.)	Non-Executive Directors (No.)
RM550,001 to RM600,000	1	-
RM500,001 to RM550,000	-	-
RM450,001 to RM500,000	1	-
RM350,001 to RM400,000	1	-
RM200,001 to RM250,000	-	-
RM150,001 to RM200,000	3	1
RM100,000 to RM150,000	1	-
RM50,000 and below	-	5

### SHAREHOLDERS COMMUNICATION

CCK maintains a regular policy of disseminating information that is material for shareholders' information via announcements made through the Bursa LINK. In compliance with the Listing Requirements, the Company also releases timely financial information on a quarterly basis, which includes an overview of the performance and operations of CCK Group.

The Company uses the annual general meeting as a principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the questions and answers session. Members of the Board as well as the external auditors of the Company are present to answer queries raised at the meeting.

The Company also put in place electronic facility to enable communication with shareholders via its website.

### ACCOUNTABILITY AND AUDIT

#### *Financial Reporting*

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

#### *Internal Control*

The Board of Directors acknowledges its responsibility for the CCK Group's system of internal control, which is designed to identify, evaluate and manage the risks of the businesses of the CCK Group, in pursuit of its objectives. In addition, the system of internal control practised by the CCK Group spans over financial, operational and compliance aspects, particularly to safeguard the CCK Group's assets and hence shareholders' investments. The system of internal control, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

In executing the responsibility for the internal control system, the Board via the Audit Committee and the internal auditors, has adopted procedures to monitor the ongoing adequacy and integrity of the system of internal control.

Further details of the state of the system of internal control of the CCK Group are presented on pages 19 to 20 of this annual report.

#### *Relationship with the Auditors*

Through the Audit Committee, the CCK Group has established a formal and transparent relationship with the external auditors. The Audit Committee meets with the external auditors without the presence of the other Directors and employees at least twice a year.

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

# STATEMENT OF INTERNAL CONTROL

## INTRODUCTION

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

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

## BOARD OF DIRECTORS’ RESPONSIBILITIES

The Board acknowledges its overall responsibility for the CCK Group’s system of internal controls and risk management practices covering all aspects of the Group’s operations. The Board also recognizes its responsibility for reviewing the adequacy and integrity of those systems frequently. Due to the limitations that are inherent in any system of internal control, it should be noted however that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatements, fraud or loss.

## INTERNAL CONTROL SYSTEM

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

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

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

The Board together with the Senior Management regularly undertake risk assessment exercises to identify the principal risks faced by the CCK Group and to ensure that there are adequate risk management, financial and operational policies, and procedures and rules relating to the delegation and segregation of duties.

Senior Managements of respective business units of the CCK Group are responsible for monitoring and updating their risk profiles as well as evaluating emerging new risks. These principal risks shall on an annual basis, be updated by Senior Management for review and approval by the Board to ensure that risk management is functioning effectively as it strives to increase value to its shareholders. Key risks and operational performance indicators are continuously monitored and reported to the Board

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

The internal controls framework of various business cycles, including Sales, Payments and Inventories, were set up to ascertain their adequacy in administering and diminishing the impacts of various risks identified and actions plans or revised internal controls were drawn up in bridging the gaps, having regard to cost/benefit, materiality and likelihood or crystallisation of risks.

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

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



## STATEMENT OF INTERNAL CONTROL [cont'd]

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

The Board, via the Audit Committee, monitors the system of internal control through quarterly reviews, which is normally undertaken by the in-house Internal Auditors.

The specific areas of focus covered by the Internal Audit department are as follows:

- Giving balanced assessment and assurance with regard to effectiveness of the Internal Control System;
- Assessment of the operational efficiency of the Company;
- Assessing the reliability of system and reporting information;
- Ensuring compliance with the Company standards/guidelines and legislation; and
- Where any significant weakness has been identified, the Internal Auditor together with input from Management would recommend measures to improve the internal controls accordingly. Follow-up audits are also undertaken to assess the status of implementation thereof by Management.

Further details on the scope of activities of the Internal Audit are set out in the Report of the Audit Committee, which is available on pages 21 to 25 of this Annual Report.

### OTHER ELEMENTS OF INTERNAL CONTROL

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

- Regular review of operational reports, including key performance indicators, by the Group Managing, Director and Executive Directors of the CCK Group;
- Regular review of financial reporting by the Audit Committee and the Board;
- Detailed budgeting process by both the Operating Units and Head Office, which are approved by the Board;
- Regular monitoring and reviewing of actual results against budgets, with major variances analysed for effective management and actions thereafter;
- Regular inspection visits by directors, in particular executive directors, to operating units to have a first-hand account of the efficiency and effectiveness of the Group's strategy, mode of operation and control;
- Reporting of significant weaknesses, if any, identified by Internal Audit Department during the reviews and recommendation of appropriate measures for implementation by management to rectify those weaknesses found; and
- Conducting follow-up audits by Internal Audit Department, which ensure proper and approved remedial actions have been implemented.

The Group has put in place an organizational structure which clearly defined lines of responsibilities and accountability and delegation of authority for management at various levels of operation and administration. Internal policies, both financial and operational are documented and are subject to regular review and improvement.

The Group is also committed to the integrity of staff at all levels, through comprehensive recruitment, appraisal and reward programmes. The Group's values and employee code of conduct and discipline have been communicated to all employees through the Terms and Conditions of Employment handbook and/or letters of appointment.

### BOARD REVIEW

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

The Board of Directors is pleased to report that there was no material loss realized during the current financial year as a result of weaknesses in internal control. The Board and the management will continue to take active measures to strengthen and continuously improve the internal control system and risks management process of the Group to put up with constantly changing and challenging environment.

# REPORT OF THE AUDIT COMMITTEE

## COMPOSITION OF THE AUDIT COMMITTEE

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

- Chairman : Janggu anak Banyang (*Independent Director*)
- Members : Datuk Tiong Su Kouk (*Non-Independent Non-Executive Director*)
- Bong Wei Leong (*Independent Director*)  
[Appointed on 30 September 2009]
- Douglas Jerukan @ Jarukan ak Kanyan (*Independent Director*)
- Francis Wong Chin Sing @ Wong Chin Sing  
[Vacated office on 1 July 2009]

Our Independent Director, Mr. Bong Wei Leong was appointed as a member of Audit Committee on 30 September 2009. He is a member of the Malaysian Institute of Accountants, one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967. All members of the Audit Committee are financially literate.

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:-

### (1) Objectives

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

### (2) Membership

The Audit Committee shall be appointed by the Board from amongst its members. The Audit Committee shall consist of not less than three (3) members. All the members must be non-executive directors, with a majority of them being independent directors and free from any relationship, which might in the opinion of the Board of Directors, interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee.

No alternate director can be a member of the Audit Committee. The members of the Audit Committee shall elect a chairman from among their number who is a non-executive and independent director.

At least one (1) member of the Audit Committee:-

- i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and :-
  - a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

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

### (3) Quorum, Meetings and Minutes

A quorum shall be two (2) members and a majority of members present must be independent directors. A representative of external auditors shall attend as and when required. The Company Secretary shall be the secretary of the Audit



## REPORT OF THE AUDIT COMMITTEE [cont'd]

Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee.

The Audit Committee shall meet with the external auditors, excluding the attendance of other Directors and employees of the Group, at least twice a year or whenever deemed necessary.

The Audit Committee may also meet with the internal auditors, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary.

A resolution in writing signed by all Audit Committee members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member.

### (4) Frequency of Meetings

The Audit Committee shall meet as and when the need arises provided that it shall meet at least four (4) times a year. The external auditors may request for a meeting if they consider that one (1) is necessary.

### (5) Authority

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

- i) investigate any activity within its terms of reference and shall have unrestricted access to all employees of the Group;
- ii) have the resources which are required to perform its duties as set out in its terms of reference;
- iii) seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Audit Committee;
- iv) have direct communication channels with the external auditors and internal auditors;
- v) obtain external legal or other independent professional advice and to secure the attendance of external advisers with relevant experience and expertise, if it considers this is necessary;
- vi) convene meetings of the Audit Committee with external auditors, excluding the attendance of other Directors and employees of the Group, at least twice a year or whenever deemed necessary and to consider any matter the external auditor believes should be brought to the attention of the Board of Directors or shareholders; and
- vii) convene meetings with the internal auditors, excluding the attendance of other Directors and employees of the Group.

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

Notwithstanding anything to the contrary hereinbefore stated, the Audit Committee does not have executive powers. The Chairman of the Audit Committee shall be reporting to the full Board from time to time its recommendations for consideration and implementation and the actual decision shall be the responsibility of the Board of Directors after considering the recommendation of the Audit Committee.

### (6) Functions and Duties:-

- a) to review with the external auditors the audit plan, their audit report, major findings and management's responses thereof and to ensure co-ordination where more than one (1) audit firm is involved;
- b) to review the external auditors' evaluation of the systems of internal controls;
- c) to review the assistance given by the Group's employees to both the internal and external auditors;

## REPORT OF THE AUDIT COMMITTEE [cont'd]

- d) to review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- e) to consider the nomination, appointment (and re-appointment), resignation and dismissal of the external auditors and their audit fees;
- f) to consider whether there is reason (supported by grounds) to believe that the external auditors of the Group are not suitable for re-appointment;
- g) to review the quarterly and annual financial statements of the Group, focusing on the matters set out below, and thereafter to submit them to the Board :
  - any changes in or implementation of accounting policies and practices;
  - significant adjustments arising from the audit;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other regulatory requirements;
- h) to review any 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;
- i) to consider the internal audit reports, major findings and management's responses thereto on any internal investigations carried out by the internal auditors and ensure that appropriate action is taken by management in respect of the audit observations and the Audit Committee's recommendations;
- j) to review the appraisal or assessment of the performance of the staff in the internal audit department;
- k) to approve the appointment or termination of senior executives in the internal audit department. Be informed of any resignation of executives in the internal audit department and to provide the resigning executive an opportunity to submit his or her reason for resigning; and
- l) to review any other functions as may be agreed to by the Audit Committee and the Board as may be required or empowered by statutory legislation or guidelines prepared by other relevant governing authorities.

### (7) Review of the composition of the Audit Committee

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

### ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

#### Meetings and Attendance

Five (5) Audit Committee meetings were held during the financial year ended 30 June 2009. The details of attendance of each Audit Committee member are as follows:-

	Number of Meetings Attended
Janggu anak Banyang (Chairman)	5 out of 5
Datuk Tiong Su Kouk	5 out of 5
Francis Wong Chin Sing @ Wong Chin Sing <i>[Vacated office on 1 July 2009]</i>	2 out of 5
Douglas Jerukan @ Jarukan ak Kanyan	5 out of 5





## REPORT OF THE AUDIT COMMITTEE [cont'd]

### **Summary of Activities of Audit Committee**

The following activities were carried out by the Audit Committee during the financial year ended 30 June 2009 in discharge of its functions and duties:-

- a. reviewed and approved the audit plans of the CCK Group with the internal and external auditors;
- b. reviewed and deliberated the audit reports for the CCK Group and consideration of the major findings and recommendations by the internal and external auditors, and Management's responses thereof;
- c. reviewed and deliberated the quarterly and annual financial results of the Company and the CCK Group prior to submission to the Board of Directors for consideration and approval;
- d. reviewed of any related party transactions and conflict of interest situation to be entered into by the Company and the CCK Group including any transaction, procedure or course of conduct that raises questions of management integrity, prior to submission to the Board of Directors for consideration and approval;
- e. reviewed adequacy of the disclosure on related party transactions entered into by the Company and the CCK Group in the quarterly and annual reports of the Company;
- f. met with the external auditors excluding the attendance of the other Directors and employees;
- g. considered and recommended the re-appointment of external auditors and their fees;
- h. reviewed the Statement of Internal Control and Report of the Audit Committee prior to submission to the Board of Directors for their consideration and approval;
- i. reviewed and deliberated the report on comparison of actual v budgeted results on a quarterly basis; and
- j. reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.

### **ACTIVITIES OF THE INTERNAL AUDIT FUNCTION**

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

- reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls of the CCK Group over inventory management, treasury and receivable process, and the production process flow;
- ascertaining the extent to which the CCK Group's assets are accounted for and safeguarded from losses of all kinds;
- conducting of the following :
  - performance review;
  - review on potential risk;
  - stock review;
  - production review;
  - capital expenditure review;
  - investment review;
  - overall review;
  - debtors/creditors review;
  - petty cash review; and
  - general review.

**REPORT OF THE AUDIT COMMITTEE** [cont'd]

- identifying ways and opportunities to improve the effectiveness and efficiency of the operations of and processes within the CCK Group, in particular over financial reporting of key indicators for Management's information; and
- carrying out audit work in liaison with external auditors to maximise the use of resources and for effective coverage of relevant risks.

The internal audit department has, during the financial year, conducted evaluations of the system of internal controls encompassing the CCK Group's governance, operations, and information systems of major areas of its operation. The costs incurred for the internal audit function in respect of the financial year was RM244,010. The internal audit reports were deliberated by the Audit Committee and recommendations were duly acted upon by the management.



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

For preparing the Annual Financial Statements

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad., to issue a statement explaining their responsibility for preparing the annual financial statements.

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

As required by the Act, the financial statements have been prepared in accordance with the Financial Reporting Standards in Malaysia. The Directors have considered that in preparing the financial statements for the financial year ended 30 June 2009, appropriate accounting policies have been adopted and are consistently applied and supported by reasonable and prudent judgment and estimates. The Directors have also confirmed that the financial statements have been prepared on a going concern basis.

The Directors have responsibility to ensure the Company and the Group maintain proper accounting records which disclose with reasonable accuracy at any time, the financial position and performance of the Company and the Group, and to enable them to ensure the financial statements comply with the provisions of the Act.

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

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CCK CONSOLIDATED HOLDINGS BERHAD 396692-T

# FINANCIAL INFORMATION





## DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

### PRINCIPAL ACTIVITIES

The principal activities of the Company cover investment holding and provision of management services to its subsidiary companies. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	11,690,266	5,486,866
<b>Attributable to:</b>		
Equity holders of the Company	11,527,535	5,486,866
Minority interests	162,731	-
	11,690,266	5,486,866

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

### DIVIDENDS

Since the end of the previous financial year, the Company:-

- (i) paid a first and final dividend of 2.5 sen gross per share less tax at 26% amounting to RM2,819,666.37 in respect of the previous financial year ended 30 June 2008 on 16 January 2009.
- (ii) paid a special interim dividend of 7.0 sen gross per share less tax at 25% amounting to RM7,987,580.94 in respect of the financial year ending 30 June 2010 on 15 October 2009.
- (iii) distributed a share dividend on the basis of one (1) treasury share for every thirty (30) ordinary shares of RM0.50 each held in the Company in respect of the financial year ending 30 June 2010 on 15 October 2009.

The directors recommend the payment of a first and final single tier dividend of 2.25 sen per share in respect of the financial year ended 30 June 2009 which, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 15 January 2010 to Depositors whose names appear in the Record of Depositors on 31 December 2009.

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

- (i) Shares transferred into the Depositor's securities account before 4:00 p.m. on 31 December 2009, in respect of ordinary transfers; and
- (ii) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

## DIRECTORS' REPORT [cont'd]

### RESERVES AND PROVISIONS

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

### TREASURY SHARES

During the financial year, the Company repurchased 1,550,700 of its issued ordinary shares of RM0.50 each from the open market at an average price of RM0.52 per share. The total consideration paid for the repurchases including transaction costs amounted to RM813,992. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2009, the Company held as treasury shares a total of 5,265,300 out of its 157,679,700 issued ordinary shares of RM0.50 each. Such treasury shares are held at a carrying amount of RM3,959,794 and further relevant details are disclosed in Note 16 to the financial statements.

Subsequent to financial year end, the Company distributed 5,071,340 treasury shares as dividend shares to shareholders on the basis of one (1) treasury share for every existing thirty (30) ordinary shares of RM0.50 each held.

### EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 20 December 2000. The ESOS was implemented on 23 March 2001 and is to be in force for a period of 10 years from the date of implementation.

The salient features of the ESOS are as follows:-

- (a) The maximum number of shares to be offered under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (b) The ESOS is for eligible persons who are full-time executive directors and confirmed employees of the Group with at least twelve months of continuous service.
- (c) The options granted are exercisable only by the eligible person during his/her life time and within the option period whilst he/she is employed by the Group.
- (d) The option price for each RM0.50 share shall be the higher of the following:-
  - (i) A discount of not more than 10% from the five-market-day weighted average market price of the Company's shares at the date of offer, or
  - (ii) The par value of the shares.
- (e) The options are non-assignable.
- (f) The shares to be allotted under the ESOS shall rank pari passu in all respects with the then existing shares of the Company.

The outstanding offered options to take up unissued ordinary shares of RM0.50 each and the option price are as follows:-

Date of offer	Option price (RM)	Options over ordinary shares of RM0.50 each		
		At 1.7.2008	Exercised	At 30.6.2009
6.4.2001	0.60	1,894,000	-	1,894,000

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



## DIRECTORS' REPORT [cont'd]

### DIRECTORS OF THE COMPANY

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

Datuk Tiong Su Kouk  
 Chong Shaw Fui  
 Tiong Chiong Hiiung  
 Tiong Chiong Soon  
 Lau Liong Kii  
 Ling Ting Leong @ Ling Chong Seng  
 Wong See Khong  
 Kueh Chung Peng  
 Janggu Anak Banyang  
 Francis Wong Chin Sing @ Wong Chin Sing (Vacated on 1.7.2009)  
 Douglas Jerukan @ Jarukan Ak Kanyan  
 Datu Haji Putit Bin Matzen  
 Dato' Fuziah @ Fauziah Binti Dato' Ismail  
 Bong Wei Leong (Appointed on 30.9.2009)

In accordance with Article 81 of the Company's Articles of Association, Tiong Chiong Soon, Lau Liong Kii, Ling Ting Leong @ Ling Chong Seng, Kueh Chung Peng and Bong Wei Leong retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Douglas Jerukan @ Jarukan Ak Kanyan retires pursuant to Section 129 of the Companies Act, 1965 and separate resolution will be proposed for his re-appointment as director under the Provision of Section 129(6) of the said Act to hold office until the next annual general meeting of the Company.

### DIRECTORS' SHAREHOLDINGS

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

Shares in the Company	1.7.2008	Bought/ (sold)	30.6.2009
Datuk Tiong Su Kouk			
- Direct	2,635,848	(330,000)	2,305,848
- Indirect	52,753,744	-	52,753,744
Chong Shaw Fui			
- Direct	180,000	(180,000)	-
- Indirect	10,291,272	-	10,291,272
Tiong Chiong Hiiung			
- Direct	385,500	-	385,500
- Indirect	52,120,744	-	52,120,744
Tiong Chiong Soon			
- Direct	243,000	-	243,000
- Indirect	52,129,744	-	52,129,744
Lau Liong Kii			
- Direct	3,836,400	-	3,836,400
- Indirect	3,212,442	645,000	3,857,442
Ling Ting Leong @ Ling Chong Seng			
- Direct	329,100	(60,000)	269,100
- Indirect	1,301,541	-	1,301,541
Wong See Khong			
- Direct	1,838,166	-	1,838,166
- Indirect	-	6,600	6,600

## DIRECTORS' REPORT [cont'd]

### DIRECTORS' SHAREHOLDINGS [cont'd]

Shares in the Company	1.7.2008	Bought/ (sold)	30.6.2009
Kueh Chung Peng			
- Direct	3,067,296	-	3,067,296
Douglas Jerukan @ Jarukan Ak Kanyan			
- Direct	1,138,500	-	1,138,500
Janggu Anak Banyang			
- Direct	45,000	-	45,000

### DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the benefits disclosed as directors' remuneration in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefits arising from transactions as disclosed in Note 36 to the financial statements.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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





## DIRECTORS' REPORT [cont'd]

### OTHER STATUTORY INFORMATION

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

In the opinion of the directors,

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

### AUDITORS

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

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

### DATUK TIONG SU KOUK

Chairman

### TIONG CHIONG HIIUNG

Managing Director

Sibu, Sarawak.  
23 October 2009

## STATEMENT BY DIRECTORS

We, **DATUK TIONG SU KOUK** and **TIONG CHIONG HIUNG**, being two of the directors of **CCK CONSOLIDATED HOLDINGS BERHAD**, stated that, in the opinion of the directors, the financial statements set out on pages 36 to 81 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act 1965.

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

**DATUK TIONG SU KOUK**

Chairman

**TIONG CHIONG HIUNG**

Managing Director

Sibu, Sarawak.  
23 October 2009

## STATUTORY DECLARATION

I, **TIONG CHIONG HIUNG** (I/C No. 670208-13-6277), being the managing director primarily responsible for the financial management of **CCK CONSOLIDATED HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 36 to 81 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **TIONG CHIONG HIUNG** at **SIBU** on 23<sup>rd</sup> day of October, 2009.

**TIONG CHIONG HIUNG**

Before me



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (396692-T)



**Hii & LEE** (AF 0123)  
Chartered Accountants  
In association with BDO Binder

■ **Address**

2nd Floor, No. 1, Lorong Pahlawan 7A2  
Jalan Pahlawan  
P. O. Box 505  
96007 Sibul, Sarawak.

■ **Telephone**

084-211777 (4 lines)

■ **Facsimile**

084-216622

■ **Email**

hii\_lee@tm.net.my

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **CCK Consolidated Holdings Berhad**, which comprise the balance sheet as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 81.

### *Director's Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the year then ended.

# INDEPENDENT AUDITORS' REPORT [cont'd]

TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (396692-T)

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **HII & LEE**

NO.AF0123  
Chartered Accountants

### **MORRIS HII SU ONG**

1682/4/11(J)  
Chartered Accountant

Sibu, Sarawak.  
23 October 2009



# CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

ASSETS	Note	2009 RM	2008 RM
<b>Non-current assets</b>			
Property, plant and equipment	6	47,444,979	47,729,370
Prepaid land lease payments	7	8,465,593	6,321,685
Investment in associated companies	9	1,086,471	838,861
Other investments	10	50,000	50,000
Deferred tax assets	21	175,683	-
Goodwill on consolidation	11	-	62,093
		<u>57,222,726</u>	<u>55,002,009</u>
<b>Current assets</b>			
Inventories	12	35,495,701	36,556,587
Trade receivables	13	32,071,758	35,290,264
Other receivables, deposits and prepayments		3,559,836	3,484,937
Tax refundable		440,330	502,667
Amount due from associated companies	15	51,861	17,518
Fixed deposits with licensed banks		6,005,000	3,005,000
Cash and bank balances		18,223,214	14,503,070
		<u>95,847,700</u>	<u>93,360,043</u>
<b>TOTAL ASSETS</b>		<u>153,070,426</u>	<u>148,362,052</u>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the Company			
Share capital	16	78,839,850	78,839,850
Share premium	16	157,800	157,800
Treasury shares	16	(3,959,794)	(3,145,802)
Exchange translation reserve	17	22,417	(2,745)
Retained profits	18	44,336,182	35,628,313
		<u>119,396,455</u>	<u>111,477,416</u>
Minority interests		1,052,118	988,191
<b>Total equity</b>		<u>120,448,573</u>	<u>112,465,607</u>
<b>Non-current liabilities</b>			
Bank borrowings	20	261,867	656,686
Deferred tax liabilities	21	2,732,403	2,612,693
		<u>2,994,270</u>	<u>3,269,379</u>
<b>Current liabilities</b>			
Trade payables		9,603,887	14,123,333
Other payables, deposits and accruals		6,969,438	4,691,180
Amount due to associated companies	15	59,460	59,460
Hire purchase creditors	19	-	1,934
Bank borrowings	20	11,869,111	12,749,434
Tax payable		1,125,687	1,001,725
		<u>29,627,583</u>	<u>32,627,066</u>
<b>Total liabilities</b>		<u>32,621,853</u>	<u>35,896,445</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>153,070,426</u>	<u>148,362,052</u>

The notes on pages 45 to 81 form an integral part of these financial statements.

**BALANCE SHEET**

AS AT 30 JUNE 2009

<b>ASSETS</b>	<b>Note</b>	<b>2009 RM</b>	<b>2008 RM</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,361	3,423
Prepaid land lease payments	7	559,502	715,189
Investment in subsidiary companies	8	41,749,149	41,749,149
Investment in associated companies	9	875,000	775,000
		<u>43,185,012</u>	<u>43,242,761</u>
<b>CURRENT ASSETS</b>			
Other receivables and prepayments		309,955	922,722
Tax refundable		142,807	292,898
Amount due from subsidiary companies	14	30,209,476	30,522,516
Amount due from associated companies	15	51,861	17,518
Fixed deposits with licensed bank		6,000,000	3,000,000
Bank balances		700,232	858,781
		<u>37,414,331</u>	<u>35,614,435</u>
<b>TOTAL ASSETS</b>		<u><u>80,599,343</u></u>	<u><u>78,857,196</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	16	78,839,850	78,839,850
Share premium	16	157,800	157,800
Treasury shares	16	(3,959,794)	(3,145,802)
Retained profits	18	4,543,770	1,876,570
<b>Total equity</b>		<u>79,581,626</u>	<u>77,728,418</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	21	340	686
<b>Current liabilities</b>			
Other payables and accruals		167,395	202,510
Amount due to subsidiary companies	14	790,522	866,122
Amount due to associated companies	15	59,460	59,460
		<u>1,017,377</u>	<u>1,128,092</u>
<b>Total liabilities</b>		<u>1,0107,717</u>	<u>1,128,778</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>80,599,343</u></u>	<u><u>78,857,196</u></u>

The notes on pages 45 to 81 form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Note	Attributable to Equity Holders of the Company ----->							
	Share Capital RM	Share Premium RM	Non-distributable Treasury Shares RM	Exchange Translation Reserves RM	Distributable Retained Profits RM	Total RM	Minority Interest RM	Total Equity RM
<b>2009</b>								
<b>At 1 July</b>	78,839,850	157,800	(3,145,802)	(2,745)	35,628,313	111,477,416	988,191	112,465,607
Net profit for the financial year	-	-	-	-	11,527,535	11,527,535	162,731	11,690,266
Purchase of treasury shares	-	-	(807,993)	-	-	(807,993)	-	(807,993)
Transaction costs	-	-	(5,999)	-	-	(5,999)	-	(5,999)
Exchange differences	-	-	-	25,162	-	25,162	2,796	27,958
Dividend	-	-	-	-	(2,819,666)	(2,819,666)	(101,600)	(2,921,266)
<b>At 30 June</b>	<b>78,839,850</b>	<b>157,800</b>	<b>(3,959,794)</b>	<b>22,417</b>	<b>44,336,182</b>	<b>119,396,455</b>	<b>1,052,118</b>	<b>120,448,573</b>
<b>2008</b>								
<b>At 1 July</b>	50,394,234	821,425	(2,350,990)	-	51,800,904	100,665,573	800,185	101,465,758
Net profit for the financial year	-	-	-	-	10,103,617	10,103,617	168,031	10,271,648
Options exercised	2,784,766	556,953	-	-	-	3,341,719	-	3,341,719
Capitalised for bonus issue	25,660,850	(1,220,578)	-	-	(24,440,272)	-	-	-
Purchase of treasury shares	-	-	(788,955)	-	-	(788,955)	-	(788,955)
Transaction costs	-	-	(5,857)	-	-	(5,857)	-	(5,857)
Exchange differences	-	-	-	(2,745)	-	(2,745)	(305)	(3,050)
Acquisition of subsidiary	-	-	-	-	(1,835,936)	(1,835,936)	81,880	81,880
Dividend	-	-	-	-	-	-	(61,600)	(1,897,536)
<b>At 30 June</b>	<b>78,839,850</b>	<b>157,800</b>	<b>(3,145,802)</b>	<b>(2,745)</b>	<b>35,628,313</b>	<b>111,477,416</b>	<b>988,191</b>	<b>112,465,607</b>

The notes on pages 45 to 81 form an integral part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

<----- Attributable to Equity Holders of the Company ----->						
		<----- Non-distributable ----->			Distributable	Total
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profits RM	Equity RM
<b>2009</b>						
At 1 July		78,839,850	157,800	(3,145,802)	1,876,570	77,728,418
Net profit for the financial year		-	-	-	5,486,866	5,486,866
Purchase of treasury shares	16	-	-	(807,993)	-	(807,993)
Transaction costs	16	-	-	(5,999)	-	(5,999)
Dividend	32	-	-	-	(2,819,666)	(2,819,666)
At 30 June		<u>78,839,850</u>	<u>157,800</u>	<u>(3,959,794)</u>	<u>4,543,770</u>	<u>79,581,626</u>
<b>2008</b>						
At 1 July		50,394,234	821,425	(2,350,990)	22,843,255	71,707,924
Net profit for the financial year		-	-	-	5,309,523	5,309,523
Options exercised Capitalised for bonus issue	16	2,784,766	556,953	-	-	3,341,719
Purchase of treasury shares	16	25,660,850	(1,220,578)	-	(24,440,272)	-
Transaction costs	16	-	-	(788,955)	-	(788,955)
Dividend	16	-	-	(5,857)	-	(5,857)
	32	-	-	-	(1,835,936)	(1,835,936)
At 30 June		<u>78,839,850</u>	<u>157,800</u>	<u>(3,145,802)</u>	<u>1,876,570</u>	<u>77,728,418</u>

The notes on pages 45 to 81 form an integral part of these financial statements.





# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
<b>REVENUE</b>	22	328,573,325	285,150,047
Cost of sales		(281,654,007)	(240,230,181)
<b>GROSS PROFIT</b>		46,919,318	44,919,866
Other operating income	23	1,665,767	1,996,753
Operating expenses	24	(31,483,711)	(31,475,062)
Finance costs	25	(503,508)	(614,356)
Share of results in associated companies		192,610	254,203
<b>PROFIT BEFORE TAXATION</b>		16,790,476	15,081,404
Taxation	26	(5,100,210)	(4,809,756)
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		11,690,266	10,271,648
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		11,527,535	10,103,617
Minority interests		162,731	168,031
		11,690,266	10,271,648
<b>Earnings per share attributable to equity holders of the Company</b>		Sen	Sen
- Basic, for profit for the year	27	7.31	9.67
- Diluted, for profit for the year	27	7.32	9.58
Net dividends per ordinary share in respect of the year	32	1.85	3.65

The notes on pages 45 to 81 form an integral part of these financial statements.

**INCOME STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	<b>Note</b>	<b>2009 RM</b>	<b>2008 RM</b>
<b>REVENUE</b>	22	7,491,950	8,833,078
Other operating income	23	107,332	87,540
Operating expenses	24	<u>(1,184,919)</u>	<u>(1,305,161)</u>
<b>PROFIT BEFORE TAXATION</b>		6,414,363	7,615,457
Taxation	26	<u>(927,497)</u>	<u>(2,305,934)</u>
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>5,486,866</u></u>	<u><u>5,309,523</u></u>
		Sen	Sen
Net dividends per ordinary share in respect of the year	32	<u><u>1.85</u></u>	<u><u>3.65</u></u>

The notes on pages 45 to 81 form an integral part of these financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		16,790,476	15,081,404
<b>Adjustments for:-</b>			
Allowance for doubtful debts		234,931	79,326
Allowance for doubtful debts no longer required		(59,635)	(47,543)
Amortisation of prepaid land lease payments		401,542	350,437
Amount waived by payables		(14,101)	(1,708)
Bad debts written off		34,369	56,555
Depreciation		5,646,977	5,644,786
Impairment of goodwill	11	62,093	-
Interest expenses		503,508	614,356
Interest income		(264,545)	(235,045)
Inventories written off		2,397	-
Loss on disposals of prepaid land lease payments		-	16,523
Loss on disposals of property, plant and equipment		240,119	152,187
Profit on disposals of property, plant and equipment		(45,597)	(158,764)
Property, plant and equipment written off		43,535	7,141
Share of results in associated companies		(192,610)	(254,203)
Unrealised exchange gain		(14,048)	(36,212)
Unrealised exchange loss		-	7,491
<b>Operating profit before working capital changes</b>		<u>23,369,411</u>	<u>21,276,731</u>
Decrease/(increase) in inventories		1,058,489	(5,644,448)
Decrease/(increase) in trade receivables		3,022,889	(2,715,428)
Increase in other receivables, deposits and prepayments		(27,592)	(319,674)
(Decrease)/increase in trade payables		(4,505,345)	1,287,233
Increase in other payables, deposits and accruals		2,278,258	136,218
<b>Cash generated from operations</b>		<u>25,196,110</u>	<u>14,020,632</u>
Dividend received from associated company		45,000	-
Interest paid		(503,508)	(614,356)
Interest received		264,545	235,045
Tax refunded		242,390	17,419
Tax paid		(5,259,581)	(4,250,892)
<b>Net cash provided by operating activities</b>		<u>19,984,956</u>	<u>9,407,848</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiary companies	28	-	81,880
Proceeds from disposal of property, plant and equipment		467,183	243,202
Proceeds from disposal of prepaid land lease payments		-	4
Increase in investment in an associated company		(100,000)	(25,000)
Purchase of prepaid land lease payments		(2,545,450)	-
Purchase of property, plant and equipment	29	(6,067,826)	(7,886,485)
<b>Net cash used in investing activities</b>		<u>(8,246,093)</u>	<u>(7,586,399)</u>

The notes on pages 45 to 81 form an integral part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Acquisition of treasury shares		(813,992)	(794,812)
Decrease in net amount due from associated companies		(34,343)	72,804
Dividend paid to minority shareholders of a subsidiary company		(101,600)	(61,600)
Dividend paid		(2,819,666)	(1,835,936)
Proceeds from issue of shares under ESOS		-	3,341,719
Drawdown from term loans and other facilities obtained		19,422,000	24,096,000
Repayment of hire purchase liabilities		(1,934)	(176,403)
Repayment of term loans and other facilities		(20,359,282)	(24,175,712)
<b>Net cash (used in)/provided by financing activities</b>		<u>(4,708,817)</u>	<u>466,060</u>
<b>Net increase in cash and cash equivalents</b>		7,030,046	2,287,509
<b>Cash and cash equivalents brought forward</b>		15,229,687	12,945,228
Effects of exchange rate changes		27,958	(3,050)
<b>Cash and cash equivalents carried forward</b>	30	<u><u>22,287,691</u></u>	<u><u>15,229,687</u></u>

The notes on pages 45 to 81 form an integral part of these financial statements.



# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 RM	2008 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,414,363	7,615,457
<b>Adjustments for:-</b>			
Depreciation		2,062	2,340
Amortisation of prepaid land lease payments		155,687	155,687
Dividend income		(7,045,000)	(8,378,378)
Interest income		(107,332)	(87,540)
<b>Operating loss before working capital changes</b>		<b>(580,220)</b>	<b>(692,434)</b>
Decrease/(increase) in other receivables and prepayments		612,767	(567,003)
Decrease in other payables and accruals		(35,115)	(6,205)
<b>Cash absorbed by operations</b>		<b>(2,568)</b>	<b>(1,265,642)</b>
Dividends received		6,045,000	6,200,000
Interest received		107,332	87,540
Tax refunded		222,248	-
<b>Net cash provided by operating activities</b>		<b>6,372,012</b>	<b>5,021,898</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in investment in associated companies		(100,000)	(25,000)
<b>Net cash used in investing activities</b>		<b>(100,000)</b>	<b>(25,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease/(increase) in net amount due from subsidiary companies		237,440	(4,033,186)
(Increase)/decrease in net amount due to associated companies		(34,343)	72,804
Proceeds from issue of shares under ESOS		-	3,341,719
Acquisition of treasury shares		(813,992)	(748,095)
Dividend paid		(2,819,666)	(1,835,937)
<b>Net cash used in financing activities</b>		<b>(3,430,561)</b>	<b>(3,202,695)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,841,451</b>	<b>1,794,203</b>
<b>Cash and cash equivalents brought forward</b>		<b>3,858,781</b>	<b>2,064,578</b>
<b>Cash and cash equivalents carried forward</b>	30	<b>6,700,232</b>	<b>3,858,781</b>

The notes on pages 45 to 81 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

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

- (a) Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak; and
- (b) Lot 3790, Block 9, Seduan Land District, Lanang Barat Road, 96000 Sibul, Sarawak.

The number of employees including executive directors in the Group and in the Company at the end of the financial year were 966 (2008: 922) and 7 (2008: 7) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2009.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention other than as stated below and comply with Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the provisions of the Companies Act 1965 and the Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities requires the use of certain critical accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Directors are also required to exercise their judgements in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results could differ from those estimates.

## 3. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTING OF NEW AND REVISED FRSS

- (i) **Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company and are effective**

There are no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Company for the financial year ended 30 June 2009 and applicable to the Company.

- (ii) **Standards, amendments to published standards and interpretations to existing standards that have been issued but are not yet effective and have not been early adopted by the Company.**



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 3. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTING OF NEW AND REVISED FRSs [cont'd]

The Company has not early adopted the following Financial Reporting Standards which are in issue but are effective for the Company's financial periods beginning after 1 July 2009:-

Standard/Interpretation		Effective date
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards; Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 2	Share-based Payment – Vesting Conditions and Cancellations	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The Company is exempted by the respective FRSs from disclosing the possible impact, if any, to the financial statements upon the initial application of FRSs 7 and 139.

The other new FRSs and interpretations are either not relevant to the Company's operation or the application is not expected to have any material impact on the Company's financial statements.

The adoption of FRS 7 and the consequential amendment to FRS 101: Presentation of Financial Statements introduce new disclosure requirements in relation to the Company's financial statements and the objectives, policies and processes for managing capital.

FRS 8 replaces FRS 114<sup>2004</sup>: Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply FRS 8 from 1 July 2010. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

FRS 123 which replaces FRS 123<sup>2004</sup>, removes the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial statements of the Company, as the Company has no qualifying assets requiring capitalisation of borrowing costs.

FRS 139 establishes principles for the recognition and measurement of financial assets and financial liabilities including the circumstances under which hedge accounting is permitted. The Company will apply FRS 139 from 1 July 2010. The impact of applying FRS 139 on the financial statements upon its initial application is not disclosed by virtue of the exemption given in the standard.

The amendments to FRS 1 and FRS 127 are not applicable to the Company as the Company is neither a first-time adopter of FRS nor a parent with investments in subsidiaries, jointly controlled entities and associates.

The amendment to FRS 2 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment will have no impact on the financial statements of the Company, as the Company does not enter into any share-based payment transactions.

## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

#### 3. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTING OF NEW AND REVISED FRSs [cont'd]

IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Reassessment is required only if there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract. As the Company has no embedded derivative requiring separation from the host contract, the interpretation has had no impact on the financial statements of the Company.

IC Interpretation 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. As the Company has no impairment losses previously recognised in respect of such assets, the interpretation has had no impact on the financial statements of the Company.

IC Interpretation 11 clarifies how share-based payment transactions involving its own or another entity's instruments in the same group are to be treated and that cancellations by parties other than the entity are to be treated in the same way as cancellations by the entity. As the Company does not have any treasury share transactions, the interpretation has had no impact on the financial statements of the Company.

IC Interpretation 13 explains how entities that grant loyalty award points to its customers should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. As the Company does not implement any customer loyalty programmes, the interpretation has had no impact on the financial statements of the Company.

IC Interpretation 14 addresses how entities should determine the limit placed on the amount of a surplus in a pension plan they can recognise as an asset. Also, it addresses how a minimum funding requirement affects that limit and when a minimum funding requirement creates an onerous obligation that should be recognised as a liability in addition to that otherwise recognised under FRS 129. As the Company does not have pension plan, the interpretation has had no impact on the financial statements of the Company.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Subsidiaries and basis of consolidation

###### (i) Subsidiary companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity. The subsidiary companies are disclosed in Note 8 to the financial statements. Investment in unquoted shares of the subsidiary companies, which is eliminated on consolidation, is stated at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Investments are written down where there is an impairment loss that is other than temporary in value of investments.

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

###### (ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.





# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

#### (a) Subsidiaries and basis of consolidation [cont'd]

##### (ii) Basis of consolidation [cont'd]

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealized gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of income statement and net assets in subsidiaries not attributable to the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

#### (b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealized gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's income statement in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interest that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

#### (b) Associates [cont'd]

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

#### (c) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### (d) Property, plant and equipment and depreciation

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

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives. The principal annual depreciation rates are as follows:-

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

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

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

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

#### (e) Provisions

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



## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

#### (f) Impairment of assets

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

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

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

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

#### (g) Inventories

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

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

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

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

#### (h) Financial instruments

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

##### (i) Cash and cash equivalents

Cash and cash equivalents consists of cash and bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (ii) Other investment

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

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

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

#### (h) Financial instruments [cont'd]

##### (iii) Receivables

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

##### (iv) Payables

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

##### (v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

##### (vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

##### (vii) Derivative financial instruments

Derivative financial instruments are not recognised in the financial statements.

#### (i) Assets acquired under hire purchase and term loan arrangements

Assets financed by hire purchase and term loan arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. Assets acquired by way of hire purchase of finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the company's incremental borrowing rate is used.

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

#### (j) Income tax

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



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

### (j) Income tax [cont'd]

Deferred tax is provided for, using the liability method, in principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

### (k) Foreign currencies

#### (i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

#### (ii) Foreign currency transactions

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

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

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

Foreign currency	30.6.2009 RM	30.6.2008 RM
1 US Dollar	3.5640	3.2970
1 Sterling Pound	5.7860	6.5770
1 Singapore Dollar	2.4590	2.4225

### (l) Employee benefits

#### (i) Short-term employee benefits

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

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 4. SIGNIFICANT ACCOUNTING POLICIES [cont'd]

#### (l) Employee benefits [cont'd]

##### (ii) Defined contribution plan

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

##### (iii) Equity compensation benefits

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

#### (m) Revenue recognition

Revenue is recognised on the following basis:-

- (i) Trading sales - upon delivery of products and buyer's acceptance, net of discounts and returns, and when the risks and rewards of ownership have passed to the buyer.
- (ii) Transportation services - when services are rendered.
- (iii) Management income - when services are rendered.
- (iv) Dividend income - when the shareholder's right to receive payment is established.

#### (n) Segment reporting

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

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

### 5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### a. Critical judgements made in applying accounting policies

In the process of preparing the financial statements, there were no significant judgements made by management in applying the accounting policies that may have significant effects on the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS [cont'd]

#### b. Key sources of estimation uncertainty

The key assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

##### (i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 30 June 2009 was Nil (2008: RM62,093). Further details are disclosed in Note 11.

##### (ii) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is based on management's estimates of the future estimated useful lives and residual values of property, plant and equipment. Estimates may change due to technological developments, expected level of usage, competition, market conditions and other factors, and could impact the estimated useful lives and the residual values of these assets. This may result in future changes in the estimated useful lives and in the depreciation expenses. It is currently estimated that the property, plant and equipment of the Group will not have any residual values.

##### (iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 21.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 6. PROPERTY, PLANT AND EQUIPMENT

Group 2009 Cost	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Coldroom, plant and Machinery RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
At 1 July 2008	3,058,630	36,045,947	12,166,217	41,696,336	10,020,844	3,462,944	397,976	106,848,894
Reclassification	-	11,200	-	(228,160)	-	228,160	(11,200)	-
Additions	-	1,829,112	1,064,694	1,730,737	765,073	631,410	46,800	6,067,826
Written off	-	(529,029)	(68,633)	-	(10,000)	-	-	(607,662)
Disposals	-	(282,896)	(539,573)	(107,076)	(261,147)	-	-	(1,190,692)
At 30 June 2009	3,058,630	37,074,334	12,622,705	43,091,837	10,514,770	4,322,514	433,576	111,118,366
<b>Accumulated depreciation</b>								
At 1 July 2008	-	11,840,074	8,713,819	28,676,131	7,682,828	2,206,672	-	59,119,524
Reclassifications	-	-	(709)	709	-	-	-	-
Charge for the year	-	1,260,461	812,724	2,270,510	978,671	324,611	-	5,646,977
Written off	-	(504,034)	(50,093)	-	(10,000)	-	-	(564,127)
Disposals	-	(64)	(297,529)	(63,069)	(168,325)	-	-	(528,987)
At 30 June 2009	-	12,596,437	9,178,212	30,884,281	8,483,174	2,531,283	-	63,673,387
<b>Net book value</b>								
At 30 June 2009	3,058,630	24,477,897	3,444,493	12,207,556	2,031,596	1,791,231	433,576	47,444,979





## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 6. PROPERTY, PLANT AND EQUIPMENT [cont'd]

Group 2008 Cost	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Coldroom, plant and machinery RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
At 1 July 2007	3,058,630	29,461,997	10,589,695	39,935,056	9,455,289	2,659,222	5,092,357	100,252,246
Reclassification	-	4,693,971	-	-	-	11,610	(4,705,581)	-
Additions	-	2,264,735	1,669,788	2,085,435	1,063,215	792,112	11,200	7,886,485
Written off	-	-	(23,501)	(6,000)	-	-	-	(29,501)
Disposals	-	(374,756)	(69,765)	(318,155)	(497,660)	-	-	(1,260,336)
At 30 June 2008	3,058,630	36,045,947	12,166,217	41,696,336	10,020,844	3,462,944	397,976	106,848,894
<b>Accumulated depreciation</b>								
At 1 July 2007	-	10,833,246	7,854,974	26,641,100	7,266,289	1,925,200	-	54,520,809
Reclassifications	-	(4,413)	-	-	-	4,413	-	-
Charge for the year	-	1,239,601	921,237	2,294,631	912,258	277,059	-	5,644,786
Written off	-	-	(21,510)	(850)	-	-	-	(22,360)
Disposals	-	(228,360)	(40,882)	(258,750)	(495,719)	-	-	(1,023,711)
At 30 June 2008	-	11,840,074	8,713,819	28,676,131	7,682,828	2,206,672	-	59,119,524
<b>Net book value</b>								
At 30 June 2008	3,058,630	24,205,873	3,452,398	13,020,205	2,338,016	1,256,272	397,976	47,729,370

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 6. PROPERTY, PLANT AND EQUIPMENT [cont'd]

Company Cost	Equipment RM	2009 RM	2008 RM
At 1 July	15,100	15,100	15,100
At 30 June	15,100	15,100	15,100
<b>Accumulated depreciation</b>			
At 1 July	11,677	11,677	9,337
Charge for the year	2,062	2,062	2,340
At 30 June	13,739	13,739	11,677
<b>Net book value</b>			
At 30 June	1,361	1,361	3,423

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

	2009 RM	2008 RM
<b>Under hire purchase arrangements</b>		
Motor vehicles	17,682	35,364
<b>Under term loan arrangements</b>		
Buildings	541,539	554,454

The net book value of the property, plant and equipment of certain subsidiary companies which were charged as securities for banking facilities granted to the Group (Note 20) are analysed as follows:-

	Group	
	2009 RM	2008 RM
Freehold land and buildings	639,746	639,746
Buildings	8,647,397	8,960,366
	9,287,143	9,600,112



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 7. PREPAID LAND LEASE PAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 July	6,321,685	6,688,649	715,189	870,876
Addition during the year	2,545,450	-	-	-
Amortisation for the year	(401,542)	(350,437)	(155,687)	(155,687)
Disposal during the year	-	(16,527)	-	-
Carrying amount – At 30 June	8,465,593	6,321,685	559,502	715,189
<b>Analysed as:-</b>				
Long leasehold land	2,481,286	1,722,666	-	-
Short leasehold land	5,984,307	4,599,019	559,502	715,189
	8,465,593	6,321,685	559,502	715,189

Leasehold land classified under prepaid land lease payments of certain subsidiary companies amounting RM2,607,536 (2008: RM3,366,094) are pledged as securities for banking facilities granted to the Group (Refer Note 20).

## 8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	41,749,149	41,749,149

Details of the subsidiary companies are as follows:-

Company name	Country of incorporation	Principal activities	Group equity interest	
			2009 %	2008 %
<b>Direct subsidiary companies of CCK Consolidated Holdings Berhad</b>				
Ableway Sdn Bhd	Malaysia	General trading in goods and provisions	100	100
Ataskota Sdn Bhd	Malaysia	Selling, spawning and culturing of prawn	100	100
CCK Fresh Mart Sdn Bhd	Malaysia	Retailing in coldstorage products and fish farming	100	100
CCK Fresh Mart (West Malaysia) Sdn Bhd	Malaysia	Retailing in coldstorage products	100	100
Central Coldstorage Kuching Sdn Bhd	Malaysia	Trading of coldstorage goods, live stock farming and poultry processing	100	100
Kin Eastern Frozen Food Sdn Bhd	Malaysia	Processing and sale of seafood	100	100
Kuok Sui Sea Products Industries (S) Sdn Bhd	Malaysia	Processing and sale of prawns	100	100
CCK Aquaculture Sdn Bhd	Malaysia	Culturing, processing and trading of prawns	100	100
CCK Sea Products Industries Sdn Bhd	Malaysia	Culturing, processing and trading of prawns	100	100
Positive Everising Sdn Bhd	Malaysia	Dormant	100	100

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 8. INVESTMENT IN SUBSIDIARY COMPANIES [cont'd]

Company name	Country of incorporation	Principal activities	Group equity interest	
			2009 %	2008 %
<b>Subsidiary company of Ableway Sdn Bhd</b>				
Angkutan Golden Plan Sdn Bhd	Malaysia	Provision of transportation services	100	100
<b>Subsidiary companies of Central Coldstorage Kuching Sdn Bhd</b>				
CCK-BME Sdn Bhd	Malaysia	Trading of coldstorage goods	60	60
Poultry Industry (S) Sdn Bhd	Malaysia	Rearing of broilers	100	100
Zhang Agriculture Development Sdn Bhd	Malaysia	Poultry farming	100	100
# Vibrant Team Sdn Bhd	Malaysia	Poultry farming	100	100
<b>Subsidiary company of Poultry Industry (S) Sdn Bhd</b>				
Farm Land Supplies and Veterinary Services Sdn Bhd	Malaysia	Veterinary supplies and related services	60	60
<b>Subsidiary company of CCK Fresh Mart Sdn Bhd</b>				
Mukah Seafoods Industries Sdn Bhd	Malaysia	Trading of seafood and coldstorage foodstuff	71.41	71.41
# Pt . Adilmart	Republic of Indonesia	Retailing in coldstorage products and fish farming	90	90
(#) <i>Not audited by Hii &amp; Lee</i>				

## 9. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	875,001	775,001	875,000	775,000
Share of post-acquisition results	256,470	63,860	-	-
Post-acquisition dividends received, net	(45,000)	-	-	-
	<u>1,086,471</u>	<u>838,861</u>	<u>875,000</u>	<u>775,000</u>

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

Company name	Principal activities	Group equity interest	
		2009 %	2008 %
<b>Associated company of CCK Consolidated Holdings Berhad</b>			
Astral Foods Sdn Bhd	In the process of winding up	50	50
Convi Food Sdn Bhd	Trading and downstream frozen food processing	50	50
C.S. Choice Food Industries Sdn Bhd	Manufacturing, processing, packing and distributing of meat and other food products	50	50
<b>Associated company of CCK Fresh Mart Sdn Bhd</b>			
# Fishmart Marketing Sarawak Sdn Bhd	Dormant	50	50
(#) <i>Not audited by Hii &amp; Lee</i>			



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 9. INVESTMENT IN ASSOCIATED COMPANIES [cont'd]

The results of Convi Food Sdn Bhd and C.S. Choice Food Industries Sdn Bhd have been accounted for based on the audited financial statements for the financial year ended 30 June 2009.

The result of Fishmart Marketing Sarawak Sdn Bhd is based on the unaudited management financial statements for the financial year ended 30 June 2009.

The summarised financial information of the associated companies are as follows:-

	2009 RM	2008 RM
<b>Assets and liabilities</b>		
Current assets	2,800,035	2,837,933
Non-current assets	1,296,765	1,213,177
Total assets	<u>4,096,800</u>	<u>4,051,110</u>
Current liabilities	1,547,393	2,069,900
Non-current liabilities	385,489	312,511
Total liabilities	<u>1,932,882</u>	<u>2,382,411</u>
<b>Net assets</b>	<u>2,163,918</u>	<u>1,668,699</u>
Group's share of associates' net assets	<u>1,081,959</u>	<u>834,349</u>
<b>Results</b>		
Revenue	8,708,892	9,189,436
Profits for the year	<u>385,220</u>	<u>508,404</u>
Group's share of associates' results for the year	<u>192,610</u>	<u>254,203</u>

Goodwill amounting to RM4,512 (2008: RM4,512) is included in the carrying amount of investment in associated companies.

## 10. OTHER INVESTMENTS

	Group	
	2009 RM	2008 RM
Unquoted shares, at cost	<u>50,000</u>	<u>50,000</u>

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 11. GOODWILL

Carrying amounts	Group	
	2009 RM	2008 RM
At 1 July	62,093	62,093
Impairment loss	(62,093)	-
At 30 June	-	62,093

### Impairment testing for cash-generating unit (CGU) containing goodwill

The carrying amount of goodwill was principally allocated to the poultry farming business unit belonging to one of the subsidiary companies.

As the subsidiary company had ceased operation, the carrying amount of the CGU was determined to be higher than its recoverable amount and accordingly, an impairment loss of RM62,093 was recognised during the financial year.

## 12. INVENTORIES

At cost,	Group	
	2009 RM	2008 RM
Trading inventories	31,999,560	31,220,854
Raw materials	1,465,710	4,091,593
Aquaculture products	1,059,773	615,717
Consumable stores	970,658	628,423
	35,495,701	36,556,587

## 13. TRADE RECEIVABLES

	Group	
	2009 RM	2008 RM
Trade receivables	34,011,129	37,063,374
Allowance for doubtful debts	(1,939,371)	(1,773,110)
	32,071,758	35,290,264

The Group's normal trade credit terms range from 30 to 120 days from date of invoice. Other credit terms are assessed and approved by the management on a case-by-case basis. The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

## 14. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

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

## 15. AMOUNT DUE FROM/TO ASSOCIATED COMPANIES

The amount due from/to associated companies arose from advances made and are unsecured, interest free with flexible terms of repayment.



## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of Ordinary Shares of RM1 each					Amount		
	Share Capital (Issued and Fully Paid)	Treasury Shares	Share Capital (Issued and Fully Paid) RM	Share Premium RM	Total Share Capital and Share Premium RM	Treasury Shares RM		
At 30 June 2007	50,394,234	(1,435,800)	50,394,234	821,425	51,215,659	(2,350,990)		
Ordinary shares issued Pursuant to ESOS	2,784,766	-	2,784,766	556,953	3,341,719	-		
Purchase of treasury shares	-	(421,500)	-	-	-	(788,955)		
Transaction costs	-	-	-	-	-	(5,857)		
Capitalised for bonus issue	25,660,850	-	25,660,850	(1,220,578)	24,440,272	-		
Share split	78,839,850	(1,857,300)	-	-	-	-		
At 30 June 2008 and 1 July 2008	157,679,700	(3,714,600)	78,839,850	157,800	78,997,650	(3,145,802)		
Purchase of treasury shares	-	(1,550,700)	-	-	-	(807,993)		
Transaction costs	-	-	-	-	-	(5,999)		
At 30 June 2009	157,679,700	(5,265,300)	78,839,850	157,800	78,997,650	(3,959,794)		

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES [cont'd]

	Number of Ordinary Shares of RM0.50 each		<----- Amount ----->	
	2009 Number of shares	2008	2009 RM	2008 RM
<b>Authorised share capital</b>	200,000,000	200,000,000	100,000,000	100,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### (a) Treasury shares

The shareholders of the Company, by a special resolution passed in a general meeting held on 15 December 2004 and subsequently renewed during the general meetings on 15 December 2005, 15 December 2006, 7 December 2007 and 15 December 2008, approved the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 1,550,700 (2008: 421,500) of its issued ordinary shares from the open market at a average price of RM0.52 (2008: RM1.89) per share. The total consideration paid for the repurchase was RM813,992 (2008: RM794,812), comprising of consideration paid amounting to RM807,993 (2008: RM788,955) and transaction costs of RM5,999 (2008: RM5,857). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2009, the issued and fully paid ordinary shares are 157,679,700 (2008: 157,679,700) of which 5,265,300 (2008: 3,714,600) are held as treasury shares by the Company. As at 30 June 2009, the number of outstanding ordinary shares in issue after the setoff is therefore 152,414,400 (2008: 153,965,100) ordinary shares of RM0.50 each.

Subsequent to financial year end, the Company distributed 5,071,340 treasury shares as dividend shares on the basis of one (1) treasury share for every existing thirty (30) ordinary shares of RM0.50 each held.

## 17. EXCHANGE TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

## 18. RETAINED PROFITS

The Company has approximately RM7,541,000 (2008: RM7,541,000) in its tax exempt account under Section 12 of the Income Tax (Amendment) Act 1999 for distribution of tax exempt dividends as at 30 June 2009.

Effective 1 January 2008, the Company is given an irrevocable option to move to a single tier system or continue to pay franked dividends until the tax credit under Section 108 of the Income Tax Act, 1967 is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

The Company has decided not to make the option to disregard the Section 108 tax credit. As at 30 June 2009, the Company has sufficient Section 108 tax credit to frank the payment of dividends out of all its retained profits.





# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 19. HIRE PURCHASE CREDITORS

	Group	
	2009 RM	2008 RM
<b>Analysis of hire purchase liabilities:-</b>		
Payable within 1 year	-	2,090
<b>Less:</b> Interest in suspense	-	(156)
	<hr/>	<hr/>
Present value of hire purchase liabilities	-	1,934
	<hr/> <hr/>	<hr/> <hr/>
<b>Representing hire purchase liabilities, net of interest in suspense:-</b>		
Payable within 1 year	-	1,934
	<hr/> <hr/>	<hr/> <hr/>

The hire purchase liabilities bear interest at rates ranging between 2.70% to 4.75% (2008: 2.70% to 4.75%) per annum.

## 20. BANK BORROWINGS

	Group	
	2009 RM	2008 RM
<b>Current</b>		
<b>Secured</b>		
Term loans	397,588	911,051
Bank overdrafts	1,889,873	1,751,305
Banker's acceptances	9,531,000	8,775,000
Export credit refinancing loans	-	785,000
	<hr/>	<hr/>
	11,818,461	12,222,356
	<hr/> <hr/>	<hr/> <hr/>
<b>Current</b>		
<b>Unsecured</b>		
Bank overdrafts	50,650	527,078
	<hr/>	<hr/>
	11,869,111	12,749,434
	<hr/> <hr/>	<hr/> <hr/>
<b>Long-term</b>		
<b>Secured</b>		
Term loans	261,867	656,686
	<hr/> <hr/>	<hr/> <hr/>
<b>Details of term loans:</b>		
(a) Term loan I at interest of 5.55% per annum, 0% above base lending rate (BLR) and 1.25% above BLR for first, second and subsequent years respectively, repayable by 120 monthly instalments of RM15,664, RM16,489 and RM17,254 each for first, second and subsequent years respectively commencing 15 May 2001	355,489	528,077
(b) Term loan II at interest of 3% per annum, 5.5% per annum and 7.5% per annum for first, second and subsequent years respectively repayable by 60 monthly instalments of RM11,183, RM11,402 and RM11,614 each for first, second and subsequent years respectively commencing 27 December 2003	-	123

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 20. BANK BORROWINGS [cont'd]

	Group	
	2009 RM	2008 RM
(c) Term loan III at interest of 3.75% per annum above base lending rate on daily basis repayable of 47 monthly instalments of RM44,935 each and a final instalment of RM44,921.08 commencing on March 2005	-	304,649
(d) Term loan IV at interest of 1.75% per annum below base lending rate (BLR), 0.90% below BLR and 0.80% above BLR for first, second and subsequent years respectively, repayable by 60 monthly Instalments of RM18,529, RM18,843 and RM19,326 each for first, second and subsequent year respectively commencing 26 September 2004	38,682	261,660
(e) Term loan V at interest of 1% per annum over the bank's effective costs of fund (Kuala Lumpur Inter Bank offer rate plus the bank's cost to maintain reserve), repayable by 36 monthly instalments of principal and interest at amount advised by the bank commencing 6 April 2007	133,123	302,395
(f) Term loan VI at interest of 3.38% per annum, 1.0% below base lending rate (BLR) and 0.2% above BLR for first, second and subsequent years respectively, repayable by 60 monthly instalments of RM3,758 each commencing 9 January 2008	132,161	170,833
	659,455	1,567,737
	659,455	1,567,737

### Representing term loan liabilities, net of interest in suspense:-

	2009 RM	2008 RM
Payable within 1 year	397,588	911,051
Payable between 1 to 2 years	207,678	390,308
Payable between 2 to 5 years	54,189	266,378
<b>Total payable</b>	659,455	1,567,737
	659,455	1,567,737

The weighted average effective interest rates at the balance sheet date for borrowings, excluding term loans, were as follows:-

	2009 RM	2008 RM
Bank overdrafts	0.0739	0.0841
Banker's acceptances	0.0357	0.0391
Export credit refinancing loans	0.0424	0.0300
	0.0424	0.0300
	0.0424	0.0300

The bank borrowings pertaining to subsidiary companies are secured by way of either fixed or floating charges, or both, over certain landed properties and other assets of the subsidiary companies (Refer Note 6 and Note 7) and are guaranteed by the Company.



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 21. DEFERRED TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Balance brought forward	2,612,693	2,655,596	686	1,189
Recognised in the income statement	(55,973)	(42,903)	(346)	(503)
	<u>2,556,720</u>	<u>2,612,693</u>	<u>340</u>	<u>686</u>
Presented after appropriate offsetting as follows:-				
Deferred tax assets	(175,683)	-	-	-
Deferred tax liabilities	2,732,403	2,612,693	340	686
At 30 June	<u>2,556,720</u>	<u>2,612,693</u>	<u>340</u>	<u>686</u>

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

Deferred tax assets of the Group:	Unused tax losses RM	Unabsorbed capital allowances RM	Receivables RM	Others RM	Total RM
At 1 July 2007	-	-	18,340	-	18,340
Recognised in the income statement	141,373	155,233	(18,340)	-	278,266
At 30 June 2008 and 1 July 2008	141,373	155,233	-	-	296,606
Recognised in the income statement	76,123	52,437	58,500	1,303	188,363
At 30 June 2009	<u>217,496</u>	<u>207,670</u>	<u>58,500</u>	<u>1,303</u>	<u>484,969</u>

Deferred tax liabilities of the Group:	Others RM	Exchange differences RM	Accelerated capital allowance RM	Total RM
At 1 July 2007	-	-	2,673,936	2,673,936
Recognised in the income statement	-	-	235,363	235,363
At 30 June 2008 and 1 July 2008	-	-	2,909,299	2,909,299
Recognised in the income statement	4,794	1,448	126,148	132,390
At 30 June 2009	<u>4,794</u>	<u>1,448</u>	<u>3,035,447</u>	<u>3,041,689</u>

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 21. DEFERRED TAXATION [cont'd]

<b>Deferred tax liabilities of the Company:</b>	<b>Accelerated capital allowance RM</b>
At 1 July 2007	1,189
Recognised in the income statement	(503)
At 30 June 2008 and 1 July 2008	686
Recognised in the income statement	(346)
At 30 June 2009	340

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

	<b>Group</b>	
	<b>2009 RM</b>	<b>2008 RM</b>
Others temporary differences	81,750	-
Unused tax losses	1,683,161	1,472,411
Unabsorbed capital allowance	2,040,395	1,993,150
	<u>3,805,306</u>	<u>3,465,561</u>

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

## 22. REVENUE

	<b>Group</b>		<b>Company</b>	
	<b>2009 RM</b>	<b>2008 RM</b>	<b>2009 RM</b>	<b>2008 RM</b>
Trading sales	328,100,862	284,722,375	-	-
Transportation services	458,713	406,172	-	-
Management income	13,750	21,500	446,950	454,700
Dividend income	-	-	7,045,000	8,378,378
	<u>328,573,325</u>	<u>285,150,047</u>	<u>7,491,950</u>	<u>8,833,078</u>



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 23. OTHER OPERATING INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Over provision of audit fee in previous year	5,850	1,800	-	-
Amount waived by payables	14,101	1,708	-	-
Allowance for doubtful debts no longer required	59,635	47,543	-	-
Interest income - others	9,660	-	-	-
- fixed deposit	254,885	235,045	107,332	87,540
Miscellaneous income	324,527	482,426	-	-
Profit on disposals of property, plant and equipment	45,597	158,764	-	-
Realised exchange gain	91,987	218,980	-	-
Rental income	234,252	108,290	-	-
Service charges income	21,669	22,744	-	-
Storage charges income	589,556	683,241	-	-
Unrealised exchange gain	14,048	36,212	-	-
	<u>1,665,767</u>	<u>1,996,753</u>	<u>107,332</u>	<u>87,540</u>

## 24. OPERATING EXPENSES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Distribution costs	5,135,871	6,051,112	-	-
Administration expenses	15,356,362	13,184,289	1,184,919	1,305,161
Other operating expenses	10,991,478	12,239,661	-	-
	<u>31,483,711</u>	<u>31,475,062</u>	<u>1,184,919</u>	<u>1,305,161</u>

The above expenses include the following statutory disclosure items:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Auditors' remuneration	133,808	128,100	15,000	15,000
Allowance for doubtful debts	234,931	79,326	-	-
Amortisation of prepaid land lease payments	401,542	350,437	155,687	155,687
Bad debts written off	34,369	56,555	-	-
Depreciation	5,646,977	5,644,786	2,062	2,340
Directors' remuneration:-				
- fees	327,140	322,460	279,400	294,100
- other emoluments	1,998,987	1,538,241	182,600	182,600
Hiring of plant and equipment	1,365	2,055	-	-
Impairment of goodwill	62,093	-	-	-
Inventories written off	2,397	-	-	-
Loss on disposal of prepaid land lease payments	-	16,523	-	-
Loss on disposals of property, plant and equipment	240,119	152,187	-	-
Property, plant and equipment written off	43,535	7,141	-	-
Realised exchange loss	216,636	130,116	-	-
Rental of premises	2,114,663	1,811,755	-	-
Unrealised exchange loss	-	7,491	-	-
	<u></u>	<u></u>	<u></u>	<u></u>

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 24. OPERATING EXPENSES [cont'd]

The remuneration paid to the Directors for the financial year ended 30 June 2009 is categorised as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<b>Executive Directors</b>				
Salaries	914,400	912,000	105,600	105,600
Fees	75,260	66,440	49,000	57,400
Bonus	728,371	454,700	65,000	65,000
Commission	344,216	159,541	-	-
Allowances	12,000	12,000	12,000	12,000
	<u>2,074,247</u>	<u>1,604,681</u>	<u>231,600</u>	<u>240,000</u>
<b>Non-executive Directors</b>				
Fees	251,880	256,020	230,400	236,700
Total	<u>2,326,127</u>	<u>1,860,701</u>	<u>462,000</u>	<u>476,700</u>

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

	Number of directors	
	2009	2008
<b>Executive Directors</b>		
RM550,001 to RM600,000	1	-
RM500,001 to RM550,000	-	1
RM450,001 to RM500,000	1	-
RM350,001 to RM400,000	1	-
RM200,001 to RM250,000	-	1
RM150,001 to RM200,000	3	4
RM100,000 to RM150,000	1	1
<b>Non-Executive Directors</b>		
RM150,000 to RM200,000	1	1
RM50,000 and below	5	5

## 25. FINANCE COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Bank overdrafts interest	88,850	70,458	-	-
Term loans interest	46,000	146,158	-	-
Hire purchase interest	159	6,554	-	-
Banker's acceptances interest	360,934	343,097	-	-
Export credit refinancing loans interest	7,565	48,089	-	-
	<u>503,508</u>	<u>614,356</u>	<u>-</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 26. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<b>Current income tax:-</b>				
Malaysian income tax	5,166,941	4,478,199	927,843	2,107,729
(Over)/under provision in prior years	(10,758)	374,460	-	198,708
<b>Deferred tax:-</b>				
Relating to origination and reversal of temporary differences	(146,227)	(209,072)	(346)	(503)
Under provision in prior years	90,254	166,169	-	-
	<u>5,100,210</u>	<u>4,809,756</u>	<u>927,497</u>	<u>2,305,934</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before taxation	<u>16,790,476</u>	<u>15,081,404</u>	<u>6,414,363</u>	<u>7,615,457</u>
Income tax at 25% (2008: 26%)	4,197,619	3,921,165	1,603,591	1,980,019
<b>Tax effect of permanent differences:-</b>				
Expenses not deductible for tax purposes	245,536	150,248	46,234	86,782
Non-qualifying property, plant and equipment	255,658	208,460	38,922	40,478
Income not subject to tax	(72,125)	(82,197)	(761,250)	-
Double deduction on marine insurance	(332)	(2,056)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(30,945)	(25,998)	-	-
Deferred tax assets not recognised during the year	333,066	436,335	-	-
Effect of changes in tax rate on opening balance of deferred tax	2,275	(15,028)	-	(29)
Deferred tax recognised at different tax rate	(433)	(52,933)	-	(24)
Under provision of deferred tax in prior years	90,254	166,169	-	-
Real property gain tax	-	-	-	-
Effect in change of statutory tax rates	-	(248,643)	-	-
(Over)/under provision in prior years	(10,758)	374,460	-	198,708
Others	90,395	(20,226)	-	-
	<u>5,100,210</u>	<u>4,809,756</u>	<u>927,497</u>	<u>2,305,934</u>

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 27. EARNINGS PER SHARE

### a) Basic:-

The basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the company.

	<b>Group</b>	
	<b>2009 RM</b>	<b>2008 RM</b>
Profit attributable to ordinary equity holders of the Company	11,527,535	10,103,617
Weighted average number of ordinary shares in issue	157,679,700	104,496,870*
	<b>Sen</b>	<b>Sen</b>
Basic earnings per share	7.31	9.67*

### b) Diluted:-

The diluted earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the diluted weighted average number of ordinary shares in issue during the financial year, having been adjusted for the dilution of share options granted to employees.

	<b>Group</b>	
	<b>2009 RM</b>	<b>2008 RM</b>
Profit attributable to ordinary equity holders of the Company	11,527,535	10,103,617
Weighted average number of ordinary share in issue	157,679,700	104,496,870*
Effects of dilution:-		
Share options	(210,444)	1,019,846
Adjusted weighted average number of ordinary share in issue	157,469,256	105,516,716
	<b>Sen</b>	<b>Sen</b>
Diluted earnings per share	7.32	9.58*

\* Adjusted for bonus issue and share split done during financial year ended 30 June 2008.





# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 28. ACQUISITION OF SUBSIDIARY COMPANIES

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

	<b>Group</b>	
	<b>2009 RM</b>	<b>2008 RM</b>
Bank borrowings	-	818,800
<b>Fair value of total net assets</b>	-	818,800
<b>Less: Minority interests</b>	-	(81,880)
<b>Cost of acquisition</b>	-	736,920
Cash and cash equivalents of subsidiary acquired	-	(818,800)
<b>Net cash outflow on acquisitions</b>	-	(81,880)

The acquisition had no material impact on the Group's operating results for the year ended 30 June 2009.

## 29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	<b>Group</b>	
	<b>2009 RM</b>	<b>2008 RM</b>
Total purchases of property, plant and equipment	6,067,826	7,886,485
Hire purchase arrangements	-	-
Cash disbursed for purchases of property, plant and equipment	6,067,826	7,886,485

## 30. CASH AND CASH EQUIVALENTS

	<b>Group</b>		<b>Company</b>	
	<b>2009 RM</b>	<b>2008 RM</b>	<b>2009 RM</b>	<b>2008 RM</b>
Fixed deposits with licensed banks	6,005,000	3,005,000	6,000,000	3,000,000
Cash and bank balances	18,223,214	14,503,070	700,232	858,781
Bank overdrafts - secured	(1,889,873)	(1,751,305)	-	-
- unsecured	(50,650)	(527,078)	-	-
	<u>22,287,691</u>	<u>15,229,687</u>	<u>6,700,232</u>	<u>3,858,781</u>

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 31. EMPLOYEES INFORMATION

Staff costs	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries, bonus, wages and allowances	19,341,917	18,200,023	371,502	334,680
Employees provident fund contribution	1,681,722	1,456,886	45,638	41,977
Socso contribution	190,201	165,232	3,082	2,563
Other employee benefits	2,022,424	1,933,962	52,846	65,225
	<u>23,236,264</u>	<u>21,756,103</u>	<u>473,068</u>	<u>444,445</u>

Included in staff cost of the Group and of the Company are executive directors' remuneration amounting to RM2,074,247 (2008: RM1,604,681) and RM231,600 (2008: RM240,000) respectively as further disclosed in Note 24.

## 32. DIVIDEND

	Group / Company	
	2009 RM	2008 RM
Final dividend paid on ordinary shares of 2.5 sen gross (2008: 5.0 sen) per share, less tax at 26% (2008: 27%)	<u>2,819,666</u>	<u>1,835,936</u>

Subsequent to current financial year-end, in respect of the financial year ending 30 June 2010, the Company paid a special interim dividend of 7.0 sen gross per share less tax at 25% and distributed treasury share as dividend share on the basis of one (1) treasury share for every existing thirty (30) ordinary shares of RM0.50 each.

The Board of Directors proposed a single tier final dividend of 2.25 sen in respect of the financial year ended 30 June 2009 subject to approval by the members at the forthcoming Annual General Meeting.

The above dividends are not recognised as liabilities at the balance sheet date and will be accounted for as appropriation of retained earnings in the financial year ending 30 June 2010.

## 33. SEGMENT REPORTING

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

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

### Business segments

- Poultry: Rearing and production in poultry products.
- Prawn: Rearing and production in prawn and seafood products.
- Food ration: Supply / trading in food products and related services.
- Retail: Trading in coldstorage products.
- Others: Management and related income

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



## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 33. SEGMENT REPORTING [cont'd]

Group 2009	Poultry RM	Prawn RM	Food ration RM	Retail RM	Others RM	Consolidated RM
<b>Revenue from external customers</b>	60,454,932	15,143,018	39,537,863	213,423,762	13,750	328,573,325
<b>Segment results</b>	7,536,104	2,072,174	5,617,012	31,680,278	13,750	46,919,318
Other operating income						1,401,222
Unallocated expenses						(31,987,219)
Operating profit						16,333,321
Interest income						264,545
Share of results in associated companies						192,610
Profit before taxation						16,790,476
<b>Other information</b>						
<b>Segment assets</b>	27,621,584	23,837,924	15,590,270	77,168,459	-	144,218,237
Investments in associated companies						1,086,471
Unallocated corporate assets						7,765,718
Consolidated total assets						153,070,426
<b>Segment liabilities</b>	7,607,325	3,062,562	4,869,456	16,837,496	-	32,376,839
Unallocated corporate liabilities						245,014
Consolidated total liabilities						32,621,853
<b>Significant non-cash expenses</b>						
Depreciation and amortisation	1,483,541	1,366,127	222,707	2,818,395	-	5,890,770
Unallocated corporate non-cash expenses						157,749
Consolidated total non-cash expenses						6,048,519

## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 33. SEGMENT REPORTING [cont'd]

Group 2008	Poultry RM	Prawn RM	Food ration RM	Retail RM	Others RM	Consolidated RM
<b>Revenue from external customers</b>	48,283,878	29,325,419	32,376,632	175,142,618	21,500	285,150,047
<b>Segment results</b>	6,902,854	4,737,883	4,567,796	28,689,833	21,500	44,919,866
Other operating income						1,761,708
Unallocated expenses						(32,089,418)
Operating profit						14,592,156
Interest income						235,045
Share of results in associated companies						254,203
Profit before taxation						15,081,404
<b>Other information</b>						
<b>Segment assets</b>	27,539,050	31,559,928	14,990,475	67,614,029	-	141,703,482
Investments in associated companies						838,861
Unallocated corporate assets						5,819,709
Consolidated total assets						148,362,052
<b>Segment liabilities</b>	8,029,599	6,019,225	3,742,627	17,825,314	-	35,616,765
Unallocated corporate liabilities						279,680
Consolidated total liabilities						35,896,445
<b>Significant non-cash expenses</b>						
Depreciation and amortisation	1,396,536	1,602,099	183,805	2,654,756	-	5,837,196
Unallocated corporate non-cash expenses						158,027
Consolidated total non-cash expenses						5,995,223



# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 34. CAPITAL COMMITMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<b>Capital expenditure for property, plant and equipment:-</b>				
Approved and contracted for	-	64,500	-	-

## 35. CONTINGENT LIABILITIES

Unsecured	Company	
	2009 RM	2008 RM
Guarantees for the borrowings of subsidiary companies	96,500,200	84,300,160

## 36. RELATED PARTY DISCLOSURES

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

(a) Transactions with subsidiary companies:-	Company	
	2009 RM	2008 RM
Management fees received	433,200	433,200
Dividend received	7,000,000	8,378,378
Accounting fee paid	24,000	24,000

(b) Transactions with associated companies:-	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Dividend received	-	-	45,000	-
Management fees received	3,600	3,600	-	-
Sales of products	568,779	530,775	-	-
Purchase of products	3,920,879	4,058,565	-	-
Rental paid	-	16,559	-	-

(c) Transactions with a company in which certain directors and substantial shareholders have financial interest in:-	Group	
	2009 RM	2008 RM
Rental paid	36,000	106,000

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 36. RELATED PARTY DISCLOSURES [cont'd]

(d) Compensation of key management personnel (excluding provision for employee benefits):-

The Group considers the directors to be key management personnel. The remuneration of directors during the year were as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term employee benefits	1,998,987	1,538,241	182,600	182,600
Directors' fee	327,140	322,460	279,400	294,100
Defined contribution plan	239,060	184,589	21,912	21,912
	<u>2,565,187</u>	<u>2,045,290</u>	<u>483,912</u>	<u>498,612</u>

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Credit risk

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

### Liquidity risk

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

### Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The currencies giving rise to this risk are primarily US Dollar and Sterling Pounds.

The Group does not actively use foreign exchange derivative instrument as a means to hedge its transaction risk. The risk is, by and large, naturally hedged through matching, as far as possible, receipts and payments in each individual currency.

### Interest rate risk

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

The Group's exposures to risk that the value of a financial instrument will fluctuate due to changes in market interest rates are minimal.



## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [cont'd]

#### Interest rate risk [cont'd]

The following tables set out the carrying amounts, the weight average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's instruments that are exposed to interest rate risk.

At 30 June 2009 Group	Note	WAEIR %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	4 - 5 Years RM	Total RM
<b>Fixed rate</b>								
Fixed deposits with licensed banks	30	3.00	6,005,000	-	-	-	-	6,005,000
<b>Floating rate</b>								
Bank overdrafts	20	7.39	(1,940,523)	-	-	-	-	(1,940,523)
Banker's acceptances	20	3.57	(9,531,000)	-	-	-	-	(9,531,000)
Term loans	20	6.51	(397,588)	(207,678)	(38,986)	(15,203)	-	(659,455)
<b>At 30 June 2008</b>								
<b>Group</b>								
<b>Fixed rate</b>								
Fixed deposits with licensed banks	30	3.00	3,005,000	-	-	-	-	3,005,000
Term loans	20	7.50	(123)	-	-	-	-	(123)
Hire purchase creditors	19	2.70	(1,934)	-	-	-	-	(1,934)
<b>Floating rate</b>								
Bank overdrafts	20	8.41	(2,278,383)	-	-	-	-	(2,278,383)
Banker's acceptances	20	3.91	(8,775,000)	-	-	-	-	(8,775,000)
Export credit refinancing loans	20	3.00	(785,000)	-	-	-	-	(785,000)
Term loans	20	8.34	(910,928)	(390,308)	(212,503)	(38,986)	(14,889)	(1,567,614)

## NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [cont'd]

#### Interest rate risk [cont'd]

The following tables set out the carrying amounts, the weight average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's instruments that are exposed to interest rate risk.

At 30 June 2009 Company	Note	WAEIR %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	Total RM
<b>Fixed rate</b>							
Fixed deposits with licensed banks	30	3.00	6,000,000	-	-	-	6,000,000
<b>At 30 June 2008 Company</b>							
<b>Fixed rate</b>							
Fixed deposits with licensed banks	30	3.00	3,000,000	-	-	-	3,000,000

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans and floating rate loans which are normally repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risk.





# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES [cont'd]

### Fair value

The carrying amounts of financial liabilities of the Group at the balance sheet date approximated their fair value except as set out below:

	G r o u p			
	2009		2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Assets – Non Current</b>				
Investment in associated companies	1,086,471	#	838,861	#
Other investment	50,000	#	50,000	#
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities – Non Current</b>				
Term loans	261,867	285,081	656,686	704,416
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>C o m p a n y</b>				
<b>Assets – Non Current</b>				
Investment in subsidiary companies	41,749,149	#	41,749,149	#
Investment in associated companies	875,000	#	775,000	#
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities – Non current</b>				
Contingent liabilities	96,500,200	*	84,300,160	*
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

# It is not practical to estimate the fair value of the long term unquoted investments in the subsidiary and associate companies and other unquoted investment because of the lack of market prices/information and the inability to estimate fair value without incurring excessive costs. The Company believes that the carrying amount of these investments represents the recoverable value as the respective investing company's share of net assets reported by the investee companies approximate or exceed the costs of investments as reported at balance sheet date.

\* It is not practical to estimate the fair value of the contingent liabilities because of the uncertainty in the time frame involved and the inability to estimate fair value without incurring guarantees relating to banking facilities of subsidiary companies to be significantly different from the carrying amount if and when settled.

The following methods and assumptions are used to determine the fair value of financial instruments:

- (i) The fair values of the hire purchase creditors and term loans are estimated by discounting the future contractual cash flows at the current interest rate available to the Group for similar financial instruments.
- (ii) The carrying amounts of other financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.
- (iii) It is not practical to estimate the fair values of amount owing to/from the subsidiary and associate companies due to the lack of fixed repayment terms and the inability to estimate fair values without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

# NOTES TO THE FINANCIAL STATEMENTS [cont'd]

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

## 38. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

	<b>G r o u p</b>	
	<b>As previously stated RM</b>	<b>As restated RM</b>
<b>Consolidated income statement</b>		
Revenue	285,833,288	285,150,047
Other operating income	1,313,512	1,996,753
	<u>                    </u>	<u>                    </u>

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Annual Report **2009**  
CCK CONSOLIDATED HOLDINGS BERHAD 396692-T

**ADDITIONAL  
INVESTOR  
INFORMATION**

The background of the cover is a blue-toned collage. On the right side, there is a vertical stack of several silver coins. The background features a grid pattern that recedes into the distance, suggesting a 3D perspective. In the lower-left corner, there is a faint, semi-transparent image of a city skyline with several skyscrapers. A white line graph with data points is overlaid on the bottom left, showing an upward trend. The overall aesthetic is professional and financial.



## ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements:-

- At the Twelfth Annual General Meeting of the Company held on 15 December 2008, the Directors obtained the shareholders' approval for the Company to purchase and/or hold its own shares of up to ten percent (10%) of its total issued and paid-up share capital of the Company.

During the financial year ended 30 June 2009, a total of 1,550,700 ordinary shares of RM0.50 each of the Company were purchased pursuant to the share buy-back authority. All the shares purchased were retained as treasury shares. None of the shares purchased has been resold or cancelled during the financial year under review.

A monthly breakdown of the shares bought back during the financial year ended 30 June 2009 is set out below :-

Month	No. of shares purchased	Price		Average Cost (RM)	Total Consideration (RM)
		Highest (RM)	Lowest (RM)		
<b>Year 2008</b>					
July	-	-	-	-	-
August	-	-	-	-	-
September	863,200	0.520	0.420	26,777.60	401,664.05
October	562,200	0.535	0.470	20,322.88	284,520.27
November	36,400	0.505	0.500	9,209.56	18,419.11
December	88,900	0.500	0.500	8,957.21	44,786.04
<b>Year 2009</b>					
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-

On 15 October 2009, the Company distributed 5,071,340 treasury shares to the shareholders whose names appeared in the Record of Depositors as at 25 September 2009 in the ratio of one (1) treasury share for every thirty (30) existing ordinary shares held.

- There were no material contracts of the Company or its subsidiaries involving Directors and major shareholders' interests subsisting at the end of the financial year under review or entered into since the end of the previous financial year.
- The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 30 June 2009 by the Company's external auditors, Messrs. Hii & Lee ("HL"), or a firm or company affiliated to HL amounted to RM51,750.

# LIST OF TOP 10 PROPERTIES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	Net Book Value
<b>CCK Fresh Mart Sdn. Bhd.</b> Lot 2969, Block 19 Seduan Land District, Sibul Sarawak	Corporate Office, Coldroom and Store	Leasehold Expiring 30.08.2013	2007	2 Years	1.738 Hectares	5,423,493.34
<b>Central Coldstorage Kuching Sdn. Bhd.</b> Lot 999, Section 66 Jalan Keluli, Bintawa Industrial Estate, Kuching Sarawak	Industrial Land/ Corporate Office, Coldroom and Abattoir	Leasehold (26 Years remaining) Expiring on 06.04.2035	23.06.1992	13 Years	2.295 Hectares	4,935,196.33
<b>CCK Fresh Mart (West Malaysia) Sdn. Bhd.</b> H.S.(D.) No.:19776 P.T. No.:22244 Mukim Batu, Daerah Gombak State of Selangor	3 Storey Detached Industrial Factory	Freehold	28.09.1999	12.5 Years	2,095.61 Sq.M.	3,806,127.67
<b>CCK Sea Products Industries Sdn. Bhd.</b> Lot 999, Section 66 Jalan Keluli, Bintawa Industrial Estate, Kuching, Sarawak	Factory/Office, Coldroom, Worker Quarters, Farm Building and Guard House	Leasehold (26 Years remaining) Expiring on 06.04.2035	2002	7 Years	-	1,998,722.24
<b>CCK Fresh Mart (West Malaysia) Sdn. Bhd.</b> H.S.(D.) No.:24157 P.T. No.:19461, Bandar Kajang, Daerah Ulu Langat State of Selangor	3 Storey Corner Terraced Shophouse	Leasehold (80 Years remaining) Expiring on 26.06.2089	15.02.2001	13 Years	2,533 Sq.ft.	1,766,219.53
<b>Kuok Sui Sea Products Industries (S) Sdn. Bhd.</b> Lot 22, Block 9 Sibul Town District, Sarawak	3 Storey Detached Factory	Freehold	12.06.1999	10 Years	9,590 Sq.ft.	1,543,812.70
<b>CCK Fresh Mart Sdn. Bhd.</b> Country Lease 025346945 Lok Kawi, District of Papar Sabah	Agriculture Land	Freehold	31.03.2009	-	0.673 Hectares	1,381,038.03
Lot 1032, Block 5, Miri Concession Land District Sarawak	5 Units Of 3 Storey Shophouse/Office	Leasehold (40 Years remaining) Expiring on 04.12.2049	07.12.1996	14 Years	2,456 Sq.M.	1,306,080.32
<b>Central Coldstorage Kuching Sdn. Bhd.</b> Survey Lot 14935, Block 11 Muara Tebas Land District Kuching, Sarawak	4 Storey Intermediate Terraced Shophouse	Leasehold (56 Years remaining) Expiring on 27.05.2065	15.02.2007	3 Years	1,575 Sq.ft	1,094,963.13
<b>Zhang Agriculture Development Sdn. Bhd.</b> Lot 1057, Block 9 Senggi-Poak Land District Ta Foh Shak, Bau, Sarawak	Agriculture Land/ Hatchery, Office, Workers Quarters & Laboratory	Leasehold (17 Years remaining) Expiring on 31.12.2026	03.10.1990	12.5 Years	10.44 Acres	1,082,294.88



# ANALYSIS OF SHAREHOLDINGS

AS AT 19 OCTOBER 2009

## SHARE CAPITAL

Authorised share capital	:	RM100,000,000
Issued and fully paid-up capital	:	RM78,839,850
Class of shares	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share

## DISTRIBUTION SCHEDULE OF ORDINARY SHARES

Holdings	No. of Holders	Total Holdings	%#
less than 100 shares	4	134	0.00*
100 - 1,000 shares	340	113,768	0.07
1,001 - 10,000 shares	904	4,566,149	2.91
10,001 - 100,000 shares	389	10,863,415	6.93
100,001 - less than 5% of issued shares	72	51,078,328	32.58
5% and above of issued shares	5	90,166,446	57.51
<b>Total</b>	<b>1,714</b>	<b>156,788,240#</b>	<b>100.00</b>

**Note:**

# excluding 891,460 ordinary shares of RM0.50 each bought back and retained as treasury shares based on the Record of Depositors as at 19 October 2009.

\* less than 0.01%

## LIST OF SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders as at 19 October 2009)

Name	Direct Interest	%#	Indirect Interest	%#
1. Central Coldstorage Sarawak Sdn. Bhd.	32,383,612	20.66	-	-
2. S.K. Tiong Enterprise Sdn. Bhd.	21,427,989	13.67	32,383,612 <sup>(a)</sup>	20.66
3. Permodalan Nasional Berhad	15,218,520	9.71	-	-
4. Yayasan Pelaburan Bumiputra	-	-	15,218,520 <sup>(b)</sup>	9.71
5. Skim Amanah Saham Bumiputera	13,950,000 <sup>(c)</sup>	8.90	-	-
6. Chong Nyuk Kiong Enterprise Sdn. Bhd.	10,634,314	6.78	-	-
7. Datuk Tiong Su Kouk	2,382,709	1.52	53,811,601 <sup>(d)</sup>	34.33
8. Datin Wong Bak Hee	700,600	0.45	53,811,601 <sup>(d)</sup>	34.33
9. Tiong Chiong Hiiung	398,350	0.25	53,811,601 <sup>(e)</sup>	34.33
10. Tiong Chiong Soon	251,100	0.16	53,811,601 <sup>(e)</sup>	34.33
11. Chong Shaw Fui	-	-	10,634,314 <sup>(f)</sup>	6.78
12. Chong Min Fui	-	-	10,634,314 <sup>(f)</sup>	6.78
13. Chong Kong Fui	-	-	10,634,314 <sup>(f)</sup>	6.78

**Notes:**

# excluding 919,660 ordinary shares of RM0.50 each bought back and retained as treasury shares as at 19 October 2009.

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

(b) Deemed to have indirect interest through its shareholding of 100% less one share of Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965.

(c) 13,950,000 shares are held through Amanah Raya Nominees (Tempatan) Sdn. Bhd.

(d) Deemed interested by virtue of their substantial shareholdings in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak 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 their substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.

# ANALYSIS OF SHAREHOLDINGS [cont'd]

AS AT 19 OCTOBER 2009

## DIRECTORS' INTERESTS

The Directors' interests in shares of the Company as per the Register of Directors' Shareholdings as at 19 October 2009 are as follows :-

Name	Ordinary shares of RM0.50 each in the Company			
	Direct Interest	%#	Indirect Interest	%#
1. Datuk Tiong Su Kouk	2,305,848	1.47	52,753,744 <sup>(a)</sup>	33.65
2. Chong Shaw Fui	-	-	10,291,272 <sup>(b)</sup>	6.56
3. Tiong Chiong Hiiung	385,500	0.25	52,120,744 <sup>(c)</sup>	33.24
4. Tiong Chiong Soon	243,000	0.15	52,129,744 <sup>(c)</sup>	33.25
5. Lau Liong Kii	3,836,400 <sup>(d)</sup>	2.45	3,857,442 <sup>(e)</sup>	2.46
6. Ling Ting Leong @ Ling Chong Seng	269,100	0.17	1,025,040 <sup>(f)</sup>	0.65
7. Wong See Khong	1,838,166	1.17	6,600 <sup>(g)</sup>	0.00*
8. Kueh Chung Peng	3,067,296 <sup>(h)</sup>	1.96	-	-
9. Douglas Jerukan @ Jarukan ak Kanyan	1,138,500	0.73	-	-
10. Janggu anak Banyang	45,000	0.03	-	-
11. Datu Haji Putit bin Matzen	-	-	-	-
12. Dato' Fuziah @ Fauziah binti Dato' Ismail	-	-	-	-
13. Bong Wei Leong	-	-	-	-

As at 19 October 2009, all the Directors have exercised all their options granted by the Company. 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 6A of the Companies Act, 1965.

Notes:

\* Less than 0.01%

# excluding 891,460 ordinary shares of RM0.50 each bought back and retained as treasury shares based on the Record of Depositors as at 19 October 2009.

(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.

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

(d) 694,710 shares are held through Mayban Nominees (Tempatan) Sdn. Bhd.

(e) 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.

(f) Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd. and De Supreme Sdn. Bhd.

(g) Deemed interested by virtue of the interests of his spouse and children in the Company.

(h) 2,684,389 shares are held through HLB Nominees (Tempatan) Sdn. Bhd., 139,500 shares are held through TA Nominees (Tempatan) Sdn. Bhd. and 345,650 shares are held through OSK Nominees (Tempatan) Sdn. Bhd.





# ANALYSIS OF SHAREHOLDINGS [cont'd]

AS AT 19 OCTOBER 2009

## LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

Name	No. of Shares	%#
1. Central Coldstorage Sarawak Sendirian Berhad	32,383,612	20.65
2. EB Nominees (Tempatan) Sendirian Berhad - Pledged securities account for S. K. Tiong Enterprise Sdn. Bhd. (SBW-SFC)	17,980,000	11.47
3. Permodalan Nasional Berhad	15,218,520	9.71
4. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Skim Amanah Saham Bumiputera	13,950,000	8.90
5. Chong Nyuk Kiong Enterprise Sdn. Bhd.	10,634,314	6.78
6. S. K. Tiong Enterprise Sdn. Bhd.	3,447,989	2.20
7. Unione Enterprise (S) Sdn. Bhd.	3,319,523	2.12
8. HLB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (SRK 08866-6)	2,684,389	1.71
9. Datuk Tiong Su Kouk	2,382,709	1.52
10. Tasec Nominees (Tempatan) Sdn. Bhd. - Yii Ching Yii	2,287,800	1.46
11. Wong See Khong	1,899,438	1.21
12. Cheng Sang Uh	1,515,900	0.97
13. Lau Pek Kii	1,505,050	0.96
14. Lau Liong Kii	1,353,770	0.86
15. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chen Hien Chong	1,352,426	0.86
16. Lau Liong Kii	1,343,850	0.86
17. Tiong Sie Mew	1,240,039	0.79
18. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Hii Leh Ming	1,219,540	0.78
19. Douglas Jerukan @ Jarukan Ak Kanyan	1,176,450	0.75
20. Lim Kian Huat	1,175,933	0.75
21. Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	1,109,992	0.71
22. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yong Leh Hook	1,033,023	0.66
23. Joseph Tang Chiod Sui	1,027,561	0.66
24. Yeu Choo Sieng	1,018,350	0.65
25. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Wong Poh Hwa	978,773	0.62
26. TA Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii	961,248	0.61
27. Wong Puo Hung	869,550	0.55
28. Yong Pei Ling	855,600	0.55
29. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Teck Song Sdn. Bhd.	777,831	0.50
30. Datin Wong Bak Hee	700,600	0.45

# excluding 891,460 ordinary shares of RM0.50 each bought back and retained as treasury shares based on the Record of Depositors as at 19 October 2009.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirteenth Annual General Meeting of the Company will be held at Ballroom 3, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Monday, 14 December 2009 at 12.00 noon to transact the following businesses :-

## AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon.
  2. To declare a first and final single-tier dividend of 2.25 sen per share, in respect of the financial year ended 30 June 2009. Resolution 1
  3. To approve the payment of directors' fees for the financial year ended 30 June 2009. Resolution 2
  4. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, offer themselves for re-election :-
    - 4.1 Mr. Kueh Chung Peng Resolution 3
    - 4.2 Mr. Lau Liong Kii Resolution 4
    - 4.3 Mr. Ling Ting Leong @ Ling Chong Seng Resolution 5
    - 4.4 Mr. Tiong Chiong Soon Resolution 6
  5. To re-elect Mr. Bong Wei Leong, who retires pursuant to Article 88 of the Company's Articles of Association and being eligible offer himself for re-election. Resolution 7
  6. To consider and thought fit, to pass the following resolution:-
 

"THAT pursuant to Section 129 (6) of the Companies Act, 1965 ("the Act"), Mr. Douglas Jerukan @ Jarukan ak Kanyan be hereby re-appointed as a director of the Company to hold office until the conclusion of the next annual general meeting."

Resolution 8
  7. To re-appoint Messrs. Hii & Lee as auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 9
- AS SPECIAL BUSINESS :-
8. To consider and, if thought fit, pass the following resolution as ordinary resolution :-
 

**Proposed renewal of authority for purchase of own shares by the Company**

Resolution 10

"THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company ("Directors") be hereby unconditionally and generally authorised to purchase and hold on the market of Bursa Securities such number of ordinary shares of RM0.50 each ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and an amount not exceeding the total of the Company's retained profits and/or share premium at the time of purchase, be allocated by the Company for the Proposed Share Buy-Back AND THAT, such Shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled AND THAT the Directors be hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute



## NOTICE OF ANNUAL GENERAL MEETING [cont'd]

all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities AND FURTHER THAT the authority hereby given shall commence immediately upon passing of this ordinary resolution and shall continue to be in force until :-

- (a) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at the next annual general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities.”

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

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN** that a first and final single-tier dividend of 2.25 sen per share in respect of the financial year ended 30 June 2009, if approved at the forthcoming Annual General Meeting, will be paid on 15 January 2010 to depositors whose names appear in the Record of Depositors on 31 December 2009.

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

- (a) shares transferred to the depositor's securities account before 4.00 pm on 31 December 2009 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

### By order of the Board

**Ling Ting Leong @ Ling Chong Seng (MACS 00754)**

**Voon Jan Moi (MAICSA 7021367)**

Joint Company Secretaries

Kuching, Sarawak

Dated : 18 November 2009

### Notes :-

- 1 A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- 2 To be valid, the form of proxy, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- 3 A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
- 4 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 5 If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- 6 Explanatory notes on special business :-

### **Ordinary resolution 10 - in relation to the proposed renewal of authority for purchase of own shares by the Company**

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

Please refer to the Statement to Shareholders dated 18 November 2009 for further information.

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## CCK CONSOLIDATED HOLDINGS BERHAD

(Company No. 396692-T)  
(Incorporated in Malaysia)

### FORM OF PROXY

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

I/We \_\_\_\_\_  
 (NRIC/Company No. \_\_\_\_\_) of \_\_\_\_\_  
 \_\_\_\_\_ (full address) being a member/members of CCK  
 Consolidated Holdings Berhad hereby appoint \_\_\_\_\_  
 (NRIC No. \_\_\_\_\_) of \_\_\_\_\_  
 \_\_\_\_\_ (full address) or failing him/her,  
 \_\_\_\_\_ (NRIC No. \_\_\_\_\_) of \_\_\_\_\_  
 \_\_\_\_\_ (full address) or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the  
 Thirteenth Annual General Meeting of the Company to be held on Monday, 14 December 2009 at 12.00 noon and, at any  
 adjournment thereof.

My/our proxy is to vote as indicated below :

Resolutions		For	Against
1.	To declare a first and final dividend.		
2.	To approve the payment of directors' fees for the financial year ended 30 June 2009.		
3.	To re-elect Mr. Kueh Chung Peng as Director.		
4.	To re-elect Mr. Lau Liong Kii as Director.		
5.	To re-elect Mr. Ling Ting Leong @ Ling Chong Seng as Director.		
6.	To re-elect Mr. Tiong Chiong Soon as Director.		
7.	To re-elect Mr. Bong Wei Leong as Director.		
8.	To re-elect Mr. Douglas Jerukan @ Jarukan ak Kanyan as Director pursuant to Section 129(6) of the Companies Act, 1965.		
9.	To re-appoint Messrs. Hii & Lee as auditors for the ensuing year.		
As special business :-			
10.	Ordinary Resolution - To approve the proposed renewal of authority for purchase of own shares by the Company.		

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009

\_\_\_\_\_  
Signature / common seal of shareholder(s)

#### Notes:

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- To be valid, the form of proxy, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

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STAMP

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

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

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

Tel : 082-336520  
Fax: 082-331479