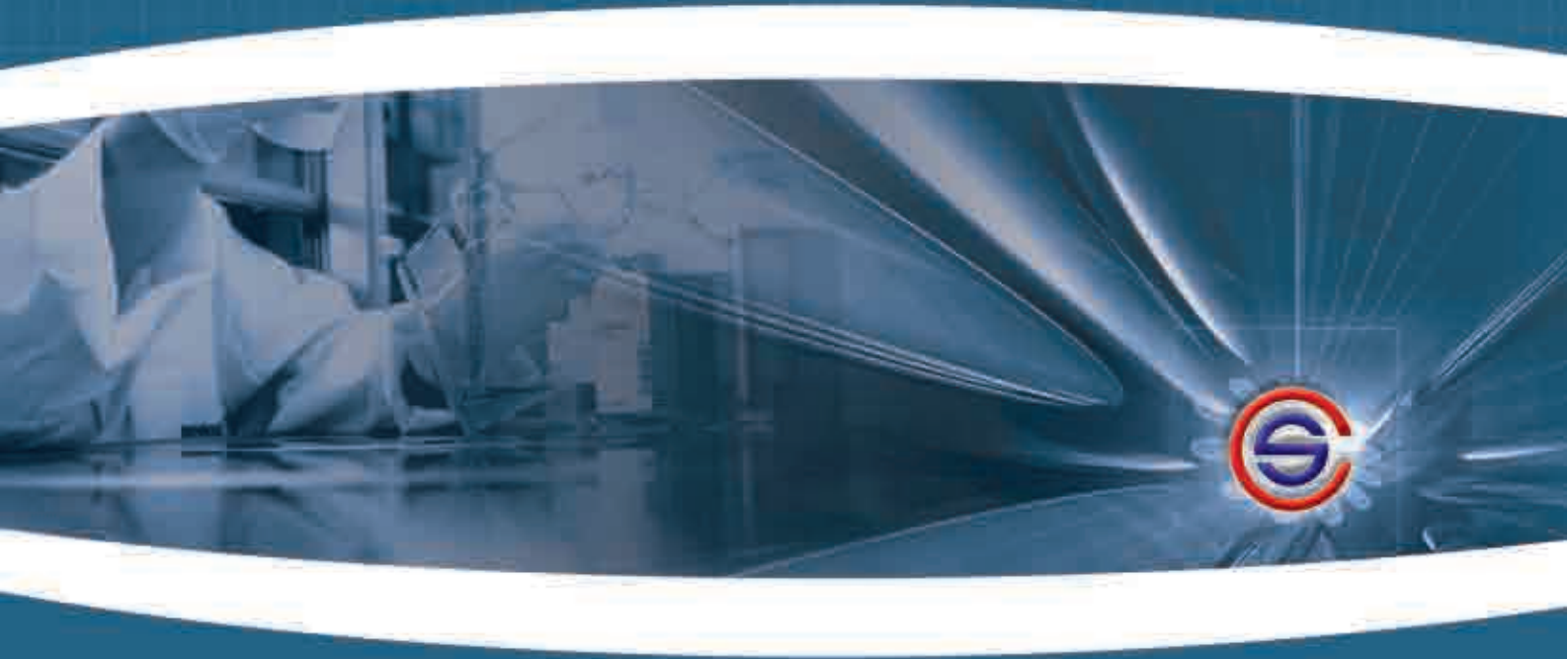




CCK CONSOLIDATED HOLDINGS BERHAD

396692 - T



A n n u a l R e p o r t

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CORPORATE
PROFILE

**BOARD OF DIRECTORS**

Datuk Tiong Su Kouk (*Non-Independent Non-Executive Chairman*)
 Chong Shaw Fui (*Executive Vice Chairman*)
 Tiong Chiong Hiiung (*Group Managing Director*)
 Tiong Chiong Soon (*Executive Director*)
 Lau Liong Kii (*Executive Director*)
 Ling Ting Leong @ Ling Chong Seng (*Executive Director*)
 Wong See Khong (*Executive Director*)
 Kueh Chung Peng (*Executive Director*)
 Janggu Anak Banyang (*Independent Director*)
 Francis Wong Chin Sing @ Wong Chin Sing (*Independent Director*)
 Douglas Jerukan @ Jarukan Ak Kanyan (*Independent Director*)
 Datu Haji Putit Bin Matzen (*Independent Director*)
 Dato' Fuziah @ Fauziah Binti Dato' Ismail (*Non-Independent Non-Executive Director*)

AUDIT COMMITTEE

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

COMPANY SECRETARIES

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

REGISTERED OFFICE

Lot 999, Section 66, Jalan Keluli
 Bintawa Industrial Estate
 93450 Kuching, Sarawak
 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: 03-27212222
 Fax: 03-27212530 / 03-27212531

AUDITORS

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

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
 RHB Bank Berhad
 EON Bank Bhd

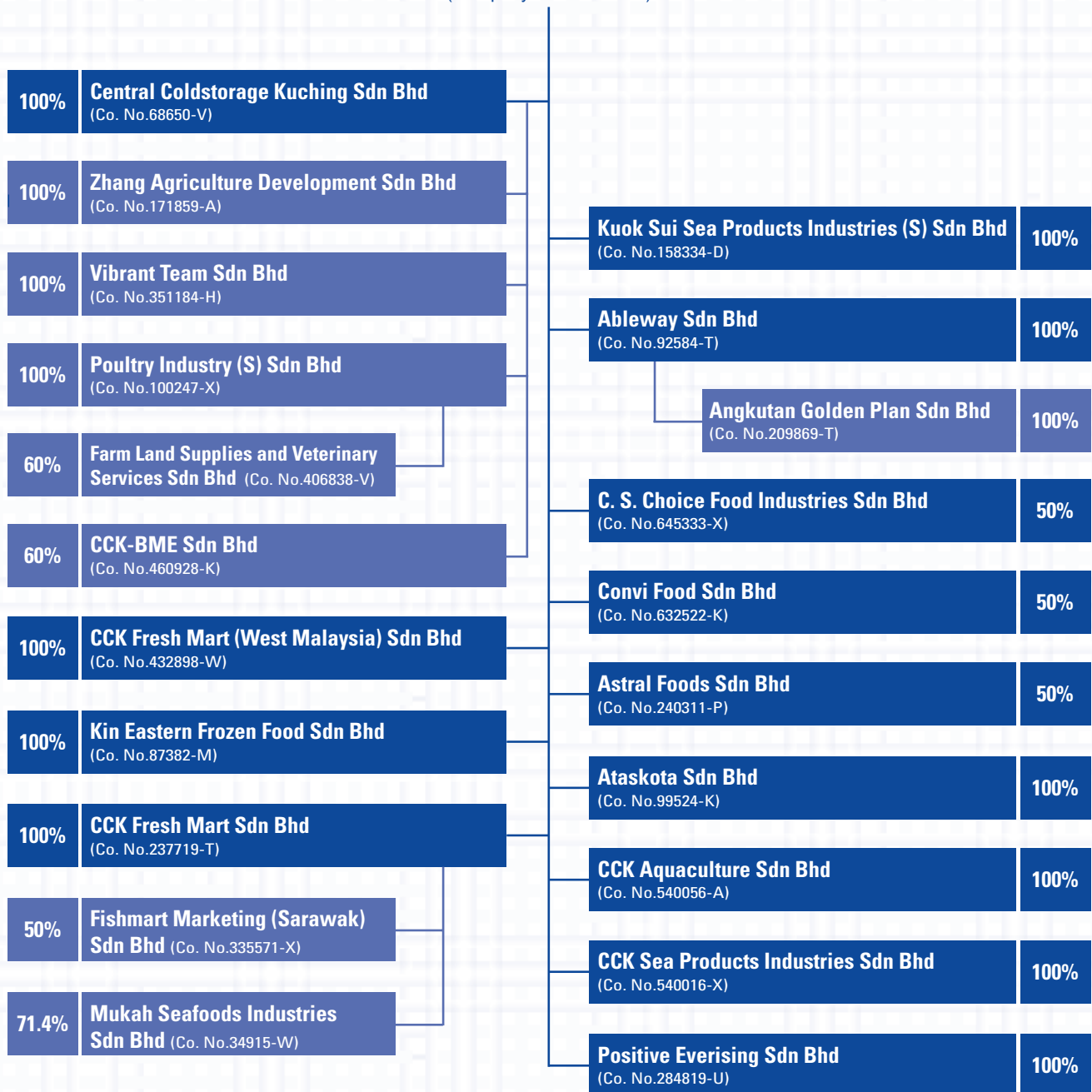
STOCK EXCHANGE LISTING

Listed on Second Board of Bursa Malaysia Securities Berhad
 Stock Name : CCK
 Stock Code : 7035

Corporate Structure

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Company No. 396692-T)





On behalf of the Board of Directors, it is my great pleasure to present to you the Annual Report and Audited Financial Statements of CCK Consolidated Holdings Berhad ("CCK") Group of Companies for the financial year ended 30 June 2007.

FINANCIAL PERFORMANCE

For the financial year ended 30 June 2007, CCK Group of Companies continued to perform well and recorded a total revenue of RM239.786 million, representing an increase of 2.3% from previous year (2006: RM234.229 million). The increase in revenue was principally attributable to increases in the selling price of our poultry products and opening of new retail outlets.

In tandem with the increase in revenue, more impressively, profit before tax increased by 22.2% from RM11.959 million achieved in previous year to RM 14.610 million for this financial year. The better results were mainly contributed by the overall increase in the selling prices for the poultry products which led to higher profit margins. Accordingly, net profit after tax for the year increased to RM10.865 million (2006:RM 9.244 million). This translated into a commendable higher earnings per share of 21.55 sen for the financial year under review as compared to 18.37 sen per share in the previous financial year. Total assets and shareholders' funds as at 30 June 2007 stood at RM135.618 million and RM101.466 million respectively.

BUSINESS AND OPERATION REVIEW

CCK Group of Companies has managed to secure a concrete position in the poultry and seafood industries amidst a very challenging operating environment and market condition. The Group's primary focus is to meet the demands and needs of our consumers by producing products with best quality whilst providing excellent services.

Domestic demand for our poultry products continued to be strong following the trend from previous financial year where the Avian-flu incidents limited the supplies from overseas poultry producers. The strong demand had invariably led to an upward revision of the poultry product selling prices, which led to higher profit margins. Our primary concern is to contain the costs of operations especially in chicken feeds. On the other hand, our seafood products again faced strong competition from neighboring countries which generally had lower costs of production. Our strategy is to focus on the export sales to customers who have been purchasing from us for many years by providing them with top quality products and excellent services.

To keep abreast in the highly competitive and saturated market, the Group acknowledges the need to constantly improve the operation productivity and efficiency. We will continue to invest in modern machineries with latest technologies and look for opportunities to produce and supply more value added and high quality products. Looking for strategic locations to open up new retail outlets will also be a top priority. The Group is pleased to note the rising demand of our products from the local and overseas market.

Chairman's Statement (cont'd)



DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 5% per share, less income tax at 27% in respect of the current financial year ended 30 June 2007, subject to the shareholders' approval at the forthcoming Annual General Meeting.

PROSPECTS

Spurred on by the development related to the implementation of Ninth Malaysian Plan, our Malaysian economy is expected to record sustainable growth and that should augur well for the CCK Group of Companies for the new financial year. Barring any unforeseen circumstances, the Board is optimistic on the performance of the Group and should expect to see continued earnings growth for the Group.

Moving ahead, we will continue to focus on the following areas: increase of market share by opening more retail outlets at strategic locations, improvement in profitability, implementation of effective cost-control measures, expansion of our product range and enhancement of quality of our products. To further manage more effectively and efficiently, the Group will continue to seek ways to realign our organization to create a leaner and stronger business entity.

ACKNOWLEDGEMENT

I would like to take this opportunity to record my utmost 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 over the past ten years since the Company was listed on Bursa Malaysia Securities Berhad in 1997. I would also like to thank the Malaysian Government, financiers, our consumers, valued customers, suppliers, business partners, advisers and shareholders for their strong and continued support.

DATUK TIONG SU KOUK

Chairman
Sibu, Sarawak



Board Of Directors' Profile



DATUK TIONG SU KOUK

65, Malaysian
Non-Independent Non-Executive Chairman

Datuk Tiong Su Kouk is a businessman. He is the founder member of CCK Consolidated Holdings Berhad ("CCK") and its subsidiaries ("CCK Group" or "the Group"). He was appointed as Executive Chairman to the Board of CCK on 15 July 1997 and re-designated as Non-Executive Chairman on 20 March 2002. He is also a member of the Audit Committee of CCK and appointed as Chairman of the Nomination and Remuneration Committees of CCK. He also acts as Chairman of the other companies within the CCK Group. Under his stewardship, the CCK Group has progressed from a small familyrun 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 (PJM) 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 2007, Datuk Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



CHONG SHAW FUI

62, Malaysian
Executive Vice Chairman

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

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

During the financial year ended 30 June 2007, Mr. Chong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.

Board Of Directors' Profile (cont'd)



TIONG CHIONG HIIUNG

40, Malaysian
Group Managing Director

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 2007, Mr. Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



TIONG CHIONG SOON

37, Malaysian
Executive Director

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 2007, Mr. Tiong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



LAU LIONG KII

56, Malaysian
Executive Director

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 2007, Mr. Lau has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



Board Of Directors' Profile (cont'd)



LING TING LEONG @ LING CHONG SENG

55, Malaysian
Executive Director

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

During the financial year ended 30 June 2007, Mr. Ling has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



WONG SEE KHONG

51, Malaysian
Executive Director

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 2007, Mr. Wong has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



KUEH CHUNG PENG

53, Malaysian
Executive Director

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

During the financial year ended 30 June 2007, Mr. Kueh has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.

Board Of Directors' Profile (cont'd)



JANGGU ANAK BANYANG

60, Malaysian
Independent Director

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 2007, Mr. Janggu has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



FRANCIS WONG CHIN SING @ WONG CHIN SING

43, Malaysian
Independent Director

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

During the financial year ended 30 June 2007, Mr. Francis Wong attended three (3) out of five (5) Board meetings held. He holds no share in CCK.



DOUGLAS JERUKAN @ JARUKAN AK KANYAN

68, Malaysian
Independent Director

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

During the financial year ended 30 June 2007, Mr. Douglas has attended all the five (5) Board meetings held. His shareholdings in CCK as at 5 October 2007 are disclosed in page 86 of this annual report.



Board Of Directors' Profile (cont'd)



DATU HAJI PUTIT BIN MATZEN

62, Malaysian
Independent Director

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 2007, Datu Haji Putit has attended all the five (5) Board meetings held. He holds no share in CCK.



DATO' FUZIAH @ FAUZIAH BINTI DATO' ISMAIL

65, Malaysian
Non-Independent Non-Executive Director

Dato' Fauziah @ 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 currently sits on the Board of UEM Builders Berhad, SapuraCrest Petroleum Berhad and KAF Seagroatt & Campbell Berhad.

During the financial year ended 30 June 2007, Dato' Fauziah has attended all the five (5) Board meetings held. She holds no share in CCK.

Notes :-

- Tiong Chiong Hiuung and Tiong Chiong Soon are the sons of Datuk Tiong Su Kouk. Apart for this, the other Directors have no family relationship with each other or the major shareholders of CCK.*
- None of the Directors have been convicted of any offences within the past 10 years other than traffic offences.*
- Apart for Datu Haji Putit bin Matzen and Dato' Fauziah @ Fauziah binti Dato' Ismail, none of the other Directors hold any directorship in public companies.*
- Apart for Datuk Tiong Su Kouk, Mr. Tiong Chiong Hiuung and Mr. Tiong Chiong Soon, none of the other Directors have conflict of interest with the Company. Significant related party disclosures are set out in note 34 to the financial statements in page 75 of this annual report.*



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, Bursa Malaysia Securities Listing Requirements (“Listing Requirements”) requires listed companies to disclose in their annual report a statement on the application of these principles and best practices as advocated by the Code.

The Board of Directors of CCK Consolidated Holdings Berhad (“CCK” or “the Company”) believes in the principles of good corporate governance and supports the implementation of the highest standards of corporate governance throughout the CCK Group as a fundamental part of discharging its 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 (prior to the revised Code which came into force on 1 October 2007). These disclosures are contained in this statement, the Statement on Internal Control and the Report of the Audit Committee.

THE BOARD OF DIRECTORS

(1) 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, five (5) Executive Directors and five (5) 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 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 business. Mr. Janggu anak Banyang is the appointed Senior Independent Director to whom concerns or queries concerning the CCK Group may be conveyed to.

(2) 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 2007, 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	3 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	5 out of 5

(3) Supply Of 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.

(4) 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 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 24 of this annual report.

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. During the financial year ended 30 June 2007, the Nomination Committee has met once.



Statement On Corporate Governance (cont'd)

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 (<i>Non-Independent Non-Executive Director</i>)
Members	:	Jangu anak Banyang (<i>Independent Director</i>) Datu Haji Putit bin Matzen (<i>Independent Director</i>) Douglas Jerukan @ Jarukan ak Kanyan (<i>Independent Director</i>)

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 2007, the Remuneration Committee met once.

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

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

(5) 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.

(6) 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.

Additionally, in accordance with the CCK's Articles of Association and in compliance with the Listing Requirements that came into force on 1 June 2001, 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.

(7) Directors' and Senior Management's Training and Update Programmes

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

All the Directors have attended the Mandatory Accreditation Programme as required by Bursa Securities and have fulfilled the minimum CEP points requirement as at 31 December 2005.

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 2007, the Directors have attended appropriate training programmes conducted by external experts and the description of the training/seminar are set out in the following page.

Statement On Corporate Governance (cont'd)



Title of training/seminar	Number of day(s) spent
• Boardroom Briefing for Directors/Chief Executive Officer's Workshop	1 day
• Prevention of Corporate Frauds Program	1 day
• Directors' Interest in Shares and Debentures and Disclosure Requirements and Effective Minutes Writing	1 day
• Striking Off Companies under Section 308 of the Companies Act, 1965 & Company Secretary and Audit Engagement	1 day
• Company Listing Basic and Minimum Requirements in Accordance to Securities Commission	1 day
• Responsibilities of Directors, Secretaries and Other Principal Officers under the Self-Assessment Systems, Shareholders and Directors Meetings and Writing of Minutes and Resolutions	1 day
• Transaction by Directors and Mastering of Meetings and Minutes	1 day
• Expectations on Directors of public listed companies - post PN4 Crisis	2 days
• Enhancing Strategic Performance Management	
• Board Effectiveness : From Conforming to Performing	
• Innovation Beyond Science and Technology	
• Passion for Leadership	
• Prevention of Corporate Frauds	1/2 day

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

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

In compliance with the Listing Requirements, the fees and remuneration paid to Directors of the CCK Group during the financial year ended 30 June 2007, in aggregate and analysed into bands of RM50,000, were as follows :-

	Executive Directors (RM)	Non-Executive Directors (RM)
Fee	59,660	252,720
Salary	908,800	-
Bonus	170,328	-
Allowances	12,000	-
Benefits-in-kind	-	-
Commissions	31,872	-



Statement On Corporate Governance (cont'd)

	Executive Directors (No.)	Non-Executive Directors (No.)
RM200,001 to RM250,000	-	-
RM150,001 to RM200,000	7	1
RM100,001 to RM150,000	-	-
RM50,001 to RM100,000	-	-
RM50,000 and below	-	5

SHAREHOLDERS COMMUNICATION

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

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

ACCOUNTABILITY AND AUDIT

(1) Financial Reporting

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

(2) Internal Control

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

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.

(3) Relationship with the Auditors

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

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

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.

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 of internal controls to manage and control these risks, implementation of an effective information and communications system, and an ongoing process for monitoring the continuing adequacy and integrity of the system of internal control.

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

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

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

Senior Management 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.

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.

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 regards to effectiveness of the Internal Control System;
- Assessment of the operational efficiency of the Company;
- Assessing the reliability of system and reporting information; and
- Ensuring compliance with the Company standards/guidelines and legislation
- 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.



Statement Of Internal Control (cont'd)

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 23 to 24 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;
- Regular monitoring of actual results against budgets, with major variances analysed for effective management actions thereafter; and
- Regular inspection visits by directors, in particular executive directors, to operating units to have a first-hand account of the efficiency and effectiveness of the Group's strategy, mode of operation and control.
- 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
- Conducting follow-up audits by Internal Audit Department, which ensure proper and approved remedy 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.

BOARD OF DIRECTORS' ACKNOWLEDGEMENT

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

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

Report Of The Audit Committee



COMPOSITION OF THE AUDIT COMMITTEE

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

- Chairman : Janggu anak Banyang (*Independent Director*)
 Members : Datuk Tiong Su Kouk (*Non-Independent Non-Executive Director*)
 Francis Wong Chin Sing @ Wong Chin Sing (*Independent Director*)
 Douglas Jerukan @ Jarukan ak Kanyan (*Independent Director*)

Mr. Francis Wong is a member of the Malaysian Institute of Accountants, one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

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

TERMS OF REFERENCE

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

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

At least one (1) member of the 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 1 of the 1st Schedule of the Accountants Act 1967; or
 - b. he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- iii. fulfils such other requirements as prescribed 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) Meetings

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



Report Of The Audit Committee (cont'd)

(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 is necessary.

(5) Authority

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

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

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

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

(6) Duties and Responsibilities

To review :-

- a. with the external and internal auditors: their respective audit plan, the audit report - major findings and management's responses thereof, and their evaluation of the CCK Group's system of internal control;
- b. the assistance given by the CCK Group's employees to both the internal and external auditors;
- c. the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- d. the audit fees proposed by external auditors;
- e. the appointment (and re-appointment), resignation and dismissal of the external and internal auditors;
- f. the appraisal of the performance of the internal auditor;
- g. the quarterly and annual financial statements of the Company and the Group, focusing on the matters set out below, and thereafter to submit them to the Board :-
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and regulatory requirements;
- h. any related party transactions that may arise within the Company or Group; and
- i. any other functions as may be agreed to by the Audit Committee and the Board.

Report Of The Audit Committee (cont'd)



ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

(1) Meetings and Attendance

Five (5) Audit Committee meetings were held during the financial year ended 30 June 2007. 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	3 out of 5
Douglas Jerukan @ Jarukan ak Kanyan	5 out of 5

(2) Summary of Activities of Audit Committee

The following activities were carried out by the Audit Committee during the financial year ended 30 June 2007 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 their consideration and approval;
- d. reviewed of any related party transactions to be entered into by the Company and the CCK Group prior to submission to the Board of Directors for their consideration and approval;
- e. reviewed adequacy of the disclosure on related party transactions entered into by the Company and the CCK Group in the quarterly and annual reports of the Company;
- f. met with the external auditors;
- g. considered the re-appointment of external auditors, as well as their fees;
- h. reviewed the Statement on Internal Control and Report of the Audit Committee prior to submission to the Board of Directors for their consideration and approval; and
- i. reviewed and deliberated the report on comparison of actual v budgeted results on a quarterly basis.

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 :-
 - > stock review;
 - > debtors analysis and review;
 - > petty cash review;
 - > fixed assets review;
 - > export sales review;



Report Of The Audit Committee (cont'd)

- > performance review;
 - > follow up review on Scala-New Integrated Software;
 - > review on capital expenditure;
 - > review on coldroom temperature;
 - > production review;
 - > raw material control and review;
 - > financial review;
 - > Production breakeven point analysis;
 - > Foreign exchange review; and
 - > review on accident case.
- 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 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 Bursa Malaysia Securities Listing Requirements, 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 approved applicable approved accounting standards in Malaysia and the provisions of the Act. The Directors have considered that in preparing the financial statements of CCK Consolidated Holdings Berhad for the financial year ended 30 June 2007 as set out on pages 35 to 79 of this annual report, 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 Group and the Company maintain proper accounting records which disclose with reasonable accuracy at any time, the financial position and performance of the Group and the Company, 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 Group and the Company and to prevent and detect fraud and other irregularities.

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FINANCIAL
INFORMATION



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 2007.

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	<u>10,865,244</u>	<u>8,406,560</u>
Attributable to:		
Equity holders of the Company	10,740,818	8,406,560
Minority interests	124,426	-
	<u>10,865,244</u>	<u>8,406,560</u>

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

DIVIDEND

Since the end of the previous financial year, the Company paid a first and final dividend of 5.0 sen gross less tax at 28% amounting to RM1,796,190.62 in respect of the previous financial year ended 30 June 2006.

The directors recommend the payment of a first and final dividend of 5.0 sen gross less income tax at 27% in respect of the financial year ended 30 June 2007 which, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 17 January 2008 to Depositors whose names appear in the Record of Depositors on 24 December 2007.

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 24 December 2007, in respect of ordinary transfers; and
- (ii) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company was increased from RM49,783,234 to RM50,394,234 by issuing 611,000 ordinary shares of RM1.00 each at a premium of RM0.20 each by virtue of the exercise of share options.

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

Directors' Report (cont'd)



TREASURY SHARES

During the financial year, the Company repurchased 1,435,800 of its issued ordinary shares from the open market at an average price of RM1.63 per share. The total consideration paid for the repurchase including transaction costs was RM2,350,990. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2007, the Company held as treasury shares a total of 1,435,800 of its 50,394,234 issued ordinary shares. Such treasury shares are held at a carrying amount of RM2,350,990 and further relevant details are disclosed in Note 15 to the financial statements.

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 RM1.00 share shall be the higher of the following:-
 - (i) A discount of not more than 10% from the five-market-day weighted average market price of the Company's shares at the date of offer, or
 - (ii) The par value of the shares.
- (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.

During the financial year, 611,000 ordinary shares of RM1.00 each were issued by virtue of the exercise of options granted in prior year at an option price of RM1.20.

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

<u>Date of offer</u>	<u>Option price (RM)</u>	<u>Options over ordinary shares of RM1 each</u>		
		<u>At 1.7.2006</u>	<u>Exercised</u>	<u>At 30.6.2007</u>
6.4.2001	1.20	4,342,766	(611,000)	3,731,766

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



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
 Douglas Jerukan @ Jarukan Ak Kanyan
 Datu Haji Putit Bin Matzen
 Dato' Fuziah @ Fauziah Binti Dato' Ismail

In accordance with Article 81 of the Company's Articles of Association, Datuk Tiong Su Kouk, Tiong Chiong Hiiung, Wong See Khong, Janggu Anak Banyang and Dato' Fuziah @ Fauziah Binti Dato' Ismail retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

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

Shares in the Company	1.7.2006	Ordinary shares of RM1 each		30.6.2007
		Acquired	Disposed	
Datuk Tiong Su Kouk				
- Direct	677,616	91,000	-	768,616
- Indirect	17,358,582	-	-	17,358,582
Chong Shaw Fui				
- Direct	15,000	-	-	15,000
- Indirect	3,430,424	-	-	3,430,424
Tiong Chiong Hiiung				
- Direct	15,000	3,500	-	18,500
- Indirect	18,036,198	91,000	-	18,127,198
Tiong Chiong Soon				
- Direct	15,000	-	-	15,000
- Indirect	18,036,198	91,000	-	18,127,198
Lau Liong Kii				
- Direct	530,700	634,600	-	1,165,300
- Indirect	1,070,814	-	-	1,070,814
Ling Ting Leong @ Ling Chong Seng				
- Direct	-	-	-	-
- Indirect	463,847	-	-	463,847
Wong See Khong				
- Direct	500,022	-	-	500,022
Kueh Chung Peng				
- Direct	912,432	-	-	912,432
- Indirect	-	-	-	-
Douglas Jerukan @ Jarukan Ak Kanyan				
- Direct	379,500	-	-	379,500
Janggu Anak Banyang				
- Direct	15,000	-	-	15,000

Directors' Report

(cont'd)



DIRECTORS' SHAREHOLDINGS (cont'd)

Share options in the Company	Ordinary shares of RM1 each		
	1.7.2006	Exercised	30.6.2007
Datuk Tiong Su Kouk	110,000	-	110,000
Chong Shaw Fui	110,000	-	110,000
Tiong Chiong Hiiung	110,000	-	110,000
Tiong Chiong Soon	66,000	-	66,000
Lau Liang Kii	110,000	-	110,000
Ling Ting Leong @ Ling Chong Seng	110,000	-	110,000
Wong See Khong	110,000	-	110,000
Kueh Chung Peng	110,000	-	110,000

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the benefits disclosed as directors' remuneration in Note 22 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 34 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:

- 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
- 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:

- 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
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- 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:

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



OTHER STATUTORY INFORMATION

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

In the opinion of the directors,

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

AUDITORS

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

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

DATUK TIONG SU KOUK
Chairman

TIONG CHIONG HIIUNG
Managing Director

Sibu, Sarawak.
11th September 2007

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 35 to 79 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 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965.

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

DATUK TIONG SU KOUK

Chairman

TIONG CHIONG HIUNG

Managing Director

Sibu, Sarawak.

11th September 2007

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 35 to 79 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 11th September 2007.

TIONG CHIONG HIUNG

Before me

Commissioner for Oaths

11th September 2007



Report Of The Auditors To The Members of CCK Consolidated Holdings Berhad (396692-T)

HII & LEE AF 0123

Chartered Accountants

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Also at Kuching, Bintulu,
Miri & Kota Kinabalu

We have audited the financial statements set out on pages 35 to 79. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and the Company as at 30 June 2007 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the financial year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

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

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

HII & LEE
No.AF0123
Chartered Accountants

Sibu, Sarawak.
11th September 2007

MORRIS HII SU ONG
1682/4/09(J)
Partner of the firm

Consolidated Balance Sheet

as at 30 June 2007



	<u>Note</u>	<u>2007</u> <u>RM</u>	<u>2006</u> <u>RM</u>
ASSETS			
Non-current assets			
Property, plant and equipment	6	52,420,086	48,268,287
Investment in associated companies	8	559,658	249,584
Other investments	9	50,000	50,000
Deferred tax assets	19	18,340	33,180
Goodwill on consolidation	10	62,093	62,093
		<hr/>	<hr/>
		53,110,177	48,663,144
		<hr/>	<hr/>
Current assets			
Inventories	11	30,912,139	27,707,802
Trade receivables	12	32,634,453	35,113,517
Other receivables, deposits and prepayments		3,621,555	6,038,183
Amount due from associated companies	14	42,518	355,737
Fixed deposits with licensed banks		1,005,000	-
Cash and bank balances		14,292,639	12,768,852
		<hr/>	<hr/>
		82,508,304	81,984,091
		<hr/>	<hr/>
TOTAL ASSETS		<u>135,618,481</u>	<u>130,647,235</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	15	50,394,234	49,783,234
Share premium	15	821,425	699,225
Treasury shares	15	(2,350,990)	-
Retained profits	16	51,800,904	42,834,965
		<hr/>	<hr/>
		100,665,573	93,317,424
Minority interests		800,185	582,959
		<hr/>	<hr/>
Total equity		<u>101,465,758</u>	<u>93,900,383</u>
		<hr/>	<hr/>
Non-current liabilities			
Hire purchase creditors	17	1,934	78,337
Bank borrowings	18	1,393,563	2,087,811
Deferred tax liabilities	19	2,673,936	2,719,505
		<hr/>	<hr/>
		4,069,433	4,885,653
		<hr/>	<hr/>
Current liabilities			
Trade payables		12,837,808	13,016,178
Other payables, deposits and accruals		4,554,962	3,776,931
Amount due to associated companies	14	11,656	-
Hire purchase creditors	17	176,403	123,502
Bank borrowings	18	12,166,297	13,888,890
Tax payable		336,164	1,055,698
		<hr/>	<hr/>
		30,083,290	31,861,199
		<hr/>	<hr/>
Total liabilities		<u>34,152,723</u>	<u>36,746,852</u>
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		<u>135,618,481</u>	<u>130,647,235</u>

The notes on pages 43 to 79 form an integral part of these financial statements.



Balance Sheet

as at 30 June 2007

	<u>Note</u>	<u>2007</u> RM	<u>2006</u> RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	876,639	1,034,665
Investment in subsidiary companies	7	41,749,149	41,749,149
Investment in associated companies	8	750,000	400,050
		<u>43,375,788</u>	<u>43,183,864</u>
CURRENT ASSETS			
Other receivables and prepayment		823,392	1,599,489
Amount due from subsidiary companies	13	25,623,208	21,232,710
Amount due from associated companies	14	42,518	355,737
Fixed deposits with licensed bank		1,000,000	-
Bank balances		1,064,578	541,893
		<u>28,553,696</u>	<u>23,729,829</u>
TOTAL ASSETS		<u>71,929,484</u>	<u>66,913,693</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	15	50,394,234	49,783,234
Share premium	15	821,425	699,225
Treasury shares	15	(2,350,990)	-
Retained profits	16	22,843,255	16,232,886
Total equity		<u>71,707,924</u>	<u>66,715,345</u>
Non-current liabilities			
Deferred tax liabilities	19	1,189	1,698
Current liabilities			
Other payables and accruals		208,715	196,650
Amount due to associated companies	14	11,656	-
		<u>220,371</u>	<u>196,650</u>
Total liabilities		<u>221,560</u>	<u>198,348</u>
TOTAL EQUITY AND LIABILITIES		<u>71,929,484</u>	<u>66,913,693</u>

The notes on pages 43 to 79 form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 30 June 2007

2007	Note	Attributable to Equity Holders of the Company					Minority Interest RM	Total Equity RM
		Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profits RM	Total RM		
At 1st July								
As previously stated		49,783,234	699,225	-	42,834,965	93,317,424	93,900,383	
Prior year adjustment - FRS 3	4	-	-	-	21,312	21,312	21,312	
As restated								
Options exercised	15	49,783,234	699,225	-	42,856,277	93,338,736	93,921,695	
Net profit for the financial year		611,000	122,200	-	-	733,200	733,200	
Purchase of treasury shares	15	-	-	(2,340,698)	10,740,818	10,740,818	10,865,244	
Transaction costs	15	-	-	(10,292)	-	(2,340,698)	(2,340,698)	
Acquisition of subsidiary	26	-	-	-	-	(10,292)	(10,292)	
Dividend	30	-	-	-	(1,796,191)	(1,796,191)	(1,857,791)	
At 30th June								
		50,394,234	821,425	(2,350,990)	51,800,904	100,665,573	101,465,758	
2006								
At 1st July		49,745,234	691,625	-	34,946,510	85,383,369	85,886,147	
Options exercised	15	38,000	7,600	-	-	45,600	45,600	
Net profit for the financial year		-	-	-	9,142,438	9,142,438	9,244,219	
Dividend	30	-	-	-	(1,253,983)	(1,253,983)	(1,275,583)	
At 30th June								
		49,783,234	699,225	-	42,834,965	93,317,424	93,900,383	

The notes on pages 43 to 79 form an integral part of these financial statements.



Company Statement Of Changes In Equity

For The Financial Year Ended 30 June 2007

	Note	← Attributable to Equity Holders of the Company →				Total Equity RM
		Share Capital RM	← Non-distributable →		Distributable Retained Profits RM	
			Share Premium RM	Treasury Shares RM		
2007						
At 1 July		49,783,234	699,225	-	16,232,886	66,715,345
Options exercised	15	611,000	122,200	-	-	733,200
Net profit for the financial year		-	-	-	8,406,560	8,406,560
Purchase of treasury shares	15	-	-	(2,340,698)	-	(2,340,698)
Transaction costs	15	-	-	(10,292)	-	(10,292)
Dividend	30	-	-	-	(1,796,191)	(1,796,191)
		50,394,234	821,425	(2,350,990)	22,843,255	71,707,924
2006						
At 1 July		49,745,234	691,625	-	8,337,781	58,774,640
Options exercised	15	38,000	7,600	-	-	45,600
Net profit for the financial year		-	-	-	9,149,088	9,149,088
Dividend	30	-	-	-	(1,253,983)	(1,253,983)
At 30 June		49,783,234	699,225	-	16,232,886	66,715,345

The notes on pages 43 to 79 form an integral part of these financial statements.

Consolidated Income Statement

For The Financial Year Ended 30 June 2007



	Note	2007 RM	2006 RM
REVENUE	20	239,785,871	234,229,214
Cost of sales		(200,851,395)	(197,579,880)
GROSS PROFIT		<u>38,934,476</u>	<u>36,649,334</u>
Other operating income	21	2,050,894	1,381,305
Operating expenses	22	(25,702,503)	(25,146,563)
Finance costs	23	(611,283)	(859,864)
Share of losses in associated companies		(61,188)	(64,860)
PROFIT BEFORE TAXATION		<u>14,610,396</u>	<u>11,959,352</u>
Taxation	24	(3,745,152)	(2,715,133)
NET PROFIT FOR THE FINANCIAL YEAR		<u><u>10,865,244</u></u>	<u><u>9,244,219</u></u>
ATTRIBUTABLE TO:			
Equity holders of the Company		10,740,818	9,142,438
Minority interests		124,426	101,781
		<u><u>10,865,244</u></u>	<u><u>9,244,219</u></u>
Earnings per share attributable to equity holders of the Company		Sen	Sen
- Basic, for profit for the year	25	21.55	18.37
- Diluted, for profit for the year	25	21.26	18.17
Net dividends per ordinary share in respect of the year	30	<u><u>3.60</u></u>	<u><u>2.52</u></u>



Income Statement

For The Financial Year Ended 30 June 2007

	<u>Note</u>	<u>2007</u> <u>RM</u>	<u>2006</u> <u>RM</u>
REVENUE	20	11,952,030	10,718,916
Other operating income	21	40,090	38,387
Operating expenses	22	(1,088,361)	(1,200,823)
PROFIT BEFORE TAXATION		<u>10,903,759</u>	<u>9,556,480</u>
Taxation	24	(2,497,199)	(407,392)
NET PROFIT FOR THE FINANCIAL YEAR		<u>8,406,560</u>	<u>9,149,088</u>
		Sen	Sen
Net dividends per ordinary share in respect of the year	30	<u>3.60</u>	<u>2.52</u>

The notes on pages 43 to 79 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For The Financial Year Ended 30 June 2007



	<u>Note</u>	<u>2007</u> <u>RM</u>	<u>2006</u> <u>RM</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,610,396	11,959,352
Adjustments for:-			
Allowance for doubtful debts		348,885	46,320
Amortisation of goodwill on consolidation		-	20,697
Bad debts recovered		-	(8,016)
Bad debts written off		76,704	336,487
Depreciation		5,521,326	5,641,853
Interest expenses		611,283	859,864
Interest income		(244,776)	(48,575)
Inventories written off		-	143,550
Loss on disposals of property, plant and equipment		349	2,009
Profit on disposals of property, plant and equipment		(304,073)	(11,196)
Share of losses in associated companies		61,188	64,860
Unrealised exchange gain		(70,892)	(4,953)
Operating profit before working capital changes		20,610,390	19,002,252
(Increase)/decrease in inventories		(3,147,248)	1,475,610
Decrease/(increase) in trade receivables		2,862,012	(2,182,683)
Decrease in other receivables, deposits and prepayments		2,500,054	31,383
Decrease/(increase) in net amount due from an associated companies		324,875	(480,380)
Decrease in trade payables		(1,026,362)	(74,312)
Increase in other payables, deposits and accruals		770,144	749,714
Cash generated from operations		22,893,865	18,521,584
Dividends received from associated companies		-	313,173
Interest paid		(611,283)	(859,864)
Interest received		244,776	48,575
Tax paid		(4,495,415)	(1,784,110)
Net cash provided by operating activities		18,031,943	16,239,358
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		627,449	119,814
Acquisition of subsidiary companies	26	25,780	-
Increase in investment in an associated company		(349,950)	-
Purchase of property, plant and equipment	27	(9,790,511)	(6,774,196)
Net cash used in investing activities		(9,487,232)	(6,654,382)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to minority shareholders of a subsidiary company		(61,600)	(21,600)
Dividend paid		(1,796,191)	(1,253,983)
Proceeds from issue of shares under ESOS		733,200	45,600
Acquisition of treasury shares		(2,350,990)	-
Proceeds from term loans and other facilities obtained		22,179,000	43,664,000
Repayment of hire purchase liabilities		(123,502)	(1,136,784)
Repayment of term loans and other facilities		(24,586,098)	(46,576,887)
Net cash used in financing activities		(6,006,181)	(5,279,654)
Net increase in cash and cash equivalents		2,538,530	4,305,322
Cash and cash equivalents brought forward		10,406,698	6,101,376
Cash and cash equivalents carried forward	28	12,945,228	10,406,698

The notes on pages 43 to 79 form an integral part of these financial statements.



Cash Flow Statement

For The Financial Year Ended 30 June 2007

	<u>Note</u>	<u>2007</u> RM	<u>2006</u> RM
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before taxation		10,903,759	9,556,480
Adjustments for:-			
Depreciation		158,026	158,027
Dividends income		(11,499,030)	(10,298,265)
Interest income		(34,240)	(38,386)
Operating loss before working capital changes		(471,485)	(622,144)
(Increase)/decrease in other receivables and prepayment		(387,195)	328,981
Increase in other payable and accruals		12,065	41,603
Increase in net amount due from subsidiary companies		(4,390,498)	(7,785,543)
Decrease/(increase) in amount due to associated companies		324,875	(480,380)
Cash absorbed by operations		(4,912,238)	(8,517,483)
Dividends received		8,922,646	8,634,112
Interest received		34,240	38,386
Tax refunded		1,257,268	4,277
Tax paid		(15,300)	(18,000)
Net cash provided by operating activities		5,286,616	141,292
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in investment in associated companies		(349,950)	-
Net cash used in investing activities		(349,950)	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from issue of shares under ESOS		733,200	45,600
Acquisition of treasury shares		(2,350,990)	-
Dividend paid		(1,796,191)	(1,253,983)
Net cash used in financing activities		(3,413,981)	(1,208,383)
Net increase/(decrease) in cash and cash equivalents		1,522,685	(1,067,091)
Cash and cash equivalents brought forward		541,893	1,608,984
Cash and cash equivalents carried forward	28	2,064,578	541,893

The notes on pages 43 to 79 form an integral part of these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007



1. GENERAL INFORMATION

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

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

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 887 (2006: 893) and 7 (2006: 5) respectively.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

At the beginning of the current financial year, the Group and the Company had adopted new and revised Financial Reporting Standards ("FRSs") which are relevant for financial periods beginning on and after 1 July 2006 as described fully in Note 4 to the financial statements.

The financial statements have been prepared under the historical cost convention except as those disclosed in Note 3 to the financial statements.

The financial statements are presented in Ringgit Malaysia (RM).

The preparation of the financial statements, in conformity with the provisions of the Companies Act 1965 and applicable approved accounting standards, requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates and judgement are based on the directors' best knowledge of current events, actual results may differ from those estimates.

3. 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 7 to the financial statements. Investment in unquoted shares of the subsidiary companies, which is eliminated on consolidation, is stated at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Investments are written down where there is an impairment loss that is other than temporary in value of investments.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

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.

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 profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by 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 profit or loss. 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 profit or loss in the period in which the investment is acquired.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Associates (cont'd)

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.

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 profit or loss.

(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. Leasehold lands are depreciated over the terms of the respective lease period ranging from 13 years to 91 years. Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives. The principal annual depreciation rates are as follows:-

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

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

For The Financial Year Ended 30 June 2007 (cont'd)

3. 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 impairment losses, if any. When an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



3. 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 or 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

For The Financial Year Ended 30 June 2007 (cont'd)

3. 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	<u>30.6.2007</u> RM	<u>30.6.2006</u> RM
1 US Dollar	3.4850	3.7090
1 Sterling Pound	6.9870	6.7351
1 Singapore Dollar	2.3810	2.3320
1 Euro	4.6960	4.6640

(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.

(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.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Employee benefits (cont'd)

(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) Dividends 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.

4. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs

(l) Standards and amendments to published standards that are effective for the financial year ended 30 June 2007

The new accounting standards and amendments to published standards effective for the Company's financial year beginning on or after 1 July 2006 are as follows:

Applicable to the financial statements of the Group and company

- FRS 3 Business Combinations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Estimates and Errors
- FRS 110 Events after the Balance Sheet Date
- FRS 116 Property, plant and equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

4. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (cont'd)

(l) Standards and amendments to published standards that are effective for the financial year ended 30 June 2007 (cont'd)

Not applicable to the financial statements of the Group and company

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- FRS 131 Interests in Joint Ventures
- FRS 140 Investment Property
- Amendment to FRS 119₂₀₀₄ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures – in relation to the “asset ceiling” test.

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and/or interpretations. All standards, amendments and/or interpretations adopted by the Group require retrospective application other than FRS 3, FRS 116, FRS 121, FRS 136 and FRS 138.

The summary of the impact of the new accounting standards and amendments to published standards to existing standards on the financial statements of the Group and Company is set out below:-

The adoption of revised FRS 102, 108, 110, 116, 121, 127, 128, 132 and 133 do not result in significant changes in accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are discussed below:

a. FRS 3: Business combinations, FRS 136: Impairment of Assets and FRS 138: Intangible assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138. In accordance with the transitional provisions, FRS 3 has been applied for business combinations for which the agreement date is on or after 1 January 2006.

(i) Goodwill

Prior to 1 July 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 5 years and at each balance sheet date, the Group assessed if there was any indication of impairment of the cash-generating unit in which the goodwill is attached to. The adoption of FRS 3 and the revised FRS 136 has resulted in the Group ceasing annual goodwill amortisation. Goodwill is now carried at cost less accumulated impairment losses and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

In accordance with the transitional provisions of FRS 3, the Group has applied the revised accounting policy for goodwill prospectively from 1 July 2006. The transitional provisions of FRS 3 also required the Group to eliminate the carrying amount of the accumulated amortisation at 1 July 2006 amounting to RM101,394 against the carrying amount of goodwill. The net carrying amount of goodwill as at 1 July 2006 of RM62,093 ceased to be amortised thereafter.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for 2006 or prior periods. The effects on the consolidated balance sheet as at 30 June 2007 and consolidated income statement for the year ended 30 June 2007 are set out in Note 4(c)(i) and Note 4(c)(ii) respectively. This change has no impact on the Company's financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



4. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (cont'd)

(I) Standards and amendments to published standards that are effective for the financial year ended 30 June 2007 (cont'd)

a. FRS 3: Business combinations, FRS 136: Impairment of Assets and FRS 138: Intangible assets (cont'd)

(ii) Excess of Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost

Prior to 1 July 2006, the excess of Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost ("negative goodwill") was presented in the balance sheet without any amortisation. Under FRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisitions, after reassessment, is now recognised immediately in the income statements.

In accordance with transitional provisions of FRS 3, the negative goodwill as at 1 July 2006 was derecognized with a corresponding increase in retained profits.

	RM
Negative goodwill included in the carrying value of investment in an associate (Note 8)	21,312
	<u>21,312</u>

(iii) Accounting for acquisitions

Prior to 1 July 2006, the Group did not recognise separately the acquiree's contingent liabilities at the acquisition date as part of allocating the cost of a business combination. Upon the adoption of FRS 3, contingent liabilities are now separately recognised, provided their fair values can be measured reliably. In addition, the Group was previously allowed to recognise restructuring provisions in connection with an acquisition regardless of whether the acquiree had recognised such provisions. Upon the adoption of FRS 3, the Group is now permitted to recognise such provisions only when the acquiree has, at the acquisition date, an existing liability for restructuring recognised in accordance with FRS 137.

The change did not materially affect the financial statement of the Group and the Company.

b. FRS 101: Presentation of Financial Statements

Prior to 1 July 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 July 2006, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statements. Upon the adoption of the revised FRS 101, the share of taxation of associates accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied prospectively and as disclosed in Note 4(d), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 June 2007 is set out in Note 4(c)(i). This change has no impact on the Company's financial statements.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

4. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (cont'd)

(I) Standards and amendments to published standards that are effective for the financial year ended 30 June 2007 (cont'd)

c. Summary of effects of adopting new and revised FRSs on the current year's financial statement

(i) Effects on balance sheets as at 30 June 2007

Description of change	← Increase/(Decrease) →			Total
	FRS 3 Notes 4(a)(i)	FRS 3 Notes 4(a)(ii)	FRS 101 Notes 4(b)	
Group	RM	RM	RM	RM
Investment in associate	-	21,312	-	21,312
Goodwill on consolidation	20,697	-	-	20,697
Retained profits	-	21,312	-	21,312
Total equity	-	-	800,185	800,185

(ii) Effects on income statements for the year ended 30 June 2007

Description of change	Increase/(Decrease)
	FRS 3 Notes 4(a)(i)
Group	RM
Operating expenses	(20,697)
Profit before taxation	20,697
Net profit for the financial year	20,697
Earnings per share	
- Basic, for the profit for the year	0.04
- Diluted, for the profit for the year	0.04

d. Restatement of comparatives

Description of change At 30 June 2006	← Increase →		
	Previously Stated	FRS 101 Notes 4(a)(ii)	Restated
Group	RM	RM	RM
Retained profits	42,834,965	21,312	42,856,277
Total equity	93,317,424	582,959	93,900,383

(II) Standards and amendments to published standards to existing standards that are not yet effective for the financial year ended 30 June 2007 and have not been early adopted

The new standards, amendments to published standards and interpretations that are mandatory for the Group's financial years beginning on or after 1 July 2007 or later periods, but which the Group has not early adopted, are as follows:

- FRS 107 Cash Flow Statement (effective for accounting periods beginning on or after 1 July 2007). The future adoption of FRS 107 is not expected to affect the Group's financial statements as this revised standard has no significant changes as compared to FRS 107₂₀₀₄ Cash Flow Statements.
- FRS 112 Income Taxes (effective for accounting periods beginning on or after 1 July 2007). This revised standards is not expected to affect the Group's financial statements.
- FRS 117 Leases (effective for accounting periods beginning on or after 1 October 2006). This standard requires the classification of leasehold land as prepaid lease payments. The Group will apply this standard from financial year beginning 1 July 2007.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



4. CHANGE IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSs (cont'd)

(II) Standards and amendments to published standards to existing standards that are not yet effective for the financial year ended 30 June 2007 and have not been early adopted (cont'd)

- FRS 118 Revenue (effective for accounting periods beginning on or after 1 July 2007). The future adoption of FRS 118 is not expected to affect the Group's financial statements as this revised standard has no significant changes as compared to FRS 118₂₀₀₄ Revenue.
- FRS 119 Employee Benefits (effective for accounting periods beginning on or after 1 January 2007). The future adoption of FRS 119 is not expected to affect the Group's financial statements as this revised standards has no significant changes as compared to FRS 119₂₀₀₄ Employee Benefits and Amendment to FRS 119₂₀₀₄ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures.
- FRS 124 Related Party Disclosures (effective for accounting periods beginning on or after 1 October 2006). This standard will affect the identification of related parties and some other related party disclosures. The Group will apply this standard from financial year beginning 1 July 2007.
- FRS 134 Interim Financial Reporting (effective for accounting periods beginning on or after 1 July 2007). This standard defines the minimum content of an interim financial report, including disclosures; and identifies the accounting recognition and measurement principles that should be applied in an interim financial report. The Group will apply this standard in their interim financial reports from financial year beginning 1 July 2007.
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after 1 July 2007). The future adoption of FRS 137 is not expected to affect the Group's financial statements as this revised standards has no significant changes as compared to FRS 137₂₀₀₄ Provisions, Contingent Liabilities and Contingent Assets.
- FRS 139 Financial Instruments: Recognition and Measurement (effective date yet to be determined by Malaysian Accounting Standards Board). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when effective.

(III) Standards and amendments to published standards to existing standards that are not yet effective for the financial year ended 30 June 2007 and not relevant for the Group's operations

- FRS 6 Exploration for and Evaluation of Mineral Resources (effect for accounting periods beginning on or after 1 January 2007).
- FRS 111 Construction Contracts (effect for accounting periods beginning on or after 1 July 2007).
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance (effective for accounting periods beginning on or after 1 July 2007).
- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2007).



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

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.

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 2007 was RM62,093 (2006: RM62,093). Further details are disclosed in Note 10.

(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 19.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



6. PROPERTY, PLANT AND EQUIPMENT

Group 2007 Cost	Land and buildings RM	Furniture, fittings and equipment RM	Coldroom, plant and Machinery RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
At 1 July 2006	40,429,036	9,777,522	36,047,594	8,947,790	2,539,038	3,160,062	100,901,042
Acquisition of subsidiaries	23,062	112,534	25,450	76,219	8,916	-	246,181
Reclassification	-	-	1,235,931	-	-	(1,235,931)	-
Additions	1,954,684	749,538	2,773,929	1,132,866	111,268	3,168,226	9,890,511
Written off	-	(1,620)	-	-	-	-	(1,620)
Disposals	(277,140)	(48,279)	(147,848)	(1,179,569)	-	-	(1,652,836)
At 30 June 2007	42,129,642	10,589,695	39,935,056	8,977,306	2,659,222	5,092,357	109,383,278
Accumulated depreciation							
At 1 July 2006	12,468,741	6,990,192	24,382,856	7,085,937	1,705,029	-	52,632,755
Acquisition of subsidiaries	6,535	46,419	15,270	70,726	892	-	139,842
Charge for the year	1,353,772	845,478	2,375,752	727,045	219,279	-	5,521,326
Written off	-	(1,620)	-	-	-	-	(1,620)
Disposals	(75,436)	(25,495)	(132,778)	(1,095,402)	-	-	(1,329,111)
At 30 June 2007	13,753,612	7,854,974	26,641,100	6,788,306	1,925,200	-	56,963,192
Net book value							
At 30 June 2007	28,376,030	2,734,721	13,293,956	2,189,000	734,022	5,092,357	52,420,086
2006 Cost							
At 1 July 2005	38,958,021	9,495,486	33,933,035	8,844,735	2,422,468	603,181	94,256,926
Reclassification	-	2,700	62,535	-	-	(65,235)	-
Additions	1,471,015	322,023	2,125,651	186,521	116,570	2,622,116	6,843,896
Disposals	-	(42,687)	(73,627)	(83,466)	-	-	(199,780)
At 30 June 2006	40,429,036	9,777,522	36,047,594	8,947,790	2,539,038	3,160,062	100,901,042
Accumulated depreciation							
At 1 July 2005	11,118,241	6,131,136	21,932,122	6,418,476	1,480,080	-	47,080,055
Reclassification	-	1,620	(1,620)	-	-	-	-
Charge for the year	1,350,500	865,761	2,468,327	732,316	224,949	-	5,641,853
Disposals	-	(8,325)	(15,973)	(64,855)	-	-	(89,153)
At 30 June 2006	12,468,741	6,990,192	24,382,856	7,085,937	1,705,029	-	52,632,755
Net book value							
At 30 June 2006	27,960,295	2,787,330	11,664,738	1,861,853	834,009	3,160,062	48,268,287



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

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

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

2007 Cost	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Total land RM	Buildings RM	Total Land and Buildings RM
At 1 July 2006	3,058,630	1,863,977	6,216,631	11,139,238	29,289,798	40,429,036
Acquisition of subsidiaries	-	-	23,062	23,062	-	23,062
Reclassification	-	-	939,957	939,957	(939,957)	-
Additions	-	-	565,388	565,388	1,389,296	1,954,684
Disposals	-	-	-	-	(277,140)	(277,140)
	<u>3,058,630</u>	<u>1,863,977</u>	<u>7,745,038</u>	<u>12,667,645</u>	<u>29,461,997</u>	<u>42,129,642</u>
Accumulated depreciation						
At 1 July 2006	-	98,855	2,410,992	2,509,847	9,958,894	12,468,741
Acquisition of subsidiaries	-	-	6,535	6,535	-	6,535
Reclassification	-	-	53,551	53,551	(53,551)	-
Charge for the year	-	21,228	329,205	350,433	1,003,339	1,353,772
Disposals	-	-	-	-	(75,436)	(75,436)
	<u>-</u>	<u>120,083</u>	<u>2,800,283</u>	<u>2,920,366</u>	<u>10,833,246</u>	<u>13,753,612</u>
Net book value						
At 30 June 2007	<u>3,058,630</u>	<u>1,743,894</u>	<u>4,944,755</u>	<u>9,747,279</u>	<u>18,628,751</u>	<u>28,376,030</u>
2006 Cost						
At 1 July 2005	3,058,630	1,863,977	11,301,848	16,224,455	22,733,566	38,958,021
Reclassification	-	-	(5,205,217)	(5,205,217)	5,205,217	-
Additions	-	-	120,000	120,000	1,351,015	1,471,015
	<u>3,058,630</u>	<u>1,863,977</u>	<u>6,216,631</u>	<u>11,139,238</u>	<u>29,289,798</u>	<u>40,429,036</u>
Accumulated depreciation						
At 1 July 2005	-	77,627	4,307,355	4,384,982	6,733,259	11,118,241
Reclassification	-	-	(2,199,114)	(2,199,114)	2,199,114	-
Charge for the year	-	21,228	302,751	323,979	1,026,521	1,350,500
	<u>-</u>	<u>98,855</u>	<u>2,410,992</u>	<u>2,509,847</u>	<u>9,958,894</u>	<u>12,468,741</u>
Net book value						
At 30 June 2006	<u>3,058,630</u>	<u>1,765,122</u>	<u>3,805,639</u>	<u>8,629,391</u>	<u>19,330,904</u>	<u>27,960,295</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



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

Company	Short		
2007	leasehold	Equipment	Total
Cost	Land	RM	RM
	RM		
At 1 July 2006	1,946,085	15,100	1,961,185
At 30 June 2007	1,946,085	15,100	1,961,185
Accumulated depreciation			
At 1 July 2006	919,522	6,998	926,520
Charge for the year	155,687	2,339	158,026
At 30 June 2007	1,075,209	9,337	1,084,546
Net book value			
At 30 June 2007	870,876	5,763	876,639
2006			
Cost			
At 1 July 2005	1,946,085	15,100	1,961,185
At 30 June 2006	1,946,085	15,100	1,961,185
Accumulated depreciation			
At 1 July 2005	763,836	4,657	768,493
Charge for the year	155,686	2,341	158,027
At 30 June 2006	919,522	6,998	926,520
Net book value			
At 30 June 2006	1,026,563	8,102	1,034,665

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:-

	2007	2006
	RM	RM
Under hire purchase arrangements		
Motor vehicles	303,091	612,883
Under term loan arrangements		
Long leasehold land	1,743,894	1,765,122
Buildings	793,230	811,109
	2,537,124	2,576,231



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

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

The net book value of the property, plant and equipment of certain subsidiary companies which were charged as securities for banking facilities granted to the Group (Note 18) are analysed as follows:-

	Group	
	2007	2006
	RM	RM
Freehold land and buildings	1,724,259	1,814,484
Leasehold land and buildings	11,924,493	11,311,383
Plant and equipment	3,558,187	3,412,049
	17,206,939	16,537,916

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2007	2006
	RM	RM
Unquoted shares, at cost	41,749,149	41,749,149
	41,749,149	41,749,149

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

Company name	Principal activities	Group equity interest	
		2007	2006
		%	%
Direct subsidiary companies of CCK Consolidated Holdings Berhad			
Ableway Sdn Bhd	General trading in goods and provisions	100	100
Ataskota Sdn Bhd	Selling, spawning and culturing of prawn	100	100
CCK Fresh Mart Sdn Bhd	Retailing in coldstorage products and fish farming	100	100
CCK Fresh Mart (West Malaysia) Sdn Bhd	Retailing in coldstorage products	100	100
Central Coldstorage Kuching Sdn Bhd	Trading of coldstorage goods, live stock farming and poultry processing	100	100
Kin Eastern Frozen Food Sdn Bhd	Processing and sale of seafood	100	100
Kuok Sui Sea Products Industries (S) Sdn Bhd	Processing and sale of prawns	100	100
CCK Aquaculture Sdn Bhd	Culturing, processing and trading of prawns	100	100
CCK Sea Products Industries Sdn Bhd	Culturing, processing and trading of prawns	100	100
Positive Everising Sdn Bhd	Dormant	100	100
Subsidiary company of Ableway Sdn Bhd			
Angkutan Golden Plan Sdn Bhd	Provision of transportation services	100	100
Subsidiary companies of Central Coldstorage Kuching Sdn Bhd			
CCK-BME Sdn Bhd	Trading of coldstorage goods	60	60
Poultry Industry (S) Sdn Bhd	Rearing of broilers	100	100
Zhang Agriculture Development Sdn Bhd	Poultry farming	100	100
# Vibrant Team Sdn Bhd	Poultry farming	100	100

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



7. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

<u>Company name</u>	<u>Principal activities</u>	<u>Group equity interest</u>	
		<u>2007</u>	<u>2006</u>
Subsidiary company of Poultry Industry (S) Sdn Bhd			
Farm Land Supplies and Veterinary Services Sdn Bhd	Veterinary supplies and related Services	60	60
Subsidiary company of CCK Fresh Mart Sdn Bhd			
# Mukah Seafoods Industries Sdn Bhd	Trading of seafood and coldstorage foodstuff	71.41	-
# <i>Not audited by Hii & Lee</i>			

8. INVESTMENT IN ASSOCIATED COMPANIES

	<u>Group</u>		<u>Company</u>	
	<u>2007</u> <u>RM</u>	<u>2006</u> <u>RM</u>	<u>2007</u> <u>RM</u>	<u>2006</u> <u>RM</u>
Unquoted shares, at cost	750,001	400,051	750,000	400,050
Effects of adopting FRS 3 (Note 4(a)(ii))	21,312	-	-	-
Share of post-acquisition results	(211,655)	162,706	-	-
Post-acquisition dividends received, net	-	(313,173)	-	-
	<u>559,658</u>	<u>249,584</u>	<u>750,000</u>	<u>400,050</u>

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

<u>Company name</u>	<u>Principal activities</u>	<u>Group equity interest</u>	
		<u>2007</u>	<u>2006</u>
Associated company of CCK Consolidated Holdings Berhad			
Astral Foods Sdn Bhd	Dormant	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
Associated company of CCK Fresh Mart Sdn Bhd			
# Fishmart Marketing Sarawak Sdn Bhd	Dormant	50	50
# <i>Not audited by Hii & Lee</i>			

The results of Astral Foods Sdn Bhd and Fishmart Marketing Sarawak Sdn Bhd are based on the unaudited management financial statements for the financial year ended 30 June 2007.

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 2007.



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

8. INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

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

Assets and liability	2007 RM	2006 RM
Current assets	1,988,044	1,436,077
Non-current assets	1,505,428	1,328,558
Total assets	3,493,472	2,764,635
Current liabilities	1,805,809	1,867,008
Non-current liabilities	577,369	364,855
Total liabilities	2,383,178	2,231,863
Net assets	1,110,294	532,772
Group's share of associates' net assets	555,146	266,384
Results		
Revenue	5,826,456	3,884,780
Loss for the year	(122,378)	(129,719)
Group's share of associates' results for the year	(61,188)	(64,860)

The details of goodwill and negative goodwill included within the Group's carrying amount of investment in associates are as follows:-

Cost and net carrying amount	Goodwill RM	Negative Goodwill RM	Total RM
At 30 June 2006 and 1 July 2006	4,512	(21,312)	(16,800)
Effects of adopting FRS 3 (Note 4 (a)(ii))	-	21,312	21,312
At 30 June 2007	4,512	-	4,512

9. OTHER INVESTMENTS

	Group	
	2007 RM	2006 RM
Unquoted shares, at cost	50,000	50,000

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



10. GOODWILL ON CONSOLIDATION

Cost	Group	
	2007 RM	2006 RM
At 1 July	163,487	163,487
Effects of adopting FRS 3 (Note 4(a)(i))	(101,394)	-
At 30 June	<u>62,093</u>	<u>163,487</u>
Accumulated amortisation		
At 1 July	101,394	80,697
Amortisation for the financial year	-	20,697
Effects of adopting FRS 3 (Note 4(a)(i))	(101,394)	-
At 30 June	<u>-</u>	<u>101,394</u>
Net book value		
At 30 June	<u><u>62,093</u></u>	<u><u>62,093</u></u>

11. INVENTORIES

At Cost,	Group	
	2007 RM	2006 RM
Trading inventories	25,508,554	22,227,011
Raw materials	4,046,092	3,984,912
Work-in-progress	14,075	15,946
Aquaculture products	703,971	737,330
Consumable stores	639,447	742,603
	<u>30,912,139</u>	<u>27,707,802</u>

12. TRADE RECEIVABLES

	Group	
	2007 RM	2006 RM
Trade receivables	34,439,348	35,713,859
Allowance for doubtful debts	(1,804,895)	(600,342)
	<u>32,634,453</u>	<u>35,113,517</u>

The Group's normal trade credit term ranges from 30 days 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.

13. AMOUNT DUE FROM SUBSIDIARY COMPANIES

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

14. AMOUNT DUE FROM/TO ASSOCIATED COMPANIES

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



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

15. 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 1 July 2006	49,745,234	-	49,745,234	691,625	50,436,859	-
Ordinary shares issued Pursuant to ESOS	38,000	-	38,000	7,600	45,600	-
At 30 June 2006 and 1 July 2006	49,783,234	-	49,783,234	699,225	50,482,459	-
Ordinary shares issued Pursuant to ESOS	611,000	-	611,000	122,200	733,200	-
Purchase of treasury shares	-	(1,435,800)	-	-	-	(2,340,698)
Transaction costs	-	-	-	-	-	(10,292)
At 30 June 2007	<u>50,394,234</u>	<u>(1,435,800)</u>	<u>50,394,234</u>	<u>821,425</u>	<u>51,215,659</u>	<u>(2,350,990)</u>

	← Number of Ordinary Shares of RM1 each →		← Amount →	
	2007 Number of shares	2006 Number of shares	2007 RM	2006 RM
Authorised share capital	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

The holders of ordinary shares are entitled to received 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) Ordinary shares

During the financial year, the issued and paid-up share capital of the Company was increased from RM49,783,234 to RM50,394,234 by issuing 611,000 ordinary shares of RM1.00 each at a premium of RM0.20 each by virtue of the exercise of share options.

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

As at 30 June 2007, there were 3,731,766 (2006: 4,342,766) unissued shares under options granted pursuant to the Employees' Share Options Scheme which was implemented on 23 March 2001.

(b) 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 meeting on 15 December 2005 and 15 December 2006, 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 1,435,800 of its issued ordinary shares from the open market at a average price of RM1.63 per share. The total consideration paid for the repurchase was RM2,350,990, comprising of consideration paid amounting to RM2,340,698 and transaction costs of RM10,292. 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 2007, the issued and fully paid ordinary shares are 50,394,234 (2006: 49,783,234) of which 1,435,800 (2006: NIL) are held as treasury shares by the Company. As at 30 June 2007, the number of outstanding ordinary shares in issue after the setoff is therefore 48,958,434 (2006: 49,783,234) ordinary shares of RM1 each.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



16. RETAINED PROFITS

As at 30 June 2007, the Company has tax exempt profits available for distribution of approximately RM7,541,000 (2006: RM5,584,000) subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 30 June 2007.

17. HIRE PURCHASE CREDITORS

	Group	
	2007	2006
	RM	RM
Analysis of hire purchase liabilities:-		
Payable within 1 year	182,964	130,936
Payable between 1 to 2 years	2,091	79,464
Payable between 2 to 5 years	-	2,091
	<hr/>	<hr/>
	185,055	212,491
Less: Interest in suspense	(6,718)	(10,652)
	<hr/>	<hr/>
Present value of hire purchase liabilities	178,337	201,839
	<hr/> <hr/>	<hr/> <hr/>
Representing hire purchase liabilities, net of interest in suspense:-		
Payable within 1 year	176,403	123,502
Payable after 1 year	1,934	78,337
	<hr/>	<hr/>
Total payable	178,337	201,839
	<hr/> <hr/>	<hr/> <hr/>

The hire purchase liabilities bear interest at rates ranging between 2.70% to 4.75% (2006: 2.60% to 5.50%) per annum.

18. BANK BORROWINGS

	Group	
	2007	2006
	RM	RM
Current Secured		
Term loans	1,169,886	1,067,736
Bank overdrafts	2,073,740	2,362,154
Banker's acceptances	7,656,000	8,690,000
Export credit refinancing loans	575,000	1,554,000
	<hr/>	<hr/>
	11,474,626	13,673,890
	<hr/>	<hr/>
Current Unsecured		
Bank overdrafts	278,671	-
Export credit refinancing loans	413,000	215,000
	<hr/>	<hr/>
	691,671	215,000
	<hr/>	<hr/>
	12,166,297	13,888,890
	<hr/> <hr/>	<hr/> <hr/>
Long-term Secured		
Term loans	1,393,563	2,087,811
	<hr/> <hr/>	<hr/> <hr/>



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

18. BANK BORROWINGS (cont'd)

Details of term loans:	Group	
	2007 RM	2006 RM
(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	685,409	830,784
(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 96 monthly instalments of RM4,346, RM4,565 and RM4,794 each for first, second and subsequent years respectively commencing 2 November 2002	123,391	165,231
(c) Term loan III at interest of 3% per annum, 5.5% per annum and 7.5% per annum for first, second and subsequent years respectively repayable by 60 monthly instalments of RM11,183, RM11,402 and RM11,614 each for first, second and subsequent years respectively commencing 27 December 2003	45,974	177,651
(d) Term loan IV at interest of 3.75% (2006: NIL) per annum above base lending rate on daily basis repayable of 47 monthly instalments of RM44,935 each and a final instalment of RM44,921.08 commencing on March 2005	777,157	1,320,816
(e) Term loan V at interest of 1.75% per annum below base lending rate (BLR), 0.90% below BLR and 0.80% above BLR for first, second and subsequent years respectively, repayable by 60 monthly Instalments of RM18,529, RM18,843 and RM19,326 each for first, Second and subsequent year respectively commencing 26th September 2004	468,378	661,065
(f) Term loan VI 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	463,140	-
	2,563,449	3,155,547
Representing term loan liabilities, net of interest in suspense:-		
Payable within 1 year	1,169,886	1,067,736
Payable between 1 to 2 years	835,795	993,938
Payable between 2 to 5 years	557,768	1,093,873
Total payable	2,563,449	3,155,547

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

	2007 RM	2006 RM
Bank overdrafts	8.41%	7.81%
Banker's acceptances	3.87%	5.15%
Export credit refinancing loans	3.00%	4.25%

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

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



19. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2007</u> RM	<u>2006</u> RM	<u>2007</u> RM	<u>2006</u> RM
Balance brought forward	2,686,325	2,581,486	1,698	2,162
Recognised in the income Statement	(30,729)	104,839	(509)	(464)
	<u>2,655,596</u>	<u>2,686,325</u>	<u>1,189</u>	<u>1,698</u>
Presented after appropriate offsetting as follows:-				
Deferred tax assets	(18,340)	(33,180)	-	-
Deferred tax liabilities	2,673,936	2,719,505	1,189	1,698
At 30 June	<u>2,655,596</u>	<u>2,686,325</u>	<u>1,189</u>	<u>1,698</u>

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

	<u>Receivables</u> RM	<u>Others</u> RM	<u>Total</u> RM
Deferred tax assets of the Group:			
At 1 July 2006	33,180	-	33,180
Recognised in the income Statement	(14,840)	-	(14,840)
At 30 June 2007	<u>18,340</u>	<u>-</u>	<u>18,340</u>
At 1 July 2005	33,180	4,100	37,280
Recognised in the income Statement	-	(4,100)	(4,100)
At 30 June 2006	<u>33,180</u>	<u>-</u>	<u>33,180</u>
		Accelerated Capital allowance	Total
		RM	RM
Deferred tax liabilities of the Group:			
At 1 July 2006		2,719,505	2,719,505
Recognised in the income statement		(45,569)	(45,569)
At 30 June 2007		<u>2,673,936</u>	<u>2,673,936</u>
At 1 July 2005		2,618,766	2,618,766
Recognised in the income statement		100,739	100,739
At 30 June 2006		<u>2,719,505</u>	<u>2,719,505</u>



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

19. DEFERRED TAXATION (cont'd)

Deferred tax liabilities of the Company:	Accelerated Capital allowance RM	Total RM
At 1 July 2006	1,698	1,698
Recognised in the income statement	(509)	(509)
At 30 June 2007	<u>1,189</u>	<u>1,189</u>
At 1 July 2005	2,162	2,162
Recognised in the income statement	(464)	(464)
At 30 June 2006	<u>1,698</u>	<u>1,698</u>

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

	Group	
	2007 RM	2006 RM
Unused tax losses	1,386,307	1,485,219
Unabsorbed capital allowance	1,990,923	1,947,962
Unutilised investment tax allowance	-	158,898
	<u>3,377,230</u>	<u>3,592,079</u>

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

20. REVENUE

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trading sales	239,346,418	233,950,619	-	-
Transportation services	419,453	264,095	-	-
Management income	20,000	14,500	453,000	420,650
Dividends income	-	-	11,499,030	10,298,266
	<u>239,785,871</u>	<u>234,229,214</u>	<u>11,952,030</u>	<u>10,718,916</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



21. OTHER OPERATING INCOME

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Over provision of audit fee in previous year	2,200	1,950	-	-
Bad debt recovered	-	8,016	-	-
Handling charges income	171,243	184,987	-	-
Hiring Income	1,160	12,267	-	-
Insurance compensation	13,057	2,778	-	-
Interest income - others	-	11,270	-	27,738
- fixed deposit	244,776	37,305	34,240	10,649
Miscellaneous income	252,372	219,062	5,850	-
Profit on disposals of property, plant and equipment	304,073	11,196	-	-
Realised exchange gain	427,455	142,960	-	-
Rental income	120,900	112,509	-	-
Service charges income	388,393	32,009	-	-
Storage charges income	54,373	600,043	-	-
Unrealised exchange gain	70,892	4,953	-	-
	<u>2,050,894</u>	<u>1,381,305</u>	<u>40,090</u>	<u>38,387</u>

22. OPERATING EXPENSES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Distribution costs	5,073,915	5,123,884	-	-
Other operating expenses	9,780,079	9,219,543	-	-
Administration expenses	10,848,509	10,803,136	1,088,361	1,200,823
	<u>25,702,503</u>	<u>25,146,563</u>	<u>1,088,361</u>	<u>1,200,823</u>

The above expenses include the following statutory disclosure items:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Auditors' remuneration	116,900	107,750	15,000	15,000
Allowance for doubtful debts	348,885	46,320	-	-
Amortisation of goodwill on consolidation	-	20,697	-	-
Bad debts written off	76,704	336,487	-	271,612
Depreciation	5,521,326	5,641,853	158,026	158,027
Directors' remuneration:-				
- fees	312,380	273,060	279,400	239,000
- other emoluments	1,123,000	1,111,558	170,400	120,000
Hiring of plant and equipment	420	780	-	-
Inventories written off	-	143,550	-	-
Loss on disposals of property, plant and equipment	349	2,009	-	-
Realised exchange loss	159,078	89,924	-	-
Rental of premises	1,628,693	1,664,179	-	-
	<u></u>	<u></u>	<u></u>	<u></u>



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

22. OPERATING EXPENSES (cont'd)

The remuneration paid to the Directors for the financial year ended 30 June 2007 is categorised as follows:-

	Group		Company	
	2007	2006	2007	2006
Executive Director	RM	RM	RM	RM
Salaries	908,800	888,000	102,400	96,000
Fees	59,660	46,740	49,000	35,000
Bonus	170,328	222,000	56,000	24,000
Commission	31,872	1,558	-	-
Allowances	12,000	-	12,000	-
	<u>1,182,660</u>	<u>1,158,298</u>	<u>219,400</u>	<u>155,000</u>
Non-executive Directors				
Fees	252,720	226,320	230,400	204,000
Total	<u>1,435,380</u>	<u>1,384,618</u>	<u>449,800</u>	<u>359,000</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	
	2007	2006
Executive Directors		
RM200,000 to RM250,000	-	-
RM150,000 to RM200,000	7	3
RM100,000 to RM150,000	-	4
Non-Executive Directors		
RM150,000 to RM200,000	1	1
RM50,000 and below	5	5

23. FINANCE COSTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Bank overdrafts interest	68,940	73,556	-	-
Term loans interest	179,825	228,452	-	-
Hire purchase interest	7,708	154,463	-	-
Banker's acceptances interest	98,063	183,282	-	-
Export credit refinancing loans interest	256,747	220,111	-	-
	<u>611,283</u>	<u>859,864</u>	<u>-</u>	<u>-</u>

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



24. TAXATION

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Based on profit for the year	3,772,887	3,803,813	2,497,708	1,607,617
Over provision in prior years	(3,006)	(1,193,519)	-	(1,199,761)
Real property gain tax	6,000	-	-	-
Transfer to/(from) deferred taxation	(30,729)	104,839	(509)	(464)
	<u>3,745,152</u>	<u>2,715,133</u>	<u>2,497,199</u>	<u>407,392</u>

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% effective year of assessment 2008. The computation of deferred tax as at 30 June 2007 has reflected these changes.

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	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit before taxation	<u>14,610,396</u>	<u>11,959,352</u>	<u>10,903,759</u>	<u>9,556,480</u>
Income tax at 27% (2006: 28%)	3,944,807	3,348,619	2,944,015	2,675,814
Tax effect of permanent differences:-				
Expenses not deductible for tax purposes	143,163	197,925	39,380	106,916
Non-qualifying property, plant and Equipment	226,047	216,148	42,035	44,248
Income not subject to tax	(133,758)	-	(528,354)	(1,219,361)
Double deduction on marine insurance	(2,165)	(1,853)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(101,949)	(237,316)	-	-
Deferred tax assets not recognised during the year	181,768	255,404	-	-
Others	(27,821)	20,777	-	-
(Over)/under provision of deferred tax in prior years	(240,523)	335,259	123	(464)
Real property gain tax	6,000	-	-	-
Effect in change of statutory tax rates	(247,411)	(226,311)	-	-
Over provision in prior years	(3,006)	(1,193,519)	-	(1,199,761)
	<u>3,745,152</u>	<u>2,715,133</u>	<u>2,497,199</u>	<u>407,392</u>



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

25. 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.

	Group	
	2007	2006
	RM	RM
Profit attributable to ordinary equity holders of the Company	10,740,818	9,142,438
Weighted average number of ordinary share in issue	49,830,753	49,766,911
Basic earnings per share for:-	Sen	Sen
Profit for the year	21.55	18.37

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.

	2007	2006
	RM	RM
Profit attributable to ordinary equity holders of the Company	10,740,818	9,142,438
Weighted average number of ordinary share in issue	49,830,753	49,766,911
Effects of dilution:-		
Share options	685,426	538,883
Adjusted weighted average number of ordinary share in issue	50,516,179	50,305,794
Diluted earnings per share for:-	Sen	Sen
Profit for the year	21.26	18.17

26. ACQUISITION OF SUBSIDIARY COMPANIES

	Group	
	2007	2006
	RM	RM
The acquisition had the following effect on the Group's financial results for the year:-		
Revenue	-	-
Loss from operations	1,903	-
Net loss for the year	1,903	-

If the acquisition had occurred on 1 July 2006, the Group's revenue and loss for the year would have been RM2,502,991 and RM513,881 respectively.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



26. ACQUISITION OF SUBSIDIARY COMPANIES (cont'd)

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

	2007 RM	2006 RM
Property, plant and equipment (Note 6)	106,339	-
Inventories	57,089	-
Trade receivables, net	737,645	-
Other receivables, deposits and prepayments	83,426	-
Fixed deposits with a licensed bank	5,000	-
Cash and bank balances	409,089	-
Trade payables	(847,992)	-
Other payables, deposits and accruals	(7,887)	-
Bank borrowings	(2,709)	-
Fair value of total net assets	540,000	-
Less: Minority interests	(154,400)	-
Cost of acquisition	385,600	-
Cash and cash equivalents of subsidiary acquired	(411,380)	-
Net cash outflow on acquisitions	(25,780)	-

There was no acquisition for the financial year ended 30 June 2006.

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2007 RM	2006 RM
Total purchases of property, plant and equipment	9,890,511	6,843,896
Hire purchase arrangements	(100,000)	(69,700)
Cash disbursed for purchases of property, plant and equipment	<u>9,790,511</u>	<u>6,774,196</u>

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Fixed deposits with licensed banks	1,005,000	-	1,000,000	-
Cash and bank balances	14,292,639	12,768,852	1,064,578	541,893
Bank overdrafts - secured	(2,073,740)	(2,362,154)	-	-
- unsecured	(278,671)	-	-	-
	<u>12,945,228</u>	<u>10,406,698</u>	<u>2,064,578</u>	<u>541,893</u>



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

29. EMPLOYEES INFORMATION

Staff costs	<u>Group</u>		<u>Company</u>	
	<u>2007</u> RM	<u>2006</u> RM	<u>2007</u> RM	<u>2006</u> RM
Salaries, bonus, wages and allowances	14,264,016	14,449,501	315,663	280,202
Employees provident fund contribution	1,336,173	1,268,816	40,251	32,636
Socso contribution	151,450	142,768	2,510	2,465
Other employee benefits	1,741,065	1,704,769	59,213	50,435
	<u>17,492,704</u>	<u>17,565,854</u>	<u>417,637</u>	<u>365,738</u>

Included in staff cost of the Group and of the Company are executive directors' remuneration amounting to RM1,182,660 (2006: RM1,158,298) and RM219,400 (2006: RM155,000) respectively as further disclosed in Note 22.

30. DIVIDEND

	<u>Group/Company</u>	
	<u>2007</u> RM	<u>2006</u> RM
Final dividend paid on ordinary shares of 5.0 sen gross (2006: 3.5 sen) per share, less tax at 28%	<u>1,796,191</u>	<u>1,253,983</u>

The Board of Directors proposed a final dividend of 5.0 sen gross less income tax at 27% in respect of the financial year ended 30 June 2007. These dividends are not recognised as a liability at the balance sheet date and will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2008 after approval by the members at the forthcoming Annual General Meeting.

31. SEGMENT REPORTING

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

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

Business segments

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

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

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



31. SEGMENT REPORTING (cont'd)

Group 2007	Poultry RM	Seafood RM	Aquaculture RM	Others RM	Consolidated RM
Revenue from external Customers	162,951,953	75,286,328	1,527,590	20,000	239,785,871
Segment results	20,708,421	20,457,933	(2,251,878)	20,000	38,934,476
Other operating income					1,806,118
Unallocated expenses					(26,313,786)
Operating income					14,426,808
Interest income					244,776
Share of results in associated companies					(61,188)
Profit before taxation					14,610,396
Other information					
Segment assets	76,268,630	45,698,930	9,274,957	-	131,242,517
Investments in associates					559,658
Unallocated corporate assets					3,816,306
Consolidated total assets					135,618,481
Segment liabilities	20,855,917	11,029,009	2,029,832	-	33,914,758
Unallocated corporate liabilities					237,965
Consolidated total liabilities					34,152,723
Significant non-cash expenses					
Depreciation	2,996,769	1,413,022	953,509	-	5,363,300
Unallocated corporate non-cash expenses					158,026
Consolidated total non-cash expenses					5,521,326



Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)

31. SEGMENT REPORTING (cont'd)

Group 2006	Poultry RM	Seafood RM	Aquaculture RM	Others RM	Consolidated RM
Revenue from external Customers	154,519,094	71,052,403	8,643,217	14,500	234,229,214
Segment results	20,970,919	16,375,314	(711,399)	14,500	36,649,334
Other operating income					1,332,730
Unallocated expenses					(26,006,427)
Operating income					11,975,637
Interest income					48,575
Share of results in associated companies					(64,860)
Profit before taxation					11,959,352
Other information					
Segment assets	72,344,698	43,316,740	11,195,251	-	126,856,689
Investments in associates					249,584
Unallocated corporate assets					3,540,962
Consolidated total assets					130,647,235
Segment liabilities	21,924,823	11,492,255	3,115,512	-	36,532,590
Unallocated corporate liabilities					214,262
Consolidated total liabilities					36,746,852
Significant non-cash expenses					
Depreciation	3,121,920	1,378,155	983,751	-	5,483,826
Unallocated corporate non-cash expenses					158,027
Consolidated total non-cash expenses					5,641,853

32. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment:-	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Approved and contracted for	5,784,945	6,220,445	-	5,720,445

33. CONTINGENT LIABILITIES

Unsecured	Company	
	2007 RM	2006 RM
Guarantees for the borrowings of subsidiary companies	85,560,160	84,530,500

Notes To The Financial Statements

For The Financial Year Ended 30 June 2007 (cont'd)



34. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Transactions with subsidiary Companies:-	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Interest income received from:-				
- CCK Sea Products Industries Sdn Bhd	-	-	-	13,243
- Kuok Sui Sea Products Industries Sdn Bhd	-	-	-	14,496
Management income received from:-				
- Ableway Sdn Bhd	-	-	75,600	63,600
- Ataskota Sdn Bhd	-	-	12,800	13,200
- CCK Fresh Mart Sdn Bhd	-	-	98,400	74,400
- Central Coldstorage Kuching Sdn Bhd	-	-	181,800	172,750
- Kin Eastern Frozen Food Sdn Bhd	-	-	37,800	38,400
- Kuok Sui Sea Products Industries Sdn Bhd	-	-	19,800	37,800
- Angkutan Golden Plan Sdn Bhd	-	-	1,200	1,200
- Farm Land Supplies & Veterinary Services Sdn Bhd	-	-	1,200	1,200
- CCK Fresh Mart (West Malaysia) Sdn Bhd	-	-	800	1,200
- Poultry Industry (S) Sdn Bhd	-	-	1,200	1,200
- Zhang Agriculture Development Sdn Bhd	-	-	1,200	1,200
- CCK BME Sdn Bhd	-	-	1,200	-
Accounting fee paid to:-				
- Central Coldstorage Kuching Sdn Bhd	-	-	24,000	24,000
Transactions with a company in which certain directors and substantial shareholder have financial interests:-				
Trading sales:-				
- Central Coldstorage Sarawak Sdn Bhd *	34,789	-	-	-
Rental paid to:-				
- S. K. Tiong Enterprise Sdn Bhd *	178,800	178,800	-	-

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

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



Notes To The Financial Statements For The Financial Year Ended 30 June 2007 (cont'd)

- Director of S. K. Tiong Enterprise Sdn Bhd and Central Coldstorage Sarawak Sdn Bhd.

35. 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

For The Financial Year Ended 30 June 2007 (cont'd)

35. 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 2007 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
Fixed rate												
Fixed deposits with licensed banks	28	3.00	1,005,000	-	-	-	-	-	-	-	-	1,005,000
Term loans	18	7.50	(88,474)	(42,500)	(38,391)	-	-	-	-	-	-	(169,365)
Hire purchase creditors	17	3.10	(176,403)	(1,934)	-	-	-	-	-	-	-	(178,337)
Floating rate												
Bank overdrafts	18	8.41	(2,352,411)	-	-	-	-	-	-	-	-	(2,352,411)
Banker's acceptances	18	3.87	(7,656,000)	-	-	-	-	-	-	-	-	(7,656,000)
Export credit refinancing loans	18	3.00	(988,000)	-	-	-	-	-	-	-	-	(988,000)
Term loans	18	8.68	(1,081,412)	(793,295)	(347,375)	(172,002)	-	-	-	-	-	(2,394,084)
At 30 June 2006												
Group												
Fixed rate												
Fixed deposits with licensed banks	28	-	-	-	-	-	-	-	-	-	-	-
Term loans	18	7.50	(174,300)	(88,351)	(42,500)	(37,731)	-	-	-	-	-	(342,882)
Hire purchase creditors	17	3.10	(123,502)	(76,403)	(1,934)	-	-	-	-	-	-	(201,839)



Notes To The Financial Statements For The Financial Year Ended 30 June 2007 (cont'd)

35. 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. (cont'd)

At 30 June 2006 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
Floating rate								
Bank overdrafts	18	7.81	(2,362,154)	-	-	-	-	(2,362,154)
Banker's acceptances	18	5.15	(8,690,000)	-	-	-	-	(8,690,000)
Export credit refinancing loans	18	4.25	(1,769,000)	-	-	-	-	(1,769,000)
Term loans	18	8.59	(893,436)	(905,587)	(621,910)	(219,837)	(171,895)	(2,812,665)
At 30 June 2007 Company								
Fixed rate								
Fixed deposits with licensed banks	28	3.00	1,000,000	-	-	-	-	1,000,000
At 30 June 2006 Company								
Fixed rate								
Fixed deposits with licensed banks	28	-	-	-	-	-	-	-

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

For The Financial Year Ended 30 June 2007 (cont'd)



35. 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:

	Group			
	2007		2006	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Assets – Non Current				
Investment in associated companies	559,658	#	249,584	#
Other investment	50,000	#	50,000	#
Liabilities – Non Current				
Hire purchase creditors	1,934	2,081	78,337	78,637
Term loans	1,393,563	1,373,494	2,087,811	2,205,120
Company				
Assets – Non Current				
Investment in subsidiary companies	41,749,149	#	41,749,149	#
Investment in associated companies	750,000	#	400,050	#
Liabilities – Non current				
Contingent liabilities	85,560,160	*	84,530,500	*

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.

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ADDITIONAL
INVESTOR
INFORMATON



Additional Compliance Information

1. There were no options, warrants or convertible securities exercised in respect of the financial year under review other than the exercise of 611,000 share options as disclosed in the Directors' Report and note 15 of the financial statements outlined in page 62 of this annual report respectively.
2. At the Tenth Annual General Meeting of the Company held on 15 December 2006, 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 2007, a total of 1,460,200 ordinary shares of RM1.00 each of the Company were purchased pursuant to the share buy-back authority. All the shares purchased are currently retained as treasury shares. None of the shares purchased has been resold or cancelled.

A monthly breakdown of the shares bought back is set out below :-

Month	No. of shares purchased	Price		Average Cost (RM)	Total Consideration (RM)
		Highest (RM)	Lowest (RM)		
Year 2006					
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-
Year 2007					
January	-	-	-	-	-
February	33,300	1.420	1.400	1.410	47,292.29
March	-	-	-	-	-
April	944,200	1.500	1.450	1.470	1,395,350.28
May	3,000	1.680	1.670	1.670	5,058.13
June	479,700	2.100	1.880	1.910	950,087.91

3. There were no material contracts of the Company or its subsidiaries involving Directors and major shareholders' interest subsisting at the end of the financial year under review or entered into since the end of the financial year under review or entered into since the end of the previous financial year.
4. The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 30 June 2007 by the Company's external auditors, Messrs. Hii & Lee ("HL"), or a firm or company affiliated to HL amounted to RM20,250.00.

List Of Top 10 Properties

For The Financial Year Ended 30 June 2007



Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	NET Book Value
Central Coldstorage Kuching Sdn. Bhd. Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, Sarawak	Industrial Land/ Corporate Office, Coldroom and Abattoir	Leasehold (29 Yrs Remaining) Expiring on 06.07.2035	23.06.1992	11 Yrs	2.295 Hectares	5,256,057.09
Cck Fresh Mart (West Malaysia) Sdn. Bhd. H.S.(D.) No.:19776, P.T. No.:22244 Mukim of Batu, District of Gombak, State of Selangor	3 Storey Detached Industrial Factory	Freehold	28.09.1999	10.5 Yrs	2,095.61 Sq.M.	3,874,059.75
CCK Sea Products Industries Sdn. Bhd. Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, Sarawak	Factory/Office Coldroom, Worker Quarters Farm Building and Guard House	Leasehold (29 Yrs Remaining) Expiring on 06.07.2035	2002	5 Yrs	-	2,126,558.63
Cck Fresh Mart (West Malaysia) Sdn. Bhd. H.S.(D.) No.:24157, P.T. No.:19461, Bandar Kajang, Daerah Ulu Langat State of Selangor	3 Storey Corner Terraced Shophouse	Leasehold (82 Yrs Remaining) Expiring on 26.06.2089	15.02.2001	11 Yrs	2,533 Sq.ft.	1,823,085.77
Kuok Sui Sea Products Industries (S) Sdn. Bhd. Lot 22, Block 9 Sibul Town District, Sarawak	3 Storey Detached Factory	Freehold	12.06.1999	8 Yrs	9,590 Sq.ft.	1,724,260.56
CCK Fresh Mart Sdn. Bhd. Lot 1032, Block 5, Miri Concession Land District,	5 Units Of 3 Storey Shophouse/Office	Leasehold (42 Yrs Remaining) Expiring on 04.12.2049	07.12.1996	12 Yrs	2,456 Sq.M.	1,374,821.40
Central Coldstorage Kuching Sdn. Bhd. Survey Lot 14,935 (Sublot 88 Block K) of Lot 11075, Block 11, Muara Tebas Land District	4 Storey Intermediate Terraced Shophouse	Leasehold	15.02.2007	1 Yrs	1,575 Sq.ft.	1,118,000.00
Zhang Agriculture Development Sdn. Bhd. Bau OT No.3091 Of 1937, No.1020 Of 1927 No. 2596 Of 1934, No. 2998 Of 2936	Breeding Shed	Leasehold (28 Yrs Remaining) Expiring on 31.12.2035	1987	20 Yrs	11,000 Sq.M.	1,050,722.78



List Of Top 10 Properties For The Financial Year Ended 30 June 2007 (cont'd)

Location	Description/ Existing Use	Tenure	Acquisition Date	Age Of Building	Land (Built-Up Area)	NET Book Value
Zhang Agriculture Development Sdn. Bhd. Bau OT No.645 Ta Foh Shak, Bau, Sarawak	Agriculture Land/ Hatchery, Office, Workers Quarters & Laboratory	Leasehold (19 Yrs Remaining) Expiring on 08.03.2036	03.10.1990	10.5 Yrs	10.44 Acres*	1,003,246.74
CCK Consolidated Hlgs Bhd Lot 2969, Block 19, Seduan Land District, Sarawak	Light Industrial Land/ Vacant	Leasehold (6 Yrs Remaining) Expiring on 30.08.2013	10.04.2001	-	-	870,875.34

Analysis Of Shareholdings

As At 5 October 2007



SHARE CAPITAL

Authorised share capital	:	RM100 million
Issued and fully paid-up capital	:	RM51,086,234.00
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

DISTRIBUTION SCHEDULE OF ORDINARY SHARES

Holdings	No. of Holders	Total Holdings	%
less than 100 shares	-	-	-
100 - 1,000 shares	507	202,600	0.41
1,001 - 10,000 shares	828	2,218,035	4.50
10,001 - 100,000 shares	129	3,319,595	6.73
100,001 - less than 5% of issued shares	38	13,680,253	27.73
5% and above of issued shares	5	29,914,251	60.64
Total	1,507	49,334,734[#]	100.00

Note:

excluding 1,751,500 ordinary shares of RM1.00 each bought back and retained as treasury shares as at 5 October 2007.

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	% [#]	Indirect Interest	% [#]
1. Central Coldstorage Sarawak Sdn. Bhd.	10,446,327	21.27	-	-
2. S.K. Tiong Enterprise Sdn. Bhd.	6,912,255	14.01	10,446,327 ^(a)	21.27
3. Permodalan Nasional Berhad	5,737,500	11.63	-	-
4. Skim Amanah Saham Bumiputera	4,500,000 ^(b)	9.12	-	-
5. Chong Nyuk Kiong Enterprise Sdn. Bhd.	3,430,424	6.95	-	-
6. Datuk Tiong Su Kouk	768,616	1.56	17,358,582 ^(c)	35.19
7. Datin Wong Bak Hee	45,000	0.09	17,358,582 ^(d)	35.19
8. Tiong Chiong Hiiung	18,500	0.04	17,358,582 ^(d)	35.19
9. Tiong Chiong Soon	15,000	0.03	17,358,582 ^(d)	35.19
10. Chong Shaw Fui	15,000	0.03	3,430,424 ^(e)	6.95
11. Chong Min Fui	-	-	3,430,424 ^(e)	6.95
12. Chong Kong Fui	-	-	3,430,424 ^(e)	6.95

Notes:

excluding 1,751,500 ordinary shares of RM1.00 each bought back and retained as treasury shares as at 5 October 2007.

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

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

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

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

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



Analysis Of Shareholdings As At 5 October 2007 (cont'd)

DIRECTORS' INTERESTS

The Directors' interests in shares and share option of the Company or in a related corporation are as follows :-

Name	Ordinary shares of RM1.00 each in the Company				Options over ordinary shares of RM1.00 each in the Company	
	Direct Interest	%#	Indirect Interest	%#	No. of options	%#
1. Datuk Tiong Su Kouk	768,616	1.56	17,403,582 ^(a)	35.44	110,000	2.38
2. Chong Shaw Fui	15,000	0.03	3,430,424 ^(b)	6.99	110,000	2.38
3. Tiong Chiong Hiiung	18,500	0.04	17,373,582 ^(c)	35.38	110,000	2.38
4. Tiong Chiong Soon	15,000	0.03	17,376,582 ^(c)	35.38	66,000	1.43
5. Lau Liong Kii	1,168,800 ^(d)	2.37	1,285,814 ^(e)	2.62	110,000	2.38
6. Ling Ting Leong @ Ling Chong Seng	2,100	0.00*	433,847 ^(f)	0.88	110,000	2.38
7. Wong See Khong	502,722	1.02	2,200 ^(g)	0.00*	110,000	2.38
8. Kueh Chung Peng	912,432 ^(h)	1.85	-	-	110,000	2.38
9. Jangu anak Banyang	15,000	0.03	-	-	-	-
10. Datu Haji Putit bin Matzen	-	-	-	-	-	-
11. Douglas Jerukan @ Jarukan ak Kanyan	379,500	0.77	-	-	-	-
12. Francis Wong Chin Sing @ Wong Chin Sing	-	-	-	-	-	-
13. Dato' Fuziah @ Fauziah binti Dato' Ismail	-	-	-	-	-	-

The Directors by virtue of their interest in shares in the Company are also deemed to have interest in shares in all of its related corporations to the extent the Company has an interest.

Notes:

* less than 0.01%.

& Percentage is computed based on the total number of share options granted by the Company of 4,626,000.

excluding 1,751,500 ordinary shares of RM1.00 each bought back and retained as treasury shares as at 5 October 2007.

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

(d) 224,100 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 child in the Company.

(h) 865,932 shares are held through HLB Nominees (Tempatan) Sdn. Bhd. and 45,000 shares are held through TA Nominees (Tempatan) Sdn. Bhd.

Analysis Of Shareholdings

As At 5 October 2007 (cont'd)



LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

Name	No. of Shares	%#
1. Central Coldstorage Sarawak Sendirian Berhad	10,446,327	21.17
2. EB Nominees (Tempatan) Sendirian Berhad - Pledged securities account for S. K. Tiong Enterprise Sdn. Bhd. (SBW-SFC)	5,800,000	11.76
3. Permodalan Nasional Berhad	5,737,500	11.63
4. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Skim Amanah Saham Bumiputera	4,500,000	9.12
5. Chong Nyuk Kiong Enterprise Sdn. Bhd.	3,430,424	6.95
6. S.K. Tiong Enterprise Sdn. Bhd.	1,112,255	2.25
7. Unione Enterprise (S) Sdn. Bhd.	1,070,814	2.17
8. HLB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (SRK 08866-6)	865,932	1.76
9. Datuk Tiong Su Kouk	768,616	1.56
10. Tasec Nominees (Tempatan) Sdn. Bhd. - Yii Ching Yii	738,000	1.50
11. Wong See Khong	502,722	1.02
12. Cheng Sang Uh	489,000	0.99
13. Tiong Sie Mew	473,346	0.96
14. Lau Liong Kii	433,500	0.88
15. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chen Hien Chong	414,600	0.84
16. Lau Pek Kii	399,000	0.81
17. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Hii Leh Ming	387,400	0.79
18. Douglas Jerukan @ Jarukan ak Kanyan	379,500	0.77
19. Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	358,062	0.73
20. Yeu Choo Sieng	328,500	0.67
21. Lau Liong Kii	326,700	0.66
22. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yong Leh Hook	319,000	0.65
23. TA Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii	310,080	0.63
24. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Liaw Kian Heng	295,900	0.60
25. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Teck Song Sdn. Bhd.	287,580	0.58
26. AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Wong Poh Hwa	280,500	0.57
27. Wong Puo Hung	280,500	0.57
28. Yong Pei Ling	276,000	0.56
29. Joseph Tang Chiod Sui	261,794	0.53
30. Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	224,100	0.45

excluding 1,751,500 ordinary shares of RM1.00 each bought back and retained as treasury shares as at 5 October 2007.



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Lot 3790, Block 9, Seduan Land District, Lanang Barat Road, 96000 Sibul, Sarawak on Friday, 7 December 2007 at 11.00 am to transact the following businesses :-

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2007 together with the Reports of the Directors and Auditors thereon.
2. To declare a first and final dividend of 5% per share, less 27% Income Tax, for the financial year ended 30 June 2007. Resolution 1
3. To approve the payment of Directors' fees for the financial year ended 30 June 2007. Resolution 2
4. To re-elect the following Directors' retiring pursuant to Article 81 of the Company's Articles of Association, and being eligible offer themselves for re-election :-
 - 4.1 Datuk Tiong Su Kouk Resolution 3
 - 4.2 Mr. Tiong Chiong Hiiung Resolution 4
 - 4.3 Mr. Wong See Khong Resolution 5
 - 4.4 Mr. Jangu anak Banyang Resolution 6
 - 4.5 Dato' Fuziah @ Fauziah binti Dato' Ismail Resolution 7
5. To re-appoint Messrs. Hii & Lee as auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 8
6. As special businesses :-

To consider and, if thought fit, pass the following resolutions as ordinary and special resolutions :-

Ordinary Resolution No. 1 Resolution 9

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

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

Ordinary Resolution No. 2 Resolution 10

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

" THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company ("Directors") be hereby unconditionally and generally authorised to purchase and hold on the market of Bursa Securities such number of ordinary shares of RM1.00 each ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of Shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed 5,108,623 Shares representing approximately ten percent (10%) of the total issued and paid-up share capital of 51,086,234 ordinary shares of RM1.00 each of the Company as at 16 October 2007 and an amount not exceeding the total of the Company's latest audited retained profit

Notice Of Annual General Meeting (cont'd)



reserve of RM22,843,255.00 and/or audited share premium reserve of the Company of and RM821,425.00 as at 30 June 2007, 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 all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authority or authorities AND FURTHER THAT the authority hereby given shall commence immediately upon passing of this ordinary resolution and shall continue in force until:-

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; 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.”

Special Resolution No. 1

Resolution 11

- **Proposed amendments to the Company's Articles of Association**

“THAT the proposed amendments to the Company's Articles of Association as set out in the Appendix A be hereby approved.”

7. 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 dividend of 5% per share, less 27% Income Tax, in respect of the financial year ended 30 June 2007, if approved at the forthcoming Annual General Meeting, will be paid on 17 January 2008 to Depositors whose names appear in the Record of Depositors on 24 December 2007.

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

- (a) shares transferred to the Depositor's securities account before 4.00 pm on 24 December 2007 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 : 16 November 2007

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 proxy form, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the 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 proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. Explanatory notes on special businesses :-

Ordinary resolution in relation to the authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The proposed resolution No. 9 in relation to authority to issue shares pursuant to Section 132D of the Companies Act, 1965, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interests of the Company. This authority unless revoked or varied at a general meeting will expire at the next annual general meeting. With this authority, the Company will be able to raise capital from the equity market in a shorter period of time and the costs to be incurred will also be lower as the need to convene an extraordinary general meeting will be dispensed with.

Notice Of Dividend Entitlement And Payment (cont'd)



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

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 16 November 2007 for further information.

Special resolution in relation to the proposed amendments to the Company's Articles of Association

The proposed resolution No. 11 in relation to the proposed amendments to the Company's Articles of Association is to be in line with the Bursa Malaysia Securities Listing Requirements. Please refer to the Appendix A 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 Eleventh Annual General Meeting of the Company to be held on Friday, 7 December 2007 at 11.00 am and, at any adjournment thereof :-

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 2007.		
3. To re-elect Datuk Tiong Su Kouk as Director.		
4. To re-elect Mr. Tiong Chiong Hiiung as Director.		
5. To re-elect Mr. Wong See Khong as Director.		
6. To re-elect Mr. Jangu anak Banyang as Director.		
7. To re-elect Dato' Fuziah @ Fauziah binti Dato' Ismail as Director.		
8. To re-appoint Messrs. Hii & Lee as auditors for the ensuing year.		
As special businesses :-		
9. Ordinary Resolution - To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
10. Ordinary Resolution - To approve the proposed renewal of authority for purchase of own shares by the Company.		
11. Special Resolution - To approve the proposed amendments to the Company's Articles of Association.		

[Please indicate with a (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 _____ 2007

Signature / common seal of shareholder(s)

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the proxy form, duly completed must be deposited at the registered office at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the 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 proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

Fold here

STAMP

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

Fold here



CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia 396692-T)

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

Tel : 082 - 336 520
Fax : 082 - 331 479

CCK CONSOLIDATED HOLDINGS BERHAD

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

Appendix A

- Details of the proposed amendments to the Company's Articles of Association

This is the Appendix A referred to in Agenda 6 (Resolution No. 11) of the notice of Eleventh Annual General Meeting dated 16 November 2007 as set out in the Annual Report 2007.

Appendix A

Details of the proposed amendments to the Company's Articles of Association

The Company's Articles of Association be altered, modified, added and deleted in the following manner :-

1. THAT the existing interpretation of "Approved Market Place" in Article 2 of the Company's Articles of Association be deleted in its entirety.
2. THAT the following new interpretations be inserted in Article 2 of the Company's Articles of Association :-

<i>Word</i>	<i>Meaning</i>
<i>convertible securities</i>	<i>Securities which are convertible or exercisable by the holders, or automatically, by their terms of issue, into shares or stocks.</i>

3. THAT the following existing interpretations in Article 2 of the Company's Articles of Association be deleted in its entirety and replaced with the following new interpretations :-

<i>Existing Interpretation</i>	<i>New Interpretation</i>
<p><i>"Depositor" means a holder of a securities account as defined in the Central Depositories Act.</i></p> <p><i>"Deposited Security" means a security in the Company standing to the credit of a Securities Account of the Depositor subject to the provisions of the Central Depositories Act and the Rules.</i></p> <p><i>"Bursa Securities/Securities Exchange" means Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) or any other Exchange on which the Company is listed.</i></p> <p><i>"Market Days" means any day between Mondays and Fridays which is not a market holiday or public holiday.</i></p> <p><i>"Securities Account" shall have the same meaning as that assigned to it under Section 2 of the Securities Industry (Central Depositories) Act, 1991.</i></p> <p><i>"Securities" means shares, debentures stocks or bond issued or proposed to be issued and includes any right, option or interest in respect thereof.</i></p>	<p><i>"Depositor" means a holder of a Securities Account established by the Depository.</i></p> <p><i>"Deposited Security" shall have the meaning given in Section 2 of the Central Depositories Act.</i></p> <p><i>"Bursa Securities/Securities Exchange" means Bursa Malaysia Securities Berhad or by whatever name from time to time called and includes, if appropriate, any other stock exchange to the official list whereof the Company is admitted and on which the Securities/shares of the Company are quoted.</i></p> <p><i>"Market day" means a day on which the stock market of the Securities Exchange is open for trading in securities.</i></p> <p><i>"Securities Account" means an account established by the Depository for a depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.</i></p> <p><i>"Securities" shall have the meaning given in Section 2 of the Capital Markets and Services Act, 2007.</i></p>

4. THAT the existing Article 4(e) of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 4(e) :-

every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in a share scheme for employees unless the Members in general meeting have approved of the specific allotment to be made to such Directors.

5. THAT the existing Article 5 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 5 :-

*Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be **redeemed** and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notice, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or on a proposal to wind up the Company or during the winding up of the Company or sanctioning a sale of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.*

6. THAT the existing Article 6 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 6 :-

*Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference **capital** or any **other** alteration of preference **shareholders'** rights, **may** only be made pursuant to a special resolution of the preference shareholders concerned, **PROVIDED ALWAYS** that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, **if** obtained from the holders of three-fourths (3/4) of the preference **capital** concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.*

7. THAT the following new Article 8A be inserted immediately after the existing Article 8 :-

Exercise of right of Members

*No person shall exercise any rights of a Member until his name shall have been entered in the Register or the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him **PROVIDED THAT** the Depository or its nominee company in whose name the Deposited Securities are registered shall not be entitled to any such right.*

8. THAT the existing Article 12A of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 12A :-

*Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities/shares, despatch notices of allotment to the successful **applicants**/allottees and make an application for the quotation of such securities/shares :-*

- (a) within **fifteen** (15) market days of the final **applications date** for an issue of Securities or such other period as may be prescribed by the Securities Exchange for issues of Securities to the public;*
- (b) **within eight (8) market days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Securities Exchange;***
- (c) within **eight (8) market days after** the date of receipt of a notice of the exercise of an employee share option together with the requisite payment or such other period as may be prescribed **or allowed** by the Securities Exchange;*
- (d) within **eight (8) market days after the date of** receipt of a subscription form together with the requisite payment in respect of warrant or **other** convertible securities, or such other period as may be prescribed or allowed by the Securities Exchange;*
- (e) **within four (4) market days of the Books Closing Date for the proposed subdivision, which is not on a stand-alone basis or not conditional upon a concurrent bonus issue, or such other period as may be prescribed by the Securities Exchange. "standalone basis" shall have the same meaning as defined in the Bursa Malaysia Securities Listing Requirements.***

9. THAT the existing Article 19 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 19 :-

*A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. **With the exception of Depositors whose name appear on the Record of Depositors, no shareholder shall be entitled to receive any dividend or to exercise any privilege as a Member until his name shall have been entered in the Register and he shall have paid all calls and other moneys for the time being due and payable on every share held by him, together with interest and expenses (if any).***

10. THAT the existing Article 26A of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 26A :-

Transfer of Securities

*The transfer of any **Securities** of the Company, which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such **Securities**.*

11. THAT the existing Article 30 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 30 :-

Fixing of Books Closing Date

*The transfer books and the Record of Depositors and debentures holders may be closed for such period as the Directors think fit **PROVIDED ALWAYS THAT it shall not be closed for more than thirty (30) market days in any year. Any notice of intention to fix a Books Closing Date and the reason therefore shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Securities Exchange. Such notice shall state the Books Closing Date, which shall be at least ten (10) market days after the date of notification to the Securities Exchange. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new Securities, or rights to a priority of application for issue of Securities. The Company shall request the Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the occurrence of the related event.***

12. THAT the existing Article 32A of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 32A :-

Transmission of Securities

Where :-

- (i) the **Securities** of the Company are listed on **another stock exchange**; and*
- (ii) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such **Securities**,*

*the Company shall, upon request of a **Securities** holder, permit a transmission of **Securities** held by such **Securities** holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the **other stock exchange**, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such **Securities**.*

13. THAT the existing Article 33 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 33 :-

*Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Rules and subject as hereinafter provided, elect either to be registered **himself as holder of the share or to have some person nominated by him registered** as the transferee thereof, but the Depository shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Subject to the Rules, the Act, the Central Depositories Act and the Bursa Malaysia Securities Listing Requirements, a transfer of the share may be carried out by the person becoming so entitled.*

14. THAT the existing Article 57(b) of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 57(b) :-

*The Company shall **also** request the Depository in accordance with the Rules, to issue a Record of Depositors, as at **the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors")**.*

15. THAT the existing Article 68 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 68 :-

*Subject to any rights or restrictions for the time being attached to any class of shares at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney or by duly authorised representative, and **on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present or present by proxy or attorney or in the case of a corporation by a representative, and entitled to vote shall be entitled to one (1) vote and on a poll, every Member present in person or by proxy or attorney or representative shall have one (1) vote for each share he holds. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.***

16. THAT the existing marginal note of Article 74A of the Company's Articles of Association be amended as follows:-

*Appointment of **at least one (1) proxy***

17. THAT the existing Article 83 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 83 :-

Notice of intention to appoint Director

*No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless a Member intending to propose him **for election** has, at least eleven (11) clear days before the meeting, left at the Office, a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him **for election**, PROVIDED THAT in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.*

18. THAT the existing Article 88 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 88 :-

*The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with these Articles. Any **Director so** appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.*

19. THAT the existing Article 92(a) of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 92(a) :-

*has a Receiving Order in bankruptcy made against him or makes any arrangement or composition with his creditors generally **during his term of office;***

20. THAT the existing Article 92(d) of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 92(d) :-

*becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder **during his term of office;***

21. THAT the following existing Article 92(g) of the Company's Articles of Association be deleted in its entirety :-

absent himself from more than half of the total board of directors' meetings held during a financial year except when a waiver or exemption is granted by the Securities Exchange.

AND THAT Articles 92(e) and (f) be amended as follows :-

- (e) *resigns from his office by notice in writing to the Company and deposited at the Office;*
or
(f) *is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given.*

22. THAT the existing Article 102 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 102 :-

*Subject always to Sections 131, 132E **and 132F** of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.*

23. THAT the existing Article 110 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 110 :-

*The **remaining** Directors may **continue to** act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles as the necessary quorum of Directors, the **remaining** Director or Directors **may**, except in an emergency, act **only** for the purpose of increasing the number of Directors to **such** minimum number, or **to summon** a general meeting of the Company.*

24. THAT the following new Article 117A be inserted immediately after the existing Article 117 :-

Power of Managing Director

A Managing Director shall be subject to the control of the Board of Directors.

25. THAT the existing Article 145 of the Company's Articles of Association be deleted in its entirety and to substitute in lieu hereof with the following new Article 145 :-

Dividend payable by cheque or warrant

*Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant, sent through the post directed to the registered address of the **Members or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons and to such address as such person may in writing direct or by direct transfer or such other mode of electronic means (subject to the provision of the Act, the Central Depositories Act and the Rules, the Bursa Malaysia Securities Listing Requirements and/or regulatory authorities) to the bank account of the holders whose name appear in the Register or Record of Depositors respectively. Every such cheque or warrant or payment by direct transfer shall be made payable to the order of the person to whom it is sent or person or persons entitled to the share in consequence of death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or by such electronic means shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque and warrant shall be sent at the risk of the person entitled to the money thereby represented. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend to which it relates regardless of any discrepancy given by the Member in the details of the bank account(s).***

26. THAT the following new Articles 159(7) and 159(8) be inserted immediately after the existing Article 159(6):-

- (7) *Where any amendment is made by the Securities Exchange to the Bursa Malaysia Securities Listing Requirements, the Articles affected by the changes are deemed to be amended accordingly.*
- (8) *For the purpose of this Article, unless the context otherwise requires, "Bursa Malaysia Securities Listing Requirements" means the Listing Requirements of Bursa Securities including any amendment to the Bursa Malaysia Securities Listing Requirements that may be made from time to time.*