



ANNUAL REPORT 2022

CCK CONSOLIDATED HOLDINGS BERHAD
199601024340 (396692-T)



VISION

The Food People of Choice



MISSION

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Tiong Su Kouk
Non-Independent Non-Executive Chairman

Chong Shaw Fui
Executive Vice Chairman

Tiong Chiong Hiiung
Group Managing Director

Tiong Chiong Soon
Executive Director

Kueh Chung Peng
Executive Director

Lau Liong Kii
Executive Director

Ling Ting Leong @ Ling Chong Seng
Independent Director

Datuk Temenggong Janggu Anak Banyang
Independent Director

Datu Haji Putit Bin Matzen
Independent Director

Bong Wei Leong
Independent Director

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARIES

Voon Jan Moi
(MAICSA 7021367)
Yap Hui Yih
(MAICSA 7048748)

REGISTERED OFFICE

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia
Tel No. : 082-336 520
Fax No. : 082-331 479

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel No. : 03-7890 4700
Fax No. : 03-7890 4670

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
1st Floor, No. 1, Lorong Pahlawan 7A2
Jalan Pahlawan
96000 Sibu, Sarawak, Malaysia
Tel No. : 084-211 777
Fax No. : 084-216 622

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

WEBSITE

www.cck.com.my

INVESTOR RELATIONS

sam@bcta.com.my

CORPORATE STRUCTURE

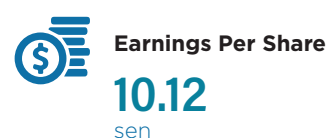
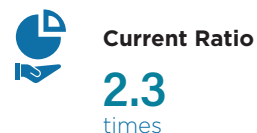
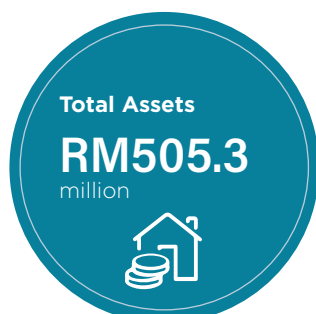
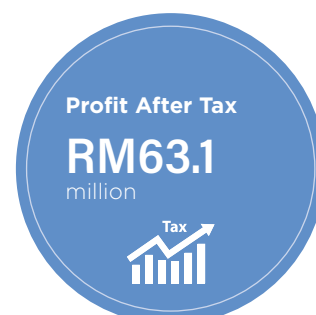


CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)



MANAGEMENT DISCUSSION & ANALYSIS

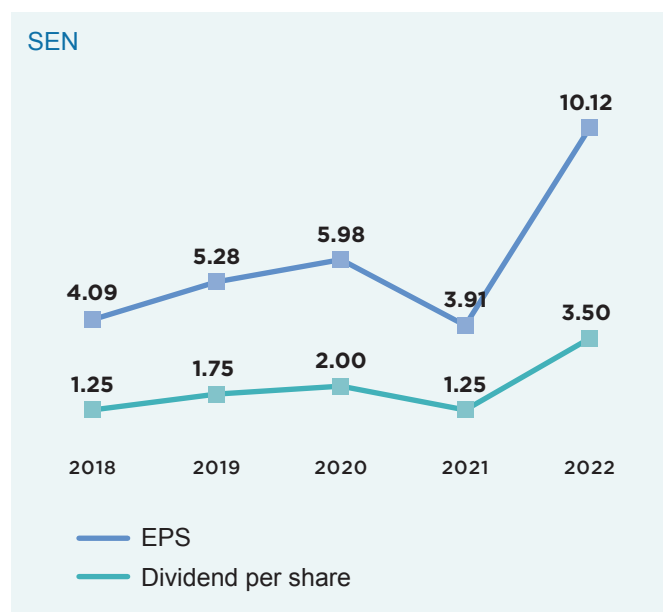


5-YEARS FINANCIAL SUMMARY

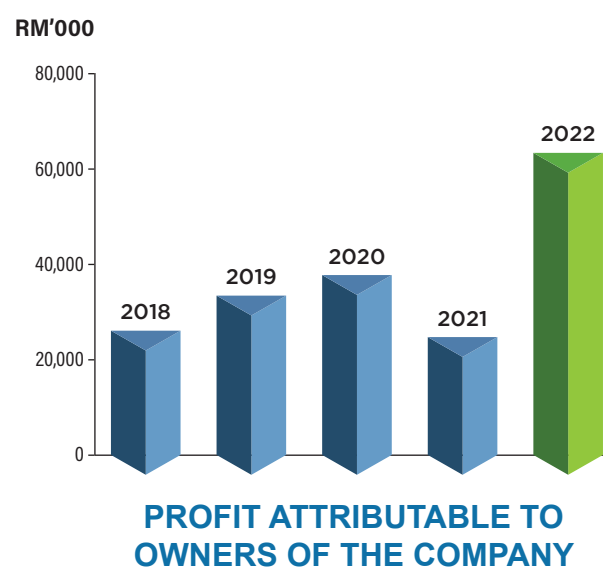
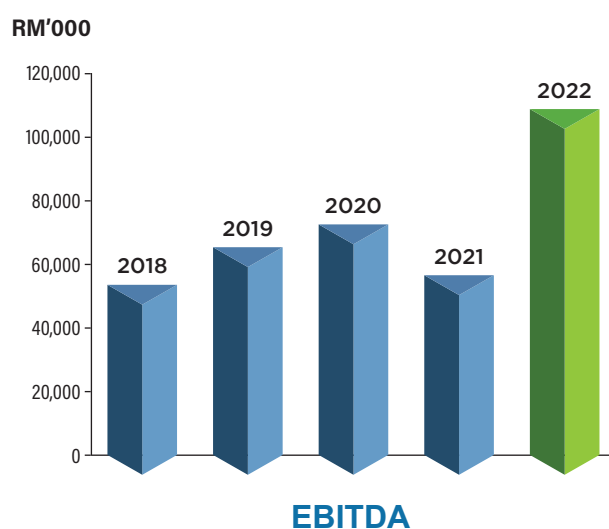
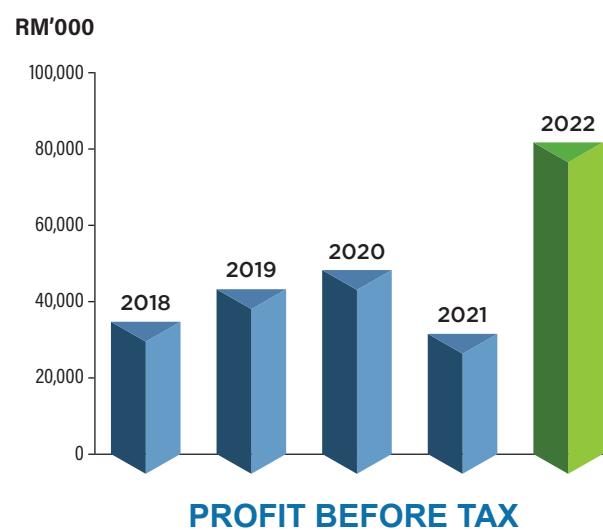
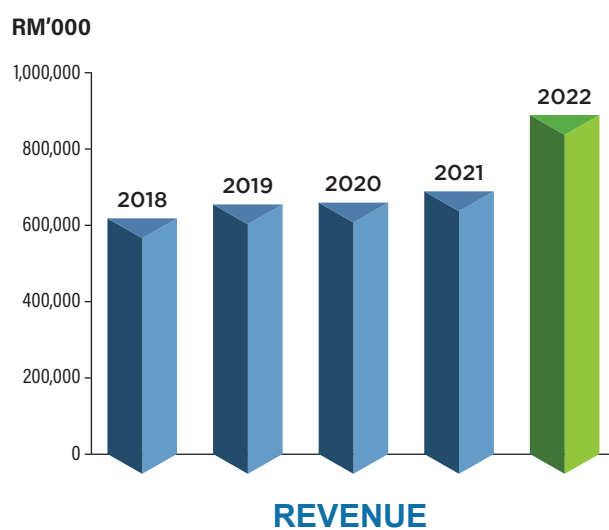
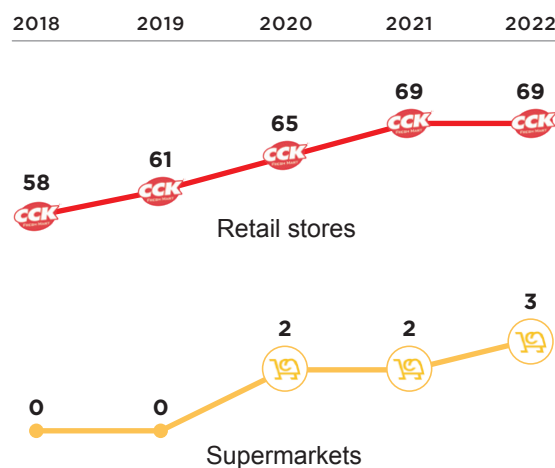
	2018	2019	2020	2021	2022
RM'000					
Revenue	614,833	651,314	656,043	685,576	885,745
Profit before tax	34,365	42,891	47,909	31,188	81,371
EBITDA	53,344	65,170	72,344	56,356	109,467
Profit attributable to owners of the company	25,817	33,170	37,482	24,476	63,106
Sen					
EPS	4.09	5.28	5.98	3.91	10.12
Dividend per share	1.25	1.75	2.00	1.25	3.50

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

5-YEARS FINANCIAL SUMMARY (CONT'D)



NUMBER OF RETAIL STORES & SUPERMARKETS (UNITS)



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



Dear Esteemed Shareholders,

The Management Discussion and Analysis (“MD&A”) is intended to provide the reader with operational and financial highlights of CCK Consolidated Holdings Berhad (“CCK” or “The Group”) for the financial year ended 31st December 2022 (“FY2022”).

The MD&A should be read together with the audited financial statements of the Group and Company as set out in this Annual Report.

INTRODUCTION

CCK’s business comprise of four (4) segments, namely; retail, poultry, prawn and food service. Business operations are carried out primarily in Sarawak, Sabah and Indonesia (Jakarta, Pontianak and Tarakan). The Group employs a total of approximately 2,800 employees across all business segments.

Our Group’s mainstay and core business is the retail segment, which operates retail stores, supermarkets and wholesale stores. Since the opening of the first retail store in Sibu in 1970, our network has grown to seventy-two (72) touch points comprising of retail stores and supermarkets across East Malaysia (Sarawak and Sabah). Retail stores are operated under the CCK Fresh Mart brand and supermarkets under the CCKLocal brand.

CCK Fresh Mart retail stores cater to both businesses and households and have a smaller range of strategically selected stock keeping units (“SKU”) which are specifically targeted to certain locations and buyer demographics. CCK Fresh Mart retail stores are typically smaller format stores located in both urban and rural areas.

CCKLocal supermarkets typically occupy a larger footprint and offer households a wide range of SKUs ranging from local and imported food items to general household items.

Our wide-reaching retail network is supported by a fully integrated supply chain consisting of a feed mill, layer farming, poultry farming and processing, prawn farming and processing, and the manufacturing of house-brand food products.

As Sarawak’s largest integrated poultry supplier, our retail network benefits by being integrated with the poultry segment. Much like the retail network, CCK’s farm operations are also located in Sarawak and Sabah. On a blended basis, fresh dressed chicken and chicken parts make up approximately 20% of our retail stores’ products. The other 80% of our stores’ products comprise house-brand and third-party frozen products, seafood products, fresh fruits, and vegetables.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

INTRODUCTION (CONT'D)

During the current financial year, CCK completed the acquisition of PT Bonanza. PT Bonanza operates out of Tarakan, Indonesia and processes shrimp for local and export sales. Principal products include frozen raw shrimp, frozen cooked shrimp and frozen Nobashi Ebi shrimp. The synergistic acquisition has complemented the Group's export-oriented prawn products and added size and scale to the prawn segment.

REVIEW OF FINANCIAL PERFORMANCE

Revenue for FY2022 increased by 29.2% to RM885.7 million from last year ("FY2021"). The record revenue achieved during the year was due to a significant improvement in performance from all business segments. Notably, a general recovery in consumer demand due to the upliftment of movement controls in Sarawak led to an outperformance in the retail segment and an improvement in the poultry segment.

The food service segment benefited from the re-opening of schools in Sarawak whilst the prawn segment was boosted by a recovery in export volume, growth in domestic sales, and the contribution from the newly acquired PT Bonanza in Q3FY2022 and Q4FY2022.

Our retail network expanded in FY2022 to sixty-three (63) CCK Fresh Mart retail stores, three (3) CCKLocal supermarkets and six (6) wholesale stores giving us a total of seventy-two (72) touchpoints, up from seventy-one (71) in FY2021.

The retail segment achieved a revenue of RM700.4 million during FY2022, 21.7% higher than FY2021. More matured contributions from three (3) CCKLocal supermarkets (in Kuching, Kota Kinabalu and Sibul) and four (4) CCK Fresh Mart retail stores, a sharp recovery in demand from both the retail and wholesale channels, and strong demand for our in-house manufactured processed products in Indonesia contributed to the performance of the segment. Notably, our Indonesian manufacturing operations benefited from the additional production capacity that come on stream in January 2021. Revenue from our Indonesian manufacturing operations (Pontianak and Jakarta) amounted to RM192.2 million, accounting for 21.6% of total Group revenue.

Tracking the performance of the retail segment, demand for poultry products improved in FY2022 due to the re-opening of food and beverage outlets, demand from institutional clients and improved consumer sentiment. Poultry sales via our own retail stores (intersegment sales) also contributed to segment performance, leading to a 16.5% increase in total segment revenue to RM327.6 million for the period.

The prawn segment's revenue grew by 184.2% to RM57.8 million for FY2022. This significant growth was due to the contribution from our recently acquired subsidiary PT Bonanza that was completed in Q3FY2022. The performance of PT Bonanza boosted overall segment export volumes to Japan and Taiwan. Exports (ex. PT Bonanza) to other markets continued to gain momentum whilst domestic sales via our own retail channels also increased in tandem with the recovery in overall demand.

The food service segment benefited from the re-opening of schools in Sarawak, as FY2022 revenue grew 280.2% to RM22.5 million.

Profit before tax ("PBT") for FY2022 increased by 160.9% to RM81.4 million. This significant growth in overall profitability was largely due to an outperformance from the retail segment and a turnaround in the poultry segment. Additionally, the contribution from PT Bonanza in Q3FY2022 and Q4FY2022 boosted the prawn segment whilst the re-opening of schools in Sarawak drove the performance of the food service segment. Gross profit margins for FY2022 inched up to 18.2% from 17.4% in FY2021.

The retail segment continued to be the largest contributor to Group PBT, reporting a segment profit of RM67.0 million. This translated to a 90.3% growth in profitability versus FY2021. The significant growth was driven by a myriad of factors, namely; increased contributions from new CCKLocal supermarkets and CCK Fresh Mart stores, strong demand for our in-house manufactured processed products in Indonesia, an overall improvement in consumer sentiment driving sales volumes in our retail and wholesale channels, and a one-off gain from disposal of investment property amounting to RM6.0 million in Q3FY2022.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

The poultry segment reported a segment profit of RM8.9 million for FY2022, overturning a segment loss RM6.1 million in FY2021. The return to profitability was largely due to the subsidy scheme from the Government of Malaysia in relation to the price ceilings for chicken and eggs. In addition, a recovery in sales volumes, effective cost control measures and a favourable product mix also benefitted the poultry segment.

The prawn segment recorded a segment profit of RM5.0 million, a significant increase from the RM0.7 million in FY2021. Notably, the bulk of segment profits was achieved in the Q3FY2022 and Q4FY2022 due to the contribution from PT Bonanza which boosted export volumes to Japan and Taiwan. This resulted in a more favourable sales mix and greater economy of scale that increased the overall profitability of the segment.

The food service segment reported a profit of RM2.9 million in FY2022, significantly higher than the same period last year. This was due to the re-opening of schools in Sarawak.

Operating and administrative expenses increased due to the additional running cost incurred by PT Bonanza, higher production activities at our facilities in Pontianak, higher minimum wages, and retail outlets that came on stream in the last few quarters.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, amounted to RM4.5 million in FY2022. Effective cost pass-through mechanisms and favourable adjustments in selling prices mitigated the hike in raw material prices.

Finance costs for the year increased by 17.3% to RM2.5 million as a series of rate hikes by Bank Negara Malaysia throughout FY2022 brought the OPR rate to 2.75% (FY2021: 1.75%). Total borrowings stood at RM48.4 million against shareholders' funds of RM361.8 million as at end FY2022, translating into a gearing ratio of 0.13x.

The Group remained in a net cash position as deposits with licensed banks and cash and bank balances stood at RM63.1 million.

The Group's property, plant and equipment amounted to RM201 million as at end FY2022. Notable capital expenditure carried out during FY2022 were for the commissioning of one (1) additional CCKLocal supermarket and breeder farm in East Malaysia. This was funded by a combination of bank borrowings and internally generated funds.

REVIEW OF OPERATIONS

In FY2022, we expanded our retail network as follows –

- One (1) CCKLocal supermarket in Sarawak in Sibu.

The acquisition of PT Bonanza was completed in July 2022. Established for the past 22 years, PT Bonanza operates out of Tarakan and is engaged in the processing of shrimp for local and export markets. PT Bonanza's key products are frozen raw shrimp, frozen cooked shrimp and frozen Nobashi Ebi shrimp.

The acquisition has proven to be synergistic to our existing seafood business and has complemented the Group's export-oriented prawn products and added size and scale to the prawn segment.

The prawn segment benefitted from a significant increase in export volume especially to Japan and Taiwan, largely contributed by PT Bonanza. Our traditional markets in Australia and Japan were also encouraging whilst sales to local customers through our CCK retail network in Sarawak also improved.

Manufacturing operations in Indonesia benefitted from an overall increase in production capacity due to the addition of Pontianak's facility that was commissioned in January 2021. This additional production capacity supported the higher sales volumes of our own in-house brands of sausages, nuggets and other processed products.

Sausages continue to be the Group's best seller in Indonesia whilst the sales of nuggets continue to gain momentum. All products from our two (2) factories in Jakarta and Pontianak are sold to our network of six (6) locally partnered Freshmart outlets in Pontianak and also to third parties in Jakarta and Pontianak.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

ANTICIPATED OR KNOWN RISKS

a. Credit Risk

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

b. Foreign Currencies Fluctuation Risk

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

c. Liquidity Risk

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

d. Competition Risk

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

e. Biosecurity And Disease Risk

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

DIVIDENDS

CCK has an internal dividend policy of paying up to 30% of the profit after taxation and minority interests whilst taking into consideration the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

In line with our continued focus on shareholder returns, the Board is pleased to announce a first and final single-tier dividend of 3.5 sen per share for the financial year ended 31 December 2022.

PROSPECTS

With Covid-19 and movement restrictions firmly behind us, consumer sentiment has recovered as all sectors of the economy returned to normal. This is expected to have a positive direct impact on all our business segments as the flowthrough effects of a complete reopening is realised.

That said, the volatility of the US dollar against the Malaysian Ringgit remains a concern as it leads to fluctuations in prices of corn and soy. This is further exacerbated by heightened inflation that has led to an overall increase in raw material input costs as well as along the supply chain. This phenomenon is likely to persist into the coming financial year and will affect the cost structures of both the retail and poultry segments.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

PROSPECTS (CONT'D)

Expansion of the retail network will continue to be carried out strategically. Increasing economies of scale and the efficiency of our fully integrated supply chain continues to remain a key priority and focus.

On the Indonesian front, we are increasingly optimistic as the demand for our in-house manufactured brands of sausages and nuggets continues to be robust. The commencement of operations of our new facility in Pontianak, Indonesia in January 2021 boosted the production of sausages which allowed us to cater for increasing demand. Further expansions and capital expenditure will be invested when required to remove production bottlenecks as demand catches up with production capacity.

Feed prices constitute a significant portion of the poultry segment's costs which in-turn make up about 40% of our retail segment's sales. We will try to mitigate the adverse impact of higher feed prices by economies of scale and a gradual increase in selling prices of our chicken products as and when necessary. Additionally, our vertically integrated business model allows for a more efficient cost pass through mechanism and cost savings along the supply chain.

The Board and Management teams are taking proactive steps to mitigate the risks in this challenging and fast changing operating environment whilst optimising efficiency and productivity across all our key business segments.

Taking into account the above, the Board is cautiously optimistic with regards to the coming financial year.

APPRECIATION

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

TIONG CHIONG HIIUNG
GROUP MANAGING DIRECTOR



DIRECTORS' PROFILE

TAN SRI DATUK TIONG SU KOUK

Non-Independent Non-Executive Chairman

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

YBhg. Tan Sri Datuk Tiong began his career as a seafood trader at the age of 14. He also involved in poultry industries for the past 38 years. YBhg. Tan Sri Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Zhang Associations in the world and in Malaysia as well. He is the Honorary Life President of the Sibu Chinese Chamber of Commerce and Industry and the Honorary President of The Association Chinese Chambers of Commerce and Industry of Sarawak. He was appointed as the Honorary Life President of World Federation of Foochow Association in 2004 and the Permanent Honorary Life Chairman and Inaugurator of the World Zhang Clan Association in 2011.

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

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

During the financial year ended 31 December 2022, YBhg. Tan Sri Datuk Tiong attended all the five (5) Board meetings held.

His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.



AGE
NATIONALITY
GENDER

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MALAYSIAN
MALE

DIRECTORS' PROFILE (Cont'd)



CHONG SHAW FUI
Executive Vice Chairman

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

He has more than 51 years of experience in the field of poultry industry. He is responsible for the management of the poultry business unit of CCK, which ranges from breeding, hatchery, and table eggs to the production line accordingly.

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

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

During the financial year ended 31 December 2022, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.

AGE
NATIONALITY
GENDER

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MALAYSIAN
MALE

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

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

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

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

During the financial year ended 31 December 2022, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.



AGE
NATIONALITY
GENDER

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MALAYSIAN
MALE

TIONG CHIONG HIIUNG
Group Managing Director

DIRECTORS' PROFILE (Cont'd)



TIONG CHIONG SOON
Executive Director

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

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

He is a Group General Manager of Nam Cheong Limited ("NCL") Group since 2009, oversees NCL Group's shipbuilding operation including vessels chartering and repair works, procurement and sourcing of equipment required for shipbuilding and chartering operation. NCL is a public company listed on the Singapore Exchange. He also sits on the boards of various private limited companies including subsidiaries of NCL.

During the financial year ended 31 December 2022, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.

AGE
NATIONALITY
GENDER

53
MALAYSIAN
MALE

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

He has over 41 years' experience in aquaculture and coldstorage products industry, and he plays an advisory role for CCK in the field of coldstorage, aquaculture farming and poultry processing.

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

During the financial year ended 31 December 2022, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.



AGE
NATIONALITY
GENDER

69
MALAYSIAN
MALE

KUEH CHUNG PENG
Executive Director

DIRECTORS' PROFILE (Cont'd)



LAU LIONG KII
Executive Director

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

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

He also sits on the boards of various private limited companies.

During the financial year ended 31 December 2022, Mr. Lau attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.

AGE
NATIONALITY
GENDER

72
MALAYSIAN
MALE

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

He is a member of Audit Committee. He joined CCK Group in 1983 and was responsible for the finance and corporate secretarial matters of CCK Group. He was appointed as Executive Director to the Board of CCK on 15 July 1997, and was re-designated as Non-Independent Non-Executive Director on 1 July 2013. He was subsequently re-designated as Independent Director on 13 April 2020.

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

During the financial year ended 31 December 2022, Mr. Ling attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.



AGE
NATIONALITY
GENDER

71
MALAYSIAN
MALE

LING TING LEONG @ LING CHONG SENG
Independent Director

DIRECTORS' PROFILE (Cont'd)



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

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

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

During the financial year ended 31 December 2022, YBhg. Datuk Temenggong Janggu attended all the five (5) Board meetings held. His shareholdings in CCK as at 3 April 2023 are disclosed on page 136 of this annual report.

**DATUK TEMENGGONG JANGGU
ANAK BANYANG**
Independent Director

AGE	76
NATIONALITY	MALAYSIAN
GENDER	MALE

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

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

Currently, YBhg. Datu Haji Putit bin Matzen is the President of the Malaysian Historical Society (Sarawak Branch) and Deputy Chairman of the Sarawak Darul Falah Charitable Trust.

During the financial year ended 31 December 2022, YBhg. Datu Haji Putit attended all the five (5) Board meetings held. He holds no share in CCK.



AGE	78
NATIONALITY	MALAYSIAN
GENDER	MALE

DATU HAJI PUTIT BIN MATZEN
Independent Director

DIRECTORS' PROFILE (Cont'd)



BONG WEI LEONG
Independent Director

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

He was a Partner of a public accountants firm prior to starting his own practice in 2004. He has more than 27 years of experience in providing auditing, accounting and taxation services to various clients.

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

During the financial year ended 31 December 2022, Mr. Bong attended all the five (5) Board meetings held. He holds no share in CCK.

AGE	56
NATIONALITY	MALAYSIAN
GENDER	MALE

Additional Information of Directors:

- (i) All the five (5) Executive Directors, namely Mr. Chong Shaw Fui, Mr. Tiong Chiong Hiiung, Mr. Tiong Chiong Soon, Mr. Kueh Chung Peng and Mr. Lau Liong Kii, are also the key Senior Management of CCK Group, who are primarily responsible for the business operations of CCK Group;
- (ii) The Directors have no family relationship with any Director or Major Shareholder of CCK, except for Mr. Tiong Chiong Hiiung and Mr. Tiong Chiong Soon who are sons of Tan Sri Datuk Tiong Su Kouk;
- (iii) None of the Directors has any conflict of interests with CCK;
- (iv) None of the Directors holds any directorship in other public companies, except for Tan Sri Datuk Tiong Su Kouk and Mr. Bong Wei Leong; and
- (v) None of the Directors has been convicted any offences within the past five (5) years and there was no public sanction or penalty imposed on the Directors by the relevant regulatory bodies during the financial year under review.



Visit by YBhg. Dato Sri Alexander Nanta Linggi, Minister of Domestic Trade and Consumer Affairs at CCK Fresh Mart, Stutong, Kuching in conjunction with Festive Season Price-Controlled Scheme (SKHMP) Hari Gawai year 2022



Team building between operations and support staff



Fire fighting demonstration by Bomba at the Sabah logistics centre



Job fair at Simunjan, Sarawak



Emergency response team training



In-house training

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of CCK Consolidated Holdings Berhad (“the Company”) presents this Statement to provide shareholders and investors with an overview of the corporate governance practices during the financial year 2022 in accordance with the Malaysian Code on Corporate Governance (“MCCG”).

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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

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

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

II. Board Composition

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

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

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

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

III. Remuneration

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

During the financial year 2022, the Remuneration Committee met once. They reviewed and recommended to the Board the remuneration packages of Directors, taking into consideration commitment and responsibilities assumed, experience and skills required, performance of the members of the Board, as well as the performance of the Group.

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprises four (4) Independent Directors and one (1) Non-Executive Non-Independent Director. The AC is chaired by an Independent Director. None of the AC members was former audit partners who is required to observe a cooling-off period of at least three (3) years before being appointed to the AC.

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

The AC oversees the financial reporting, ensures the quarterly and annual financial statements are prepared in accordance with the provision of the Companies Act 2016, applicable approved accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs, results and cash flows of the Group for the financial year 2022.

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

Further details on the AC are disclosed in the Audit Committee Report as outlined on pages 31 to 32 of this Annual Report.

II. Risk Management and Internal Control Framework

The Board reviews the adequacy and effectiveness of the Risk Management and Internal Control System ("System") of the Group through NC. The task of scrutinising the System is taken up by the Risk Management Committee ("RMC") and AC.

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

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

The details of the System are set out in the Statement on Risk Management and Internal Control on pages 28 to 30 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

I. Communication with Stakeholders

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

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

II. Conduct of General Meetings

Annual General Meeting ("AGM") is the principal forum for communicating between the Company and its shareholders. In line with the best corporate governance practice, the notice of AGM and annual report were dispatched to shareholders 28 days before the date of the AGM in 2022.

All the ten (10) Directors were present at the AGM. The Chairmen of the Board Committees together with the top management and external auditors were present to address queries during the AGM.

The Company had served 21 days notice for its Extraordinary General Meeting ("EGM") held in 2022. Directors, the top management, external auditors and the advisers were present to address questions raised by the shareholders at the EGM.

The Chairman briefed the shareholders of their rights to raise questions and vote. Shareholders were also briefed on the voting procedures by the poll administrator prior to the poll voting. The vote cast and poll results were validated by the independent scrutineer. The poll results were announced to Bursa Securities on the same day of the general meetings. Minutes of the AGM and EGM were uploaded on the Company's website.

This Statement is made in accordance with the resolution of the Board of Directors dated 10 April 2023.

SUSTAINABILITY STATEMENT

Dear Stakeholders,

This statement discloses CCK's activities and performances on its material matters for the financial year ended 31st December 2022.

Scope

The scope of the statement covers CCK's core activities located in Malaysia.

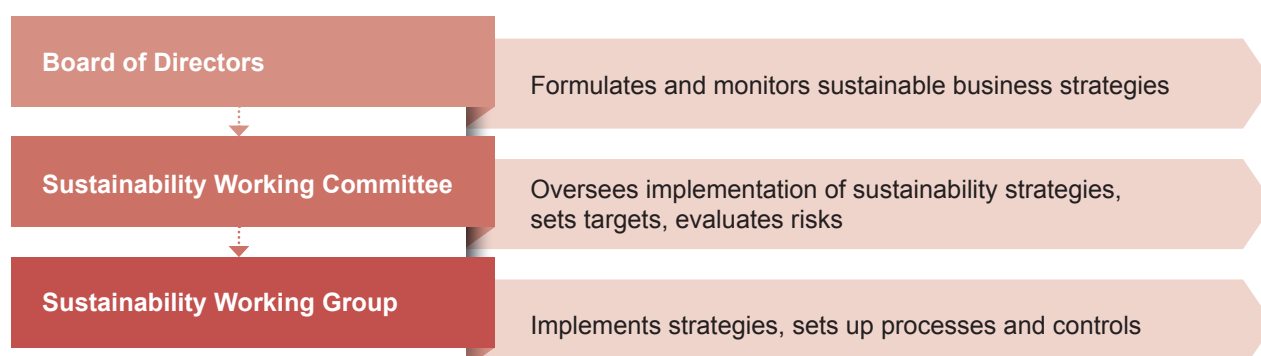
Retail segment	Poultry segment
<ul style="list-style-type: none"> • CCK Fresh Mart Retail Stores • Wholesale Stores • CCKLocal Supermarkets 	<ul style="list-style-type: none"> • Broilers • Layers • Breeders

Our Sustainability Approach

CCK's approach to sustainability revolves around the Group's Vision and Mission Statements and governed by our core values.



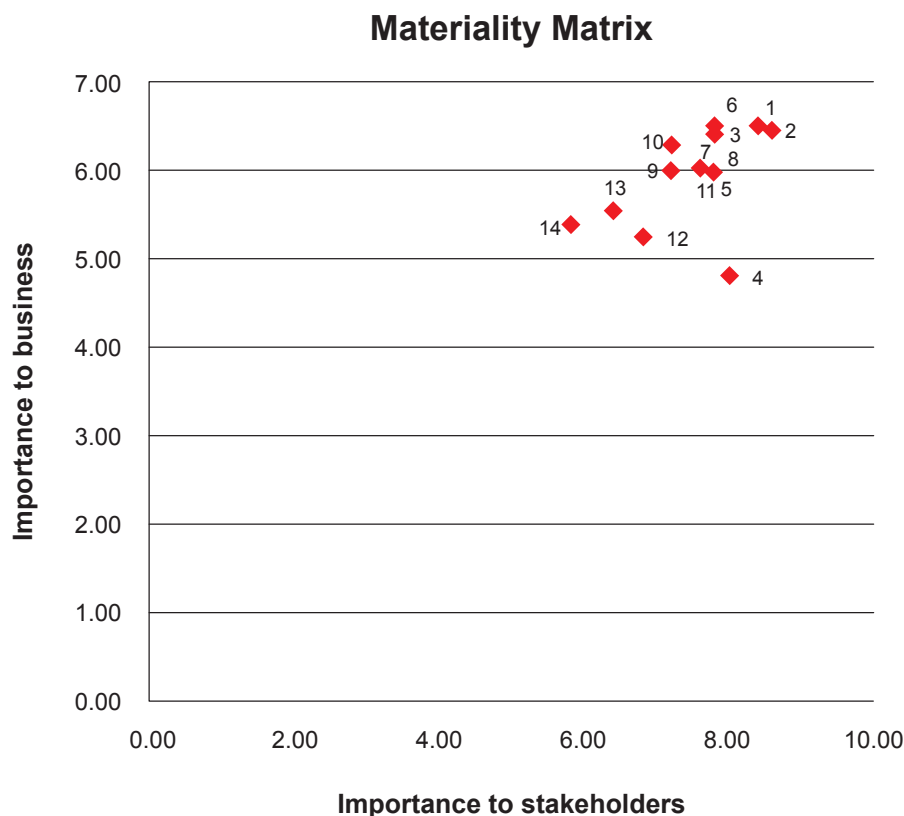
Sustainability Governance



SUSTAINABILITY STATEMENT (Cont'd)

Materiality Assessment

In 2021, the Sustainability Steering Committee together with the Sustainability Working Group carried out a materiality assessment exercise and identified 14 material matters to CCK.



- | | |
|---|-----------------------------------|
| 1. Company presence, stability & growth | 2. Financial performance |
| 3. Operational excellence | 4. Company cost cutting efforts |
| 5. Employee engagement | 6. Employee well-being |
| 7. Integrating sustainability into the business | 8. Learning and development |
| 9. Talent acquisition and retention | 10. Technology and digitalisation |
| 11. Risk management | 12. Energy management |
| 13. Waste management and other Environmental issues | 14. Recycling |

Through the material assessment, 6 core matters were identified –

- ➔ Company presence, stability and growth
- ➔ Socially responsible supply chain
- ➔ Waste Management and other environmental issues
- ➔ Talent management - acquisition, development, retention and safety
- ➔ Community relationships
- ➔ Technology and Digitalization

The Steering Committee is aware that our business operates in a society where sustainability is gaining increasing importance and recognition. As such, we are in the process of reviewing and re-assessing our material matters.

SUSTAINABILITY STATEMENT (Cont'd)

Stakeholder Engagement

In these challenging times, proactive stakeholder engagement is essentially built on trust and accountability ensuring that an open line of communication is kept to manage our various stakeholders' expectations, concerns, interests and feedback.

Stakeholders	Key areas of focus	Methodology	Frequency
Shareholders and investors	<ul style="list-style-type: none"> Financial performance Good corporate governance Return on investment 	<ul style="list-style-type: none"> Annual General Meetings Annual reports Management discussion & analysis Quarterly reports Press releases Investors' briefings 	<ul style="list-style-type: none"> Annually Annually Annually Quarterly As needed As needed
Customers	<ul style="list-style-type: none"> Quality products & services Regulatory compliance Timeliness of payments 	<ul style="list-style-type: none"> Customer feedback Customer satisfaction surveys Social media Face-to-face interactions 	<ul style="list-style-type: none"> As needed Annually All year As needed
Suppliers	<ul style="list-style-type: none"> Affordability Regulatory compliance 	<ul style="list-style-type: none"> Site visits Supplier evaluation 	<ul style="list-style-type: none"> Annually Annually
Employees	<ul style="list-style-type: none"> Providing meaningful work Career development Training Talent management Recruitment selection Health and safety 	<ul style="list-style-type: none"> Seminars/trainings Career Advancement Programs Coaching Performance management Worksite inspections 	<ul style="list-style-type: none"> As needed As needed As needed Annually All year
Government Authorities and Regulators	<ul style="list-style-type: none"> Certifications Industry best practises Compliance with laws and regulations 	<ul style="list-style-type: none"> Periodic compliance audits Compliance and certification exercises Briefings and trainings 	<ul style="list-style-type: none"> All year All year All year
Community (non-government organisations, associations, academia)	<ul style="list-style-type: none"> Branding and reputation Healthy and sustainable communities Environmental sustainability Partnerships and joint ventures 	<ul style="list-style-type: none"> Educational site visits Waste water treatment Sponsor meals for needy schools 	<ul style="list-style-type: none"> All year All year All year

SUSTAINABILITY STATEMENT (Cont'd)

Managing Sustainability

Environment

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

CCK has set up an Environmental Management System (EMS) in our main abattoir in Kuching, Sarawak. The EMS is a collaborative and systematic approach to manage environmental risks and comply with environmental regulations and standards, and also government regulations. The EMS is not solely an internal framework but also incorporates views from our stakeholders, in particular our corporate clients and government regulators.

Waste management and other environmental issues

Material matter	Commitments	Methodology
1. Waste water management 2. Industrial effluent management 3. Air pollution management	1. Treatment of waste water from slaughter process 2. Release of effluent discharge per Environmental Quality (Industrial Effluent) Regulations 2009 3. Ensure dust emissions meet parameters set out in the Environmental Quality (Clean Air) Regulations 2014	1. Regular testing of treated effluent for biochemical oxygen demand (BOD), chemical oxygen demand (COD) and total suspended solids (TSS) 2. Stack monitoring for clean air control

Tracking 2022

Material matter	Objectives	Achievements
Industrial effluent management	Efficiency of waste water treatment plant	BOD: 98.87% COD: 92.47% TSS: 97.13%
Industrial effluent management	Effluent discharge compliance according to Environmental Quality (Industrial Effluent) Regulations 2009	96.73%
Air pollution management	Emissions compliant with regulations	100%
Diesel spillage	Event reduction & mitigation	0 occurrence
Ammonia leakage	Event reduction & mitigation	0 occurrence
Oil & lubricant spillage	Event reduction & mitigation	0 occurrence

SUSTAINABILITY STATEMENT (Cont'd)

Social Responsibility

Food Quality and Safety

CCK is committed to providing safe, high quality food products to our customers. Accountability for food safety is achieved through compliance with local and international regulations, industrial practices and best practices.

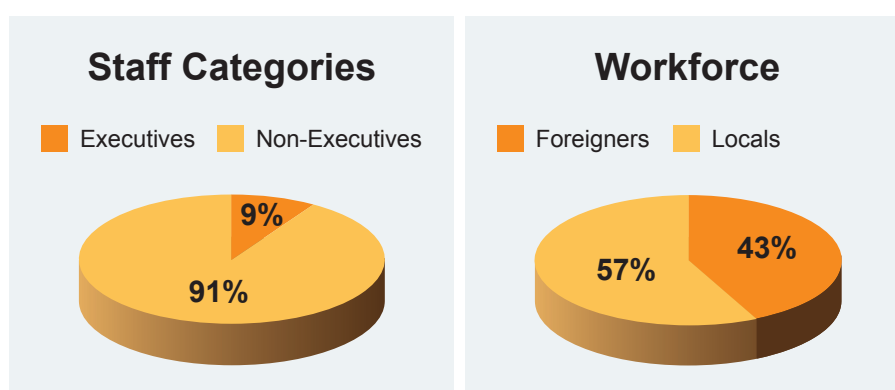
Business operations	Material matter	Malaysia	Indonesia
Chicken abattoirs	Food security	<ul style="list-style-type: none"> • HALAL • VHM • MeSTI 	
Food processing factories	Food security	<ul style="list-style-type: none"> • HALAL • HACCP • VHM • MeSTI 	<ul style="list-style-type: none"> • HALAL • NKV • HACCP
Chicken farms	Bio security	<ul style="list-style-type: none"> • MyGAP 	

Notes

- “Halal” Certification obtained from the respective state Islamic authorities.
- “VHM” is the Veterinary Health Mark issued by the Department of Veterinary Services, Sarawak.
- “MeSTI” relates to Safe Food Industry Responsibility certified by the Ministry of Health.
- “HACCP” refers to Hazard Analysis and Critical Control Points certification.
- ‘MyGAP’ refers to Malaysian Good Agricultural Practices certification issued by the respective states’ Department of Veterinary Services.
- “NKV” is the Veterinary Control Number (Nomor Kontrol Veterinar) issued by the Pejabat Otoritas Veteriner in Indonesia.

Talent Management

At CCK, we recognise that our workforce plays an essential and crucial part of our ongoing success. Their commitment and performance together with progressive leadership plays a major role in the integrated sustainability of the CCK Group of Companies. CCK employed approximately 2,800 staff across its subsidiaries in 2022.



SUSTAINABILITY STATEMENT (Cont'd)

Talent Management – Training & Development

At CCK, emphasis is placed on upskilling our workforce with a variety of trainings ranging from soft-skills to specific industry related technical trainings. The training department organises these trainings internally with in-house speakers, externally by inviting specialists to conduct the trainings and by sending our staff to externally organised seminars. In addition, new employees are required to undergo employee on-boarding briefings.

	Number of staff attended
Food safety & assurance	
Food handler, food defense and food fraud courses	
Good Manufacturing Practices (GMP)	511
HACCP updates	
HALAL updates	
On-boarding briefings	105
Safety & health	
Work safety & SOPs	
Safety & Health - Induction, First Aid & CPR	
Safety & Health Training – Admin staff	205
Safety & Health Training – Retail crew	
Safety & Health Training – Maintenance crew	
Governance	
Malaysian Anti-Corruption Act 2018	33
Malaysian Tax Budget Conference 2023	
Environmental & Social	
Animal welfare	85
Green Future Sarawak 2022	



Attract & Promote



Reward Excellence in Practice



Opportunities

Talent Management – Performance review and career advancements

At CCK, annual performance reviews are conducted at the end of the financial year and employees are rewarded based on their performances. Heads of Departments conduct interviews with their staff to get 2-way feedbacks on staff performances and training needs. Potential high performance staff are identified during these interviews for career advancements.

The Career Advancement Program (CAP) for retail crew remains our key source of developing the talents of the retail staff. The program centres around a series of coaching and assessments to progressively develop management skills. In 2022, 180 staff participated in the CAP.

SUSTAINABILITY STATEMENT (Cont'd)

Talent Management – Occupational Safety & Health

CCK strives to provide and maintain a safe workplace and a healthy work environment for its employees. A Safety & Health Committee was set up at our main operations base in Kuching, Sarawak. The committee meets quarterly and its main role is to implement safety and health initiatives and promote awareness of safety and health practices amongst the employees.



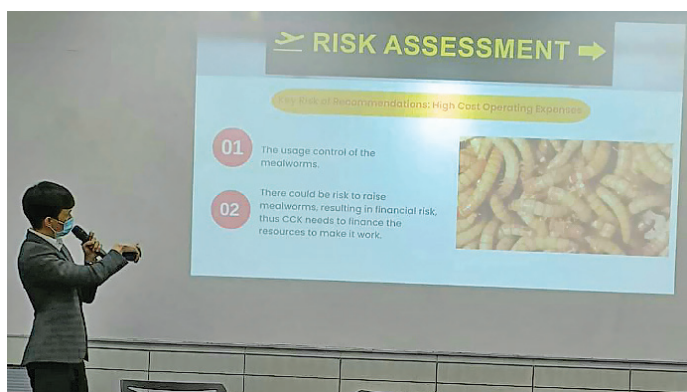
Apart from trainings and briefings, checks are also conducted on the well-being of the employees. In 2022, a Hearing Conversion Procedure was conducted for 118 employees working in excessive noise areas of the Kuching base. The aim of this procedure is to identify high risk employees and to minimise their risks when exposed to excessive noise.

Communities

CCK has built up strong ties with the local communities areas we operate in. We value the strong relationships with the various groups of stakeholders built up over more than 30 years. In these difficult and challenging times emerging from the Covid-19 pandemic, we continue to support the many NGOs, private associations etc who have requested of us food products and funds. This includes SMK Kampung Nangka Food Bank, which we have supported over the last few years.



In 2022, CCK participated in Jualan Murah Keluarga Malaysia under the auspices of the Ministry of Domestic Trade and Consumer Affairs. Under this program, the selling prices of basic necessities are sold at a fixed price discounted by 20% at prices approved by the Ministry. In 2022, CCK participated in more than 30 Jualan Murah Keluarga Malaysia throughout Sarawak.



During the year, CCK participated in Swinburne University, Kuching Campus's Industry Consultancy Project where final year Bachelor of Business students were tasked to provide solutions to real-life issues and challenges faced by CCK.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

A sound risk management framework and internal control system (“System”) is embedded into the culture of the Group, which is responsive to changes in business, market, environment and economy. The System is to safeguard the Group’s assets and shareholders’ investments as well as the interests of customers, employees and other stakeholders.

BOARD’S RESPONSIBILITIES

The Board is committed to maintain a sound System and affirms its overall responsibility for the System by continuously reviewing the adequacy and effectiveness of the System. The task of scrutinising the System is taken up by the Board Committees, i.e. Audit Committee (“AC”) and Risk Management Committee (“RMC”).

The System covers strategy, operations, finance, information technology, regulatory compliance, sustainability and external environment. The System is designed to manage, rather than eliminate, the risks, and achieve the Group’s strategies and business objectives within the risk tolerance level determined by the Board. The System provides reasonable, but not absolute, assurance against any material misstatement, loss or fraud.

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

The Board has reviewed the adequacy and effectiveness of the System through the AC and RMC. Risk Reports and Internal Audit Reports were reviewed by the RMC and AC respectively in the quarterly meetings held during the financial year 2022. Necessary actions have been and are being taken to remedy significant weaknesses identified from the review.

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

RISK MANAGEMENT FRAMEWORK

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

The RMC reviews and deliberates the risk profile of the Group in the RMC meetings held quarterly. The RMC ensures that the overall risks are adequately identified and managed within an acceptable risk appetite. Critical risks, together with its impact, mitigating actions and improved results, are presented to the Board. The Group's significant risks for the financial year under review includes farm harvesting, factory performance, market competition, quality target and COVID-19 pandemic impact.

INTERNAL CONTROL PROCESS

Audit

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

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

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

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

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

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

Authority and Responsibilities

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

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

Policies and Procedures

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Insurance

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

REVIEW OF THIS STATEMENT

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

CONCLUSION

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

This Statement is made in accordance with the resolution of the Board of Directors dated 10 April 2023.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of the Company is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee ("AC") discharged its functions for the Group during the financial year ended 2022.

COMPOSITION AND ATTENDANCE

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

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

FUNCTION

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

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

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

SUMMARY OF ACTIVITIES

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

- reviewed and deliberated the quarterly and annual audited financial statements to ensure that the financial reporting and disclosures presented a true and fair view of the financial positions of the Group and in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, prior to submission to the Board for consideration and approval;
- reviewed related party transactions and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity as well as the adequacy of the disclosure in the quarterly and annual audited financial statement, prior to the Board's consideration and approval;
- reviewed and approved the AC Statement contained in the Circular to Shareholders in respect of the proposed acquisition by PT. Adilmart, a wholly owned subsidiary of the Company, of the entire equity interest of PT. Bonanza Pratama Abadi for a total cash consideration of USD8 million (equivalent to RM33.74 million);

AUDIT COMMITTEE REPORT (Cont'd)

- (d) reviewed and approved the annual audit plans of the internal auditors and external auditors to ensure adequacy of resources, competencies and coverage of areas to be audited;
- (e) reviewed and deliberated the audit reports of the internal auditors and external auditors, which included the major findings, recommendations with respect to the system and control weaknesses, and management's responses thereto;
- (f) met with the external auditors and internal auditors twice respectively without the presence of the other Directors and employees of the Group to review key issues;
- (g) assessed the performance, suitability and independence of external auditors, and recommended re-appointment of external auditors and the proposed fees for the Board's approval;
- (h) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function;
- (i) reviewed and deliberated the comparison of actual against budgeted results on quarterly basis;
- (j) reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to the Board's consideration and approval; and
- (k) reviewed the performance of the Group and made recommendation for appropriate corrective measures to the Board.

INTERNAL AUDIT FUNCTION

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

The IAD is led by Ms. Hii Yong Sing, who was appointed in August 2021. She holds a Bachelor of Accountancy and Finance (Hons) with vast experience in internal auditing. Currently she is assisted by twelve (12) other staff, ten (10) of whom possess tertiary qualifications in the field of Business Administration, Accountancy, Management (Policy and Social Environmental) and Science (Chemistry); two (2) other staff have secondary qualifications of SPM with experiences in internal auditing.

All of them are free from any relationships with the Group, thus avoiding any conflict of interest, which could impair their objectivity and independence.

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

The internal audit reports are presented to the AC quarterly, incorporating findings, recommendations to rectify any weaknesses and to enhance controls, together with corrective measures to be taken within an agreed timeline. Follow-up audits on significant engagements and relevant recommendations are conducted to ensure that corrective and preventive measures have been implemented accordingly with the intention to solve any underlying problems and to improve the processes and performance.

The total costs incurred by IAD in discharging its functions and responsibilities in 2022 amounted to RM440,802 (compared to RM493,571 in 2021).

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

This Report is made in accordance with the resolution of the Board of Directors dated 10 April 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE AUDITED FINANCIAL STATEMENTS

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

The Directors are also responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2022.

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

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

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

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

This Statement is made in accordance with the resolution of the Board of Directors dated 20 April 2023.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	63,125,321	27,578,801
Attributable to:-		
Owners of the Company	63,106,230	27,578,801
Non-controlling interests	19,091	-
	63,125,321	27,578,801

DIVIDENDS

The Company paid a first and final single-tier dividend of 1.25 sen per ordinary share amounting to RM7,805,317 in respect of the financial year ended 31 December 2021 on 8 June 2022. The dividend was approved by the shareholders at the Annual General Meeting held on 26 May 2022.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 3.50 sen per ordinary share amounting to RM21,747,201 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

As at 31 December 2022, the Company held as treasury shares a total of 9,370,200 of its issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM5,452,652. The details of the treasury shares are disclosed in Note 20 to the financial statements.

DIRECTORS' REPORT (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (Cont'd)

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

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

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

Chai Min Diang
 Chong Min Fui
 Chong Pio
 Chong Su Khiun
 Ethan Tiong Ing Hung
 Joseph Tang Chiod Sui
 Kapitan Goh Sung Hien @ Goh Soon Hien
 Penghulu Lau Hieng Wuong
 Kueh Tiong Ching
 Lau Pek Kii
 Ung Yiik Hieng
 Wong Hua Tiing
 Tiong Chiong Kuong
 Tiong Chiong Hong
 Wong Hua King
 Nelly (Appointed on 8 March 2022)

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
The Company				
<i>Direct Interests</i>				
Tan Sri Datuk Tiong Su Kouk	34,671,288	-	-	34,671,288
Tiong Chiong Hiiung	1,699,624	-	-	1,699,624
Tiong Chiong Soon	1,515,360	-	-	1,515,360
Lau Liong Kii	14,740,752	-	-	14,740,752
Ling Ting Leong @ Ling Chong Seng	521,428	-	-	521,428
Kueh Chung Peng	11,420,664	-	-	11,420,664
Datuk Temenggong Janggu Anak Banyang	198,400	-	-	198,400
<i>Indirect Interests</i>				
Tan Sri Datuk Tiong Su Kouk	244,185,380	-	-	244,185,380
Tiong Chiong Hiiung	244,567,888	-	-	244,567,888
Chong Shaw Fui	33,601,272	-	-	33,601,272
Kueh Chung Peng	4,307,400	-	-	4,307,400
Tiong Chiong Soon	241,596,156	-	-	241,596,156
Lau Liong Kii	43,280,352	-	(1,978,000)	41,301,852
Ling Ting Leong @ Ling Chong Seng	3,312,388	-	(400)	3,311,988

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 37(a) 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 the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 38(b) to the financial statements.

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

DIRECTORS' REPORT (Cont'd)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	214,640	346,400
Salaries, bonuses and other benefits	2,316,345	-
Defined contribution benefits	204,848	-
	<hr/> 2,735,833	<hr/> 346,400

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

AUDITORS

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

The details of the auditors' remuneration of the Group and of the Company for the financial year were RM506,510 and RM88,000 respectively.

Signed in accordance with a resolution of the directors dated 20 April 2023.

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

STATEMENT BY DIRECTORS

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

We, Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung, being two of the directors of CCK Consolidated Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 46 to 131 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 20 April 2023.

Tan Sri Datuk Tiong Su Kouk
Director

Tiong Chiong Hiiung
Director

STATUTORY DECLARATION

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

I, Tiong Chiong Hiiung, being the director primarily responsible for the financial management of CCK Consolidated Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 131 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tiong Chiong Hiiung, NRIC Number: 670208-13-6277
at Sibul
in the State of Sarawak
on this 20 April 2023.

Tiong Chiong Hiiung
Director

Before me

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CCK Consolidated Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 131.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Revenue recognition Refer to Note 28 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
The retail segment contributed 79% of the Group's revenue as of the financial year ended 31 December 2022. Due to the voluminous cash sales transactions arising at multiple sales points, revenue recognition is identified as a key audit matter, with respect to misappropriation of cash.	Our procedures included, amongst others: - <ul style="list-style-type: none"> (a) Inquiring, inspecting, observing and documenting cash sales cycle to obtain an understanding of the Group's design and implementation of policies and procedures of the cycle. (b) Performing walkthrough tests, test of controls on cash sales cycle with samples documented on identified key controls and evaluation of the control processes for cash sales transactions cycle especially the cash receipts. (c) Examining and reviewing year end cut-off to ensure revenue are accounted for in the appropriate period.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

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

Key Audit Matters (Cont'd)

Valuation of biological assets Refer to Note 13 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 December 2022, the Group's biological assets carried a fair value in the aggregate of RM16.7 million.</p> <p>Management uses the income approach to estimate the fair value of biological assets by discounting the net cash flows expected to be generated from the sale of these agricultural produce. This approach uses several key assumptions, including assumption about feed costs, projected selling prices and mortality rates.</p> <p>Due to the degree of management judgement involved in estimating the fair values of biological assets, we considered this to be an area of audit focus.</p>	<p>Our procedures included, amongst others: -</p> <ul style="list-style-type: none"> (a) Evaluating the valuation methodology and the appropriateness of key assumptions used by management. (b) Evaluating the adequacy of the disclosures in the financial statements, including disclosures of key assumptions and judgements.

Purchase Price Allocation ("PPA") Refer to Note 35 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>On 13 July 2022, Pt. Adilmart, a subsidiary of the Company, obtained controlling interest in Pt. Bonanza Pratama Abadi ("PT Bonanza") for a purchase consideration of RM33.6 million. The Group performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and the liabilities assumed, resulting in a gain on bargain purchase of RM4.5 million on the business combination.</p> <p>As part of the PPA exercise, management identified intangible assets relating to land rights and performed an estimation of the fair value of the identified assets acquired and liabilities assumed. In the exercise, management engaged independent valuers to perform the valuation of the assets of PT Bonanza, including land rights and long-term assets.</p> <p>We focused on this area as the determination of fair value of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, required significant management judgement in estimating the underlying assumptions applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> (a) Assessing the competence, capabilities and objectivity of management's valuation expert. (b) Obtaining and receiving Share Sale Agreement dated 14 April 2022; and identifying critical terms with accounting impact, including the purchase consideration. (c) Discussing with management and management's valuation experts to obtain an understanding of the PPA exercise. (d) Assessing the methodology applied in the PPA exercise, the key assumptions used and the appropriateness of the fair value in determining the valuation of intangible assets. (e) Evaluating the adequacy of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

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

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (Cont'd)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Sim Aik Chiam
03123/02/2025 J
Chartered Accountant

Sibu, Sarawak
Date: 20 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	81,003,839	87,448,101
Investment in an associate	6	28,644,487	35,221,195	19,930,171	19,930,171
Property, plant and equipment	7	200,835,836	204,634,582	8,375,195	8,526,872
Investment properties	8	10,746,955	16,103,979	-	-
Intangible assets	9	3,754,512	-	-	-
Goodwill	10	380,224	380,224	-	-
Deferred tax assets	11	2,551,996	1,792,025	-	-
		246,914,010	258,132,005	109,309,205	115,905,144
CURRENT ASSETS					
Inventories	12	106,054,584	57,161,525	-	-
Biological assets	13	16,652,296	13,559,854	-	-
Trade receivables	14	48,727,960	35,967,434	-	-
Short-term investment	15	8,044,790	-	8,044,790	-
Other receivables, deposits and prepayments	16	13,384,272	9,649,733	724,987	432,775
Amount owing by subsidiaries	17	-	-	93,100,445	84,779,781
Current tax assets		2,513,433	2,843,568	-	-
Deposits with licensed banks	18	6,457,419	6,318,588	-	-
Cash and bank balances		56,595,113	51,463,105	626,326	894,925
		258,429,867	176,963,807	102,496,548	86,107,481
TOTAL ASSETS		505,343,877	435,095,812	211,805,753	202,012,625
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	158,968,786	158,968,786	158,968,786	158,968,786
Treasury shares	20	(5,452,652)	(2,432,449)	(5,452,652)	(2,432,449)
Reserves	21	208,254,641	157,620,536	49,098,161	29,324,677
Equity attributable to owners of the Company		361,770,775	314,156,873	202,614,295	185,861,014
Non-controlling interests		479,949	92,114	-	-
TOTAL EQUITY		362,250,724	314,248,987	202,614,295	185,861,014

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

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
NON-CURRENT LIABILITIES					
Bank borrowings	23	6,285,530	7,133,218	-	-
Lease liabilities	24	13,510,311	15,896,256	-	-
Deferred income	25	-	-	-	-
Deferred tax liabilities	11	8,085,195	8,380,469	1,475,141	1,385,173
		27,881,036	31,409,943	1,475,141	1,385,173
CURRENT LIABILITIES					
Trade payables	26	41,267,307	27,252,616	-	-
Other payables, deposits and accruals	22	19,592,204	21,959,340	538,635	7,475,356
Amount owing to subsidiaries	17	-	-	7,177,682	1,291,082
Bank borrowings:-	23				
- bank overdrafts		6,016,378	576,089	-	-
- other borrowings		36,085,028	32,604,624	-	6,000,000
Lease liabilities	24	3,407,367	3,106,670	-	-
Provision for employee benefits	27	1,226,648	856,540	-	-
Current tax liabilities		7,617,185	3,081,003	-	-
		115,212,117	89,436,882	7,716,317	14,766,438
TOTAL LIABILITIES		143,093,153	120,846,825	9,191,458	16,151,611
TOTAL EQUITY AND LIABILITIES		505,343,877	435,095,812	211,805,753	202,012,625

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	28	885,745,261	685,575,777	35,464,164	10,366,000
COST OF SALES		(724,745,235)	(565,948,945)	-	-
GROSS PROFIT		161,000,026	119,626,832	35,464,164	10,366,000
OTHER INCOME		32,737,937	5,093,655	622,986	771,648
SELLING AND DISTRIBUTION EXPENSES		(22,763,631)	(20,610,395)	-	-
ADMINISTRATIVE EXPENSES		(29,664,887)	(26,806,711)	(1,779,068)	(2,024,199)
OTHER OPERATING EXPENSES		(62,016,628)	(48,636,115)	(6,444,262)	-
FINANCE COSTS		(2,445,369)	(2,084,966)	(195,051)	(412,994)
NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS	29	2,622	(927,574)	-	-
SHARE OF PROFITS OF AN EQUITY ACCOUNTED ASSOCIATE		4,521,456	5,533,296	-	-
PROFIT BEFORE TAXATION	30	81,371,526	31,188,022	27,668,769	8,700,455
INCOME TAX EXPENSE	31	(18,246,205)	(6,711,763)	(89,968)	157,862
PROFIT AFTER TAXATION		63,125,321	24,476,259	27,578,801	8,858,317
OTHER COMPREHENSIVE INCOME	32				
<u>Items that Will Not be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Remeasurement of defined benefits plan		39,094	49,071	-	-
<u>Items that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(4,722,126)	1,232,861	-	-
TOTAL OTHER COMPREHENSIVE INCOME		(4,683,032)	1,281,932	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		58,442,289	25,758,191	27,578,801	8,858,317

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (Cont'd)

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		63,106,230	24,476,259	27,578,801	8,858,317
Non-controlling interests		19,091	-	-	-
		<u>63,125,321</u>	<u>24,476,259</u>	<u>27,578,801</u>	<u>8,858,317</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		58,439,422	25,758,191	27,578,801	8,858,317
Non-controlling interests		2,867	-	-	-
		<u>58,442,289</u>	<u>25,758,191</u>	<u>27,578,801</u>	<u>8,858,317</u>
EARNINGS PER SHARE (SEN):-					
	33				
Basic		10.12	3.91		
Diluted		10.12	3.91		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Group	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
Balance at 1.1.2021		158,968,786	(2,432,449)	(4,665,958)	149,061,197	300,931,576	92,114	301,023,690
Profit after taxation for the financial year		-	-	-	24,476,259	24,476,259	-	24,476,259
Other comprehensive income for the financial year:-	32	-	-	-	49,071	49,071	-	49,071
- Remeasurement of defined benefit plans		-	-	1,232,861	-	1,232,861	-	1,232,861
- Foreign currency translation differences		-	-	-	-	-	-	-
Total comprehensive income for the financial year		-	-	1,232,861	24,525,330	25,758,191	-	25,758,191
Contributions by and distribution to owners of the Company:-		-	-	-	(12,532,894)	(12,532,894)	-	(12,532,894)
- Dividends:-	34	-	-	-	(12,532,894)	(12,532,894)	-	(12,532,894)
- by the Company		-	-	-	-	-	-	-
Total transactions with owners		-	-	-	(12,532,894)	(12,532,894)	-	(12,532,894)
Balance at 31.12.2021		158,968,786	(2,432,449)	(3,433,097)	161,053,633	314,156,873	92,114	314,248,987

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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Group	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
Balance at 31.12.2021/1.1.2022		158,968,786	(2,432,449)	(3,433,097)	161,053,633	314,156,873	92,114	314,248,987
Profit after taxation for the financial year		-	-	-	63,106,230	63,106,230	19,091	63,125,321
Other comprehensive income for the financial year:-	32	-	-	-	39,094	39,094	-	39,094
- Remeasurement of defined benefit plans		-	-	(4,705,902)	-	(4,705,902)	(16,224)	(4,722,126)
- Foreign currency translation differences		-	-	-	-	-	-	-
Total comprehensive income for the financial year		-	-	(4,705,902)	63,145,324	58,439,422	2,867	58,442,289
Contributions by and distributions to owners of the Company:-		-	(3,020,203)	-	-	(3,020,203)	-	(3,020,203)
- Purchase of treasury shares	20	-	(3,020,203)	-	-	(3,020,203)	-	(3,020,203)
- Dividends:-		-	-	-	(7,805,317)	(7,805,317)	-	(7,805,317)
- by the Company	34	-	-	-	(7,805,317)	(7,805,317)	-	(7,805,317)
Changes in ownership interests in subsidiaries:-		-	-	-	-	-	-	-
- Acquisition of a subsidiary	35	-	-	-	-	-	384,968	384,968
Total transactions with owners		-	(3,020,203)	-	(7,805,317)	(10,825,520)	384,968	(10,440,552)
Balance as at 31.12.2022		158,968,786	(5,452,652)	(8,138,999)	216,393,640	361,770,775	479,949	362,250,724

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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 1.1.2021		158,968,786	(2,432,449)	32,999,254	189,535,591
Profit after taxation/Total comprehensive income for the financial year		-	-	8,858,317	8,858,317
Contributions by and distributions to owners of the Company:-					
- Dividends	34	-	-	(12,532,894)	(12,532,894)
		-	-	(12,532,894)	(12,532,894)
Balance at 31.12.2021/1.1.2022		158,968,786	(2,432,449)	29,324,677	185,861,014
Profit after taxation/Total comprehensive income for the financial year		-	-	27,578,801	27,578,801
Contributions by and distributions to owners of the Company:-					
- Purchase of treasury shares	20	-	(3,020,203)	-	(3,020,203)
- Dividends	34	-	-	(7,805,317)	(7,805,317)
		-	(3,020,203)	(7,805,317)	(10,825,520)
Balance at 31.12.2022		158,968,786	(5,452,652)	49,098,161	202,614,295

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit before taxation	81,371,526	31,188,022	27,668,769	8,700,455
Adjustments for:-				
Allowance for impairment losses				
on receivables	398,010	1,099,851	-	-
Reversal of impairment				
losses on receivables	(400,632)	(172,277)	-	-
Allowance for stock obsolescence	11,679	290,935	-	-
Amortisation of government grant	-	(18,815)	-	-
Amortisation of intangible assets	410,650	-	-	-
Bad debts written off	305,308	146,298	-	-
Changes in fair value of biological assets	(3,092,442)	2,747,815	-	-
Depreciation of investment properties	842,316	108,700	-	-
Depreciation of property, plant and equipment	24,808,490	22,974,470	160,924	160,647
Impairment loss:				
- Investment in subsidiaries	-	-	6,444,262	-
Dividend income	-	-	(35,098,164)	(10,000,000)
Gain on disposal of property, plant				
and equipment	(449,074)	(106,993)	-	-
Gain on disposal of investment properties	(5,979,315)	-	-	-
Gain on modification of lease	-	(337)	-	-
Gain on bargain purchase	(4,498,651)	-	-	-
Interest expense	2,445,369	2,084,966	195,051	412,994
Interest income	(352,928)	(352,387)	(465,677)	(657,044)
Property, plant and equipment written off	260,542	272,172	-	-
Provision for employee benefits	(55,461)	60,503	-	-
Share of profits of an equity accounted				
associate	(4,521,456)	(5,533,296)	-	-
Unrealised gain on short-term investment	(42,449)	-	(42,449)	-
Unrealised gain on foreign exchange	(1,681)	(5,375)	-	-
Operating profit/(loss) before working				
capital changes	91,459,801	54,784,252	(1,137,284)	(1,382,948)
Increase in inventories	(41,143,709)	(1,780,543)	-	-
Increase in trade and other receivables	(12,452,462)	(3,543,856)	(292,212)	(128,429)
(Decrease)/increase in trade and				
other payables	10,307,262	967,044	(6,936,721)	255,846
Employee benefits paid	(66,555)	(42,289)	-	-
CASH FROM/(FOR) OPERATIONS/				
BALANCE CARRIED FORWARD	48,104,337	50,384,608	(8,366,217)	(1,255,531)

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

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
BALANCE BROUGHT FORWARD		48,104,337	50,384,608	(8,366,217)	(1,255,531)
Income tax paid		(15,137,642)	(10,469,570)	-	-
Income tax refunded		116,528	29,127	-	-
Interest paid		(2,445,369)	(2,084,966)	(195,051)	(412,994)
Interest received		352,928	352,387	465,677	657,044
NET CASH FROM/(FOR) OPERATING ACTIVITIES		30,990,782	38,211,586	(8,095,591)	(1,011,481)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	35	(21,372,709)	-	-	-
Additional investments in an existing subsidiary		-	-	-	(6,000,000)
Purchase of short-term investment		(8,002,341)	-	(8,002,341)	-
(Drawdown)/Repayment from subsidiaries		-	-	(8,320,664)	11,808,337
Dividend received		-	-	35,098,164	10,000,000
Dividend received from an associate		11,098,164	-	-	-
Proceeds from disposal of property, plant and equipment		1,421,144	143,301	-	-
Proceeds from disposal of investment properties		18,000,000	-	-	-
Purchase of property, plant and equipment	36(a)	(19,210,099)	(21,410,912)	(9,247)	(11,558)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(18,065,841)	(21,267,611)	18,765,912	15,796,779
BALANCE CARRIED FORWARD		12,924,941	16,943,975	10,670,321	14,785,298

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

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
BALANCE BROUGHT FORWARD		12,924,941	16,943,975	10,670,321	14,785,298
CASH FLOWS FOR FINANCING ACTIVITIES					
Increase/(decrease) in amount owing to subsidiaries	36(c)	-	-	5,886,600	(130,058)
Dividend paid:-					
- by the Company	34	(7,805,317)	(12,532,894)	(7,805,317)	(12,532,894)
Drawdown of term loans	36(c)	-	202,500	-	-
Purchase of treasury shares		(3,020,203)	-	(3,020,203)	-
Drawdown/(repayment) of bankers' acceptance	36(c)	9,456,249	2,789,949	-	-
Repayment of lease liabilities	36(d)	(2,655,145)	(2,887,955)	-	-
Repayment of revolving credit	36(c)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Repayment of term loans	36(c)	(823,533)	(822,293)	-	-
NET CASH FOR FINANCING ACTIVITIES		(10,847,949)	(19,250,693)	(10,938,920)	(18,662,952)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		2,076,992	(2,306,718)	(268,599)	(3,877,654)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(2,246,442)	385,329	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		57,205,604	59,126,993	894,925	4,772,579
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36(b)	57,036,154	57,205,604	626,326	894,925

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office, which is also the principal place of business, is Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 April 2023.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvement to MFRS Standards 2018 - 2020

The adoption of the above accounting standard(s) and interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

Effective Date

MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. BASIS OF PREPARATION (CONT'D)

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amount of trade receivables. The carrying amount of trade receivables as at the reporting date are disclosed in Note 14 to the financial statements.

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 16 and 17 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM 7,617,185 (2021 – RM 3,081,003).

(f) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(g) Biological Assets

The fair value of biological assets is determined using a discounted cash flow model which considers the expected quantity and price of the agricultural produce over the life of the biological assets, taking into account the biological assets mortality rate.

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

(h) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair value of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

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

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

(b) Lease Terms

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

(c) Contingent Liabilities

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

4.2 BASIS OF CONSOLIDATION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

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

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

(d) Loss of Control

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

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

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

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

(c) Foreign Operations

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(d) Foreign Operations

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

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

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

4.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

(ii) Treasury Shares

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

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

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

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 INVESTMENTS IN ASSOCIATES

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2022. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

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

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

4.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.9 INVESTMENT PROPERTIES

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

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

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

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

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

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

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

4.10 INTANGIBLE ASSETS

Land rights are right to use the land acquired as part of business combination. The cost of the land rights is at their fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and impairment losses, if any. These costs are amortised based on remaining term of the land rights of 6 years.

4.11 LEASES

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 LEASES (CONT'D)

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

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

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

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

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

4.12 INVENTORIES

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

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

4.13 CASH AND CASH EQUIVALENTS

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

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

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

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

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

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

(b) Impairment of Non-financial Assets

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

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 BIOLOGICAL ASSETS

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

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

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

4.16 PROVISIONS

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

4.17 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

(c) Defined Benefit Plans

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 EMPLOYEE BENEFITS (CONT'D)

(c) Defined Benefit Plans (Cont'd)

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

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

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

4.18 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 CONTINGENT LIABILITIES

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

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

4.20 OPERATING SEGMENTS

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

4.21 EARNINGS PER ORDINARY SHARES

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

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

4.22 BORROWING COSTS

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

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

4.23 FAIR VALUE MEASUREMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 FAIR VALUE MEASUREMENTS

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of Goods (Credit Sales)

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

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

(b) Sales of Goods (Cash Sales)

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

(c) Rendering of Services

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

4.25 REVENUE FROM OTHER SOURCES AND OTHER INCOME

(a) Interest Income

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 REVENUE FROM OTHER SOURCES AND OTHER INCOME (CONT'D)

(b) Dividend Income

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

(c) Rental Income

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

(d) Government Grant

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

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

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022 RM	2021 RM
Unquoted shares, at cost		
- in Malaysia	69,339,149	69,339,149
- outside Malaysia	18,108,952	18,108,952
	<hr/>	<hr/>
	87,448,101	87,448,101
	(6,444,262)	-
Accumulated impairment losses	<hr/>	<hr/>
	81,003,839	87,448,101
	<hr/>	<hr/>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Ableway Sdn. Bhd.	Malaysia	100	100	General trading and investment holding
Ataskota Sdn. Bhd.	Malaysia	100	100	Selling, spawning and culturing of prawns
CCK Fresh Mart Sdn. Bhd.	Malaysia	100	100	Retailing coldstorage products and investment holding
CCK Fresh Mart (West Malaysia) Sdn. Bhd.	Malaysia	100	100	Leasing buildings

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
CCK Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Culturing and trading of prawns
Central Coldstorage Kuching Sdn. Bhd.	Malaysia	100	100	Trading cold storage goods, poultry processing, importer and distributor of frozen goods and investment holding
C.S. Choice Food Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing, processing, packing and distribution of meat and other food products
Kin Eastern Frozen Food Sdn. Bhd.	Malaysia	100	100	Processing and dealing of frozen seafood and ice
Kuok Sui Sea Products Industries (S) Sdn. Bhd.	Malaysia	100	100	Processing and exporting of sea products
Pt. Adilmart [^]	Indonesia	100	100	Retailing in coldstorage products
Zhang Agriculture Development (Sabah) Sdn. Bhd. #	Malaysia	100	100	Poultry breeding, hatching of eggs and trading
Hawker Time Food Hall Sdn. Bhd. #	Malaysia	100	100	Proprietors of fast-food restaurants, catering services, food and beverage stall or hawkers and coffee shop
CCK Properties Sdn. Bhd. #	Malaysia	100	100	Dormant
<i>Subsidiary of Ableway Sdn. Bhd.:-</i>				
Angkutan Golden Plan Sdn. Bhd.	Malaysia	100	100	Provision of transportation services
<i>Subsidiary of CCK Fresh Mart Sdn. Bhd.:-</i>				
Mukah Seafoods Industries Sdn. Bhd.	Malaysia	100	100	Trading of seafood and coldstorage foodstuff
<i>Subsidiaries of Central Coldstorage Kuching Sdn. Bhd.:-</i>				
Poultry Industry (S) Sdn. Bhd.	Malaysia	100	100	Livestock breeding, egg laying and trading
Zhang Agriculture Development. Sdn. Bhd	Malaysia	100	100	Poultry farming and trading

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Subsidiary of Poultry Industry (S) Sdn. Bhd.:-				
Farm Land Supplies & Veterinary Services Sdn. Bhd.	Malaysia	100	100	Providing veterinary supplies and related services
Subsidiaries of Pt. Adilmart:-				
Pt. Central Coldstorage Khatulistiwa^	Indonesia	90	90	Dormant
Pt. Bonanza Pratama Abadi^	Indonesia	99	-	Processing and freezing fish and other sea products

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

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

- (a) During the current financial year, the Group has acquired 99% equity interests in Pt. Bonanza Pratama Abadi. The details of the acquisition are disclosed in Note 35 to the financial statements.
- (b) In the previous financial year, the Company subscribed for 6,000,000 ordinary shares of RM1 each in Zhang Agriculture Development (Sabah) Sdn. Bhd., a wholly owned subsidiary of the Company, by capitalising the amount owing by the subsidiary.
- (c) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM6,444,262 (2021 – Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "other operating expenses" line item of the statement of profit or loss and other comprehensive income.
- (d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM	2021 RM
Pt. Central Coldstorage Khatulistiwa	10.0	10.0	92,114	92,114
Pt. Bonanza Pramata Abadi	1.0	-	387,835	-
			<u>479,949</u>	<u>92,114</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted shares, at cost	19,930,171	19,930,171	19,930,171	19,930,171
Share of post-acquisition profits, net of dividend received	8,714,316	15,291,024	-	-
	<u>28,644,487</u>	<u>35,221,195</u>	<u>19,930,171</u>	<u>19,930,171</u>

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activities
		2022 %	2021 %	
Gold Coin Sarawak Sdn. Bhd.#	Malaysia	27.20	27.20	Manufacture and sale of animal feeds, trading in feed grains and livestock business

The associate was audited by another firm of chartered accountants.

The investment in the associate is a strategic investment for the Group as it secures a long term supply of quality feeds for the Group's poultry operations and also allows the Group to venture into feed mill business thus enhancing the Group's profitability.

(a) The summarised financial information for the associate is as follows:-

	Gold Coin Sarawak Sdn. Bhd.	
	2022 RM	2021 RM
<u>At 31 December</u>		
Non-current assets	11,573,000	11,760,000
Current assets	195,893,000	208,787,000
Non-current liabilities	(780,000)	(1,929,000)
Current liabilities	(114,369,000)	(102,122,000)
Net assets	<u>92,317,000</u>	<u>116,496,000</u>
<u>Financial Year Ended 31 December</u>		
Revenue	473,592,000	409,196,000
Profit for the financial year	16,623,000	20,343,000
Total comprehensive income	<u>16,623,000</u>	<u>20,343,000</u>
Group's share of profit for the financial year	4,521,456	5,533,296
Dividend received	<u>11,098,164</u>	<u>-</u>
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	25,110,204	31,686,912
Goodwill	<u>3,534,283</u>	<u>3,534,283</u>
Carrying amount of the Group's interest in this associate	<u>28,644,487</u>	<u>35,221,195</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2022 RM	Acquisition of a subsidiary (Note 35) RM	Additions RM	Disposals RM	Reclassi- fication RM	Write-offs RM	Reassessment/ Modification of Lease Liabilities RM	Transfer to investment properties RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2022 RM
2022											
<i>Carrying Amount</i>											
<u>Owned assets</u>											
Freehold land	1,436,000	-	-	-	-	-	-	-	-	-	1,436,000
Buildings	53,608,016	2,713,968	591,254	(166,693)	8,762,973	-	-	(7,505,977)	(4,819,338)	(319,516)	52,864,687
Furniture, fittings and equipment	8,001,392	390,288	2,377,494	(71,622)	76,237	(3,539)	-	-	(2,229,464)	(8,799)	8,531,987
Coldroom, plant and machinery	49,283,639	2,404,335	7,907,859	(35,661)	684,448	(104,064)	-	-	(11,560,110)	(864,190)	47,716,256
Motor vehicles	1,987,727	300,048	1,651,321	-	366,464	-	-	-	(1,207,024)	(16,657)	3,081,879
Renovation	5,494,412	-	948,738	(78,365)	799,887	-	-	-	(1,511,922)	-	5,652,750
Electrical installation	475,199	-	213,872	-	(910)	-	-	-	(61,021)	-	627,140
Capital work in progress	13,607,964	-	5,519,561	(81,248)	(10,689,099)	(152,939)	-	-	-	(5,292)	8,198,947
	133,894,349	5,808,639	19,210,099	(433,589)	-	(260,542)	-	(7,505,977)	(21,388,879)	(1,214,454)	128,109,646

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Group	At 1.1.2022 RM	Acquisition of a subsidiary (Note 35) RM	Additions RM	Disposals RM	Reclassi- fication RM	Write-offs RM	Reassessment/ Modification of Lease Liabilities RM	Transfer to investment properties RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2022 RM
2022											
<u>Right-of-use assets</u>											
Leasehold land	52,783,445	5,904,672	-	(538,481)	-	-	-	-	(620,479)	(530,520)	56,998,637
Buildings	17,953,888	-	1,219,600	-	-	-	(649,703)	-	(2,796,232)	-	15,727,553
Coldroom, plant and machinery	2,900	-	-	-	-	-	-	-	(2,900)	-	-
	70,740,233	5,904,672	1,219,600	(538,481)	-	-	(649,703)	-	(3,419,611)	(530,520)	72,726,190
	204,634,582	11,713,311	20,429,699	(972,070)	-	(260,542)	(649,703)	(7,505,977)	(24,808,490)	(1,744,974)	200,835,836

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Group	At 1.1.2021 RM	Additions RM	Disposals RM	Reclassi- fication RM	Write-offs RM	Reassessment/ Modification				At 31.12.2021 RM
						Liabilities RM	Transfer to Inventories RM	Depreciation Charges RM	Exchange Differences RM	
<i>Carrying Amount</i>										
<u>Owned assets</u>										
Freehold land	1,436,000	-	-	-	-	-	-	-	-	1,436,000
Buildings	45,528,717	2,961,835	-	9,099,748	-	-	-	(4,093,325)	111,041	53,608,016
Furniture, fittings and equipment	8,468,555	1,225,665	-	304,514	(753)	-	-	(2,001,775)	5,186	8,001,392
Coldroom, plant and machinery	46,856,820	7,994,740	(10,108)	4,715,159	(1,033)	-	-	(10,789,930)	517,991	49,283,639
Motor vehicles	2,507,595	738,065	(11,200)	-	-	-	-	(1,251,903)	5,170	1,987,727
Renovation	5,480,631	1,433,230	-	-	(51,933)	-	-	(1,367,516)	-	5,494,412
Electrical installation	479,273	50,339	-	-	-	-	-	(54,413)	-	475,199
Capital work in progress	20,953,523	7,007,038	(15,000)	(14,119,421)	(218,453)	-	(1,260)	-	1,537	13,607,964
	131,711,114	21,410,912	(36,308)	-	(272,172)	-	(1,260)	(19,558,862)	640,925	133,894,349

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Group	At 1.1.2021 RM	Additions RM	Disposals RM	Reclassi- fication RM	Write-offs RM	Reassessment/ Modification			Exchange Differences RM	At 31.12.2021 RM
						of Lease Liabilities RM	Transfer to Inventories RM	Depreciation Charges RM		
<u>Right-of-use assets</u>										
Leasehold land	53,096,686	-	-	-	-	-	-	(602,615)	289,374	52,783,445
Buildings	18,114,613	2,404,432	-	-	-	205,674	-	(2,778,207)	7,376	17,953,888
Coldroom, plant and machinery	37,686	-	-	-	-	-	-	(34,786)	-	2,900
Motor vehicles	-	-	-	-	-	-	-	-	-	-
	71,248,985	2,404,432	-	-	-	205,674	-	(3,415,608)	296,750	70,740,233
	202,960,099	23,815,344	(36,308)	-	(272,172)	205,674	(1,260)	(22,974,470)	937,675	204,634,582

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2022				
<u>Owned assets</u>				
Freehold land	1,630,091	-	(194,091)	1,436,000
Buildings	111,592,150	(58,727,463)	-	52,864,687
Furniture, fittings and equipment	35,692,347	(27,160,360)	-	8,531,987
Coldroom, plant and machinery	171,209,770	(123,493,514)	-	47,716,256
Motor vehicles	22,271,669	(19,189,790)	-	3,081,879
Renovation	20,993,031	(15,340,281)	-	5,652,750
Electrical installation	789,675	(162,535)	-	627,140
Capital work-in-progress	8,198,947	-	-	8,198,947
	<u>372,377,680</u>	<u>(244,073,943)</u>	<u>(194,091)</u>	<u>128,109,646</u>
<u>Right-of-use assets</u>				
Leasehold land	67,237,728	(9,752,096)	(486,995)	56,998,637
Buildings	26,254,562	(10,527,009)	-	15,727,553
Coldroom, plant and machinery	107,258	(107,258)	-	-
	<u>93,599,548</u>	<u>(20,386,363)</u>	<u>(486,995)</u>	<u>72,726,190</u>
	<u>465,977,228</u>	<u>(264,460,306)</u>	<u>(681,086)</u>	<u>200,835,836</u>
2021				
<u>Owned assets</u>				
Freehold land	1,630,091	-	(194,091)	1,436,000
Buildings	104,818,934	(51,210,918)	-	53,608,016
Furniture, fittings and equipment	32,427,295	(24,425,903)	-	8,001,392
Coldroom, plant and machinery	149,098,355	(99,814,716)	-	49,283,639
Motor vehicles	19,944,622	(17,956,895)	-	1,987,727
Renovation	19,520,992	(14,026,580)	-	5,494,412
Electrical installation	576,713	(101,514)	-	475,199
Capital work-in-progress	13,607,964	-	-	13,607,964
	<u>341,624,966</u>	<u>(207,536,526)</u>	<u>(194,091)</u>	<u>133,894,349</u>
<u>Right-of-use assets</u>				
Leasehold land	62,427,216	(9,086,042)	(557,729)	52,783,445
Buildings	25,677,307	(7,723,419)	-	17,953,888
Coldroom, plant and machinery	107,258	(104,358)	-	2,900
	<u>88,211,781</u>	<u>(16,913,819)</u>	<u>(557,729)</u>	<u>70,740,233</u>
	<u>429,836,747</u>	<u>(224,450,345)</u>	<u>(751,820)</u>	<u>204,634,582</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Company	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	At 31.12.2022 RM
2022				
<u>Owned assets</u>				
Equipment	14,710	7,444	(4,287)	17,867
Renovation	2,575	1,803	(639)	3,739
	<u>17,285</u>	<u>9,247</u>	<u>(4,926)</u>	<u>21,606</u>
<u>Right-of-use assets</u>				
Leasehold land	8,509,587	-	(155,998)	8,353,589
	<u>8,526,872</u>	<u>9,247</u>	<u>(160,924)</u>	<u>8,375,195</u>
The Company	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
2021				
<u>Owned assets</u>				
Equipment	7,267	11,558	(4,115)	14,710
Renovation	3,107	-	(532)	2,575
	<u>10,374</u>	<u>11,558</u>	<u>(4,647)</u>	<u>17,285</u>
<u>Right-of-use assets</u>				
Leasehold land	8,665,587	-	(156,000)	8,509,587
	<u>8,675,961</u>	<u>11,558</u>	<u>(160,647)</u>	<u>8,526,872</u>
The Company		At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022				
<u>Owned assets</u>				
Equipment		75,560	(57,693)	17,867
Renovation		7,127	(3,388)	3,739
		<u>82,687</u>	<u>(61,081)</u>	<u>21,606</u>
<u>Right-of-use assets</u>				
Leasehold land		9,401,979	(1,048,390)	8,353,589
		<u>9,484,666</u>	<u>(1,109,471)</u>	<u>8,375,195</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
<u>Owned assets</u>			
Equipment	68,116	(53,406)	14,710
Renovation	5,324	(2,749)	2,575
	<u>73,440</u>	<u>(56,155)</u>	<u>17,285</u>
<u>Right-of-use assets</u>			
Leasehold land	9,401,979	(892,392)	8,509,587
	<u>9,475,419</u>	<u>(948,547)</u>	<u>8,526,872</u>

- (a) The carrying amount of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements is as follows:-

	The Group	
	2022	2021
	RM	RM
Leasehold land	9,663,021	9,896,681
Buildings	11,518,330	12,076,407
	<u>21,181,351</u>	<u>21,973,088</u>

- (b) Included in the assets of the Group were freehold lands with a total carrying amount of RM936,000 (2021 – RM936,000) which were held in trust by a third party.

- (c) Leases – the Group as a lessee

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

- i) Leasehold land

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

(c) Leases – the Group as a lessee (Cont'd)

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

ii) Buildings

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

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

iii) Coldroom, plant and equipment

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

iv) Other equipment

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

(d) Leases – the Group as an intermediate lessor

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

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

The lease income of the Group recognised during the financial year were RM44,720 (2021 – RM 49,680).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. INVESTMENT PROPERTIES

	The Group	
	2022 RM	2021 RM
Cost:-		
At 1 January	17,691,414	17,691,414
Disposal	(12,773,302)	-
Transferred from property, plant and equipment	7,505,977	-
At 31 December	12,424,089	17,691,414
Accumulated depreciation:-		
At 1 January	1,587,435	1,478,735
Disposal	(752,617)	-
Depreciation during the financial year	842,316	108,700
At 31 December	1,677,134	1,587,435
	10,746,955	16,103,979
Fair value	13,476,000	20,450,000
Represented by:-		
Freehold land	-	11,075,000
Leasehold land	3,249,573	3,300,900
Buildings	7,497,382	1,728,079
At 31 December	10,746,955	16,103,979

- (a) The investment properties of the Group are leased to customers under operating leases with rental payable monthly. The leases contain initial non-cancellable periods of 1-5 years.

The undiscounted operating lease payments receivable are as follows:-

	The Group	
	2022 RM	2021 RM
Within one year	18,000	32,400
Between 1 and 2 years	13,200	18,000
Between 2 and 3 years	39,600	45,600
	70,800	96,000

- (b) The leasehold land and buildings have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.
- (c) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. INTANGIBLE ASSETS

	At 1.1.2022 RM	Acquisition of a subsidiary (Note 35) RM	Amortisation Charge RM	At 31.12.2022 RM
The Group				
2022				
<i>Carrying Amount</i>				
Land rights	-	4,165,162	(410,650)	3,754,512
The Group		At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
2022				
Land rights		4,165,162	(410,650)	3,754,512

10. GOODWILL

	The Group	
	2022 RM	2021 RM
Cost:-		
At 1 January/31 December	380,224	380,224

Goodwill acquired through business combination has been allocated to the Group's trading and retailing cash-generating units. No impairment testing is done on cash-generating units which are considered immaterial to the Group.

11. DEFERRED TAX

The Group	2022 RM	2021 RM
At 1 January	6,588,444	8,173,408
Acquisition of a subsidiary (Note 35)	592,455	-
Recognised in profit or loss (Note 31)	(1,629,772)	(1,601,075)
Recognised in other comprehensive income	10,772	11,396
Exchange differences	(28,700)	4,715
At 31 December	5,533,199	6,588,444

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. DEFERRED TAX (CONT'D)

The deferred tax is attributable to the followings:-

The Group	2022 RM	2021 RM
Property, plant and equipment	10,344,028	10,690,214
Unrealised gain on foreign exchange	-	1,290
Inventory	(66,922)	(69,533)
Provision for employee benefits	(477,621)	(188,439)
Receivables	(54,175)	(60,367)
Unused tax losses and unabsorbed capital allowance	(4,212,111)	(3,784,721)
	<u>5,533,199</u>	<u>6,588,444</u>

The Company	2022 RM	2021 RM
At 1 January	1,385,173	1,543,035
Recognised in profit or loss (Note 31)	89,968	(157,862)
At 31 December	<u>1,475,141</u>	<u>1,385,173</u>

The deferred tax is attributable to the followings:-

The Company	2022 RM	2021 RM
Property, plant and equipment	1,532,052	1,562,331
Unused tax losses	(56,783)	(177,068)
Unabsorbed capital allowance	(128)	(90)
	<u>1,475,141</u>	<u>1,385,173</u>

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Analysed as:				
Deferred tax liabilities	8,085,195	8,380,469	1,475,141	1,385,173
Deferred tax assets	(2,551,996)	(1,792,025)	-	-
	<u>5,533,199</u>	<u>6,588,444</u>	<u>1,475,141</u>	<u>1,385,173</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. DEFERRED TAX (CONT'D)

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

	The Group	
	2022 RM	2021 RM
Unused tax losses	1,596,788	1,598,669
Unabsorbed capital allowance	627,974	627,974
Other temporary differences	70,976	170,464
	<u>2,295,738</u>	<u>2,397,107</u>

The unused tax losses are allowed to be utilised for 10 (2021: 10) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

12. INVENTORIES

	The Group	
	2022 RM	2021 RM
At cost:-		
Trading goods	94,962,942	48,149,699
Raw materials	3,213,242	2,797,926
Consumable stores	8,431,989	6,529,957
	<u>106,608,173</u>	<u>57,477,582</u>
Less: Allowance for obsolescence and impairment losses of inventories	(553,589)	(316,057)
	<u>106,054,584</u>	<u>57,161,525</u>

13. BIOLOGICAL ASSETS

	At 1.1.2022 RM	Change in fair value RM	At 31.12.2022 RM
The Group			
2022			
<i>At fair value less costs to sell</i>			
Broiler breeders	8,389,055	905,103	9,294,158
Broilers	1,349,632	658,819	2,008,451
Hatching eggs	1,253,662	(149,125)	1,104,537
Prawns	953,897	(187,930)	765,967
Layers	1,613,608	1,865,575	3,479,183
	<u>13,559,854</u>	<u>3,092,442</u>	<u>16,652,296</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. BIOLOGICAL ASSETS (CONT'D)

	At 1.1.2021 RM	Change in fair value RM	At 31.12.2021 RM
The Group			
2021			
<i>At fair value less costs to sell</i>			
Broiler breeders	9,433,143	(1,044,088)	8,389,055
Broilers	1,889,574	(539,942)	1,349,632
Hatching eggs	1,028,562	225,100	1,253,662
Prawns	578,835	375,062	953,897
Layers	3,377,555	(1,763,947)	1,613,608
	<u>16,307,669</u>	<u>(2,747,815)</u>	<u>13,559,854</u>

- (a) In measuring the fair value of biological assets, management estimates and judgements are required, which include the followings:-
- (i) estimated selling price of table eggs, day-old chicks, broilers and spent hen;
 - (ii) estimated number of day-old chick produced by each layer breeder and broiler breeder and table egg to be produced by layers;
 - (iii) estimated hatchability rate of the hatching rate and mortality rate of live birds;
 - (iv) estimated feed consumption rate and feed costs and other estimated costs to be incurred for the remaining life of the live birds and at the point of sales;
 - (v) Discount rate of 15.39% (2021: 16.97%)
- (b) The Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Breeders	Discounted cash flows: The valuation method considers the estimated quantity of day-old chick to be produced over the life of the breeders, taking into account the mortality rate of breeders and the estimated feed costs and other overheads.	<ul style="list-style-type: none"> Estimated selling price of the agriculture produce. Estimated feed costs and overheads expected to incur throughout the life cycle. 	<p>The estimated fair value would increase/(decrease) if:-</p> <ul style="list-style-type: none"> the estimated selling price of the agriculture produce were higher/(lower). the estimated feed costs and overheads were (higher)/lower.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. BIOLOGICAL ASSETS (CONT'D)

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

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Layers	Discounted cash flows: The valuation method considers the expected quantity and price of table eggs to be produced over the life of the layers, taking into account layers' mortality rate.	<ul style="list-style-type: none"> Estimated selling price of the agriculture produce. Estimated feed costs and overheads expected to incur throughout the life cycle. 	<p>The estimated fair value would increase/(decrease) if:-</p> <ul style="list-style-type: none"> the estimated selling price of the agriculture produce were higher/(lower). the estimated feed costs and overheads were (higher)/lower.
Broilers	Discounted cash flows: The valuation method considers the present value of net cash flows from sales of broilers less estimated feed costs and overheads incurred to the point of sale and taking into account the mortality rate of broilers.	<ul style="list-style-type: none"> Estimated selling price of the broilers at the point of sale. Estimated feed costs and overheads expected to incur throughout the life cycle. 	<p>The estimated fair value would increase/(decrease) if:-</p> <ul style="list-style-type: none"> the estimated selling price of the broilers at the point of sale were higher/(lower). the estimated feed costs and overheads were (higher)/lower.
Hatching eggs	Discounted cash flows: The valuation method considers the present value of net cash flows from sales of day-old chick less estimated hatching cost and overheads incurred to the point of sale and taking into account the hatchability rate of hatching eggs.	<ul style="list-style-type: none"> Estimated selling price of the day-old chick at the point of sale. Estimated hatching costs and overheads expected to incur throughout the hatching process. 	<p>The estimated fair value would increase/(decrease) if:-</p> <ul style="list-style-type: none"> the estimated selling price of the day-old chick at the point of sale were higher/(lower). the estimated hatching costs and overheads were (higher)/lower.
Prawns	Discounted cash flows: The valuation method considers the expected quantity of prawns to be harvested and expected selling prices, taking into account prawns' mortality rate.	<ul style="list-style-type: none"> Estimated selling price of the prawns at the point of sale. Estimated feed costs and other variable costs expected to incur up to the point of harvest. 	<p>The estimated fair value would increase/(decrease) if:-</p> <ul style="list-style-type: none"> the estimated selling price of the prawns at the point of sale were higher/(lower). the estimated feed costs and variable costs were (higher)/lower.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. BIOLOGICAL ASSETS (CONT'D)

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

	The Group	
	2022 RM	2021 RM
Breeders		
Estimated selling price of day-old chick (parent stock)(per bird)	12.35 - 14.79	9.36 - 9.45
Estimated selling price of day-old chick (broiler)(per bird)	1.20	1.10
Estimated feed costs and other overheads (per bird)	10.33 - 10.88	8.54 - 9.47
Broilers		
Estimated selling price of broilers at the point of sale (per KG)	7.00 - 7.05	6.25 - 6.69
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)	1.87 - 2.10	1.68 - 2.10
Prawns		
Estimated selling price of prawns at the point of sale (per KG)	35.28	23.60
Estimated feed costs and other overheads (per KG)	11.24	2.86
Layers		
Estimated selling price of egg (per piece)	0.39	0.28
Estimated feed costs and other overheads (per bird)	11.99	10.93

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

Group	Increase/(decrease) in fair value of biological assets	
	2022 RM	2021 RM
Breeders		
Estimated selling price of day-old chick (broiler)(per bird)		
- increase by 10%	1,030,682	908,839
- decrease by 10%	(1,030,682)	(908,839)
Estimated selling price of day-old chick (parent)(per bird)		
- increase by 10%	18,000	14,000
- decrease by 10%	(18,000)	(14,000)
Estimated feed costs and other overheads (per bird)		
- increase by 10%	(120,000)	(84,000)
- decrease by 10%	120,000	84,000
Broilers		
Estimated selling price of broilers at the point of sale (per KG)		
- increase by 10%	200,293	130,238
- decrease by 10%	(200,293)	(130,238)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. BIOLOGICAL ASSETS (CONT'D)

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

Group

	Increase/(decrease) in fair value of biological assets	
	2022	2021
	RM	RM
Hatching eggs		
Estimated selling price of day-old chick at the point of sale (per bird)		
- increase by 10%	110,456	125,187
- decrease by 10%	(110,456)	(125,187)
Prawns		
Estimated selling price of prawns at the point of sale (per KG)		
- increase by 10%	76,718	95,390
- decrease by 10%	(76,718)	(95,390)
Layers		
Estimated selling price of egg (per piece)		
- increase by 10%	347,918	161,361
- decrease by 10%	(347,918)	(161,361)

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

14. TRADE RECEIVABLES

	The Group	
	2022	2021
	RM	RM
Trade receivables:-		
- third parties	49,863,556	36,269,790
- related parties	1,535,617	2,331,723
	51,399,173	38,601,513
Less: Allowance for impairment losses	(2,671,213)	(2,634,079)
	48,727,960	35,967,434
Allowance for impairment losses:-		
At 1 January	2,634,079	2,110,964
Exchange differences	(7,780)	2,593
Addition during the financial year	280,963	1,069,086
Reversal during the financial year	(236,049)	(172,277)
Write-off during the financial year	-	(376,287)
At 31 December	2,671,213	2,634,079

The Group's normal trade credit terms range from 30 to 90 (2021 – 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. SHORT-TERM INVESTMENT

	The Group/The Company 2022 RM	2021 RM
Money market fund, at fair value	8,044,790	-

The money market fund represents investment in highly liquid money market instrument and deposit with financial institution in Malaysia which is redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables:-				
- third parties	5,553,316	1,680,911	615,901	165,298
- related parties	163,779	55,226	3,100	4,600
- goods and services tax recoverable	20,358	272,475	-	-
	5,737,453	2,008,612	619,001	169,898
Deposits	2,933,806	2,758,130	-	-
Prepayments	5,161,723	4,913,756	105,986	262,877
Less: Allowance for impairment losses	(448,710)	(30,765)	-	-
	13,384,272	9,649,733	724,987	432,775
Allowance for impairment losses:-				
At 1 January	30,765	-	-	-
Exchange in foreign exchange	(165)	-	-	-
Acquisition of a subsidiary	465,646	-	-	-
Addition during the financial year	117,047	30,765	-	-
Reversal during the financial year	(164,583)	-	-	-
At 31 December	448,710	30,765	-	-

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

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Included in the amount owing by subsidiaries is a sum of RM12,573,000 (2021 – RM15,702,000), which is unsecured advances granted to subsidiaries. The advances carry interest at rates ranging from 4.31% to 5.70% (2021 – 4.25% to 5.70%) per annum and are repayable on demand.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. DEPOSITS WITH LICENSED BANKS

The deposits which represent overnight placements with licensed banks of the Group at the end of the reporting period bore effective interest at rates ranging from 0.03% to 2.55% (2021 – 0.15% to 2.75%) per annum.

19. SHARE CAPITAL

	The Group/The Company		
	2022	2021	2022
	Number of Shares		RM
			2021
			RM
Issued and Fully Paid-Up			
Ordinary Shares			
At 31 December/ At 1 January	630,718,800	630,718,800	158,968,786
			158,968,786

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

20. TREASURY SHARES

During the financial year, the Company has purchased 5,296,100 (2021 - Nil) of its issued ordinary shares from the open market at an average price of RM0.57 (2021 – RM Nil) per share. The total consideration paid for the purchase was RM3,020,203 (2021 – RM Nil) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 630,718,800 (2021 - 630,718,800) issued and fully paid-up ordinary shares at the end of the reporting period, 9,370,200 (2021 - 4,074,100) ordinary shares are held as treasury shares by the Company.

21. RESERVES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Foreign exchange translation reserve	(8,138,999)	(3,433,097)	-	-
Retained profits	216,393,640	161,053,633	49,098,161	29,324,677
	208,254,641	157,620,536	49,098,161	29,324,677

Foreign Exchange Translation Reserve

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables:-				
- third parties	2,094,697	9,221,848	169	6,975,391
Deposits	2,328,541	2,307,964	-	-
Accruals	15,168,966	10,429,528	538,466	499,965
	<u>19,592,204</u>	<u>21,959,340</u>	<u>538,635</u>	<u>7,475,356</u>

Included in other payables is an amount of RM Nil (2021 – RM6,975,195), which represents purchase consideration of an investment in an associate. The amount has been fully settled during the year.

23. BANK BORROWINGS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Long-term borrowings:-				
- term loans, secured	6,285,530	7,133,218	-	-
Short-term borrowings:-				
- bank overdrafts, secured	6,016,378	576,089	-	-
- bankers' acceptance, secured	22,241,504	25,785,255	-	-
- bankers' acceptance, unsecured	13,000,000	-	-	-
- revolving credit, unsecured	-	6,000,000	-	6,000,000
- term loans, secured	843,524	819,369	-	-
	<u>42,101,406</u>	<u>33,180,713</u>	<u>-</u>	<u>6,000,000</u>
Total borrowings	<u>48,386,936</u>	<u>40,313,931</u>	<u>-</u>	<u>6,000,000</u>

The bank borrowings of the Group are secured by:-

- (a) a fixed charge over certain subsidiaries' landed properties;
- (b) a corporate guarantee provided by the Company; and
- (c) a joint and several guarantee provided by certain directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. BANK BORROWINGS (CONT'D)

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

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

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rates ranging from 2.93% to 5.35% (2021 – 2.25% to 4.11%) per annum.

The bank overdrafts of the Group at the end of the reporting period bore effective interest rates ranging from 3.60% to 7.57% (2021 – 6.45%) per annum.

The revolving credit of the Company at the end of the reporting period bore effective interest at rate of Nil (2021 – 4.25%) per annum.

The term loans of the Group at the end of the reporting period bore effective interest at rate ranging from 4.30% to 4.84% (2021 – 3.30% to 4.84%) per annum.

24. LEASE LIABILITIES

	The Group	
	2022 RM	2021 RM
At 1 January	19,002,926	19,277,513
Additions	1,219,600	2,404,432
Changes due to reassessment of lease term	(649,703)	213,234
Changes due to lease modification	-	(7,898)
Exchange differences	-	3,600
Interest expense recognised in profit or loss	821,467	916,072
Repayment principal	(2,655,145)	(2,887,955)
Repayment of interest expense	(821,467)	(916,072)
At 31 December	<u>16,917,678</u>	<u>19,002,926</u>
Analysed by:-		
Current liabilities	3,407,367	3,106,670
Non-current liabilities	13,510,311	15,896,256
	<u>16,917,678</u>	<u>19,002,926</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. DEFERRED INCOME

	The Group	
	2022 RM	2021 RM
Government grant	65,850	65,850
Less: Accumulated amortisation	(65,850)	(65,850)
	<u>-</u>	<u>-</u>

26. TRADE PAYABLES

	The Group	
	2022 RM	2021 RM
Trade payables:-		
- third parties	27,521,243	18,075,798
- related parties	13,746,064	9,176,818
	<u>41,267,307</u>	<u>27,252,616</u>

The normal trade credit terms granted to the Group range from 60 to 90 (2021 – 60 to 90) days.

27. PROVISION FOR EMPLOYEE BENEFITS

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

	The Group	
	2022 RM	2021 RM
Defined benefit plans	<u>1,226,648</u>	<u>856,540</u>

The Group provides benefits for its employees who has reached the retirement age of 55 based on Government Regulation Number 35 Year 2021 (PP35/2021) for 2022 and the provision of Labour Law No. 13/2003 in Indonesia. The defined benefit plan is unfunded.

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

The most recent actuarial valuation of the present value of the defined benefit plans were carried out by KKA Nandi and Sutana and PT Jasa Aktuaria Praptasentosa Gunajasa, a member of Institute of Actuaries Indonesia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

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

	The Group	
	2022	2021
	RM	RM
At 1 January	856,540	880,817
Recognised in Profit or Loss		
- current service cost	174,845	190,719
- past service cost	449	(190,770)
- interest cost	85,333	60,554
- gain on settlement	(22,735)	-
- adjustment due to change in benefit attribution period	(293,353)	-
	(55,461)	60,503
Recognised in Other Comprehensive Income		
Remeasurement of defined benefit plans:-		
- effect of changes in financial assumptions	11,603	(16,983)
- effect of experience adjustment	(48,487)	(43,485)
- adjustment due to change in benefit attribution period	(12,982)	-
	(49,866)	(60,468)
Other		
Exchange differences	(11,158)	17,977
Utilisation during the financial year	(66,555)	(42,289)
Acquisition of a subsidiary	553,148	-
At 31 December	<u>1,226,648</u>	<u>856,540</u>

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

	The Group	
	2022	2021
Discount rate	7%	7%
Salary growth rate	10%	10%
Normal retirement age	<u>55</u>	<u>55</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. PROVISION FOR EMPLOYEE BENEFITS (CONT'D)

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

	The Group	
	2022 RM	2021 RM
Discount rate		
Increase of 1%	(46,553)	(69,418)
Decrease of 1%	51,880	82,263
Salary growth rate		
Increase of 1%	46,917	75,984
Decrease of 1%	(43,115)	(65,717)

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

At 31 December 2022, the weighted-average duration of the defined benefit plans was 18.86 years (2021 – 18.72) years.

28. REVENUE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cages rental income	8,555	11,848	-	-
Dividend income	-	-	35,098,164	10,000,000
Management fee	-	-	366,000	366,000
Trading sales	885,374,956	685,346,191	-	-
Transportation income	361,750	217,738	-	-
	<u>885,745,261</u>	<u>685,575,777</u>	<u>35,464,164</u>	<u>10,366,000</u>

The information on the disaggregation of revenue is disclosed in Note 39 to the financial statements.

29. NET IMPAIRMENT (GAINS) / LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Impairment losses for the financial year				
- trade receivables (Note 14)	280,963	1,069,086	-	-
- other receivables (Note 16)	117,047	30,765	-	-
Reversal of impairment losses for the financial year				
- trade receivables (Note 14)	(236,049)	(172,277)	-	-
- other receivables (Note 16)	(164,583)	-	-	-
	<u>(2,622)</u>	<u>927,574</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditor's remuneration:-				
- current financial year	506,510	510,893	88,000	86,000
- (over)/underprovision in the previous financial year	-	(2,000)	-	-
Amortisation of government grant	-	(18,815)	-	-
Amortisation of intangible assets	410,650	-	-	-
Bad debts written off	305,308	146,298	-	-
Depreciation of investment properties	842,316	108,700	-	-
Depreciation of property, plant and equipment	24,808,490	22,974,470	160,924	160,647
Management fee	12,600	-	-	-
Impairment loss:-				
- investment in a subsidiary	-	-	6,444,262	-
Allowance for stock obsolescence	11,679	-	-	-
Directors' remuneration (Note 37)	3,664,605	4,218,854	346,400	351,000
Dividend income:-				
- subsidiaries	-	-	(24,000,000)	(10,000,000)
- associates	-	-	(11,098,164)	-
Fair value (gain)/loss on biological assets	(3,092,442)	2,747,815	-	-
Gain on disposal of property, plant and equipment	(449,074)	(106,993)	-	-
Gain on disposal of investment properties	(5,979,315)	-	-	-
Gain on modification of lease	-	(337)	-	-
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	140,137	21,193	-	-
- bankers' acceptance	965,743	660,029	-	-
- lease liabilities	821,467	916,072	-	-
- revolving credit	195,051	412,994	195,051	412,994
- term loans	282,138	74,678	-	-
- other interest	40,833	-	-	-
Interest income				
- subsidiaries	-	-	(459,584)	(655,307)
- short-term investment	(1,891)	-	(1,891)	-
- others	(351,037)	(352,387)	(4,202)	(1,737)
Gain on bargain purchase	(4,498,651)	-	-	-
(Gain)/loss on foreign exchange:-				
- realised	(575,337)	(193,511)	-	-
- unrealised	(1,681)	(5,375)	-	-
Unrealised gain:-				
- short-term investment	(42,449)	-	(42,449)	-
Hiring of plant and equipment	3,600	3,600	-	-
Lease expenses:-				
- short-term leases	14,400	14,400	-	-
- low value assets	4,993	250	-	-
Lease income:-				
- rental income from investment properties	(512,400)	(675,600)	-	-
- sublease of right-of-use assets	(44,720)	(49,680)	-	-
Management fee	-	-	(366,000)	(366,000)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Property, plant and equipment written off	260,542	272,172	-	-
Rental income on:-				
- property, plant and equipment	(275,246)	(382,087)	-	-
Rental expense on:-				
- office	52,517	60,117	-	-
- retail store	2,378,508	2,216,495	-	-
- rental warehouse	3,600	73,340	-	-
- rental of farm	-	51,500	-	-
- rental of ponds	419,069	219,222	-	-
- rental of worker room	75,840	77,540	-	-
- rental of equipment	249,014	192,347	-	-
Staff cost:-				
- short-term employee benefits	65,976,872	51,015,485	465,342	442,072
- defined contribution plan	5,164,510	4,406,828	57,821	55,398

31. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:-				
- Malaysian tax	9,166,491	3,581,797	-	-
- Foreign tax	9,727,631	5,052,092	-	-
	18,894,122	8,633,889	-	-
Overprovision in previous financial year:-				
- Malaysian tax	(559,445)	(318,133)	-	-
Real property gain tax	1,541,300	-	-	-
Deferred tax (Note 11):-				
- origination and reversal of temporary differences	(1,876,361)	(149,688)	20,138	(53,250)
- under/(over)provision in previous financial years	246,589	(1,454,305)	69,830	(104,612)
	(1,629,772)	(1,603,993)	89,968	(157,862)
	18,246,205	6,711,763	89,968	(157,862)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	81,371,526	31,188,022	27,668,769	8,700,455
Tax at statutory tax rate of 24%	19,529,166	7,485,122	6,640,505	2,088,109
Tax effects of:-				
Deferred tax recognised at different tax rates	(300,098)	219,520	-	-
Non-taxable income	(10,977,237)	(1,614,676)	(8,462,787)	(2,513,319)
Non-deductible expenses	9,013,175	2,329,008	1,842,420	371,960
Deferred tax assets not recognised during the financial year	(101,369)	120,537	-	-
(Over)/underprovision in the previous financial year:-				
- current tax	(559,445)	(318,133)	-	-
- deferred tax	246,589	(1,454,305)	69,830	(104,612)
Real property gain tax	1,541,300	-	-	-
Others	(145,876)	(55,310)	-	-
Income tax expense for the financial year	18,246,205	6,711,763	89,968	(157,862)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

32. OTHER COMPREHENSIVE INCOME

	The Group	
	2022 RM	2021 RM
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>		
Remeasurement of defined benefit plans	39,094	49,071
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>		
Foreign exchange translation:-		
- changes during the financial year	(4,722,126)	1,232,861
	(4,683,032)	1,281,932

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. EARNINGS PER SHARE

	The Group	
	2022	2021
Profit after taxation attributable to the owners of the Company (RM)	63,106,230	24,476,259
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	630,718,800	630,718,800
Effect of treasury shares held	(7,204,804)	(4,074,100)
Weighted average number of shares at 31 December	623,513,996	626,644,700
Basic earnings per share (sen)	10.12	3.91

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

34. DIVIDENDS

	2022		2021	
	Dividend per share sen	Amount of Dividend RM	Dividend per share sen	Amount of Dividend RM
Dividend paid in respect of the financial year ended 31 December 2021:-				
- final single tier dividend, on ordinary shares	1.25	7,805,317	-	-
Dividend paid in respect of the financial year ended 31 December 2020:-				
- final single tier dividend, on ordinary shares	-	-	2.00	12,532,894
	1.25	7,805,317	2.00	12,532,894

At the forthcoming Annual General Meeting, a final dividend of 3.50 sen per ordinary share amounting to RM21,747,201 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. ACQUISITION OF A SUBSIDIARY

On 13 July 2022, the Group acquired 99% of equity interests in PT Bonanza Pratama Abadi for a cash consideration of RM33.6 million.

The following summaries the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition..

	The Group 2022 RM
Property, plant and equipment	11,713,311
Intangible assets, representing land rights	4,165,162
Inventories	8,728,756
Trade receivables	3,671,432
Other receivables, deposits and prepayments	1,280,846
Cash and bank balances	12,240,470
Deferred tax liabilities	(592,455)
Trade payables	(441,826)
Other payables, deposits and accruals	(1,583,934)
Employee benefits liability	(553,148)
Current tax liabilities	(131,816)
	<hr/>
Fair value of net identifiable assets acquired	38,496,798
Less: Non-controlling interests, measured at the non-controlling interests proportionate share of the fair value of the net identifiable assets	(384,968)
Less: Gain on bargain purchase	(4,498,651)
	<hr/>
Total purchase consideration, to be settled by cash	33,613,179
Less: Cash and bank balances of subsidiary acquired	(12,240,470)
	<hr/>
Net cash outflows for the acquisition of subsidiary	21,372,709
	<hr/>

- (a) The business combinations resulted in a bargain purchase transaction because the fair value of asset acquired and liabilities assumed exceeded the total of the fair value of consideration paid.
- (b) The subsidiary has contributed revenue of RM38,618,958 and profit after taxation of RM1,880,047 to the Group since the date of acquisition.

There were no acquisitions of new subsidiaries in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. CASH FLOW INFORMATION

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

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cost of property, plant and equipment purchased (Note 7)	20,429,699	23,815,344	9,247	11,558
Less: additions of new lease liabilities (Note (c) below)	(1,219,600)	(2,404,432)	-	-
	<u>19,210,099</u>	<u>21,410,912</u>	<u>9,247</u>	<u>11,558</u>

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

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	56,595,113	51,463,105	626,326	894,925
Deposits with licensed banks	6,457,419	6,318,588	-	-
Bank overdrafts	(6,016,378)	(576,089)	-	-
	<u>57,036,154</u>	<u>57,205,604</u>	<u>626,326</u>	<u>894,925</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. CASH FLOW INFORMATION (CONT'D)

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

The Group	Bankers' Acceptance RM	Lease Liabilities RM	Revolving Credit RM	Term Loans RM	Total RM
2022					
At 1 January 2022	25,785,255	19,002,926	6,000,000	7,952,587	58,740,768
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	9,456,249	-	-	-	9,456,249
Repayment of principal	-	(2,655,145)	(6,000,000)	(823,533)	(9,478,678)
	9,456,249	(2,655,145)	(6,000,000)	(823,533)	(22,429)
<u>Non-cash Changes</u>					
Acquisition of new leases (Note 24)	-	1,219,600	-	-	-
Reassessments/Modifications of leases (Note 24)	-	(649,703)	-	-	-
	-	569,897	-	-	-
At 31 December 2022	35,241,504	16,917,678	-	7,129,054	58,718,339

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. CASH FLOW INFORMATION (CONT'D)

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

The Group	Bankers' Acceptance RM	Lease Liabilities RM	Revolving Credit RM	Term Loans RM	Total RM
2021					
At 1 January 2021	22,995,306	19,277,513	12,000,000	8,572,380	62,845,199
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	2,789,949	-	-	202,500	2,992,449
Repayment of principal	-	(2,887,955)	(6,000,000)	(822,293)	(9,710,248)
	2,789,949	(2,887,955)	(6,000,000)	(619,793)	(6,717,799)
<u>Non-cash Changes</u>					
Acquisition of new leases (Note 24)	-	2,404,432	-	-	2,404,432
Exchange differences (Note 24)	-	3,600	-	-	3,600
Reassessments/Modifications of leases (Note 24)	-	205,336	-	-	205,336
	-	2,613,368	-	-	2,613,368
At 31 December 2021	25,785,255	19,002,926	6,000,000	7,952,587	58,740,768

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. CASH FLOW INFORMATION (CONT'D)

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

The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2022			
At 1 January 2022	1,291,082	6,000,000	7,291,082
<u>Changes in Financing Cash Flows</u>			
Increase in amount owing to subsidiaries	5,886,600	-	5,886,600
Repayment of borrowing principal	-	(6,000,000)	(6,000,000)
	5,886,600	(6,000,000)	(113,400)
At 31 December 2022	<u>7,177,682</u>	<u>-</u>	<u>7,177,682</u>
The Company	Amount Owing To Subsidiaries RM	Revolving Credit RM	Total RM
2021			
At 1 January 2021	1,421,140	12,000,000	13,421,140
<u>Changes in Financing Cash Flows</u>			
Repayment to subsidiaries	(130,058)	-	(130,058)
Repayment of borrowing principal	-	(6,000,000)	(6,000,000)
	(130,058)	(6,000,000)	(6,130,058)
At 31 December 2021	<u>1,291,082</u>	<u>6,000,000</u>	<u>7,291,082</u>

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest paid on lease liabilities	821,467	916,072	-	-
Payment of lease liabilities	2,655,145	2,887,955	-	-
Payment of short-term leases	14,400	14,400	-	-
Payment of leases of low-value assets	4,993	250	-	-
	<u>3,496,005</u>	<u>3,818,677</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

(a) Directors

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:-				
- fees	69,180	72,380	60,900	62,900
- salaries, bonuses and other benefits	2,157,945	2,930,041	-	-
	2,227,125	3,002,421	60,900	62,900
Defined contribution plan	204,848	292,308	-	-
	<u>2,431,973</u>	<u>3,294,729</u>	<u>60,900</u>	<u>62,900</u>
<i>Non-executive Directors</i>				
Short-term employee benefits:-				
- fees	303,860	306,460	285,500	288,100
	<u>2,735,833</u>	<u>3,601,189</u>	<u>346,400</u>	<u>351,000</u>
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:-				
- fees	2,040	840	-	-
- salaries, bonuses and other benefits	858,362	570,960	-	-
	860,402	571,800	-	-
Defined contribution plan	68,370	45,865	-	-
	<u>928,772</u>	<u>617,665</u>	<u>-</u>	<u>-</u>
Total directors' remuneration (Note 30)	<u>3,664,605</u>	<u>4,218,854</u>	<u>346,400</u>	<u>351,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Subsidiaries:-				
- accounting fee	-	-	24,000	24,000
- advisory fee income	-	-	(53,400)	(53,400)
- dividend income	-	-	(24,000,000)	(10,000,000)
- purchase on goods	-	-	9,193	3,947
- interest income	-	-	(459,584)	(655,307)
- management income	-	-	(366,000)	(366,000)
- service income	-	-	(51,411)	(49,349)
- sundry income	-	-	(1,049)	(2,855)
Associate:-				
- dividend income	-	-	(11,098,164)	-
- purchase of products	144,476,428	120,880,022	-	-
- freight charges	1,515,758	1,469,199	-	-
- sales	-	-	-	-
Companies in which the directors and their close family members have substantial financial interests:-				
- advisory fee	9,000	9,000	9,000	9,000
- purchase of products	241,766	30,019	-	-
- sale of products	307,500	-	-	-
- rental	90,000	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS

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

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

- Poultry Segment – involved in the rearing and production of poultry products.
 - Prawn Segment – involved in the rearing and production of prawn and seafood products.
 - Food Service Segment – involved in the supply and trading of food products and related services.
 - Retail Segment – involved in the trading of coldstorage products.
 - Corporate Segment – involved in the provision of management services.
- (a) The Group Managing Director assesses the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
 - (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
 - (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
 - (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets and head office expenses.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2022	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Revenue						
External revenue	105,051,327	57,791,677	22,468,640	700,433,617	-	885,745,261
Inter-segment revenue	222,567,939	22,514,399	8,444	113,293,084	24,366,000	382,749,866
	327,619,266	80,306,076	22,477,084	813,726,701	24,366,000	1,268,495,127
Consolidation adjustments						(382,749,866)
Consolidated revenue						885,745,261
Results						
Segment profit before interest and taxation	8,917,031	4,957,736	2,903,210	67,044,511	27,330,337	111,152,825
Finance costs						(2,445,369)
Share of results in an associate						4,521,456
Consolidation adjustments						(31,857,386)
Consolidated profit before taxation						81,371,526
Segment profit before interest and taxation includes the followings:-						
Interest expense	400,295	34,312	-	818,120	371,175	1,623,902
Interest income	(4,498)	(101,317)	(7,045)	(232,083)	(7,985)	(352,928)
Interest expense on lease liabilities	5,450	13,358	-	802,659	-	821,467
Depreciation of investment properties	-	-	-	842,316	-	842,316
Depreciation of property, plant and equipment	5,892,984	938,251	136,904	17,809,246	31,105	24,808,490
Other material non-cash items	311,665	118,514	(709,034)	386,835	-	107,980
Share of results in an associate	-	-	-	-	4,521,456	4,521,456

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2022	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Assets						
Segment assets	98,263,366	52,408,110	16,723,304	285,497,838	18,361,119	471,253,737
Unallocated assets:-						
- investment in an associate						28,644,487
- goodwill						380,224
- deferred tax assets						2,551,996
- current tax assets						2,513,433
Consolidated total assets						<u>505,343,877</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	<u>4,643,817</u>	<u>852,216</u>	<u>43,381</u>	<u>14,506,906</u>	<u>383,379</u>	<u>20,429,699</u>
Liabilities						
Segment liabilities	33,566,581	8,593,589	2,387,138	62,903,341	5,117,115	112,567,764
Unallocated liabilities:-						
- deferred tax liabilities						8,085,195
- lease liabilities						16,917,678
- current tax liabilities						7,617,185
- consolidated adjustments						(2,094,669)
Consolidated total liabilities						<u>143,093,153</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2021	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Revenue						
External revenue	83,679,281	20,335,990	5,910,243	575,650,263	-	685,575,777
Inter-segment revenue	197,659,278	18,808,548	10,767	83,142,805	10,366,000	309,987,398
	<u>281,338,559</u>	<u>39,144,538</u>	<u>5,921,010</u>	<u>658,793,068</u>	<u>10,366,000</u>	<u>995,563,175</u>
Consolidation adjustments						(309,987,398)
Consolidated revenue						<u>685,575,777</u>
Results						
Segment profit before interest and taxation	(6,074,911)	709,383	(1,529)	35,223,370	9,238,377	39,094,690
Finance costs						(2,084,966)
Share of results in an associate						5,533,296
Consolidation adjustments						(11,354,998)
Consolidated profit before taxation						<u>31,188,022</u>
Segment profit before interest and taxation includes the followings:-						
Interest expense	232,767	3,266	-	519,867	412,994	1,168,894
Interest income	(1,225)	(70,712)	(6,057)	(272,656)	(1,737)	(352,387)
Interest expense on lease liabilities	9,598	15,340	-	891,134	-	916,072
Depreciation of investment properties	-	-	-	108,700	-	108,700
Depreciation of property, plant and equipment	6,342,709	662,519	160,732	15,777,682	30,828	22,974,470
Other material non-cash items	277,822	177,134	54,873	745,698	-	1,255,527
Share of results in an associate	-	-	-	-	5,533,296	5,533,296

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2021	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Assets						
Segment assets	89,612,814	20,537,378	7,707,754	265,964,906	11,035,948	394,858,800
Unallocated assets:-						
- investment in an associate						35,221,195
- goodwill						380,224
- deferred tax assets						1,792,025
- current tax assets						2,843,568
Consolidated total assets						<u>435,095,812</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	6,443,550	253,576	1,573,450	15,011,605	533,163	23,815,344
Liabilities						
Segment liabilities	26,761,427	1,877,392	943,651	48,707,659	18,502,335	96,792,464
Unallocated liabilities:-						
- deferred tax liabilities						8,380,469
- lease liabilities						19,002,926
- current tax liabilities						3,081,003
- consolidated adjustments						(6,410,037)
Consolidated total liabilities						<u>120,846,825</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

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

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

Group	Revenue		Non-current Assets	
	2022 RM	2021 RM	2022 RM	2021 RM
Australia	1,138,164	1,022,831	-	-
Indonesia	192,159,789	138,627,277	51,640,527	37,732,216
Hong Kong	429,118	-	-	-
Japan	32,551,521	5,880,502	-	-
Korea	2,146,153	1,685,177	-	-
Malaysia	651,602,524	537,834,618	192,721,487	218,607,764
Taiwan	5,717,992	525,372	-	-
	<u>885,745,261</u>	<u>685,575,777</u>	<u>244,362,014</u>	<u>256,339,980</u>

MAJOR CUSTOMERS

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

40. CAPITAL COMMITMENTS

	The Group	
	2022 RM	2021 RM
Purchase of property, plant and equipment	<u>-</u>	<u>352,500</u>

41. CONTINGENT LIABILITIES

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

	The Group	
	2022 RM	2021 RM
Performance guarantee extended by a subsidiary to third parties	<u>5,632,743</u>	<u>4,017,736</u>

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

42. FINANCIAL INSTRUMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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

Foreign Currency Exposure

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2022				
<u>Financial Assets</u>				
Trade receivables	9,213,808	296,713	39,217,439	48,727,960
Short-term investment	-	-	8,044,790	8,044,790
Other receivables and deposits	523,225	-	7,678,966	8,202,191
Deposits with licensed banks	-	-	6,457,419	6,457,419
Cash and bank balances	17,148,643	(1,316,337)	40,762,807	56,595,113
	<u>26,885,676</u>	<u>(1,019,624)</u>	<u>102,161,421</u>	<u>128,027,473</u>
<u>Financial Liabilities</u>				
Trade payables	9,147,583	-	32,119,724	41,267,307
Other payables, deposits and accruals	3,388,062	-	16,204,142	19,592,204
Bank borrowings:-				
- bank overdrafts	3,868,843	-	2,147,535	6,016,378
- other borrowings	-	-	42,370,558	42,370,558
Lease liabilities	-	-	16,917,678	16,917,678
	<u>16,404,488</u>	<u>-</u>	<u>109,759,637</u>	<u>126,164,125</u>
Net financial assets/(liabilities)	10,481,188	(1,019,624)	(7,598,216)	1,863,348
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	<u>(10,481,188)</u>	<u>-</u>	<u>7,598,216</u>	<u>(2,882,972)</u>
Currency exposure	<u>-</u>	<u>(1,019,624)</u>	<u>-</u>	<u>(1,019,624)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2021				
<u>Financial Assets</u>				
Trade receivables	6,453,881	1,419,859	28,093,694	35,967,434
Other receivables and deposits	161,700	-	4,301,802	4,463,502
Deposits with licensed banks	-	-	6,318,588	6,318,588
Cash and bank balances	22,894,034	3,848	28,565,223	51,463,105
	<u>29,509,615</u>	<u>1,423,707</u>	<u>67,279,307</u>	<u>98,212,629</u>
<u>Financial Liabilities</u>				
Trade payables	8,518,307	-	18,734,309	27,252,616
Other payables, deposits and accruals	4,331,914	-	17,627,426	21,959,340
Bank borrowings:-				
- bank overdrafts	-	-	576,089	576,089
- other borrowings	-	-	39,737,842	39,737,842
Lease liabilities	-	-	19,002,926	19,002,926
	<u>12,850,221</u>	<u>-</u>	<u>95,678,592</u>	<u>108,528,813</u>
Net financial assets/(liabilities)	16,659,394	1,423,707	(28,399,285)	(10,316,184)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	<u>(16,659,394)</u>	<u>-</u>	<u>28,399,285</u>	<u>11,739,891</u>
Currency exposure	<u>-</u>	<u>1,423,707</u>	<u>-</u>	<u>1,423,707</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2022 RM	2021 RM
Effects on Profit after Taxation		
USD/RM – strengthened by 10%	- 77,000	+ 108,000
– weakened by 10%	+ 77,000	- 108,000
Effects on Equity		
IDR/RM – strengthened by 10%	+ 797,000	+ 1,266,000
– weakened by 10%	- 797,000	- 1,266,000
USD/RM – strengthened by 10%	- 77,000	+ 108,000
– weakened by 10%	+ 77,000	- 108,000

(ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 23 to the financial statements.

Interest Rate Risk Sensitivity Analysis

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

	The Group	
	2022 RM	2021 RM
Effects on Profit after Taxation		
Increase of 25 basis points	- 25,000	- 16,000
Decrease of 25 basis points	+ 25,000	+ 16,000
Effects on Equity		
Increase of 25 basis points	- 25,000	- 16,000
Decrease of 25 basis points	+ 25,000	+ 16,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

(b) Credit Risk

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

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

(i) Credit Risk Concentration Profile

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

(ii) Maximum exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM36,334,332 (2021: RM30,989,382), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition was not material.

(iii) Assessment of Impairment Losses

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

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery despite they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:-

- significant financial difficulty of the receivable;
- a breach of contract, such as a default or a past due event;
- restructuring of a debt in relation to the receivable's financial difficulty;
- it is becoming probable that the receivable will enter bankruptcy and other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 150 days as credit impaired and assesses for their risk of loss individually. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

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

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2022			
Current (not past due)	29,028,670	(4,535)	29,024,135
1 to 30 days past due	9,071,170	(102,396)	8,968,774
31 to 60 days past due	4,379,537	(9,069)	4,370,468
61 to 90 days past due	2,703,872	(71,077)	2,632,795
More than 90 days past due	4,453,967	(915,931)	3,538,036
	49,637,216	(1,103,008)	48,534,208
Credit impaired:-			
- individually impaired	1,761,957	(1,568,205)	193,752
	51,399,173	(2,671,213)	48,727,960

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2021			
Current (not past due)	24,097,766	(4,535)	24,093,231
1 to 30 days past due	4,879,754	(8,814)	4,870,940
31 to 60 days past due	1,975,098	(9,092)	1,966,006
61 to 90 days past due	657,674	(71,945)	585,729
More than 90 days past due	5,216,860	(1,092,495)	4,124,365
	36,827,152	(1,186,881)	35,640,271
Credit impaired:-			
- individually impaired	1,774,361	(1,447,198)	327,163
	38,601,513	(2,634,079)	35,967,434

The movements in the loss allowances in respect of trade receivables are disclosed in Note 14 to the financial statements.

Other Receivables (Including Related Parties)

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 150 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 150 days past due	Lifetime expected credit losses

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables (Including Related Parties) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis.

Loss allowance is measured on either 12-month or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Group			
2022			
Low credit risk	8,202,191	-	8,202,191
Credit impaired	448,710	(448,710)	-
	<u>8,650,901</u>	<u>(448,710)</u>	<u>8,202,191</u>
2021			
Low credit risk	4,463,502	-	4,463,502
Credit impaired	30,765	(30,765)	-
	<u>4,494,267</u>	<u>(30,765)</u>	<u>4,463,502</u>

The movements in the loss allowances in respect of other receivables are disclosed in Note 16 to the financial statements

Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

No expected credit loss is recognised on amount owing by subsidiaries as it is negligible.

Financial Guarantees Contract

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

(c) Liquidity Risk

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2022							
Trade and other payables							
- non-interest bearing	-	60,859,511	60,859,511	60,859,511	-	-	-
Borrowings:-							
- bank overdraft	3.60 - 7.57	6,016,378	6,016,378	6,016,378	-	-	-
- bankers' acceptance	2.93 - 5.35	35,241,504	35,241,504	35,241,504	-	-	-
- term loans	4.30 - 4.84	7,129,054	7,572,332	1,116,686	1,116,686	4,755,112	583,848
Lease liabilities	4.41 - 6.45	16,917,678	19,587,667	3,620,569	5,767,778	9,203,120	996,200
		<u>126,164,125</u>	<u>129,277,392</u>	<u>106,854,648</u>	<u>6,884,464</u>	<u>13,958,232</u>	<u>1,580,048</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2021							
Trade and other payables							
- interest bearing	6.00	6,975,195	7,311,177	3,604,890	2,656,410	1,049,877	-
- non-interest bearing	-	42,236,761	42,236,761	42,236,761	-	-	-
Borrowings:-							
- bank overdraft	6.45	576,089	576,089	576,089	-	-	-
- bankers' acceptance	2.25 - 4.11	25,785,255	25,785,255	25,785,255	-	-	-
- revolving credit	4.25	6,000,000	6,000,000	6,000,000	-	-	-
- term loans	3.30 - 4.84	7,952,587	8,521,652	1,116,686	1,116,686	5,509,816	778,464
Lease liabilities	4.41 - 6.45	19,002,926	22,786,560	3,987,077	3,386,610	9,138,633	6,274,240
		108,528,813	113,217,494	83,306,758	7,159,706	15,698,326	7,052,704

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM
The Company						
2022						
Trade and other payables	-	538,635	538,635	538,635	-	-
- non-interest bearing	-	7,177,682	7,177,682	7,177,682	-	-
Amount owing to subsidiaries	-	-	36,334,332	36,334,332	-	-
Financial guarantee contract *						
		7,716,317	44,050,649	44,050,649	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM
2021						
Trade and other payables						
- interest bearing	6.00	6,975,195	7,311,177	3,604,890	2,656,410	1,049,877
- non-interest bearing	-	500,161	500,161	500,161	-	-
Amount owing to subsidiaries	-	1,291,082	1,291,082	1,291,082	-	-
Borrowings:-						
- revolving credit	4.25	6,000,000	6,000,000	6,000,000	-	-
Financial guarantee contract *	-	-	30,989,382	30,989,382	-	-
		14,766,438	46,091,802	42,385,515	2,656,410	1,049,877

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.2 CAPITAL RISK MANAGEMENT

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

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

	The Group	
	2022	2021
	RM	RM
Bank borrowings:-		
- bank overdrafts	6,016,378	576,089
- lease liabilities	16,917,678	19,002,926
- other borrowings	42,370,558	39,737,842
	<hr/>	<hr/>
	65,304,614	59,316,857
Less: Deposits with licensed banks	(6,457,419)	(6,318,588)
Less: Cash and bank balances	(56,595,113)	(51,463,105)
	<hr/>	<hr/>
Net debt	2,252,082	1,535,164
	<hr/>	<hr/>
Total equity	362,250,724	314,248,987
	<hr/>	<hr/>
Debt-to-equity ratio	0.01	0.00
	<hr/>	<hr/>

There was no change in the Group's approach to capital management during the financial year.

42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
<u>Fair value through profit or loss</u>				
Short-term investment	8,044,790	-	8,044,790	-
<u>Amortised Cost</u>				
Trade receivables	48,727,960	35,967,434	-	-
Other receivables and deposits	8,202,191	4,463,502	619,001	169,898
Amount owing by subsidiaries	-	-	93,100,445	84,779,781
Deposits with licensed banks	6,457,419	6,318,588	-	-
Cash and bank balances	56,595,113	51,463,105	626,326	894,925
	<hr/>	<hr/>	<hr/>	<hr/>
	128,027,473	98,212,629	102,390,562	85,844,604
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. FINANCIAL INSTRUMENTS (CONT'D)

42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	41,267,307	27,252,616	-	-
Other payables, deposits and accruals	19,592,204	21,959,340	538,635	7,475,356
Amount owing to subsidiaries	-	-	7,177,682	1,291,082
Bank borrowings:-				
- bank overdrafts	6,016,378	576,089	-	-
- other borrowings	42,370,558	39,737,842	-	6,000,000
Lease liabilities	16,917,678	19,002,926	-	-
	<u>126,164,125</u>	<u>108,528,813</u>	<u>7,716,317</u>	<u>14,766,438</u>

42.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial Assets				
<u>Amortised Cost</u>				
Net (gains)/losses recognised in profit or loss	<u>(353,659)</u>	<u>575,187</u>	<u>(463,786)</u>	<u>(657,044)</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	<u>1,623,902</u>	<u>1,168,894</u>	<u>195,051</u>	<u>412,994</u>

42.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair values of the term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

AUDIT AND NON-AUDIT FEES

The amount of audit fees payable to the Company's external auditors, Messrs Crowe Malaysia PLT ("CM") for the financial year ended 31 December 2022 by the Company and the Group are RM88,000 and RM372,500 respectively. The amount of non-audit fees incurred for services rendered to the Company and the Group for the financial year ended 31 December 2022 to CM and a firm or corporation affiliated to CM amounted to RM90,200 and RM164,350 respectively.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year under review.

MATERIAL CONTRACT INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

LIST OF TOP 10 PROPERTIES AS AT 31 DECEMBER 2022

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Jl. Bhumimas I No. 9, Kawasan Industrial Cikupamas Cikupa Tangerang 15710 Banten, Indonesia	Factory, Office and Warehouse	Leasehold Expiring on 17.06.2028	31.12.2020	22	2.802	12,707,484
Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibu, Sarawak	Corporate Office, Coldroom and Warehouse	Leasehold Expiring on 10.01.2071	31.12.2020	16	3.571	10,766,261
Jl. Adi Sucipto Arang Limbung Kubu Raya, 78391 Pontianak, Indonesia	Factory, Office and Warehouse	Leasehold expiring 20.08.2045	31.12.2020	20	2.656	9,634,690
Lot 999, Section 66 Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak	Corporate Office, Coldroom and Abattoir	Leasehold Expiring on 24.09.2117	31.12.2020	27	5.671	9,559,426
Lot 511, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	31.12.2020	10	17.295	7,356,063
Bau Occupation Ticket No. 3574, Bau Land District, Sarawak	Layer farm	Leasehold Expiring on 17.04.2116	31.12.2020	10	30.999	
Lot 16, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer farm	Leasehold Expiring on 17.04.2116	31.12.2020	10	10.459	
Lot 2704, Block 24 Muara Tuang Land District Sarawak	Vegetable Farm	Leasehold Expiring on 16.05.2073	31.12.2020	5	12.531	6,751,073
Country Lease No. 025092602 Papar District of Papar, Sabah	Broiler Farm	Leasehold Expiring on 02.07.2929	31.12.2021	11	12.320	4,746,636

LIST OF TOP 10 PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2022

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Lot 123, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 19.04.2116	31.12.2020	20	12.390	5,940,114
Lot 124, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 09.02.2116	31.12.2020	20	33.169	
Lot 202, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 10.04.2077	31.12.2020	20	2.720	
Lot 203, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 17.04.2077	31.12.2020	20	4.960	
Lot 604, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 19.04.2116	31.12.2020	32	15.250	5,681,098
Lot 650, Block 9 Senggi-Poak Land District Bau, Sarawak	Vacant land	Leasehold Expiring on 11.05.2116	31.12.2020	-	5.501	
Lot 1097, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 18.04.2116	31.12.2020	32	14.443	
Bau Occupation Ticket No. 2596 of 1934, Bau Land District, Sarawak	Breeder Farm	Leasehold Expiring on 21.11.2116	31.12.2020	32	8.520	
Country Lease No. 025339753 & 025339762 Lok Kawi, District of Papar Sabah	Factory, Office and Warehouse	Leasehold Expiring on 31.12.2042	31.12.2021	25	2.679	5,345,100

ANALYSIS OF SHAREHOLDINGS AS AT 3 APRIL 2023

SHARE CAPITAL

Total number of issued shares : 630,718,800
 Issued share capital : RM158,968,786
 Class of shares : Ordinary shares
 Voting rights : One vote per ordinary share

No. of holders	Size of shareholdings	% of holders	No. of shares	% of issued capital [#]
111	less than 100 shares	2.38	4,331	0.00
799	100 - 1,000 shares	17.12	406,197	0.07
2,067	1,001 - 10,000 shares	44.29	10,304,956	1.66
1,418	10,001 - 100,000 shares	30.38	44,318,324	7.13
268	100,001 - less than 5% of issued shares	5.74	256,456,076	41.27
4	5% and above of issued shares	0.09	309,858,716	49.87
4,667	-	100.00	621,348,600	100.00

Note:

[#] excluding 9,370,200 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 3 April 2023.

SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders as at 3 April 2023)

No.	Name	No. of shares held			
		Direct Interest	% [#]	Indirect Interest	% [#]
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.24	-	-
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.65	138,170,076 ^(a)	22.24
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.41	-	-
4.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.58	241,596,156 ^(b)	38.88
5.	Lau Liong Kii	15,668,752 ^(c)	2.52	27,043,084 ^(d)	4.35
6.	Puan Sri Datin Wong Bak Hee	2,589,224	0.42	241,596,156 ^(b)	38.88
7.	Tiong Chiong Hiiung	1,699,624	0.27	241,596,156 ^(e)	38.88
8.	Tiong Chiong Soon	1,515,360	0.24	241,596,156 ^(e)	38.88
9.	Chong Shaw Fui	-	-	33,591,272 ^(f)	5.41

Notes:

[#] excluding 9,370,200 ordinary shares bought back and retained as treasury shares as at 3 April 2023.

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

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

(c) 3,559,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 4,455,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.

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

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

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

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 3 APRIL 2023

DIRECTORS' INTERESTS

(As per the Register of Directors' Shareholdings as at 3 April 2023)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.58	244,185,380 ^(a)	39.30
2.	Chong Shaw Fui	-	-	33,601,272 ^(b)	5.41
3.	Tiong Chiong Hiiung	1,699,624	0.27	244,567,888 ^(c)	39.36
4.	Tiong Chiong Soon	1,515,360	0.24	241,596,156 ^(d)	38.88
5.	Kueh Chung Peng	11,670,664 ^(e)	1.88	4,707,400 ^(f)	0.76
6.	Lau Liong Kii	15,668,752 ^(g)	2.52	41,508,352 ^(h)	6.68
7.	Ling Ting Leong @ Ling Chong Seng	521,428 ⁽ⁱ⁾	0.08	3,311,988 ^(j)	0.53
8.	Datuk Temenggong Janggu anak Banyang	198,400	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

The Directors by virtue of their interests in shares in the Company are also deemed to have interests in shares in all of its related corporations to the extent the Company has an interest, pursuant to Section 8 of the Companies Act 2016.

Notes:

- # excluding 9,370,200 ordinary shares bought back and retained as treasury shares as at 3 April 2023.
- (a) Deemed interested by virtue of his substantial shareholdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.
- (b) Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd. and the interest of his child in the Company.
- (c) Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.
- (d) Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.
- (e) 9,945,892 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 1,724,772 shares are held through RHB Nominees (Tempatan) Sdn. Bhd.
- (f) Deemed interested by virtue of the interest of his children in the Company.
- (g) 3,559,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 4,455,896 shares are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd.
- (h) Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.
- (i) 393,132 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.
- (j) Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd. and De Supreme Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 3 APRIL 2023

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of shares	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.24
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.65
3.	Tan Sri Datuk Tiong Su Kouk	34,671,288	5.58
4.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.41
5.	Unione Enterprise (S) Sdn. Bhd.	27,043,084	4.35
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	13,942,800	2.24
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	9,975,400	1.61
8.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	9,950,000	1.60
9.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (MQ0352)	9,945,892	1.60
10.	Lau Liong Kii	7,653,760	1.23
11.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	7,021,300	1.13
12.	Ng Ai Choo	6,757,700	1.09
13.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	6,555,876	1.06
14.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	6,275,732	1.01
15.	Annie Lau Ting Ting	5,463,072	0.88
16.	Wong See Khong	5,116,268	0.82
17.	Betty Lau Mei Mei	4,650,932	0.75
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii (MQ0348)	4,455,896	0.72
19.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	4,400,900	0.71
20.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	4,020,600	0.65
21.	Amanahraya Trustees Berhad - PMB Shariah Growth Fund	3,842,600	0.62
22.	Tiong Su Sing	3,762,000	0.61
23.	Maybank Nominees(Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	3,559,096	0.57
24.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	3,404,800	0.55
25.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Ai Choo (MQ0359)	3,207,760	0.52
26.	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Poh Kwee	3,200,000	0.52
27.	Wong Kee Hung	3,001,040	0.48
28.	Yong Hua Tang	2,773,332	0.45
29.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tiong Sie Mew (MQ0172)	2,730,000	0.44
30.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kueh Tze Liang (MQ0543)	2,707,400	0.44

Note:

excluding 9,370,200 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 3 April 2023.

ANALYSIS OF WARRANT HOLDINGS AS AT 3 APRIL 2023

WARRANT

Total number of warrants issued : 315,359,400
Exercise price of the warrants : RM0.90 each
Expiry date of the warrants : 18 June 2023

No. of holders	Size of holdings	% of holders	No. of warrants	% of issued warrants
237	less than 100 warrants	9.48	9,405	0.00
529	100 - 1,000 warrants	21.15	273,794	0.09
753	1,001 - 10,000 warrants	30.11	5,014,721	1.59
713	10,001 - 100,000 warrants	28.51	28,721,260	9.11
267	100,001 - less than 5% of issued warrants	10.68	160,542,142	50.91
2	5% and above of issued warrants	0.07	120,798,078	38.30
2,501	-	100.00	315,359,400	100.00

DIRECTORS' INTERESTS

(As per the Register of Directors' Warrant Holdings as at 3 April 2023)

No.	Name	No. of warrants held			
		Direct Interest	%	Indirect Interest	%
1.	Tan Sri Datuk Tiong Su Kouk	11,891,744	3.77	120,798,078 ^(a)	38.31
2.	Chong Shaw Fui	-	-	-	-
3.	Tiong Chiong Hiiung	849,812	0.27	122,283,944 ^(b)	38.78
4.	Tiong Chiong Soon	757,680	0.24	120,798,078 ^(c)	38.31
5.	Kueh Chung Peng	464,382 ^(d)	0.15	-	-
6.	Lau Liong Kii	-	-	13,748,072 ^(e)	4.36
7.	Ling Ting Leong @ Ling Chong Seng	60,048	0.02	-	-
8.	Datuk Temenggong Janggu anak Banyang	99,200	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

Notes:

- (a) Deemed interested by virtue of his substantial holdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.
- (b) Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.
- (c) Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.
- (d) 464,296 warrants are held through CGS-CIMB Nominees (Tempatan) Sdn. Bhd. and 86 warrants are held through RHB Nominees (Tempatan) Sdn. Bhd.
- (e) Deemed interested by virtue of his substantial holdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.

ANALYSIS OF WARRANT HOLDINGS (Cont'd)

AS AT 3 APRIL 2023

THIRTY LARGEST WARRANT ACCOUNTS HOLDERS

No.	Name	No. of warrants	%
1.	Central Coldstorage Sarawak Sdn. Bhd.	69,085,038	21.91
2.	S.K. Tiong Enterprise Sdn. Bhd.	51,713,040	16.40
3.	Unione Enterprise (S) Sdn. Bhd.	13,521,542	4.29
4.	Tan Sri Datuk Tiong Su Kouk	11,891,744	3.77
5.	Khairul Azuan Bin Othman	9,316,200	2.95
6.	Tan Kuan Kae	3,000,000	0.95
7.	Low Wai Sin	2,785,000	0.88
8.	Tem Tem Song	2,141,800	0.68
9.	Tham Kok Teng	2,038,000	0.65
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Goh Sew Wah	2,023,600	0.64
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	2,000,016	0.63
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Ngie Eng	2,000,000	0.63
13.	Maybank Nominees (Tempatan) Sdn. Bhd. - Ukashah Bin Md Zubi	2,000,000	0.63
14.	Maybank Nominees (Tempatan) Sdn. Bhd. - Soh Chee Chwan	1,930,000	0.61
15.	Choo Jin Yit	1,800,000	0.57
16.	Lau Hieng Wuong	1,800,000	0.57
17.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Chan Kok Heng	1,796,000	0.57
18.	Goh Sung Hien @ Goh Soon Hien	1,745,426	0.55
19.	Siti Nurbayah Bte Kamal	1,690,000	0.54
20.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii (MQ0507)	1,600,000	0.51
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Jonathan Wong Qin Yuan	1,516,800	0.48
22.	Manzhur Hisham Bin Abdul Kadir	1,500,800	0.48
23.	Irwanshah Bin A.Shafiuddin	1,500,000	0.48
24.	Low Kai Yee	1,500,000	0.48
25.	Maybank Nominees (Tempatan) Sdn. Bhd. - Khoo Eng Seng	1,400,000	0.44
26.	Yong Hua Tang	1,386,666	0.44
27.	Abu Umar Mukhtar Bin Abdul Bahar	1,370,000	0.43
28.	Huang Wie Poh	1,359,600	0.43
29.	Wong Kee Hung	1,233,520	0.39
30.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Seah Chuan Heng	1,161,726	0.37

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of CCK Consolidated Holdings Berhad ("the Company") will be held at Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Monday, 29 May 2023 at 12.00 noon to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|---|---------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. | <i>(Please refer to Note 1)</i> |
| 2. | To declare and approve the payment of a first and final single-tier dividend of 3.5 sen per share in respect of the financial year ended 31 December 2022. | Resolution 1 |
| 3. | To approve the payment of Directors' fees for the financial year ended 31 December 2022. | Resolution 2 |
| 4. | To approve the meeting allowance payable to the Directors for the year ending 31 December 2023 until the next annual general meeting of the Company to be held in 2024. | Resolution 3 |
| 5. | To re-elect the following Directors retiring pursuant to Article 122 of the Company's Constitution and being eligible, have offered themselves for re-election: | |
| | (i) Tan Sri Datuk Tiong Su Kouk | Resolution 4 |
| | (ii) Kueh Chung Peng | Resolution 5 |
| | (iii) Lau Liong Kii | Resolution 6 |
| 6. | To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. | Resolution 7 |

AS SPECIAL BUSINESS:

7. To consider and if thought fit, pass the following ordinary resolution:

Proposed renewal of authority for the Company to purchase its own shares

Resolution 8

"THAT, subject always to the Companies Act 2016 (as may be amended, modified or re-enacted from time to time) ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, where applicable, the Company be hereby unconditionally and generally authorised to purchase and/or hold such an amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and an amount of funds not exceeding the Company's total retained profits at the time of purchase be allocated by the Company for the Proposed Share Buy-Back AND THAT such shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled;

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company;

AND FURTHER THAT the authority hereby given will commence immediately upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it will 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.”

8. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a first and final single-tier dividend of 3.5 sen per share in respect of the financial year ended 31 December 2022, if approved at the Twenty-Seventh Annual General Meeting, will be payable on 20 June 2023 to depositors whose names appear in the Record of Depositors on 2 June 2023.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the depositor's securities account before 4.30 p.m. on 2 June 2023 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 of Directors

Voon Jan Moi (MAICSA 7021367)
(SSM Practising Certificate No. 202008001906)

Yap Hui Yih (MAICSA 7048748)
(SSM Practising Certificate No. 202008000570)
Joint Company Secretaries

Dated: 27 April 2023
Kuching, Sarawak

NOTES:

1. This agenda item is meant for discussion only as under the provision of Section 340 of the Companies Act 2016 and the Company's Constitution, the Audited Financial Statements do not require the formal approval of shareholders and hence, this matter will not be put forward for voting.

2. Re-election of Directors

The Nomination Committee has assessed the performance and contribution of Tan Sri Datuk Tiong Su Kouk, Kueh Chung Peng and Lau Liong Kii and was satisfied with their performance and recommended for their re-election. The Board endorsed the Nomination Committee's recommendation that Tan Sri Datuk Tiong Su Kouk, Kueh Chung Peng and Lau Liong Kii be re-appointed as Directors of the Company. All the above directors met the criteria in accordance with the Directors' Fit and Proper Policy.

3. Proposed renewal of authority for purchase of own shares by the Company

The proposed Resolution 8 if passed, will renew the authority for the Company to purchase and/or hold its own shares up to ten per cent (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. This authority will expire at the conclusion of the next annual general meeting, unless revoked or varied by ordinary resolution passed by shareholders at general meeting.

Please refer to the Statement to Shareholders dated 27 April 2023 for further information.

4. Proxy

- (a) A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

- (b) To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (c) If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (d) A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (e) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

- (f) Depositors whose names appear in the Record of Depositors as at 19 May 2023 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

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CCK CONSOLIDATED HOLDINGS BERHAD

Registration no. 199601024340 (396692-T)

FORM OF PROXY

Number of shares held

CDS Account No.

*I/We, _____ (full name) _____ *(I.C./Passport/Company No.)

of _____ (full address)

being a member of CCK Consolidated Holdings Berhad ("the Company") hereby appoint _____

_____ (full name) _____ (I.C./passport No.)

of _____ (full address)

*and/or failing *him/her, _____ (full name) _____ (I.C./passport No.)

of _____ (full address)

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Monday, 29 May 2023 at 12.00 noon and any adjournment thereof.

*My/our proxy shall vote as indicated with an "X" below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion:

Resolutions		For	Against
1.	Declaration and payment of a first and final single-tier dividend for the financial year ended 31 December 2022.		
2.	Payment of Directors' fees for the financial year ended 31 December 2022.		
3.	Payment of meeting allowance to the Directors.		
4.	Re-election of Tan Sri Datuk Tiong Su Kouk as Director.		
5.	Re-election of Kueh Chung Peng as Director.		
6.	Re-election of Lau Liong Kii as Director.		
7.	Re-appointment of Crowe Malaysia PLT as auditors.		
8.	Proposed renewal of authority for the Company to purchase its own shares.		

The proportions of *my/our holdings to be presented by *my/our proxy are as follows:

		<u>No. of shares</u>	<u>%</u>
First named proxy	:		
Second named proxy	:		
Total:			

In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

Dated this _____ day of _____ 2023

*Signature / common seal of shareholder(s)

* Strike out whichever is not applicable

Notes:

- A proxy or attorney or a duly authorised representative may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Depositors whose names appear in the Record of Depositors as at 19 May 2023 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

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PLEASE
AFFIX STAMP
HERE

The Company Secretary
CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)

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

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CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)
(Incorporated in Malaysia)

Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia
Tel : 082-336 520 Fax : 082-331 479