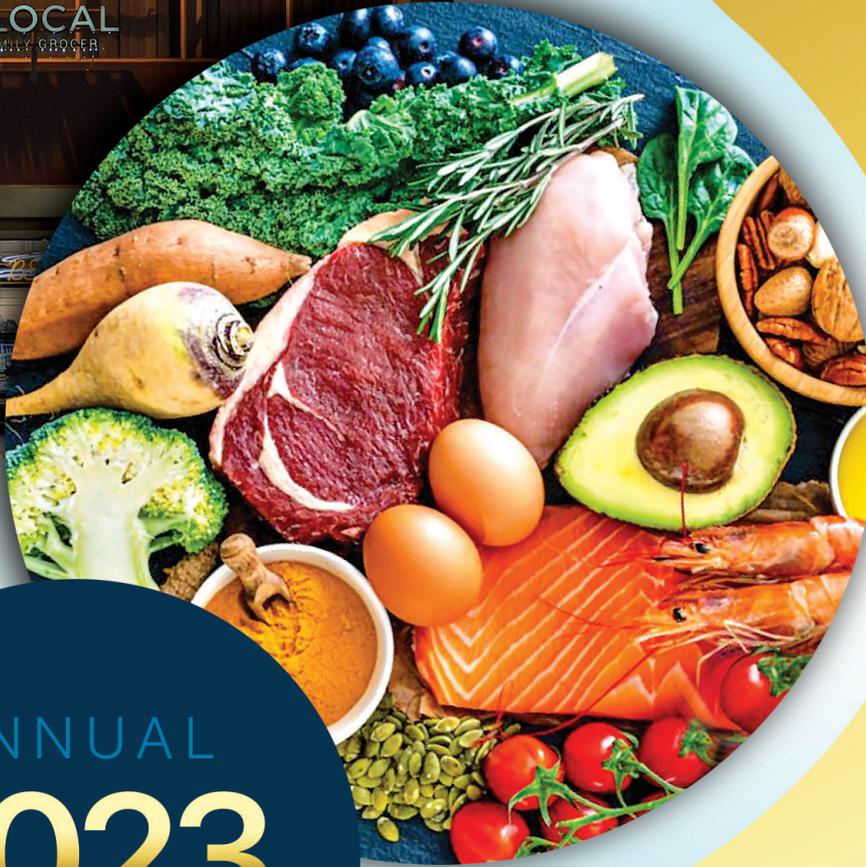


 **cck** LOCAL
YOUR FAMILY GROCER



ANNUAL
2023
REPORT



CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)



VISION

The Food People
of Choice



MISSION

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

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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

Dato Sim Kheng Boon
Independent Director

Wong Ping Eng
Independent Director

AUDIT COMMITTEE

Wong Ping Eng (*Chairperson*)
Tan Sri Datuk Tiong Su Kouk
Dato Sim Kheng Boon
Ling Ting Leong @ Ling Chong Seng

NOMINATION COMMITTEE

Dato Sim Kheng Boon (*Chairman*)
Tan Sri Datuk Tiong Su Kouk
Ling Ting Leong @ Ling Chong Seng
Wong Ping Eng

REMUNERATION COMMITTEE

Tan Sri Datuk Tiong Su Kouk (*Chairman*)
Dato Sim Kheng Boon
Wong Ping Eng
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

DEPUTY CHIEF EXECUTIVE OFFICER

Ethan Tiong Ing Hung

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
Email : registered.office@cck.com.my

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
Email : bsr.helpdesk@boardroomlimited.com

AUDITORS

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

PRINCIPAL BANKERS

Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Bank Central Asia
Bank Negara Indonesia

STOCK EXCHANGE LISTING

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

WEBSITE

www.cck.com.my

INVESTOR RELATIONS

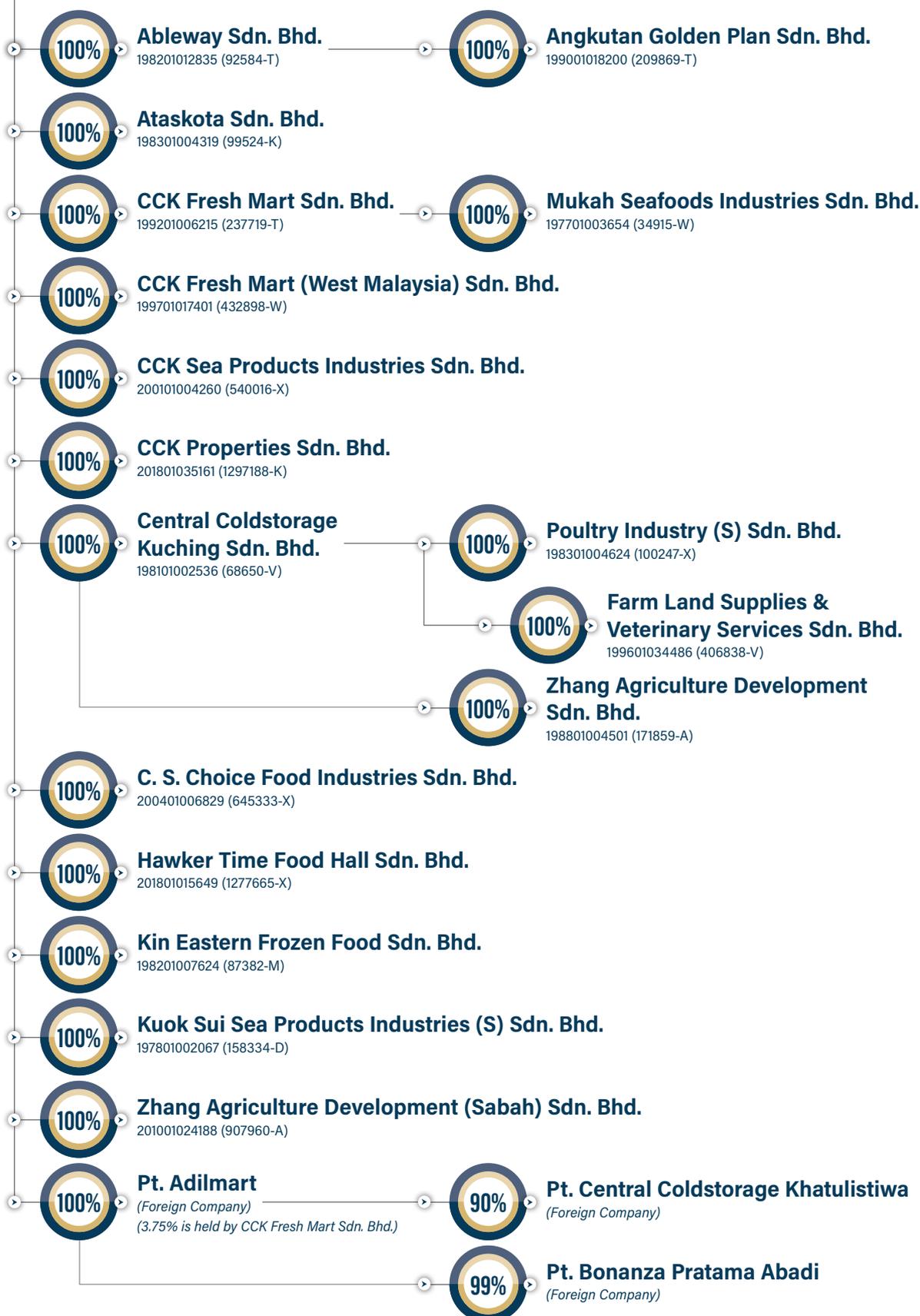
sam@bcta.com.my

CORPORATE STRUCTURE

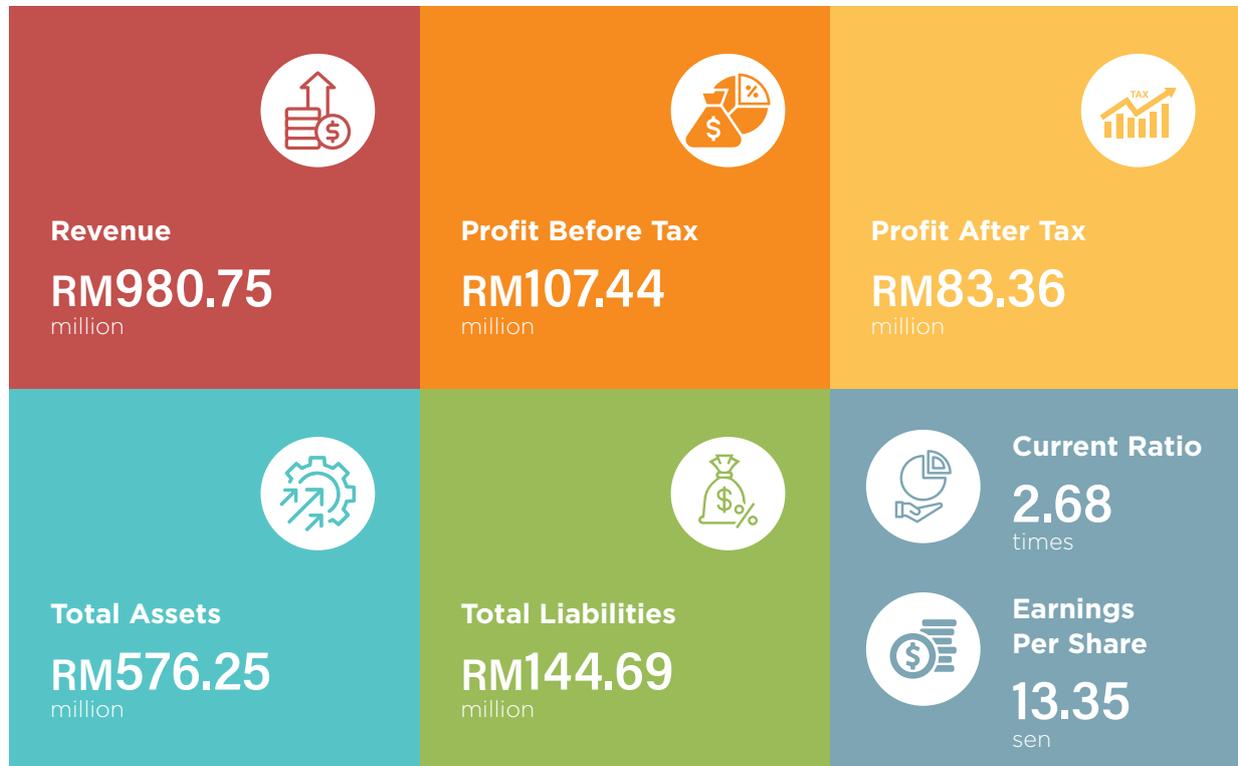


CCK CONSOLIDATED HOLDINGS BERHAD

199601024340 (396692-T)



MANAGEMENT DISCUSSION & ANALYSIS



5-YEARS FINANCIAL SUMMARY

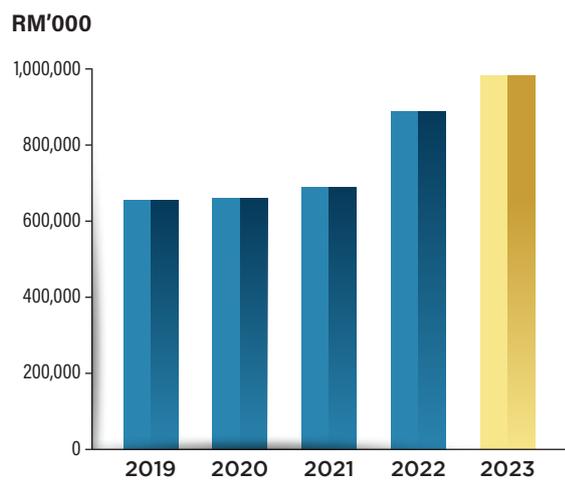
	2019	2020	2021	2022	2023
RM'000					
Revenue	651,314	656,043	685,576	885,745	980,750
Profit before tax	42,891	47,909	31,188	81,371	107,441
EBITDA	65,170	72,344	56,356	109,467	136,818
Profit attributable to owners of the company	33,170	37,482	24,476	63,106	83,266
Sen					
EPS	5.28	5.98	3.91	10.12	13.35
Dividend per share	1.75	2.00	1.25	3.50	4.25

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

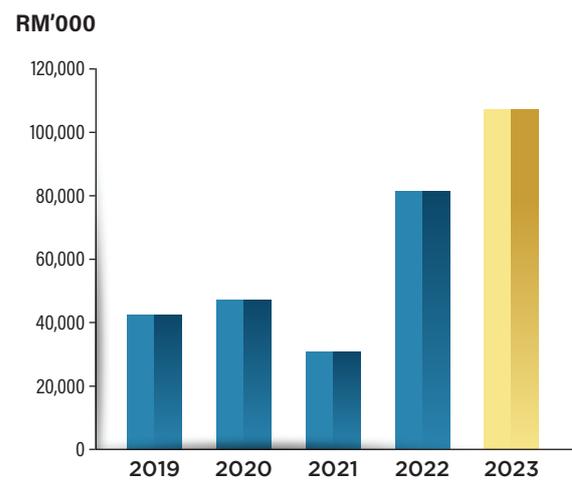
5-YEARS FINANCIAL SUMMARY (CONT'D)



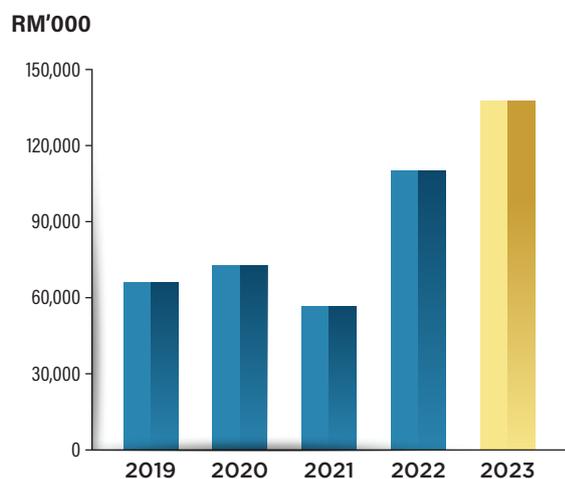
NUMBER OF RETAIL STORES & SUPERMARKETS (UNITS)



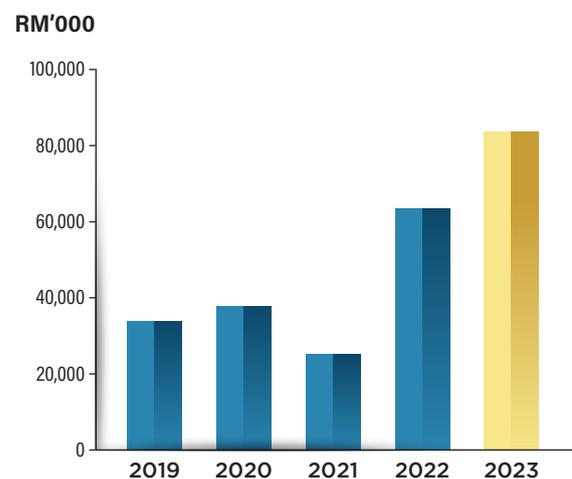
REVENUE



PROFIT BEFORE TAX



EBITDA



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Dear Esteemed Shareholders,

The Management Discussion and Analysis (“MD&A”) is intended to provide the stakeholder with operational and financial highlights of CCK Consolidated Holdings Berhad (“CCK” or “The Group”) for the financial year ended 31st December 2023 (“FY2023”).

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 comprises 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.

The 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, CCK’s network has grown to seventy-five (75) 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, carrying 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.

CCK’s wide-reaching retail network is supported by a fully integrated supply chain consisting of a feedmill, 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, CCK’s wide-reaching retail network benefits from being vertically integrated with the poultry segment. Much like the retail network, CCK’s farm operations and processing facilities are also located in Sarawak and Sabah. On a blended basis, fresh dressed chicken and chicken parts make up approximately 15% of CCK Fresh Mart retail stores’ products. The other 85% of CCK Fresh Mart retail stores’ products comprise house-brand and third-party frozen products, seafood products, fresh fruits, and vegetables.

In the previous financial year (“FY2022”), CCK completed the acquisition of PT Bonanza Pratama Abadi (“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 acquisition has proven to be synergistic, adding size and scale to the Group’s prawn segment and export-oriented prawn products.

REVIEW OF FINANCIAL PERFORMANCE

Revenue for FY2023 increased by 10.7% to RM980.7 million from a year ago (“FY2022”). Revenue growth was driven by strong performances from the retail and prawn segments. Higher consumer demand led to an outperformance in the retail segment whilst a full year of contributions from PT Bonanza significantly boosted the prawn segment.

During FY2023, new CCK Fresh Mart retail stores were opened in Telipok and Kota Kinabalu in Sabah, and Kuching in Sarawak. This expanded our retail network to sixty-six (66) CCK Fresh Mart retail stores, three (3) CCKLocal supermarkets and six (6) wholesale stores. This gives us a total of seventy-five (75) touchpoints, up from seventy-two (72) as at end FY2022.

The retail segment achieved a revenue of RM858.4 million during FY2023, 5.5% higher than FY2022. Growth was driven by more matured contributions from our established retail network, higher sales volumes from both the retail and wholesale channels, and strong demand for our in-house manufactured processed products in Indonesia.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Notably, our Indonesian manufacturing operations was able to cater to the strong demand due to the additional production capacity that came on stream in January 2021. Revenue from our Indonesian manufacturing operations (Pontianak and Jakarta) amounted to RM188.2 million, accounting for 19.2% of total Group revenue for FY2023.

The poultry segment reported a total segment revenue of RM336.6 million for FY2023, a 2.7% improvement from the same period last year. This was driven by improved demand for poultry products to institutional clients and consumer sentiment. Poultry sales via our own retail stores (intersegment sales) remained robust.

The prawn segment's revenue amounted to RM109.9 million in FY2023, 36.8% higher than FY2022. Revenue growth was largely due to the contribution from PT Bonanza which boosted overall segment export volumes to Japan, Taiwan, Thailand and The People's Republic of China.

The food service segment reported revenue of RM24.1 million, an improvement from RM22.5 million in FY2022. This was due to an overall increase in activities of government schools in Sarawak covered under our supply contracts.

Group profit before tax ("PBT") for FY2023 increased by 30.2% to RM106.0 million. This significant growth in overall profitability was primarily due to contributions from the retail, poultry, and prawn segment. Gross profit margins for FY2023 inched up to 20.2% from 18.2% in FY2022.

The retail segment continued to be the largest contributor to Group PBT for FY2023, reporting a segment profit of RM71.4 million, an increase of 6.5% against FY2022. FY2023 segment PBT was driven by a myriad of factors, namely; increased sales volumes in our retail and wholesale channels driven by an overall improvement in consumer demand, more favourable product mix and strong demand for our in-house manufactured processed products in Indonesia. Notably, FY2022 profitability was boosted by of a one-off gain from disposal of investment property amounting to RM6.0 million leading to a high base effect which moderated headline PBT growth.

The poultry segment reported a PBT of RM24.5 million, a significant growth of RM175.2% from RM8.9 million in FY2022. Segment profitability was boosted by the subsidy scheme from the Government of Malaysia in relation to the price ceilings for chicken and eggs. In addition, effective cost control measures, a strategic alignment of the product mix and a favourable movement in feed input costs were also contributing factors to the improvement in profitability.

The prawn segment recorded a segment profit of RM9.5 million, a significant increase from RM5.0 million in FY2022. Notably, a full year of contribution from PT Bonanza boosted overall segment profitability as export volumes to Japan, Taiwan, Thailand and The People's Republic of China increased significantly. The segment also benefited from economies of scale and robust domestic sales via our own retail channels.

The food service segment reported a PBT of RM3.0 million in FY2023, increased marginally from RM2.9 million a year ago.

Operating and administrative expenses increased due to the additional running costs incurred by PT Bonanza, facilities in Pontianak, Indonesia, 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 RM4.8 million in FY2023, a growth of 5.7% from RM4.5 million in FY2022. Effective cost pass-through mechanisms and adjustments in selling prices mitigated unfavourable movements in foreign exchange and raw material prices.

Finance costs for FY2023 amounted to RM2.7 million whilst total borrowings stood at RM49.8 million against shareholders' funds of RM431.0 million as at end FY2023, translating into a gearing ratio of 0.12x.

CCK maintained a net cash position as deposits with licensed banks and cash and bank balances surged, more than doubling to RM124.6 million from RM63.1 million as at end FY2022.

The Group's property, plant and equipment rose to RM216.2 million as at end FY2023 from RM200.8 million a year ago. Notable capital expenditure carried out during FY2023 was for the commissioning of three (3) additional CCK Fresh Mart stores, upgrades to the poultry processing plant in Kuching, and new breeder houses and farms across East Malaysia. All capital expenditure was funded by a combination of bank borrowings and internally generated funds.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

REVIEW OF OPERATIONS

In FY2023, we expanded our retail network as follows –

- Three (3) CCK Fresh Mart stores; one (1) in Kuching, Sarawak, one (1) in Telipok, Sabah and one (1) in Kota Kinabalu, Sabah.

To recap, the acquisition of PT Bonanza was completed in July 2022, during the previous financial year. 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.

As evidenced by the performance of the prawn segment in FY2023, the acquisition has augmented our seafood business and increased the size and scale of our export-oriented prawn products. Specifically, the prawn segment benefitted from a full year of contribution from PT Bonanza which boosted export volumes to Japan, Taiwan, Thailand and The People's Republic of China.

Manufacturing operations in Indonesia continued to benefit 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 CCK'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 as well as to third parties in Jakarta and Pontianak.

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.



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

ANTICIPATED OR KNOWN RISKS (CONT'D)

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 commitment to reward shareholders, the Board is pleased to announce a first and final single-tier dividend of 4.25 sen per share for the financial year ended 31 December 2023.

PROSPECTS

In the fast-paced and increasingly challenging landscape of retail, CCK remains focused in providing essential everyday staple products. Through our extensive urban and rural network of stores, we cater to diverse consumer needs, offering a wide range of products including poultry, fresh produce, seafood, and both house-brand and third-party frozen goods.

Employing a vertically integrated business model, this allows us to exert greater control over our supply chain and operations. This integrated approach, coupled with the nature of our product offerings, gives us the ability to be agile whilst developing a commendable resilience to market fluctuations and challenges.

That said, we continue to operate in a high inflationary environment, exerting pressure on costs throughout the supply chain. This inflationary trend compounds the challenges posed by fluctuating currency exchange rates and rising input costs, further straining our cost structures.

Specifically, the volatility of the US dollar against the Malaysian Ringgit remains a concern as it leads to fluctuations in prices of corn and soy. Feed prices constitute a significant portion of the poultry segment's costs which in-turn make up about 50% of our retail segment's sales.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)



PROSPECTS (CONT'D)

Consequently, we actively employ strategies to address these cost pressures, seeking efficiencies wherever possible while remaining mindful of the impact on pricing and profitability. Our focus remains on mitigating these cost pressures through prudent cost management practices, operational optimisations, and strategic pricing adjustments, ensuring that we maintain our competitiveness while safeguarding our dominant position in the market.

Strategically expanding our retail network remains integral to our growth trajectory, with a concerted focus on optimising economies of scale and enhancing the efficiency of our fully integrated supply chain. This will bolster our capacity to meet evolving consumer demands while maximising operational efficiencies.

In Indonesia, a burgeoning market for our in-house manufactured brands of sausages and nuggets presents a promising avenue for growth. The facility in Pontianak that came on stream in January 2021 has significantly boosted our production capabilities, enabling us to cater to escalating demand. As we continue to witness sustained traction for our products, we are actively looking to invest further in expanding our production capacity.

As we look forward, we remain steadfast in our commitment to proactive risk mitigation and operational optimisation across all key business segments. Whilst we navigate the aforementioned challenges with agility and foresight, we are equally committed to execute our growth plans and strategies.

Taking into account the above, we are therefore cautiously optimistic with regards to the coming financial year.

APPRECIATION

I would like to extend my heartfelt gratitude to the Board of Directors, Management Team, and dedicated staff of CCK for their unwavering commitment, hard work, and dedication. It is through their collective efforts and steadfast resolve that we have been able to navigate the complexities of the retail landscape and overcome numerous challenges. Their resilience and tireless dedication have been instrumental in driving CCK forward, ensuring our continued growth and success.

Additionally, I would like to express my sincere appreciation to our valued shareholders, esteemed business partners and other stakeholders. I am deeply grateful for your continued collaboration, partnership, and patronage. Your ongoing support fuels our motivation to strive for excellence and reinforces our commitment to delivering exceptional value and service. Together, we look forward to building upon our successes and forging ahead towards a brighter future for CCK.

TIONG CHIONG HIUNG
GROUP MANAGING DIRECTOR

DIRECTORS' PROFILE

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 39 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 Sibü 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. 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 is the Executive Chairman of Nam Cheong Limited (“NCL”), a public company listed on the Singapore Exchange. He oversees NCL Group’s strategic direction and shipbuilding operations.

YBhg. Tan Sri Datuk Tiong was conferred the “Panglima Jasa Negara” (PJM) 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 2023, YBhg. Tan Sri Datuk Tiong attended all the five (5) Board meetings held.

His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.

TAN SRI DATUK TIONG SU KOUK

Non-Independent Non-Executive Chairman

AGE | 82

NATIONALITY | MALAYSIAN

GENDER | MALE



DIRECTORS' PROFILE (Cont'd)

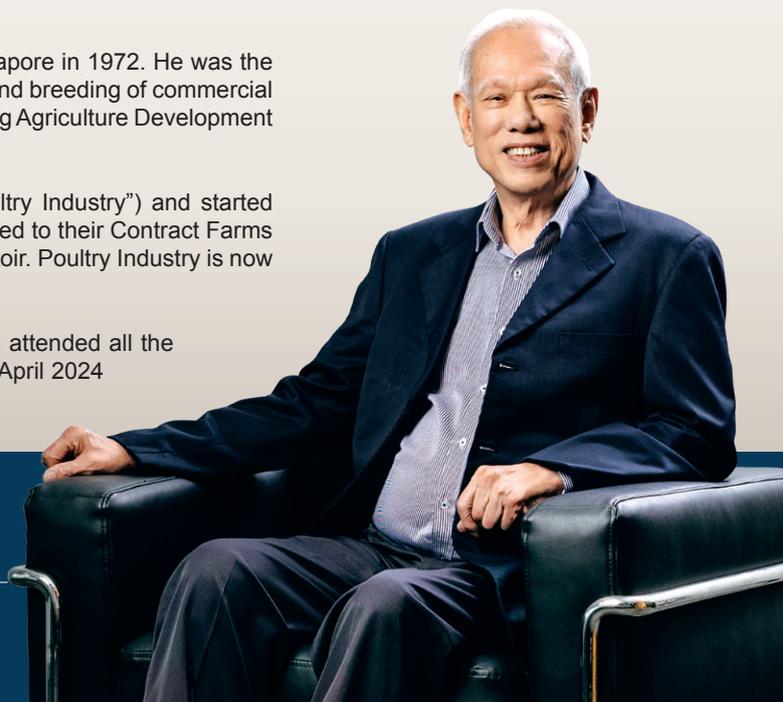
Mr. Chong Shaw Fui was appointed as Executive Vice Chairman to the Board of CCK Consolidated Holdings Berhad ("CCK") on 15 July 1997. He is a member of Risk Management Committee.

He has more than 52 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 2023, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



CHONG SHAW FUI

Executive Vice Chairman

AGE | 79

NATIONALITY | MALAYSIAN

GENDER | MALE

Mr. Tiong Chiong Hiiung was appointed to the Board of CCK Consolidated Holdings Berhad ("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 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 is the Executive Vice Chairman of Nam Cheong Limited ("NCL") group. NCL is a public company listed on the Singapore Exchange. He is also the Financial Director and a member of Nominating Committee of NCL Group. He provides guidance to the Finance team in financial strategies and control towards a healthier financial performance for 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 2023, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



TIONG CHIONG HIUNG

Group Managing Director

AGE | 57

NATIONALITY | MALAYSIAN

GENDER | MALE

DIRECTORS' PROFILE (Cont'd)

Mr. Tiong Chiong Soon was appointed as Executive Director of CCK Consolidated Holdings Berhad ("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 the Group General Manager of Nam Cheong Limited ("NCL") Group, supervises NCL Group's shipbuilding operation, vessels' repair works, procurement and sourcing of equipment required for the 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 2023, Mr. Tiong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



TIONG CHIONG SOON

Executive Director

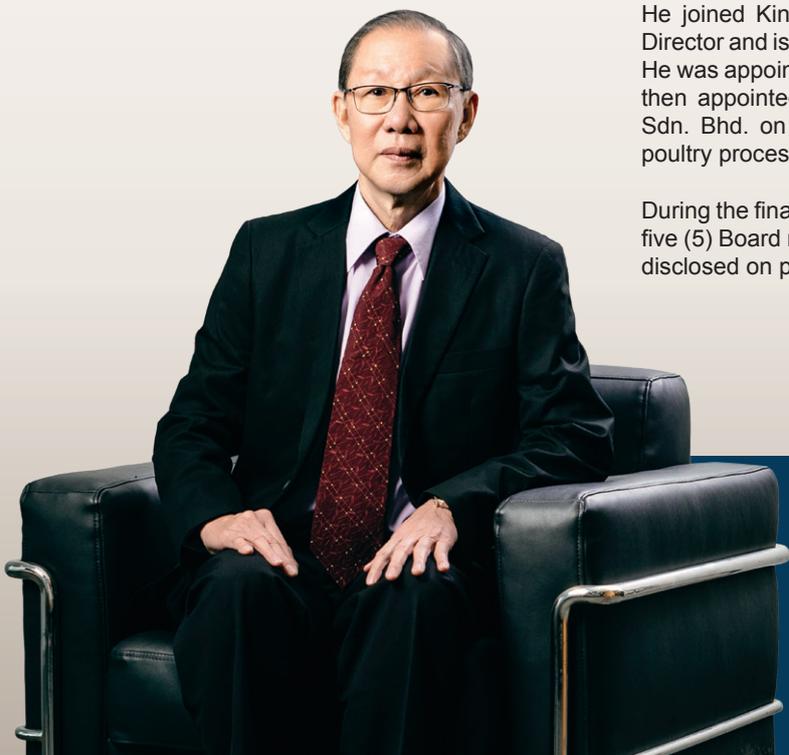
AGE | 54
NATIONALITY | MALAYSIAN
GENDER | MALE

Mr. Kueh Chung Peng was appointed as Executive Director of CCK Consolidated Holdings Berhad ("CCK") on 15 July 1997. He is a member of Risk Management Committee.

He has over 42 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 2023, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



KUEH CHUNG PENG

Executive Director

AGE | 70
NATIONALITY | MALAYSIAN
GENDER | MALE

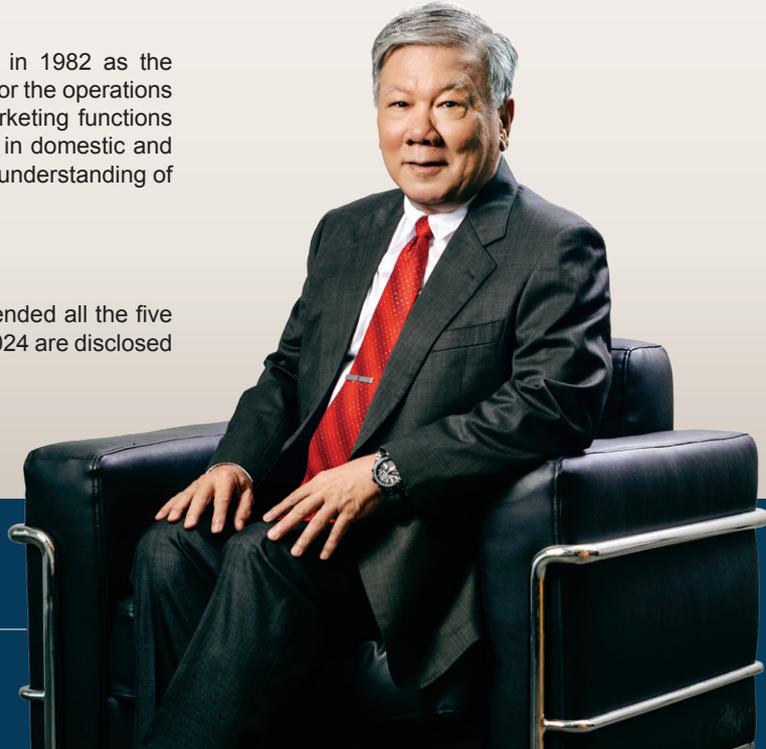
DIRECTORS' PROFILE (Cont'd)

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 Consolidated Holdings Berhad ("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 2023, Mr. Lau attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



LAU LIONG KII

Executive Director

AGE | 73

NATIONALITY | MALAYSIAN

GENDER | MALE

Mr. Ling Ting Leong @ Ling Chong Seng is a member of Audit Committee. He joined CCK Consolidated Holdings Berhad ("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 and appointed as Senior Independent Director on 1 June 2023.

Mr. Ling is a businessman with a wealth of experience. He also sits on the boards of various private limited companies.

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 2023, Mr. Ling attended all the five (5) Board meetings held. His shareholdings in CCK as at 1 April 2024 are disclosed on page 136 of this annual report.



LING TING LEONG @ LING CHONG SENG

Independent Director

AGE | 72

NATIONALITY | MALAYSIAN

GENDER | MALE

DIRECTORS' PROFILE (Cont'd)

YBhg. Dato Sim Kheng Boon was appointed to the Board as an Independent Director of CCK Consolidated Holdings Berhad ("CCK") on 1 June 2023. He is the Chairman of Nomination Committee and a member of Audit Committee and Remuneration Committee.

He holds a Bachelor of Commerce Degree (Honours) majoring in accounting from University of Windsor, Canada in 1980. He has more than 30 years of investment banking experience involved in public listing of companies, fund raising exercise, merger and acquisition.

YBhg. Dato Sim was the first Chief Executive Officer of Development Bank of Sarawak Berhad from 2017 to 2023 during its formative years. Prior to this, he was attached with Kenanga Investment Bank Berhad as Head of East Malaysia and with AmInvestment Bank Berhad as Director of Sarawak Region.

He is currently an Independent Director of Zecon Berhad and Kim Hin Industry Berhad, both companies are listed on the Main Market of Bursa Malaysia Securities Berhad.

During the financial year ended 31 December 2023, YBhg. Dato Sim attended all the two (2) Board meetings held. He holds no share in CCK.



DATO SIM KHENG BOON

Independent Director

AGE | 69
NATIONALITY | MALAYSIAN
GENDER | MALE

Ms. Wong Ping Eng was appointed to the Board as an Independent Director of CCK Consolidated Holdings Berhad ("CCK") on 1 June 2023. She is the Chairperson of Audit Committee and a member of Nomination Committee and Remuneration Committee.

She obtained a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Kuala Lumpur in 1997. She is a member of Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA).

Ms. Wong has more than 20 years' experience in financial and accounting field. She started her career as Audit Assistant at KPMG, Kuching from September 1997 until December 2000. She joined Naim Holdings Berhad ("Naim") as Accountant in January 2001. In April 2004, she was appointed as the Operations Manager for Naim's Bandar Baru Permyjaya project in Miri where she was responsible for managing the whole of Miri Operations. In July 2008, she was promoted as Vice President, Finance and Accounts to oversee the Group Finance and Accounts Division. She was subsequently promoted as Deputy Director, Finance & IT Division in July 2010 and in September 2012, she was promoted as Senior Director for Naim's Group Support Division comprising Finance & Accounts, Administration, Human Resource and Information Technology. She was appointed as an Executive Director of Naim on 29 November 2012 and she was re-designated as the Deputy Managing Director on 9 January 2013. She retired from the Board of Naim on 31 December 2020.

She is currently an Independent Director of Gadang Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She is acting as advisor/ executive director for several private limited companies.

During the financial year ended 31 December 2023, Ms. Wong attended all the two (2) Board meetings held. She holds no share in CCK.



WONG PING ENG

Independent Director

AGE | 51
NATIONALITY | MALAYSIAN
GENDER | FEMALE

PROFILE OF DEPUTY CHIEF EXECUTIVE OFFICER

ETHAN TIONG ING HUNG

AGE | 28
NATIONALITY | MALAYSIAN
GENDER | MALE

Mr. Ethan Tiong Ing Hung was appointed as the Deputy Chief Executive Officer of CCK Consolidated Holdings Berhad (“CCK”) and the Group on 1 March 2024.

He graduated with a Bachelor in Commerce, with double major in Finance and Management from University of Melbourne. Mr. Ethan Tiong was appointed as Executive Director of CCK Fresh Mart Sdn. Bhd. (“CCKFM”), a wholly owned subsidiary of CCK on 1 July 2018. He is responsible for business operations and strategic decision making for CCKFM and some other subsidiaries of CCK. He also sits on the boards of various private limited companies. He holds no share in CCK.



Additional Information of Directors and Deputy Chief Executive Officer:

- (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) All 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 YBhg. Tan Sri Datuk Tiong Su Kouk, and Mr. Ethan Tiong Ing Hung is son of Mr. Tiong Chiong Hiiung and grandson of YBhg. Tan Sri Datuk Tiong Su Kouk;
- (iii) None of the Directors and Deputy Chief Executive Officer has any conflict of interest with CCK;
- (iv) None of the Directors and Deputy Chief Executive Officer holds any directorship in other public companies, except for YBhg. Tan Sri Datuk Tiong Su Kouk, YBhg. Dato Sim Kheng Boon and Ms. Wong Ping Eng; and
- (v) None of the Directors and Deputy Chief Executive Officer has any conviction for offences within the past five (5) years and there was no public sanction or penalty imposed on the Directors and Deputy Chief Executive Officer by the relevant regulatory bodies during the financial year under review.



Official opening of Jualan Rahmah Bergerak at Telaga Air, Kuching by YB Dato' Sri Hajah Nancy Binti Shukri, Menteri Pembangunan Wanita, Keluarga Dan Masyarakat.



Kuching Festival

Jualan Istimewa Spaoh Sarawak



Fire safety training by Fire and Rescue Department of Malaysia, Sarawak Region

Grand Opening of CCK Fresh Mart's retail store in Kota Sentosa, Kuching by YBhg Lo Kok Siong

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 2023 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 accountabilities are clearly defined in the Board Charter. The Board Charter also sets out authorities, 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 and 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 9 (nine) members, the Non-Independent Non-Executive Chairman, the Executive Vice Chairman, the Group Managing Director, three (3) Executive Directors and three (3) Independent Directors. 33% of the Board members consist of Independent Directors with requisite 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, gender, 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 assessments 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 2023, the Remuneration Committee met twice. 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 Board members and 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 three (3) 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") 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 2023.

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 44 to 45 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 scrutinizing 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, and subsequently, the risk advisors of Tricor Axcelasia Sdn. Bhd. ("Tricor") assisted RMC to ensure adequacy and effectiveness of the risk management practices. The Internal Audit Department assisted the AC to ensure the internal control function is operated effectively and satisfactorily.

The Board is satisfied with the performance of the RMC and AC in relation to risk management and internal audit function for the financial year under review. The Board is of the view that the Group has in place a sound System to safeguard the Group's assets, shareholders' investment, and 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 41 to 43 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

I. Engagement 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 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 at least 28 days before the date of the AGM in 2023.

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 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 was uploaded on the Company's website within 30 business days after the AGM.

This Statement is made in accordance with the resolution of the Board of Directors dated 18 April 2024.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

CCK Consolidated Holdings Berhad acknowledges itself as a member of the local and global community and its joint responsibility in working together towards sustainability. Well established within the local community, continuously positioning ourselves as “The Food People of Choice”. We remain constantly dedicated to serving our customers and community. To achieve that, the Group acknowledges that application of sustainability concepts and practices, which will be detailed in this Sustainability Statement

The Group fosters transparent communication with a diverse array of stakeholders, encompassing partners, customers, shareholders, employees, community members, and suppliers. We provide them with a deep understanding of our sustainability initiatives, guided by a concrete framework of practical measures. This helps secure sustainable, long-term growth that positively impacts all stakeholders.

Reporting Standards

In the preparation of this Sustainability Statement, we have been guided by the regulatory framework and guidelines as set out below.

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”);
- Sustainability Reporting Guide, 3rd Edition (“SRG”) issued by Bursa Malaysia Securities;
- Malaysian Code on Corporate Governance, updated on 28 April 2021 (“MCCG 2021”); and
- Global Reporting Initiative (“GRI”) 2021.

By incorporating these regulatory frameworks and guidelines, we demonstrate our commitment to professionalism, accountability, and transparency in the preparation of this Sustainability Statement.

Reporting Scope and Period

Our Sustainability statement would encompass CCK’s core segments, specifically: Retail, Poultry, Prawn and Food Service. The scope of this statement covers the following entities that represents CCK’s Core segments:

- CCK Fresh Mart Sdn Bhd
- Central Coldstorage Kuching Sdn Bhd
- Poultry Industry (S) Sdn Bhd
- Zhang Agriculture Development Sdn Bhd
- Zhang Agriculture Development (Sabah) Sdn Bhd
- C.S. Choice Food Industries Sdn Bhd
- Kin Eastern Frozen Food Sdn Bhd
- Kuok Sui Sea Products Industries (S) Sdn Bhd
- Mukah Seafoods Industries Sdn Bhd
- CCK Sea Products Industries Sdn Bhd
- PT Adilmart (*Foreign Company, Indonesia*)
- PT Bonanza Pratama Abadi (*Foreign Company, Indonesia*)

This Statement provides information for the period spanning from 1 January 2023 to 31 December 2023, unless specified otherwise.

Feedback

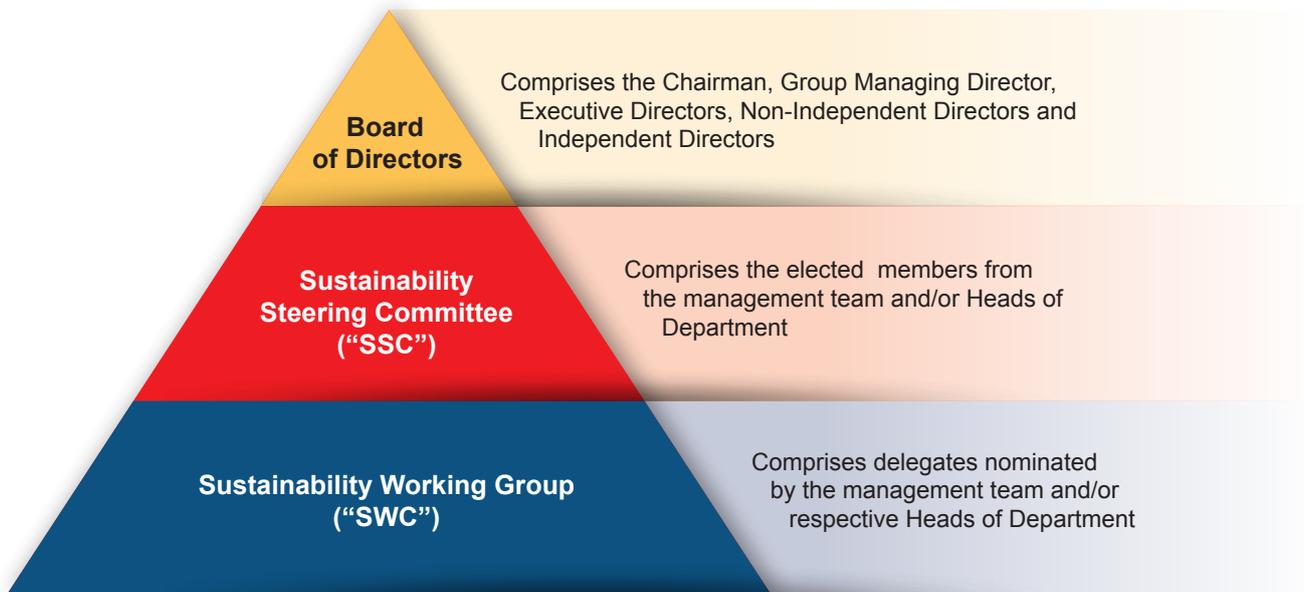
We highly appreciate and welcome feedback from our stakeholders on our Sustainability Report and the topics covered within it. We invite comments, questions and suggestions related to this Statement, which can be sent to sam@bcta.com.my. Your input is greatly appreciated.

SUSTAINABILITY STATEMENT (Cont'd)

Sustainability Governance

The Group recognizes the significance of applying sustainability in CCK operations for its long-term sustenance, subsequently generating perpetual value to its stakeholders. CCK's governance system is designed to efficiently steer and drive sustainability across every level and aspect of CCK's operations.

The following outlines the functions and responsibilities assigned to each level within our governance structure:



Board of Directors

- Provides overall direction and oversight of all sustainability initiatives;
- Approves on the Sustainability Policies and Framework; and
- Drives the Group's sustainability strategy for sustainability reporting progressively.

Sustainability Steering Committee ("SSC")

- To support the sustainability accountability of the Board of Directors; and
- Operational oversight of the implementation of sustainability initiatives, ensuring adequate resources allocated to support implementation.

Sustainability Working Group

- Responsible for carrying out action plans in their respective subdivisions by communicating to teams and orchestrate a concerted effort to reach the Group's sustainability goals;
- To facilitate stakeholders' engagement session for identification of key sustainability matters;
- To implement sustainability strategies and initiatives;
- To setup and monitor processes and controls on sustainability matters; and
- Ensure controls are maintained and updated as and when necessary.

SUSTAINABILITY STATEMENT (Cont'd)

Policies and Procedures for Governance and Oversight

As part of our commitment to fostering strong corporate governance practices, the Group upholds policies that provide a framework for corporate governance and serve as a means to instil a culture of business ethics amongst our employees. The following policies exemplify our steadfast commitment to sustainability:



The implementation of these policies reflects our unwavering commitment to fostering transparency, accountability and responsible stewardship of the environment and the communities in which we operate. We seek to uphold the highest standards of professionalism and ethical conduct.

Stakeholders Engagement

The Group often engages with our stakeholders and appreciate that our stakeholders are constitutive to CCK's foundations and accomplishments. Cooperation with our stakeholders and their insights have significantly contributed to our growth and success.

With a steadfast dedication to fostering collaboration and mutual understanding, we present a comprehensive summary of our key stakeholders, alongside their associated material sustainability matters and our ongoing engagement efforts, as outlined in the following table:

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Accurate disclosure • Future direction • Recent performance • Sustainability 	<ul style="list-style-type: none"> • Annual general meetings • Conference calls • On-site visits • Investor relations 	Annually or when required
 <p>Employees</p>	<ul style="list-style-type: none"> • Compensations & benefits • Personal development • Insurance & medical • Health and safety • Efficiency and comfort 	<ul style="list-style-type: none"> • Annual performance appraisals • Occupational health and Safety Committee meetings • Annual team-building and dinner • Regular communications and meetings • Direct whistle-blowing channels 	Regularly

SUSTAINABILITY STATEMENT (Cont'd)

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency
 Customers	<ul style="list-style-type: none"> • Quality and pricing • On-time deliveries • Halal compliance and food safety 	<ul style="list-style-type: none"> • Annual surveys and feedback • Regular communications • Complaints channel • Regular audits 	Regularly
 Suppliers	<ul style="list-style-type: none"> • Quality and pricing • On-time deliveries • Sustainable supply chain and future business dealings • Procurement management 	<ul style="list-style-type: none"> • Annual reviews and feedbacks • Regular communications • Complaints channel • On-site visits 	Ongoing or regularly
 Regulators	<ul style="list-style-type: none"> • Good and fair governance • Legal compliance 	<ul style="list-style-type: none"> • Active participation in industry associations • Meetings with Government agencies • Regular audits and Inspections 	When required
 Community	<ul style="list-style-type: none"> • Community investment involves contributing donations, both in monetary and non-monetary 	<ul style="list-style-type: none"> • Donations • Fundraising • Charity events 	Ongoing

Identifying and Addressing Material Sustainability Matters

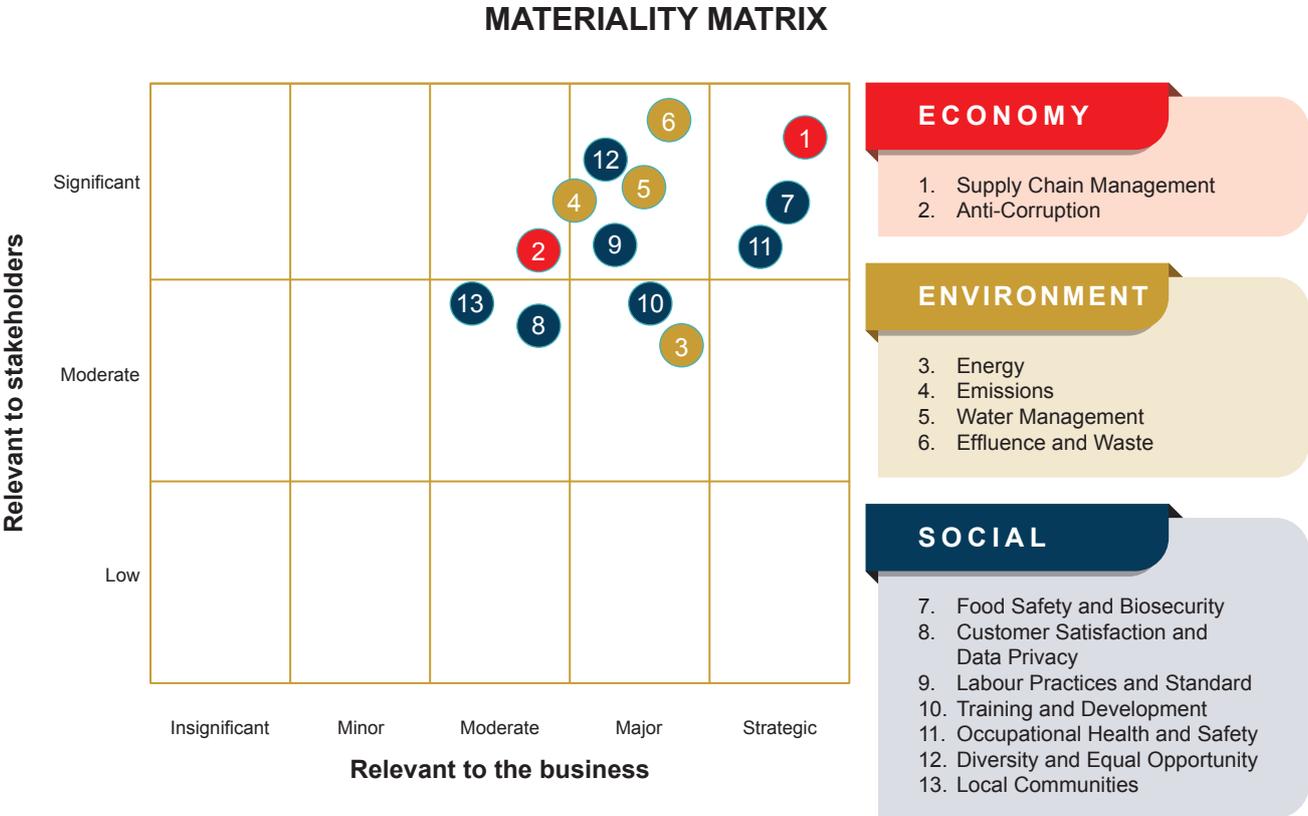
Our Group adopts a comprehensive methodology to pinpoint vital sustainability concerns. Through the consideration of both internal and external risks, as well as the viewpoints of stakeholders, our Group gains an understanding of significant sustainability matters and aligns its efforts accordingly.

To ensure a robust and systematic approach, we employed a four-step (4) process in determining the list of materiality factors for reporting. This process adhered to industry best practices and aimed to provide a clear and accurate representation of our organisation's sustainability priorities. The steps involved in this process are as follows:

- i. Determine sustainability issues;
- ii. Categorisation and prioritisation;
- iii. Review the sustainability issues against the sustainability goals; and
- iv. Monitoring of sustainability initiatives and KPI.

SUSTAINABILITY STATEMENT (Cont'd)

A total of thirteen (13) key material sustainability matters were mapped as outlined in the graph below.



Considering the Material Matters identified, CCK summarised its focus into the following:



Safety First
Workplace and operational safety, PPE research and safety protocol adherence



Caring for Employees
Welfare, Diversity, Training, Competency building and fair employment practice



Food Standards
Stringent standards on Food Safety, Biosecurity, Supply Chain and Certifications



Environmental Care
Mindful use of resources, management and reduction of pollutants



Customer Satisfaction
Products quality, Customer needs and data security



Local Community
Care, listen and impactful contribution to the local society

SUSTAINABILITY STATEMENT (Cont'd)

Risks, Opportunities and Management Approach

Through our materiality assessment process, we have identified potential sustainability risks and opportunities that hold relevance and significance for both our business and stakeholders. This step enables us to gain a better understanding of material sustainability matters and formulate proactive strategies and address these issues.

Material Topics	Risks	Opportunities	Impacted Key Stakeholders	Management Policy and Measures
Economic Performance	<ul style="list-style-type: none"> Economic conditions, market volatility and regulatory changes 	<ul style="list-style-type: none"> Growing market demand Customisation and specialisation 	<ul style="list-style-type: none"> Shareholders and Investors Customers Suppliers 	<ul style="list-style-type: none"> Adoption of a proactive management approach and alignment of business strategies with Group's vision, mission and goals
Anti-Corruption	<ul style="list-style-type: none"> Integrity risk Reputation damage 	<ul style="list-style-type: none"> Increased reputation and customers' loyalty 	<ul style="list-style-type: none"> Shareholders and Investors Regulators Employees 	<ul style="list-style-type: none"> Anti-Bribery and corruption declaration by employees on annual basis Reminders on Anti-Bribery and Anti-Corruption ("ABAC") through training and briefings
Supply Chain Management	<ul style="list-style-type: none"> Supplier reliability Quality assurance Labour shortage 	<ul style="list-style-type: none"> Building strong relationships and working closely with suppliers 	<ul style="list-style-type: none"> Suppliers Customers Shareholders and Investors 	<ul style="list-style-type: none"> Continuously assessing and addressing supply chain risks
Product Quality and Services	<ul style="list-style-type: none"> Production defects Material quality issues Equipment and machinery failure 	<ul style="list-style-type: none"> Quality certification and standards Implement process automation for improved precision and consistency 	<ul style="list-style-type: none"> Customers Suppliers Shareholders and Investors 	<ul style="list-style-type: none"> Regularly conduct risk assessments Quality control and testing Training and skill development

SUSTAINABILITY STATEMENT (Cont'd)

Material Topics	Risks	Opportunities	Impacted Key Stakeholders	Management Policy and Measures
Customers' Satisfaction	<ul style="list-style-type: none"> • Product quality issues • Pricing and cost issues • Lack of After-Sales support • Supply chain disruptions 	<ul style="list-style-type: none"> • Offer customisation options to tailor products to individual customer needs • On-time deliveries • Quality assurance 	<ul style="list-style-type: none"> • Customers • Suppliers 	<ul style="list-style-type: none"> • Implement rigorous quality control measures and standards • Encourage customer feedback • Establish an efficient after-sales support system
Energy	<ul style="list-style-type: none"> • Pollution and environmental risk 	<ul style="list-style-type: none"> • Lessen environmental impact whilst decreasing overall cost 	<ul style="list-style-type: none"> • Customers • Suppliers • Employees 	<ul style="list-style-type: none"> • Implement energy efficiency practices • Implement devices to monitor and control energy usage in real-time
Water	<ul style="list-style-type: none"> • Shortage of water supply disrupts production processes and daily use 	<ul style="list-style-type: none"> • Create opportunities for water saving technologies and management solutions 	<ul style="list-style-type: none"> • Regulators • Shareholders and investors • Employees 	<ul style="list-style-type: none"> • Continue usage of alternative water sources for daily usage such as rainwater
Waste Management	<ul style="list-style-type: none"> • Non-compliance with regulatory requirements • Pollution 	<ul style="list-style-type: none"> • Selling recyclable waste generates small revenues • Cleaner environment 	<ul style="list-style-type: none"> • Shareholders and investors • Regulators 	<ul style="list-style-type: none"> • Implementing recycling efforts • Chicken manure conversion to fertilizers
Emissions	<ul style="list-style-type: none"> • Impact of GHG emissions on the environment, climate and human health 	<ul style="list-style-type: none"> • Energy efficiency solutions • Renewable energy integration 	<ul style="list-style-type: none"> • Shareholders and investors • Employees • Suppliers 	<ul style="list-style-type: none"> • Implement emissions reduction measures • Set emissions reduction targets
Environment Compliance	<ul style="list-style-type: none"> • Pollution and environmental risk 	<ul style="list-style-type: none"> • Capable of adhering to legal regulations and avoiding penalties • Cleaner, safer and healthier environment 	<ul style="list-style-type: none"> • Shareholders and investors • Customers • Suppliers 	<ul style="list-style-type: none"> • Conduct environmental audits on annual basis

SUSTAINABILITY STATEMENT (Cont'd)

Material Topics	Risks	Opportunities	Impacted Key Stakeholders	Management Policy and Measures
Employment	<ul style="list-style-type: none"> Shortages of skilled labour Employee turnover 	<ul style="list-style-type: none"> Skilled labour development 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Robust talent management strategies Contingency plans for potential disruptions
Training & Education	<ul style="list-style-type: none"> Emerging industrial trends, evolving practices and changes in regulatory requirements may render the existing knowledge of employees outdated 	<ul style="list-style-type: none"> Continuous learning within the company that is aligned with key performance indicators (KPIs) 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Assess training requirements by conducting performance appraisals
Diversity & Equal Opportunity	<ul style="list-style-type: none"> Competency gap Instances of discriminatory practices and failure to comply with basic human rights regulations can result in reputational risks 	<ul style="list-style-type: none"> Engage with employees and uphold open communication 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Foster open communication with employees to comprehend their concerns and prioritise their well-being
Occupational Health & Safety	<ul style="list-style-type: none"> Safety and health hazards Reputational damage 	<ul style="list-style-type: none"> Taking care of overall well-being of employees by mitigating future accidents 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Quarterly meetings to identify potential hazards, develop safety policies and procedures and implement safety improvement initiatives
Local Communities	<ul style="list-style-type: none"> Possible health hazards for the local community could arise from the operations, potentially leading to the issuance of a penalty notice 	<ul style="list-style-type: none"> Establish a reputation as a leading and sustainable industrial entity 	<ul style="list-style-type: none"> Community 	<ul style="list-style-type: none"> Implement initiatives to be involved in community engagement such as donations, charity events and fundraising events

SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC

Economic Presence

CCK positions itself as one of the bigger food retailers and poultry chains in East Malaysia, with its prawn and retailing segment emerging to be its strategic core. We also have notable regional presence, particularly in the South East Asia region.

CCK has always adopted strategies with long term economic sustenance in mind. As regulatory compliance and environmental responsibilities goes together with economic sustenance, CCK credits its economic resilience to the collective effort of the group in being ever adaptive in catering market demands, environment and managing efficiency. There has been an increase in total revenue in FY2023 (RM 980.7 Million) by 10.7%, compared to FY2022 (RM 885 million). The increase in revenue is driven mainly by the retail and prawn segment.

In the retail segment, CCK observed that the growth was driven by more matured contributions from our established retail network, higher sales volumes from both the retail and wholesale channels, and strong demand for our in-house manufactured processed products in Indonesia. For the prawn segment, growth was largely due to the contribution from PT Bonanza which boosted overall segment export volumes to Japan, Taiwan, Thailand and The People's Republic of China.

We are actively identifying and seizing emerging business prospects, aiming to maintain our leadership in industry trends and leverage undiscovered possibilities. By nurturing an entrepreneurial spirit and cultivating a culture of ongoing enhancement, we are ready to adjust, evolve, and flourish. In FY2023, CCK further established 3 more CCK Fresh Mart Retail Stores to further solidify its local presence.

Anti-Corruption

The Group enforces a stringent zero-tolerance policy against bribery and corruption, instilling the utmost ethics, responsibility, and transparency in its business transactions. Employee trainings on ABAC topics are conducted on an annual basis to enhance Anti-corruption awareness among CCK employees.

There were no reported cases of bribery and corruption in FYE 2023 (FYE 2022: Nil). CCK is devoted to maintaining this record in the oncoming years, to enforce robust controls and procedures in line with Anti-Bribery and Anti-Corruption (ABAC) standards. The ABAC Policy is available on the Company's website at <http://www.cck.com.my/en/corporate-governance>.

Supply Chain Management

- **Procurement and Supplier Management**

CCK recognizes the importance of suppliers in our operations and delivery of the final products. As such, CCK has established close to full vertical integration for Poultry and Prawn to have better control on the consistencies of its value chain deliveries and to secure the economic benefits to its customers in terms of affordability.

We developed a strong working relationship with our suppliers, jointly ensuring compliance with food standards and requirements, namely: Halal, myGAP, HACCP, VHM and many more. CCK exercises careful selection and close monitoring of product supply chain to safeguard the quality consistencies, such as prioritisation of Mesti certified suppliers.

- **Local Procurement**

Whilst not compromising on the safety and quality of our products, we strive to strategically prioritise local supply chain in efforts to support the local community.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL

Energy

Energy management is a necessary consideration in CCK, as its operations have been very dependent on energy, primarily its factories, warehouses and retail stores.

In recent years, many small but progressive initiatives have been carried out such as experimenting and analysing on energy efficient practices, installation of energy monitoring devices, phasing out less energy efficient refrigerators and many more.

Water Management

CCK recognises water management as an integral factor in its business operations, notably its Poultry and Prawn farming. We applied conscious use of water and deployed rainwater collection exercise wherever practical to do so.

Waste Management

Waste Management correlates highly with CCK businesses, specifically, livestock and food products being extremely sensitive to the environment and contaminants.

The Group observes strict adherence to internal procedures regarding waste management and compliance with government regulators and relevant agencies, for instance the Department of Environment (“DOE”). Waste, effluence and emissions are monitored and tested on a weekly basis by independent, accredited laboratories. CCK is proud to report that in FYE 2023, there were no penalties imposed on the Group concerning non-compliance with waste management regulations. This achievement demonstrates our commitment to responsible waste management practices and environmental compliance.

Environment Compliance

The Group showcases its commitment to tackling environmental impacts through compliance with global standards and local laws. Our dedication revolves around reducing harm to the environment while boosting operational efficiency at every phase of our business activities.

The dust emission concentration test conducted in 2023 with testing methodologies conformed to the requirements of Department of Environment (“DOE”) showed satisfactory results below the permissible limit. Moreover, effluents released from CCK plants as operational by-products are carefully treated and tested for water quality prior to the release.

Furthermore, we abide by the Restriction of Hazardous Substances (“RoHS”) requirements. This step is pivotal in curbing the use of hazardous materials in our products, as these substances carry substantial environmental repercussions throughout a product’s lifecycle.

There were no cases of non-compliance for FYE 2022 and FYE 2023. We are targeting to achieve zero reports and penalties for FYE 2024.

SOCIAL

Product Quality and Services

CCK takes pride with retailing and supplying fresh produces that satisfy the needs of our customers. We place importance in quality consistencies, every aspect and stages of processing and storage in CCK tangibly showcase the standards of the certifications achieved.

Biosecurity, especially in Poultry and Prawn farming has always been the quintessence of our daily operations. We closely monitor our environment and people in adherence to our stringent standards, constantly reminding ourselves of our employees and our end users’ wellbeing.

SUSTAINABILITY STATEMENT (Cont'd)

In FY 2023, we introduced a new methodology and technology which notably reduce human touchpoints in our poultry processing in Kuching, furthering CCK’s biosecurity approach. Moving forward, we look to progressively expand the knowledge to our other factories. Furthermore, CCK replaced wood materials of its fittings and fixtures such as doors and invested in more blowers in our factory as additional efforts to reduce condensation, ultimately minimising contamination risks.



Customers’ Satisfaction

Customer Satisfaction and Brand Loyalty are the validation of our service delivery and product excellence. To date, CCK is proud to share that we received no substantial complaints regarding our products but instead have successfully commanded the brand loyalty of our customers, particularly for our stringent halal compliance and reasonable pricing.

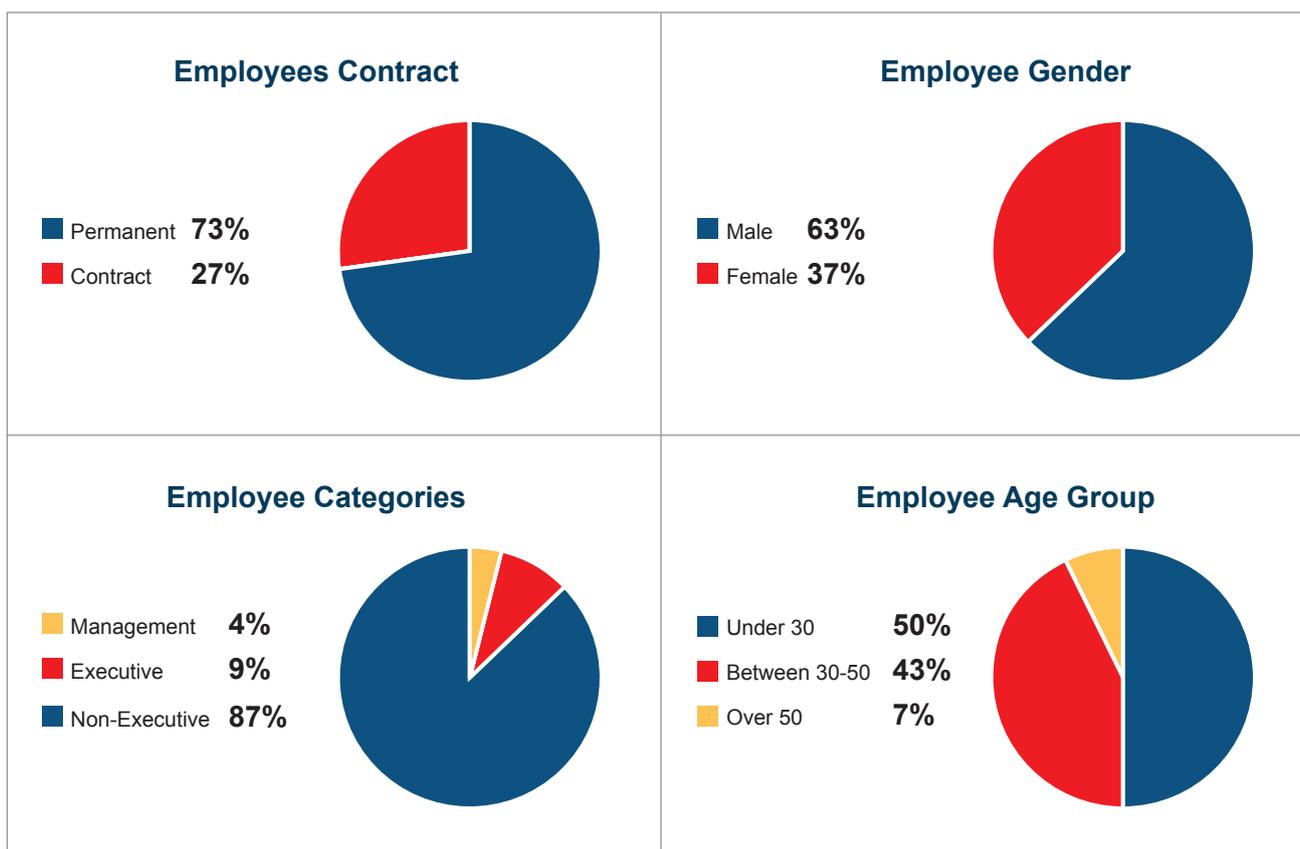
Whilst our long-standing support of local community has cemented our presence within the local community, CCK is always evolving and adapting to the market environment and its customers, being responsive to their needs.

Due to manpower limitations in FY2023, CCK did not perform an official annual customer survey. The Group would look to re-implement it moving forward.

Employment, Diversity and Equal Opportunity

CCK stands against discrimination, promoting diversity and offering equal opportunities to individuals without regards to their gender and ethnicity. Being in East Malaysia, we are blessed with ethnic diversity, which has widened our horizons to embrace differences and consider a breadth of ideas, cultural knowledge, ethnicity and people.

The following charts illustrates how diversity is managed and nurtured in the Group:



SUSTAINABILITY STATEMENT (Cont'd)

The Group observed the overall spread of employee diversity is appropriate, especially given the nature of CCK's operations. In FY2023, in view of diversity, CCK added a female Board of director.

CCK acknowledges that its operations are physically labour intensive. As observed from the employee categories, non-executive represents 87% of its workforce, as the bulk of CCK's activities being in retail / supermarket, warehouse, factories and logistics. We observed applicants for these roles are predominantly male. However with advancement of technology and general increase in female participation in the workforce, CCK is proud to facilitate and support female employees, mostly represented in the office support / administrative roles.

In-line with CCK's physical labour, ages under 30 comprise half of CCK's total workforce. For employees within the age group 30-50 (representing 43%), these comprise mainly CCK's long-serving employees. CCK is proud to highlight that the majority 73% workforce are locals (permanent employees).

Although maintaining an even distribution of diversity within the Group has been challenging, we strongly believe and recognize in both tangible and intangible benefits of diversity that has contributed to CCK's growth.

We endeavour to provide fair and competitive compensations to our employees by benchmarking against industry salary standards and employment benefits. In FY2023 we have revised our insurance package for our employees, ensuring their basic necessities are well covered and taken care of.

Training and Education

Continuous learning and knowledge are the cornerstone of our employees and CCK's progression. We strongly encourage continuous learning and career advancement opportunities, having a greater sense of fulfilment in grooming our own employees.

In FY2023, we invested approximately MYR 143,000 for their training, clocking in total hours of 22,554 hours, of which majority participating were Executive level and Non-Executive/ Technical Staff. This represents our level of commitment and investments to growing our own employees.

Occupational Health and Safety

In CCK, our employee's safety and welfare have always been essential. Hence, we instil a strong workplace safety culture guided by our Standard Operating Procedures, Health and Safety Policy. Our Occupational Health and Safety ("OSH") Department have been instrumental in conducting various safety trainings, awareness sharing and on-site inspections to enforce CCK's safety standard adherence.

The Health and Safety Committee comprising of core operations members and OSH was established to facilitate a more holistic perspective and inclusiveness. Throughout FY 2023, quarterly meetings were conducted addressing various general safety protocols and infrastructure such as fire alarm, Personal Protective Equipment (PPE) inventories, operating techniques and others. Some notable materialisation from the meetings were updates in earmuffs required specifications, new operational techniques using band saw and more targeted safety trainings arranged.

Below are some of the initiatives in place to reduce health and safety risks:

- Inculcate Health and Safety Policy;
- Personal Protective Equipment ("PPE") Research and upgrade;
- Strict Restriction and screening of access to farms;
- Workplace Noise Test performed; and
- Safer Working Methodology researched and guided (i.e. Band Saw usage techniques).

As we continuously create a safer environment, CCK recognises that safety is a collective responsibility. Throughout FYE 2023, OSH held approximately 3,600 hours of safety and awareness training, namely; Chemical Safety Awareness, Hearing Conservation and Slip and Fall prevention.

SUSTAINABILITY STATEMENT (Cont'd)

Local Communities



- **Our Contribution to Internal Communities**

As CCK strives to deliver the best value for our customers and community, we care for the people that makes this possible, our people. Every year, we hold an annual dinner, festive events gatherings and recreational programmes as gestures of our appreciation to our people and to foster a tighter bond and opportunity to allow for closer teamwork especially across departments.

- **Our Contribution to External Communities**

With a strong presence and community support in East Malaysia, CCK strongly believes in giving back to the community. Every year CCK supports and sponsors various activities mostly public sector, especially schools.

For a few years consecutively, CCK has been donating food supplies to SMK Kampung Nangka Food Bank for the whole of its school year.



Jualan Rahmah and Jualan Rahmah Bergerak are joint initiatives between CCK and the local government to sell chickens at discounted prices, allowing especially lower income households to access quality products. Throughout FY2023, we organised 15 events, all in different outlets to cater for as many locations as possible.

SUSTAINABILITY STATEMENT (Cont'd)



**PJR Parlimen
Kota Samarahan
di CCK Market
Asajaya pada
26 Ogos 2023**



Utilising mobile trucks to setup pop-up stores, Jualan Rahmah Bergerak specifically target lower income areas and less accessible areas, ensuring everybody has equal opportunities to participate and benefit from the Jualan Rahmah initiative.

SUSTAINABILITY STATEMENT (Cont'd)

On 20th May 2023, Kelab Kebajikan Kakitangan Jabatan Veterinar Sarawak, Kapitans of Sibu and CCK jointly organized an Anti-Rabies project, propagating awareness on rabies, its severity and providing free vaccination to dog owners.



In total, CCK has recorded contribution of approximately RM223,000, benefitting an estimate of 18,200 individuals. By CSR initiative, we have become more involved with the local community, further developing reciprocal trust and support, enabling CCK to better align with the value and needs of the community.

Bursa Link Sustainability Performance Report

In compliance to the Bursa LINK requirement, CCK has compiled the sustainability data across the Group and submitted via the Bursa LINK system. Table below illustrates the reporting data generated from the system.

No.	Indicator	Measurement Unit	2023
Bursa (Anti-Corruption)			
1.	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
	Senior Management	Percentage	100
	Management		24
	Executive		12
	Non-Executive Technical Staff		0
2.	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
3.	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0

SUSTAINABILITY STATEMENT (Cont'd)

No.	Indicator	Measurement Unit	2023
Bursa (Diversity)			
4.	Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
	Age Group by Employee Category		
	Senior Management Under 30	Percentage	0
	Senior Management Between 30-50		0
	Senior Management Above 50		100
	Management Under 30		0
	Management Between 30-50		52
	Management Above 50		48
	Executive Under 30		16
	Executive Between 30-50		73
	Executive Above 50		11
	Non-Executive/Technical Workers Under 30		56
	Non-Executive/Technical Workers Between 30-50		39
	Non-Executive/Technical Workers Above 50		5
	Gender Group by Employee Category		
	Senior Management Male	Percentage	92
	Senior Management Female		8
	Management Male		60
	Management Female		40
	Executive Male		39
	Executive Female		61
	Non-Executive/Technical Workers Male		65
	Non-Executive/Technical Workers Female		35
Bursa C3(b) Percentage of directors by gender and age group			
5.	Male	Percentage	95.1
	Female		4.9
	Under 30		2.4
	Between 30-50		2.4
	Above 50		95.1
Bursa (Community/Society)			
6.	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	223,064.44
7.	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	18,292
Bursa (Health and Safety)			
8.	Bursa C5(a) Number of work-related fatalities	Number	0
9.	Bursa C5(b) Lost time incident Rate ("LTIR")	Rate	10.28
10.	Bursa C5(c) Number of employees trained on health and safety standards	Number	1,540

SUSTAINABILITY STATEMENT (Cont'd)

No.	Indicator	Measurement Unit	2023
Bursa (Energy management)			
11.	Bursa C4(a) Total energy consumption	Megawatt	26,155.73
Bursa (Supply chain management)			
12.	Bursa C7(a) Proportion of spending on local suppliers	Percentage	62
Bursa (Data privacy and security)			
13.	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
14.	Senior Management	Hours	77
15.	Management		727
16.	Executive		9,090
17.	Non-executive/Technical Staff		12,662
18.	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	27
Bursa C6(c) Total number of employee turnover by employee category			
19.	Senior Management	Number	0
20.	Management		3
21.	Executive		14
22.	Non-executive/Technical Staff		594
23.	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Water)			
24.	Bursa C9(a) Total volume of water used	Megalitres	404.5

GRI Content Index

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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 2023. 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”), ensured effective and consistent adoption of risk management practices in the Group. The staff of RMD met the risk owners of the major divisional units and business units, to identify and evaluate risks concerned so as to establish risk profile of the Group. Tricor Axcelasia Sdn. Bhd. (“Tricor”) took over the role of RMD in June 2023, providing professional service and advice to RMC directly. RMD was dismissed since then.

A series of risk discussion sessions were carried out with the management by risk advisors of Tricor to identify risks faced by the Group. All identified and updated risks were individually assessed. The level of risk tolerance was expressed in the risk rating matrix, which was scaled in accordance to the likelihood of occurrence of the risk and the magnitude of impact. Once the risk level was identified within respective sectors of Retail, Poultry, Prawn, Food Services, and Support Functions, risk owners carried out mitigating actions within appropriate timeframe in accordance to the proposed action plans to manage the risks. Risk owners updated their existing risk profile on an on-going basis with regard to the progress, emerging risk, new strategies and the outcome. Significant risks of the Group for the financial year under review includes supply of chicken feed and chicken, congestion of poultry processing factory, and succession planning for heads of departments.

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

The RMC reviewed and deliberated the risk profile of the Group in the RMC meetings held three (3) times during the financial year 2023. The RMC ensured that the overall risks were adequately identified and managed within an acceptable risk appetite. Critical risks, together with its impact, mitigating actions and improved results, were presented to the Board.

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 (“IAD”). Based on an annual audit plan approved by the AC, the internal auditors performed 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 reviewed and deliberated any matters relating to internal control which were highlighted by external auditors.

Meetings and discussions of internal auditors were held with Heads of Departments and employees concerned, to identify, discuss and resolve key operational issues. Where any significant weaknesses had been identified, the internal auditors together with the management recommended 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 were also taken to assess the status of implementation thereof, and significant unresolved audit issues were escalated to the Board for deliberation.

Any cases of fraud, whether actual or suspected, are required to be reported to the Chairperson 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 IAD.

The AC reviewed audit plans and reports of the external auditors annually. The AC also assess the performance, suitability, objectivity and independence of external auditors before recommended the external auditors for re-appointment.

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 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.

Insurance

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

REVIEW OF THIS STATEMENT

The Board ensures that this Statement has been 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 18 April 2024.

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 2023.

COMPOSITION AND ATTENDANCE

The AC consists of the following four (4) members. Five (5) AC meetings were held during the financial year. Their attendance at the AC meetings are as follows:

AC Members	Attendance
Chairperson: Wong Ping Eng <i>(Independent Director)</i> <i>[Appointed on 1 June 2023]</i>	2/2
Members: Tan Sri Datuk Tiong Su Kouk <i>(Non-Independent Non-Executive Director)</i>	5/5
Ling Ting Leong @ Ling Chong Seng <i>(Independent Director)</i>	5/5
Dato Sim Kheng Boon <i>(Independent Director)</i> <i>[Appointed on 1 June 2023]</i>	2/2

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 were 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 Chairperson.

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 presented by management that may arise within the Group, including any transactions, procedures 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;
- deliberated establishment of policy and procedures presented by management to manage conflict of interest and potential conflict of interest situation;

AUDIT COMMITTEE REPORT (Cont'd)

- (d) reviewed and approved 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 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 twice with the external auditors and once with the internal auditors without the presence of the other directors and employees of the Group to review key issues;
- (g) assessed the performance, suitability, objectivity 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 and deliberated trade receivables and inter-company debts;
- (k) reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to the Board's consideration and approval; and
- (l) 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 was carried out by an independent in-house Internal Audit Department ("IAD"), its principal responsibility was 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 reported directly to the AC.

The IAD was 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. She was assisted by eleven (11) staff, nine (9) of whom possess tertiary qualifications in the field of Business Administration, Accountancy, Management (Policy and Social Environmental) and Science (Chemistry); two (2) 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 sectors of prawn, food service and retail outlets.

The internal audit reports were 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 were 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 2023 amounted to RM541,666 (compared to RM440,802 in 2022).

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 18 April 2024.

DIRECTORS' RESPONSIBILITY STATEMENT FOR PREPARING THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the requirements of the CA and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are 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 2023 and of their financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2023.

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

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

The Directors are responsible to ensure that the Group and the Company maintain accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling 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 18 April 2024.



FINANCIAL STATEMENTS

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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 2023.

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	83,355,289	15,228,352
Attributable to:-		
Owners of the Company	83,266,067	15,228,352
Non-controlling interests	89,222	-
	83,355,289	15,228,352

DIVIDENDS

The Company paid a first and final single-tier dividend of 3.50 sen per ordinary share amounting to RM21,747,201 in respect of the financial year ended 31 December 2022 on 20 June 2023. The dividend was approved by the shareholders at the Annual General Meeting held on 29 May 2023.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 4.25 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2024.

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) the Company increased its issued and paid-up share capital from RM158,968,786 to RM158,968,930 by way of:-
 - (i) issuance of 160 new ordinary shares from the exercise of warrants 2018/2023 at the exercise price of RM0.90 per warrant as disclosed in Note 19 to the financial statements which amounted to RM144.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

DIRECTORS' REPORT (Cont'd)

TREASURY SHARES

As at 31 December 2023, 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.

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.

DIRECTORS' REPORT (Cont'd)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

The names of directors 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 (resigned on 31 May 2023)
 Datu Haji Putit Bin Matzen (retired on 29 May 2023)
 Bong Wei Leong (resigned on 31 May 2023)
 Dato Sim Kheng Boon (Appointed on 1 June 2023)
 Wong Ping Eng (Appointed on 1 June 2023)

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 (resigned on 13 March 2024)
 Chong Min Fui
 Chong Pio
 Chong Su Khiun
 Ethan Tiong Ing Hung
 Joseph Tang Chiod Sui
 Goh Sung Hien @ Goh Soon Hien
 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

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 1.1.2023	Bought	Sold	At 31.12.2023
The Company				
<i>Direct Interests</i>				
Tan Sri Datuk Tiong Su Kouk	34,671,288	-	(3,800,000)	30,871,288
Tiong Chiong Hiiung	1,699,624	-	-	1,699,624
Tiong Chiong Soon	1,515,360	-	-	1,515,360
Lau Liong Kii	14,740,752	928,000	-	15,668,752
Ling Ting Leong @ Ling Chong Seng	521,428	-	-	521,428
Kueh Chung Peng	11,420,664	560,000	(2,500,000)	9,480,664
<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	3,100,000	-	7,407,400
Tiong Chiong Soon	241,596,156	-	-	241,596,156
Lau Liong Kii	41,301,852	356,500	(900,000)	40,758,352
Ling Ting Leong @ Ling Chong Seng	3,311,988	-	-	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 the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37(b) to the financial statements.

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

DIRECTORS' 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	225,840	357,600
Salaries, bonuses and other benefits	3,479,888	90,000
Defined contribution benefits	298,547	-
	4,004,275	447,600

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 RM599,742 and RM89,000 respectively.

Signed in accordance with a resolution of the directors dated 18 April 2024.

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 58 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 2023 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 18 April 2024.

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 58 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 Sibu
in the State of Sarawak
on this 18 April 2024.

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 2023 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, comprising material accounting policy information and other explanatory information, as set out on pages 58 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 2023, 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 27 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
The retail segment contributed 76% of the Group's revenue as of the financial year ended 31 December 2023. 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.	<p>Our procedures included, amongst others: -</p> <p>(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.</p> <p>(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.</p> <p>(c) Examining and reviewing year end cut-off to ensure revenue are accounted for in the appropriate period.</p>

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 2023, the Group's biological assets carried a fair value in the aggregate of RM21.4 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 assumptions 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> <p>(a) Evaluating the valuation methodology and the appropriateness of key assumptions used by management.</p> <p>(b) Evaluating the adequacy of the disclosures in the financial statements, including disclosures of key assumptions and judgements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

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.
- 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.

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

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: 18 April 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	86,903,839	81,003,839
Investment in an associate	6	33,423,527	28,644,487	19,930,171	19,930,171
Property, plant and equipment	7	216,209,565	200,835,836	8,216,198	8,375,195
Investment properties	8	9,508,407	10,746,955	-	-
Intangible assets	9	3,657,571	3,754,512	-	-
Goodwill	10	380,224	380,224	-	-
Deferred tax assets	11	1,778,698	2,551,996	-	-
		<u>264,957,992</u>	<u>246,914,010</u>	<u>115,050,208</u>	<u>109,309,205</u>
CURRENT ASSETS					
Inventories	12	92,570,021	106,054,584	-	-
Biological assets	13	21,355,163	16,652,296	-	-
Trade receivables	14	48,939,944	48,727,960	-	-
Short-term investment	15	5,781,971	8,044,790	5,781,971	8,044,790
Other receivables, deposits and prepayments	16	17,657,821	13,384,272	908,285	724,987
Amount owing by subsidiaries	17	-	-	86,717,532	93,100,445
Current tax assets		397,952	2,513,433	-	-
Deposits with licensed banks	18	20,077,918	6,457,419	-	-
Cash and bank balances		104,507,295	56,595,113	831,582	626,326
		<u>311,288,085</u>	<u>258,429,867</u>	<u>94,239,370</u>	<u>102,496,548</u>
TOTAL ASSETS		<u>576,246,077</u>	<u>505,343,877</u>	<u>209,289,578</u>	<u>211,805,753</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	158,968,930	158,968,786	158,968,930	158,968,786
Treasury shares	20	(5,452,652)	(5,452,652)	(5,452,652)	(5,452,652)
Reserves	21	277,459,853	208,254,641	42,579,312	49,098,161
Equity attributable to owners of the Company		<u>430,976,131</u>	<u>361,770,775</u>	<u>196,095,590</u>	<u>202,614,295</u>
Non-controlling interests		583,347	479,949	-	-
TOTAL EQUITY		<u>431,559,478</u>	<u>362,250,724</u>	<u>196,095,590</u>	<u>202,614,295</u>

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

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT LIABILITIES					
Bank borrowings	22	5,450,845	6,285,530	-	-
Lease liabilities	23	13,557,927	13,510,311	-	-
Deferred tax liabilities	11	9,600,885	8,085,195	1,342,492	1,475,141
		<u>28,609,657</u>	<u>27,881,036</u>	<u>1,342,492</u>	<u>1,475,141</u>
CURRENT LIABILITIES					
Trade payables	24	34,854,444	41,267,307	-	-
Other payables, deposits and accruals	25	23,006,150	19,592,204	747,049	538,635
Amount owing to subsidiaries	17	-	-	11,104,447	7,177,682
Bank borrowings:-	22				
- bank overdrafts		4,258,686	6,016,378	-	-
- other borrowings		40,040,625	36,085,028	-	-
Lease liabilities	23	3,851,827	3,407,367	-	-
Provision for employee benefits	26	1,592,964	1,226,648	-	-
Current tax liabilities		8,472,246	7,617,185	-	-
		<u>116,076,942</u>	<u>115,212,117</u>	<u>11,851,496</u>	<u>7,716,317</u>
TOTAL LIABILITIES		<u>144,686,599</u>	<u>143,093,153</u>	<u>13,193,988</u>	<u>9,191,458</u>
TOTAL EQUITY AND LIABILITIES		<u>576,246,077</u>	<u>505,343,877</u>	<u>209,289,578</u>	<u>211,805,753</u>

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 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	27	980,749,590	885,745,261	17,217,000	35,464,164
COST OF SALES		(782,689,284)	(724,745,235)	-	-
GROSS PROFIT		198,060,306	161,000,026	17,217,000	35,464,164
OTHER INCOME		30,528,395	32,737,937	907,275	622,986
SELLING AND DISTRIBUTION EXPENSES		(23,905,025)	(22,763,631)	-	-
ADMINISTRATIVE EXPENSES		(30,853,595)	(29,664,887)	(1,959,031)	(1,779,068)
OTHER OPERATING EXPENSES		(68,910,469)	(62,016,628)	(100,000)	(6,444,262)
FINANCE COSTS		(2,655,069)	(2,445,369)	-	(195,051)
NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS	28	397,417	2,622	(969,541)	-
SHARE OF PROFITS OF AN EQUITY ACCOUNTED ASSOCIATE		4,779,040	4,521,456	-	-
PROFIT BEFORE TAXATION	29	107,441,000	81,371,526	15,095,703	27,668,769
INCOME TAX EXPENSE	30	(24,085,711)	(18,246,205)	132,649	(89,968)
PROFIT AFTER TAXATION		83,355,289	63,125,321	15,228,352	27,578,801
OTHER COMPREHENSIVE INCOME	31				
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>					
Remeasurement of defined benefits plan		(19,127)	39,094	-	-
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		7,719,649	(4,722,126)	-	-
TOTAL OTHER COMPREHENSIVE INCOME		7,700,522	(4,683,032)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		91,055,811	58,442,289	15,228,352	27,578,801

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 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		83,266,067	63,106,230	15,228,352	27,578,801
Non-controlling interests		89,222	19,091	-	-
		<u>83,355,289</u>	<u>63,125,321</u>	<u>15,228,352</u>	<u>27,578,801</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:-					
Owners of the Company		91,041,635	58,439,422	15,228,352	27,578,801
Non-controlling interests		14,176	2,867	-	-
		<u>91,055,811</u>	<u>58,442,289</u>	<u>15,228,352</u>	<u>27,578,801</u>
EARNINGS PER SHARE (SEN):-					
	32				
Basic		13.35	10.12		
Diluted		13.35	10.12		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share Capital RM	Treasury Shares RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
The Group								
Balance at 1.1.2022		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:-	31	-	-	-	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 distribution to owners of the Company:-		-	(3,020,203)	-	-	(3,020,203)	-	(3,020,203)
- Purchase of treasury shares		-	-	-	(7,805,317)	(7,805,317)	-	(7,805,317)
- Dividends:-		-	-	-	-	-	-	-
- by the Company	33	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries:-		-	-	-	-	-	384,968	384,968
- Acquisition of a subsidiary		-	-	-	-	-	-	-
Total transactions with owners		-	(3,020,203)	-	(7,805,317)	(10,825,520)	384,968	(10,440,552)
Balance 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 2023

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 31.12.2022/1.1.2023		158,968,786	(5,452,652)	(8,138,999)	216,393,640	361,770,775	479,949	362,250,724
Profit after taxation for the financial year		-	-	-	83,266,067	83,266,067	89,222	83,355,289
Other comprehensive income for the financial year:-	31	-	-	-	(19,127)	(19,127)	-	(19,127)
- Remeasurement of defined benefit plans		-	-	-	-	-	-	-
- Foreign currency translation differences		-	-	7,705,473	-	7,705,473	14,176	7,719,649
Total comprehensive income for the financial year		-	-	7,705,473	83,246,940	90,952,413	103,398	91,055,811
Contributions by and distributions to owners of the Company:-		144	-	-	-	144	-	144
- issuance of shares	19							
- Dividends:-								
- by the Company	33				(21,747,201)	(21,747,201)	-	(21,747,201)
Total transactions with owners		144	-	-	(21,747,201)	(21,747,057)	-	(21,747,057)
Balance as at 31.12.2023		158,968,930	(5,452,652)	(433,526)	277,893,379	430,976,131	583,347	431,559,478

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 2023

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 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:-		-	(3,020,203)	-	(3,020,203)
- Dividends	33	-	-	(7,805,317)	(7,805,317)
		-	-	(7,805,317)	(10,825,520)
Balance at 31.12.2022/1.1.2023		158,968,786	(5,452,652)	49,098,161	202,614,295
Profit after taxation/Total comprehensive income for the financial year		-	-	15,228,352	15,228,352
Contributions by and distributions to owners of the Company:-		-	-	-	-
- Issuance of shares	19	144	-	-	144
- Dividends	33	-	-	(21,747,201)	(21,747,201)
		144	-	(21,747,201)	(21,747,057)
Balance at 31.12.2023		158,968,930	(5,452,652)	42,579,312	196,095,590

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit before taxation	107,441,000	81,371,526	15,095,703	27,668,769
Adjustments for:-				
Allowance for impairment losses on receivables	169,685	398,010	-	-
Impairment losses on receivables no longer required	(567,102)	(400,632)	-	-
Allowance for stock obsolescence	1,469	11,679	-	-
Amortisation of intangible assets	301,642	410,650	-	-
Bad debts written off	187,615	305,308	-	-
Changes in fair value of biological assets	(5,468,834)	(3,092,442)	-	-
Depreciation of investment properties	817,994	842,316	-	-
Depreciation of property, plant and equipment	25,904,519	24,808,490	160,847	160,924
Allowance for impairment losses on amount owing by subsidiary	-	-	969,541	-
Impairment loss on investment in a subsidiary	-	-	100,000	6,444,262
Dividend income	-	-	(16,851,000)	(35,098,164)
Gain on disposal of property, plant and equipment	(37,722)	(449,074)	-	-
Gain on disposal of investment properties	(1,379,446)	(5,979,315)	-	-
Gain on bargain purchase	-	(4,498,651)	-	-
Interest expense	2,655,069	2,445,369	-	195,051
Interest income	(592,283)	(352,928)	(525,511)	(465,677)
Property, plant and equipment written off	38,016	260,542	-	-
Provision for employee benefits	334,342	(55,461)	-	-
Share of profits of an equity accounted associate	(4,779,040)	(4,521,456)	-	-
Fair value gain on short-term investment	(201,493)	(42,449)	(201,493)	(42,449)
Unrealised loss/(gain) on foreign exchange	1,376	(1,681)	-	-
Operating profit/(loss) before working capital changes	124,826,807	91,459,801	(1,251,913)	(1,137,284)
Decrease/(increase) in inventories	15,442,719	(41,143,709)	-	-
Increase in trade and other receivables	(3,856,706)	(12,452,462)	(183,298)	(292,212)
(Decrease)/increase in trade and other payables	(4,089,355)	10,307,262	208,414	(6,936,721)
Employee benefits paid	(70,110)	(66,555)	-	-
CASH FROM/(FOR) OPERATIONS/ BALANCE CARRIED FORWARD	132,253,355	48,104,337	(1,226,797)	(8,366,217)

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

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
BALANCE BROUGHT FORWARD		132,253,355	48,104,337	(1,226,797)	(8,366,217)
Income tax paid		(21,752,085)	(15,137,642)	-	-
Income tax refunded		2,795,058	116,528	-	-
Interest paid		(2,655,069)	(2,445,369)	-	(195,051)
Interest received		592,283	352,928	525,511	465,677
NET CASH FROM/(FOR) OPERATING ACTIVITIES		111,233,542	30,990,782	(701,286)	(8,095,591)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	34	-	(21,372,709)	-	-
Proceeds from disposal of short-term investment		13,500,000	-	13,500,000	-
Purchase of short-term investment		(11,035,688)	(8,002,341)	(11,035,688)	(8,002,341)
Drawdown from subsidiaries		-	-	(586,628)	(8,320,664)
Dividend received		-	-	16,851,000	35,098,164
Dividend received from an associate		-	11,098,164	-	-
Proceeds from issuance of ordinary shares		144	-	-	-
Proceeds from disposal of property, plant and equipment		174,405	1,421,144	-	-
Proceeds from disposal of investment properties		1,800,000	18,000,000	-	-
Proceeds from disposal of biological assets		765,967	-	-	-
Purchase of property, plant and equipment	35(a)	(33,670,214)	(19,210,099)	(1,850)	(9,247)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(28,465,386)	(18,065,841)	18,726,834	18,765,912
BALANCE CARRIED FORWARD		82,768,156	12,924,941	18,025,548	10,670,321

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

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
BALANCE BROUGHT FORWARD		82,768,156	12,924,941	18,025,548	10,670,321
CASH FLOWS FOR FINANCING ACTIVITIES					
Increase in amount					
owing to subsidiaries	35(b)	-	-	3,926,765	5,886,600
Dividend paid:-					
- by the Company	33	(21,747,201)	(7,805,317)	(21,747,201)	(7,805,317)
Purchase of treasury shares		-	(3,020,203)	-	(3,020,203)
Drawdown of bankers' acceptance	35(b)	3,930,448	9,456,249	-	-
Proceeds from issuance of share		-	-	144	-
Repayment of lease liabilities	35(d)	(2,839,142)	(2,655,145)	-	-
Repayment of revolving credit	35(b)	-	(6,000,000)	-	(6,000,000)
Repayment of term loans	35(b)	(809,536)	(823,533)	-	-
NET CASH FOR FINANCING ACTIVITIES		(21,465,431)	(10,847,949)	(17,820,292)	(10,938,920)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		61,302,725	2,076,992	205,256	(268,599)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		1,987,648	(2,246,442)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		57,036,154	57,205,604	626,326	894,925
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(c)	120,326,527	57,036,154	831,582	626,326

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

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

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

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

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

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 and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, 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 and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendment to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have 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
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
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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 and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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 and the Company anticipate 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (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.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company 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 of the Group as at the reporting date is RM 8,472,246 (2022 – RM 7,617,185).

(f) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses or unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount deferred tax assets as at the reporting date is disclosed in Note 11 to the financial statements.

(g) 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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (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 the accounting policies of the Group and of the Company 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 and the Company 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 Group and the Company are remote

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the 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 Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any and accounted for using the equity method in the consolidated financial statements.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment, are initially measured at cost.

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

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

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 until such time when the asset is available for use.

4.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rate are:-

Leasehold land	59 – 78 years
Buildings	1.69% - 10%

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use Assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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
		2023	2022	
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 of buildings
CCK Sea Products Industries 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 of 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%	Investment and letting of properties
<i>Subsidiary of Ableway Sdn. Bhd.:-</i>				
Angkutan Golden Plan Sdn. Bhd.	Malaysia	100%	100%	Provision of transportation services

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
		2023	2022	
<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
<i>Subsidiary of Poultry Industry (S) Sdn. Bhd.:-</i>				
Farm Land Supplies & Veterinary Services Sdn. Bhd.	Malaysia	100%	100%	Providing veterinary supplies and related services
<i>Subsidiaries of Pt. Adilmart:-</i>				
Pt. Central Coldstorage Khatulistiwa [^]	Indonesia	90%	90%	Dormant
Pt. Bonanza Pratama Abadi [^]	Indonesia	99%	99%	Processing, freezing and export of prawns

[^] *These subsidiaries were audited by other firms of Chartered accountants.*

[#] *The auditors' report on the financial statements of the subsidiary includes 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) In the previous financial year, the Group has acquired 99% equity interests in Pt. Bonanza Pratama Abadi. The details of the acquisition are disclosed in Note 34 to the financial statements.
- (b) During the current 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 RM100,000 (2022 – RM6,444,262), 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective Equity Interest		The Group	
	2023	2022	2023 RM	2022 RM
Pt. Central Coldstorage Khatulistiwa	10.0%	10.0%	92,114	92,114
Pt. Bonanza Pramata Abadi	1.0%	1.0%	491,233	387,835
			<u>583,347</u>	<u>479,949</u>

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 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	13,493,356	8,714,316	-	-
	<u>33,423,527</u>	<u>28,644,487</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
		2023	2022	
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 the feedmill business thus enhancing the Group's profitability.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

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

	Gold Coin Sarawak Sdn. Bhd.	
	2023	2022
	RM	RM
<u>At 31 December</u>		
Non-current assets	10,488,000	11,573,000
Current assets	153,991,000	195,893,000
Non-current liabilities	(228,000)	(780,000)
Current liabilities	(54,364,000)	(114,369,000)
Net assets	<u>109,887,000</u>	<u>92,317,000</u>
<u>Financial Year Ended 31 December</u>		
Revenue	334,488,000	473,592,000
Profit for the financial year	17,570,000	16,623,000
Total comprehensive income	<u>17,570,000</u>	<u>16,623,000</u>
Group's share of profit for the financial year	4,779,040	4,521,456
Dividend received	-	11,098,164
	<u>4,779,040</u>	<u>15,623,620</u>
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	29,889,244	25,110,204
Goodwill	3,534,283	3,534,283
Carrying amount of the Group's interest in this associate	<u>33,423,527</u>	<u>28,644,487</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At	Additions	Disposals	Reclassification	Write-offs	Reassessment/ Modification of Lease Liabilities	Depreciation Charges	Exchange Differences	At
	1.1.2023								RM
<i>Carrying Amount</i>									
<u>Owned assets</u>									
Freehold land	1,436,000	-	-	-	-	-	-	-	1,436,000
Buildings	52,864,687	3,793,784	-	2,937,873	-	-	(5,201,036)	1,372,516	55,767,824
Furniture, fitting and equipment	8,531,987	1,919,415	(18,847)	61,573	(27,275)	-	(2,224,768)	110,930	8,353,015
Coldroom, plant and machinery	47,716,256	11,203,542	(2,052)	2,489,684	(10,741)	-	(11,537,504)	1,607,097	51,466,282
Motor vehicles	3,081,879	3,580,835	-	91,950	-	-	(1,471,110)	57,021	5,340,575
Renovation	5,652,750	2,288,229	-	69,859	-	-	(1,521,716)	-	6,489,122
Electrical installation	627,140	225,104	-	-	-	-	(86,035)	-	766,209
Capital work in progress	8,198,947	8,444,211	-	(5,700,868)	-	-	-	7,055	10,949,345
	128,109,646	31,455,120	(20,899)	(49,929)	(38,016)	-	(22,042,169)	3,154,619	140,568,372
<u>Right-of-use assets</u>									
Leasehold land	56,998,637	2,215,094	(115,784)	-	-	-	(557,300)	1,346,825	59,887,472
Buildings	15,727,553	2,044,431	-	-	-	1,286,787	(3,305,050)	-	15,753,721
	72,726,190	4,259,525	(115,784)	-	-	1,286,787	(3,862,350)	1,346,825	75,641,193
	200,835,836	35,714,645	(136,683)	(49,929)	(38,016)	1,286,787	(25,904,519)	4,501,444	216,209,565

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

The Group	At 1.1.2022 RM	Acquisition of a subsidiary (Note 34) 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
<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)	200,635,836

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2023				
<u>Owned assets</u>				
Freehold land	1,630,091	-	(194,091)	1,436,000
Buildings	119,522,684	(63,754,860)	-	55,767,824
Furniture, fittings and equipment	36,618,094	(28,265,079)	-	8,353,015
Coldroom, plant and machinery	187,615,368	(136,149,086)	-	51,466,282
Motor vehicles	25,711,386	(20,370,811)	-	5,340,575
Renovation	23,351,118	(16,861,996)	-	6,489,122
Electrical installation	1,014,779	(248,570)	-	766,209
Capital work-in-progress	10,949,345	-	-	10,949,345
	<u>406,412,865</u>	<u>(265,650,402)</u>	<u>(194,091)</u>	<u>140,568,372</u>
<u>Right-of-use assets</u>				
Leasehold land	70,683,863	(10,309,396)	(486,995)	59,887,472
Buildings	29,585,780	(13,832,059)	-	15,753,721
Coldroom, plant and machinery	107,258	(107,258)	-	-
	<u>100,376,901</u>	<u>(24,248,713)</u>	<u>(486,995)</u>	<u>75,641,193</u>
	<u>506,789,766</u>	<u>(289,899,115)</u>	<u>(681,086)</u>	<u>216,209,565</u>
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>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

	At 1.1.2023 RM	Additions RM	Depreciation Charges RM	At 31.12.2023 RM
The Company				
2023				
<u>Owned assets</u>				
Equipment	17,867	1,850	(4,135)	15,582
Renovation	3,739	-	(712)	3,027
	<u>21,606</u>	<u>1,850</u>	<u>(4,847)</u>	<u>18,609</u>
<u>Right-of-use assets</u>				
Leasehold land	8,353,589	-	(156,000)	8,197,589
	<u>8,375,195</u>	<u>1,850</u>	<u>(160,847)</u>	<u>8,216,198</u>
	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	At 31.12.2022 RM
The Company				
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>
		At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company				
2023				
<u>Owned assets</u>				
Equipment		77,410	(61,828)	15,582
Renovation		7,127	(4,100)	3,027
		<u>84,537</u>	<u>(65,928)</u>	<u>18,609</u>
<u>Right-of-use assets</u>				
Leasehold land		9,401,979	(1,204,390)	8,197,589
		<u>9,486,516</u>	<u>(1,270,318)</u>	<u>8,216,198</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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
	82,687	(61,081)	21,606
<u>Right-of-use assets</u>			
Leasehold land	9,401,979	(1,048,390)	8,353,589
	9,484,666	(1,109,471)	8,375,195

- (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 22 to the financial statements is as follows:-

	The Group	
	2023 RM	2022 RM
Leasehold land	9,426,663	9,663,021
Buildings	10,586,120	11,518,330
	20,012,783	21,181,351

- (b) Included in the assets of the Group were freehold lands with a total carrying amount of RM936,000 (2022 – 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 lease periods ranging from 14 to 906 years. Certain leasehold lands are 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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)

iii) 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 RM19,820 (2022 – RM 44,720).

8. INVESTMENT PROPERTIES

	The Group	
	2023 RM	2022 RM
Cost:-		
At 1 January	12,424,089	17,691,414
Disposal	(548,200)	(12,773,302)
Transferred from property, plant and equipment	-	7,505,977
At 31 December	11,875,889	12,424,089
Accumulated depreciation:-		
At 1 January	1,677,134	1,587,435
Disposal	(127,646)	(752,617)
Depreciation during the financial year	817,994	842,316
At 31 December	2,367,482	1,677,134
	9,508,407	10,746,955
Fair value	12,276,000	13,476,000
Represented by:-		
Leasehold land	2,928,984	3,249,573
Buildings	6,579,423	7,497,382
At 31 December	9,508,407	10,746,955

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INVESTMENT PROPERTIES (CONT'D)

(a) The undiscounted operating lease payments receivable are as follows:-

	The Group	
	2023 RM	2022 RM
Within one year	18,000	18,000
Between 1 and 2 years	13,200	13,200
Between 2 and 3 years	26,400	39,600
	57,600	70,800

(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 22 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.

9. INTANGIBLE ASSETS

The Group	At 1.1.2023 RM	Exchange Difference RM	Amortisation Charge RM	At 31.12.2023 RM
2023				
<i>Carrying Amount</i>				
Land rights	3,754,512	204,701	(301,642)	3,657,571

The Group	At 1.1.2022 RM	Acquisition of a subsidiary (Note 34) RM	Amortisation Charge RM	At 31.12.2022 RM
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
2023			
Land rights	4,165,162	(507,591)	3,657,571
2022			
Land rights	4,165,162	(410,650)	3,754,512

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. GOODWILL

	The Group	
	2023 RM	2022 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

	2023 RM	2022 RM
The Group		
At 1 January	5,533,199	6,588,444
Acquisition of a subsidiary (Note 34)	-	592,455
Recognised in profit or loss (Note 30)	2,290,439	(1,629,772)
Recognised in other comprehensive income	(5,394)	10,772
Exchange differences	3,943	(28,700)
At 31 December	7,822,187	5,533,199

The deferrred tax is attributable to the followings:-

	2023 RM	2022 RM
The Group		
Property, plant and equipment	9,438,109	10,344,028
Fair value gain on biological assets	682,490	-
Inventory	(121,716)	(66,922)
Lease liabilities	(2,234)	-
Provision for employee benefits	(350,449)	(477,621)
Receivables	2,488,544	(54,175)
Unused tax losses and unabsorbed capital allowance	(4,312,557)	(4,212,111)
	7,822,187	5,533,199

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. DEFERRED TAX (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2023 RM	2022 RM
Unused tax losses		
- expires in year of assessment 2028	5,713,222	5,726,185
- expires in year of assessment 2029	326,004	326,004
- expires in year of assessment 2030	315,791	315,791
- expires in year of assessment 2031	283,232	283,232
- expires in year of assessment 2032	74,493	74,493
- expires in year of assessment 2033	163,072	-
Unabsorbed capital allowance	3,252,480	2,993,347
Other deductible temporary differences	1,375,033	1,438,767
	<u>11,503,327</u>	<u>11,157,819</u>
Deferred tax assets @ 24%, if recognised	<u>2,760,799</u>	<u>2,677,877</u>

	2023 RM	2022 RM
The Company		
At 1 January	1,475,141	1,385,173
Recognised in profit or loss (Note 30)	(132,649)	89,968
At 31 December	<u>1,342,492</u>	<u>1,475,141</u>

The deferred tax is attributable to the followings:-

	2023 RM	2022 RM
The Company		
Property, plant and equipment	1,501,935	1,532,052
Unused tax losses	(159,126)	(56,783)
Unabsorbed capital allowance	(317)	(128)
	<u>1,342,492</u>	<u>1,475,141</u>

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Analysed as:				
Deferred tax liabilities	9,600,885	8,085,195	1,342,492	1,475,141
Deferred tax assets	(1,778,698)	(2,551,996)	-	-
	<u>7,822,187</u>	<u>5,533,199</u>	<u>1,342,492</u>	<u>1,475,141</u>

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed agriculture/capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. INVENTORIES

	The Group	
	2023 RM	2022 RM
At cost:-		
Trading goods	82,093,266	94,962,942
Raw materials	3,058,165	3,213,242
Consumable stores	7,974,306	8,431,989
	<u>93,125,737</u>	<u>106,608,173</u>
Less: Allowance for obsolescence and impairment losses of inventories	(555,716)	(553,589)
	<u>92,570,021</u>	<u>106,054,584</u>

13. BIOLOGICAL ASSETS

The Group	Balance as beginning RM	Arising from cost of inputs RM	Decrease due to sale/ depopulation/ livestock losses	Fair value gain in profit or loss RM	Balance at end RM
2023					
<i>At fair value less costs to sell</i>					
Broiler breeders	9,294,158	23,221,636	(23,221,636)	2,863,060	12,157,218
Broilers	2,008,451	30,479,414	(30,479,414)	623,863	2,632,314
Hatching eggs	1,104,537	2,905,892	(2,905,892)	660,320	1,764,857
Prawns	765,967	-	(765,967)	-	-
Layers	3,479,183	37,491,514	(37,491,514)	1,321,591	4,800,774
	<u>16,652,296</u>	<u>94,098,456</u>	<u>(94,864,423)</u>	<u>5,468,834</u>	<u>21,355,163</u>
2022					
<i>At fair value less costs to sell</i>					
Broiler breeders	8,389,055	24,181,112	(24,181,112)	905,103	9,294,158
Broilers	1,349,632	25,002,829	(25,002,829)	658,819	2,008,451
Hatching eggs	1,253,662	3,015,663	(3,015,663)	(149,125)	1,104,537
Prawns	-	953,897	-	(187,930)	765,967
Layers	1,613,608	37,770,847	(37,770,847)	1,865,575	3,479,183
	<u>12,605,957</u>	<u>90,924,348</u>	<u>(89,970,451)</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 2023

13. BIOLOGICAL ASSETS (CONT'D)

- (a) In measuring the fair value of biological assets, management estimates and judgements are required, which include the following:-
- (i) estimated selling price of table eggs, day-old chicks, broilers and spent hen;
 - (ii) estimated number of day-old chicks produced by each layer breeder and broiler breeder and table eggs to be produced by layers;
 - (iii) estimated hatchability rate of the hatching eggs 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 points of sales;
 - (v) Discount rate of 11.97% (2022: 15.39%)
- (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 chicks 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.
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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
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 points 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 points 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 chicks less estimated hatching costs and overheads incurred to the points 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 chicks at the points 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 chicks at the points 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 the prawns' mortality rate.	<ul style="list-style-type: none"> Estimated selling price of the prawns at the points of sale. Estimated feed costs and other variable costs expected to incur up to the points 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 points 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 2023

13. BIOLOGICAL ASSETS (CONT'D)

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

	The Group	
	2023 RM	2022 RM
Breeders		
Estimated selling price of day-old chicks (parent stock)(per bird)	14.00 - 17.00	12.35 - 14.79
Estimated selling price of day-old chicks (broiler)(per bird)	1.40	1.20
Estimated feed costs and other overheads (per bird)	10.26 - 11.97	10.33 - 10.88
	<hr/>	<hr/>
Broilers		
Estimated selling price of broilers at the points of sale (per KG)	6.81 - 7.15	7.00 - 7.05
	<hr/>	<hr/>
Hatching eggs		
Estimated selling price of day-old chicks at the points of sale (per bird)	1.80 - 2.10	1.87 - 2.10
	<hr/>	<hr/>
Prawns		
Estimated selling price of prawns at the points of sale (per KG)	-	35.28
Estimated feed costs and other overheads (per KG)	-	11.24
	<hr/>	<hr/>
Layers		
Estimated selling price of egg (per piece)	0.40	0.39
Estimated feed costs and other overheads (per bird)	12.70	11.99
	<hr/>	<hr/>

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

	The Group	
	Increase/(decrease) in fair value of biological assets	
	2023 RM	2022 RM
Breeders		
Estimated selling price of day-old chicks (broiler)(per bird)		
- increase by 10%	1,339,498	1,030,682
- decrease by 10%	(1,339,498)	(1,030,682)
Estimated selling price of day-old chicks (parent)(per bird)		
- increase by 10%	24,000	18,000
- decrease by 10%	(24,000)	(18,000)
Estimated feed costs and other overheads (per bird)		
- increase by 10%	(148,000)	(120,000)
- decrease by 10%	148,000	120,000
	<hr/>	<hr/>
Broilers		
Estimated selling price of broilers at the points of sale (per KG)		
- increase by 10%	262,812	200,293
- decrease by 10%	(262,812)	(200,293)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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)

The Group

	Increase/(decrease) in fair value of biological assets	
	2023 RM	2022 RM
Hatching eggs		
Estimated selling price of day-old chicks at the points of sale (per bird)		
- increase by 10%	177,118	110,456
- decrease by 10%	(177,118)	(110,456)
	<u> </u>	<u> </u>
Prawns		
Estimated selling price of prawns at the points of sale (per KG)		
- increase by 10%	-	76,718
- decrease by 10%	-	(76,718)
	<u> </u>	<u> </u>
Layers		
Estimated selling price of egg (per piece)		
- increase by 10%	480,077	347,918
- decrease by 10%	(480,077)	(347,918)
	<u> </u>	<u> </u>

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	
	2023 RM	2022 RM
Trade receivables:-		
- third parties	49,133,688	49,863,556
- related parties	1,060,763	1,535,617
	<u> </u>	<u> </u>
	50,194,451	51,399,173
Less: Allowance for impairment losses	(1,254,507)	(2,671,213)
	<u> </u>	<u> </u>
	48,939,944	48,727,960
	<u> </u>	<u> </u>
Allowance for impairment losses:-		
At 1 January	2,671,213	2,634,079
Exchange differences	9,575	(7,780)
Addition during the financial year	169,685	280,963
Reversal during the financial year	(492,414)	(236,049)
Write-off during the financial year	(1,103,552)	-
	<u> </u>	<u> </u>
At 31 December	1,254,507	2,671,213
	<u> </u>	<u> </u>

The Group's normal trade credit terms range from 30 to 90 (2022 – 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. SHORT-TERM INVESTMENT

	The Group/The Company	
	2023	2022
	RM	RM
Money market fund, at fair value	5,781,971	8,044,790

The money market fund represents investment in highly liquid money market instruments and deposits with a 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 the money market funds is determined by reference to statements provided by the respective financial institution, with which the investments were entered into.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables:-				
- third parties	3,102,768	5,553,316	622,295	615,901
- related parties	3,729,971	163,779	4,400	3,100
- goods and services tax recoverable	10,246	20,358	-	-
	<u>6,842,985</u>	<u>5,737,453</u>	<u>626,695</u>	<u>619,001</u>
Deposits	3,530,589	2,933,806	-	-
Prepayments	7,681,667	5,161,723	281,590	105,986
Less: Allowance for impairment losses	(397,420)	(448,710)	-	-
	<u>17,657,821</u>	<u>13,384,272</u>	<u>908,285</u>	<u>724,987</u>
Allowance for impairment losses:-				
At 1 January	448,710	30,765	-	-
Exchange in foreign exchange	23,398	(165)	-	-
Acquisition of a subsidiary	-	465,646	-	-
Addition during the financial year	-	117,047	-	-
Reversal during the financial year	(74,688)	(164,583)	-	-
At 31 December	<u>397,420</u>	<u>448,710</u>	<u>-</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2023 RM	2022 RM
Amount Owing by Subsidiaries		
<u>Current</u>		
Non-trade balances	87,687,073	93,100,445
Allowance for impairment losses	(969,541)	-
	<u>86,717,532</u>	<u>93,100,445</u>
Allowance for impairment losses:-		
At 1 January	-	-
Addition during the financial year	969,541	-
	<u>969,541</u>	<u>-</u>
At 31 December		
	<u>969,541</u>	<u>-</u>
Amount Owing to Subsidiaries		
<u>Current</u>		
Non-trade balances	(11,104,447)	(7,177,682)
	<u>(11,104,447)</u>	<u>(7,177,682)</u>

Included in the amount owing by subsidiaries is a sum of RM11,873,000 (2022 – RM12,573,000), which is unsecured advances granted to subsidiary. The advances carry interest at rate ranging from 4.97% to 5.49% (2022 – 4.31% 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.

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 2.80% (2022 – 0.03% to 2.55%) per annum.

19. SHARE CAPITAL

	The Group/The Company			
	2023 Number of Shares	2022 Number of Shares	2023 RM	2022 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	630,718,800	630,718,800	158,968,786	158,968,786
New shares issued under exercise of warrants 2018/2023	160	-	144	-
	<u>630,718,960</u>	<u>630,718,800</u>	<u>158,968,930</u>	<u>158,968,786</u>
At 31 December				
	<u>630,718,960</u>	<u>630,718,800</u>	<u>158,968,930</u>	<u>158,968,786</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. SHARE CAPITAL (CONT'D)

- (a) 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.
- (b) During the financial year, the Company issued 160 new ordinary shares from the exercise of warrants 2018/2023 at the exercise price of RM0.90 per warrant which amounted to RM144.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

During the financial year, the Company has purchased Nil (2022 – 5,296,100) of its issued ordinary shares from the open market at an average price of RM Nil (2022 – RM0.57) per share. The total consideration paid for the purchase was Nil (2022 – RM3,020,203) 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 630,718,960 (2022 - 630,718,800) issued and fully paid-up ordinary shares at the end of the reporting period, 9,370,200 (2022 - 9,370,200) ordinary shares are held as treasury shares by the Company.

21. RESERVES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Foreign exchange translation reserve	(433,526)	(8,138,999)	-	-
Retained profits	277,893,379	216,393,640	42,579,312	49,098,161
	<u>277,459,853</u>	<u>208,254,641</u>	<u>42,579,312</u>	<u>49,098,161</u>

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.

22. BANK BORROWINGS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Long-term borrowings:-				
- term loans, secured	5,450,845	6,285,530	-	-
Short-term borrowings:-				
- bank overdrafts, secured	4,258,686	6,016,378	-	-
- bankers' acceptance, secured	25,149,952	22,241,504	-	-
- bankers' acceptance, unsecured	14,022,000	13,000,000	-	-
- term loans, secured	868,673	843,524	-	-
	<u>44,299,311</u>	<u>42,101,406</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>49,750,156</u>	<u>48,386,936</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. BANK BORROWINGS (CONT'D)

The bank borrowings of the Group are secured by:-

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

The Group has complied with the financial covenants.

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 3.80% to 4.74% (2022 – 2.93% to 5.35%) per annum.

The bank overdrafts of the Group at the end of the reporting period bore effective interest rates ranging from 3.85% to 8.75% (2022 – 3.60% to 7.57%) per annum.

The term loans of the Group at the end of the reporting period bore effective interest at rate ranging from 4.55% to 5.20% (2022 – 4.30% to 4.84%) per annum.

23. LEASE LIABILITIES

	The Group	
	2023 RM	2022 RM
At 1 January	16,917,678	19,002,926
Additions	2,044,431	1,219,600
Changes due to reassessment of lease term	-	(649,703)
Changes due to lease modification	1,286,787	-
Interest expense recognised in profit or loss	814,375	821,467
Repayment principal	(2,839,142)	(2,655,145)
Repayment of interest expense	(814,375)	(821,467)
At 31 December	<u>17,409,754</u>	<u>16,917,678</u>
Analysed by:-		
Current liabilities	3,851,827	3,407,367
Non-current liabilities	13,557,927	13,510,311
	<u>17,409,754</u>	<u>16,917,678</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. TRADE PAYABLES

	The Group	
	2023 RM	2022 RM
Trade payables:-		
- third parties	24,379,722	27,521,243
- related parties	10,474,722	13,746,064
	<u>34,854,444</u>	<u>41,267,307</u>

The normal trade credit terms granted to the Group range from 60 to 90 (2022 – 60 to 90) days.

25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables:-				
- third parties	2,408,168	2,094,697	200,284	169
Deposits	2,459,394	2,328,541	-	-
Accruals	18,138,588	15,168,966	546,765	538,466
	<u>23,006,150</u>	<u>19,592,204</u>	<u>747,049</u>	<u>538,635</u>

26. PROVISION FOR EMPLOYEE BENEFITS

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

	The Group	
	2023 RM	2022 RM
Defined benefit plans	<u>1,592,964</u>	<u>1,226,648</u>

The Group provides benefits for its employees who has reached the retirement age of 55 based on the provisions of Perppu No. 2/2022 on Job Creation which was later passed into Law No. 6 in 2023. The employee benefits liability 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 Aktuarial Praptasentosa Gunajasa, a member of Institute of Actuaries Indonesia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. 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	
	2023	2022
	RM	RM
At 1 January	1,226,648	856,540
Recognised in Profit or Loss		
- current service cost	243,124	174,845
- past service cost	40,159	449
- interest cost	80,920	85,333
- gain on settlement	(29,862)	(22,735)
- adjustment due to change in benefit attribution period	-	(293,353)
	334,341	(55,461)
Recognised in Other Comprehensive Income		
Remeasurement of defined benefit plans:-		
- effect of changes in financial assumptions	15,324	11,603
- effect of experience adjustment	9,198	(48,487)
- adjustment due to change in benefit attribution period	-	(12,982)
	24,522	(49,866)
Other		
Exchange differences	77,563	(11,158)
Utilisation during the financial year	(70,110)	(66,555)
Acquisition of a subsidiary	-	553,148
	<u>1,592,964</u>	<u>1,226,648</u>
At 31 December	<u>1,592,964</u>	<u>1,226,648</u>

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

	The Group	
	2023	2022
	RM	RM
Discount rate	7%	7%
Salary growth rate	10%	10%
Normal retirement age	55	55
	<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 2023

26. 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	
	2023 RM	2022 RM
Discount rate		
Increase of 1%	(36,720)	(46,553)
Decrease of 1%	42,224	51,880
Salary growth rate		
Increase of 1%	38,110	46,917
Decrease of 1%	(33,973)	(43,115)

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 2023, the weighted-average duration of the defined benefit plans was 19.76 years (2022 – 18.86) years.

27. REVENUE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Cages rental income	12,440	8,555	-	-
Dividend income	-	-	16,851,000	35,098,164
Management fee	-	-	366,000	366,000
Trading sales	980,333,750	885,374,956	-	-
Transportation income	403,400	361,750	-	-
	<u>980,749,590</u>	<u>885,745,261</u>	<u>17,217,000</u>	<u>35,464,164</u>
Revenue from Other Sources				
Interest income	<u>592,283</u>	<u>352,928</u>	<u>489,823</u>	<u>463,786</u>

- (a) The information on the disaggregation of revenue is disclosed in Note 38 to the financial statements.
- (b) The information about the performance obligations in contracts with customers is summarised below:

Sale of Good (Credit sales)

Revenue from sale of goods is recognised when the Company 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 bear the risk of obsolescence and loss in relation to the goods.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. REVENUE (CONT'D)

- (b) The information about the performance obligations in contracts with customers is summarised below:
(cont'd)

Sale of Good (Credit sales) (cont'd)

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.

The credit period is ranging from 30 days to 90 days from the invoice date. There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

There is no warranty provided to the customers on the sale of goods.

Sales of Goods (Cash sales)

Revenue from sale of goods is recognised when the Company 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 transactions is the due immediately at the point the customer purchases the goods and takes delivery in outlet.

There is no significant financing component in the selling price as the sales are made on a cash term.

Transportation services

Revenue is recognised when service has been rendered as this represents the point in time which the right to consideration becomes unconditional, as only passage of time is required before the payment is due.

The credit period is 90 days from the invoice date. There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

There is no warranty provided to the customers on the services rendered.

- (c) The information of the revenue from other source is summarised below:-

Interest income

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

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment losses for the financial year				
- trade receivables (Note 14)	169,685	280,963	-	-
- other receivables (Note 16)	-	117,047	-	-
- amount owing by subsidiaries (Note 17)	-	-	969,541	-
Reversal of impairment losses for the financial year				
- trade receivables (Note 14)	(492,414)	(236,049)	-	-
- other receivables (Note 16)	(74,688)	(164,583)	-	-
	<u>(397,417)</u>	<u>(2,622)</u>	<u>969,541</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditor's remuneration:-				
- current financial year	599,742	506,510	89,000	88,000
Amortisation of intangible assets	301,642	410,650	-	-
Bad debts written off	187,615	305,308	-	-
Depreciation of investment properties	817,994	842,316	-	-
Depreciation of property, plant and equipment	25,904,519	24,808,490	160,847	160,924
Management fee	17,701	12,600	-	-
Allowance for impairment losses on amount owing by subsidiary	-	-	969,541	-
Impairment loss on investment in a subsidiary	-	-	100,000	6,444,262
Allowance for stock obsolescence	1,469	11,679	-	-
Allowance for impairment losses on receivables	169,685	398,010	-	-
Impairment losses on receivables no longer required	(567,102)	(400,632)	-	-
Directors' remuneration (Note 36)	4,976,582	3,664,605	447,600	346,400
Dividend income:-				
- subsidiaries	-	-	(16,851,000)	(24,000,000)
- associates	-	-	-	(11,098,164)
Changes in fair value of biological assets	(5,468,834)	(3,092,442)	-	-
Gain on disposal of property, plant and equipment	(37,722)	(449,074)	-	-
Gain on disposal of investment properties	(1,379,446)	(5,979,315)	-	-
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	36,642	140,137	-	-
- bankers' acceptance	1,420,472	965,743	-	-
- lease liabilities	814,375	821,467	-	-
- revolving credit	-	195,051	-	195,051
- term loans	304,413	282,138	-	-
- other interest	79,167	40,833	-	-
Interest income				
- subsidiaries	-	-	(483,429)	(459,584)
- short-term investment	(35,688)	(1,891)	(35,688)	(1,891)
- others	(556,595)	(351,037)	(6,394)	(4,202)
Gain on bargain purchase	-	(4,498,651)	-	-
(Gain)/loss on foreign exchange:-				
- realised	(711,568)	(575,337)	-	-
- unrealised	1,376	(1,681)	-	-
Fair value gain:-				
- short-term investment	(201,493)	(42,449)	(201,493)	(42,449)
Hiring of plant and equipment	-	3,600	-	-
Lease expenses:-				
- short-term leases	14,400	14,400	-	-
- low value assets	4,993	4,993	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Lease income:-				
- rental income from investment properties	(197,242)	(512,400)	-	-
- sublease of right-of-use assets	(19,820)	(44,720)	-	-
Management fee	-	-	(366,000)	(366,000)
Property, plant and equipment written off	38,016	260,542	-	-
Rental income on:-				
- property, plant and equipment	(448,420)	(275,246)	-	-
Rental expense on:-				
- office	52,517	52,517	-	-
- retail stores	2,479,412	2,378,508	-	-
- warehouse	3,600	3,600	-	-
- ponds	-	419,069	-	-
- workers' rooms	78,680	75,840	-	-
- equipment	266,068	249,014	-	-
Share of profits in an equity accounted associate	(4,779,040)	(4,521,456)	-	-
Staff cost:-				
- short-term employee benefits	77,263,779	65,976,872	528,128	465,342
- defined contribution plan	5,392,695	5,164,510	63,921	57,821

30. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:-				
- Malaysian tax	11,368,291	9,166,491	-	-
- Foreign tax	10,399,559	9,727,631	-	-
	21,767,850	18,894,122	-	-
Overprovision in previous financial year:-				
- Malaysian tax	(26,578)	(559,445)	-	-
Real property gain tax	54,000	1,541,300	-	-
Deferred tax (Note 11):-				
- origination and reversal of temporary differences	2,623,448	(1,876,361)	(152,008)	20,138
- (Over)/underprovision in previous financial years	(333,009)	246,589	19,359	69,830
	2,290,439	(1,629,772)	(132,649)	89,968
	24,085,711	18,246,205	(132,649)	89,968

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation	107,441,000	81,371,526	15,095,703	27,668,769
Tax at statutory tax rate of 24%	25,785,839	19,529,166	3,622,969	6,640,505
Tax effects of:-				
Deferred tax recognised at different tax rates	(912,649)	(300,098)	-	-
Non-taxable income	(5,338,065)	(10,977,237)	(4,132,581)	(8,462,787)
Non-deductible expenses	5,034,153	9,013,175	357,604	1,842,420
Deferred tax assets not recognised during the financial year	82,922	(101,369)	-	-
(Over)/underprovision in the previous financial year:-				
- current tax	(26,578)	(559,445)	-	-
- deferred tax	(333,009)	246,589	19,359	69,830
Real property gain tax	54,000	1,541,300	-	-
Others	(260,902)	(145,876)	-	-
Income tax expense for the financial year	24,085,711	18,246,205	(132,649)	89,968

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 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.

31. OTHER COMPREHENSIVE INCOME

	The Group	
	2023 RM	2022 RM
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>		
Remeasurement of defined benefit plans	(19,127)	39,094
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>		
Foreign exchange translation:-		
- changes during the financial year	7,719,649	(4,722,126)
	7,700,522	(4,683,032)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue after adjusting for treasury shares during the financial year.

	The Group	
	2023 RM	2022 RM
Profit after taxation attributable to the owners of the Company (RM)	83,266,067	63,106,230
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 January	630,718,800	630,718,800
Warrant 2018/2023 exercise	160	-
Effect of treasury shares held	(7,204,804)	(7,204,804)
Weighted average number of shares at 31 December	623,514,156	623,513,996
Basic earnings per share (sen)	13.35	10.12

(b) Diluted Earnings Per Share

The exercise of warrants was anti-dilutive as its exercise price was higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of warrants had been ignored in the calculation of dilutive earnings per shares.

33. DIVIDENDS

	2023		2022	
	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 2022:-				
- final single tier dividend, on ordinary shares	3.50	21,747,201	-	-
Dividend paid in respect of the financial year ended 31 December 2021:-				
- final single tier dividend, on ordinary shares	-	-	1.25	7,805,317
	3.50	21,747,201	1.25	7,805,317

At the forthcoming Annual General Meeting, a final dividend of 4.25 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. ACQUISITION OF A SUBSIDIARY

In the previous financial period, 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 asset acquired	38,496,798
Less: Non-controlling interests, measured at the non-controlling interest 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	<u>21,372,709</u>

- (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 during the current financial period.

35. CASH FLOW INFORMATION

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost of property, plant and equipment purchased (Note 7)	35,714,645	20,429,699	1,850	9,247
Less: additions of new lease liabilities (Note (c) below)	(2,044,431)	(1,219,600)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>33,670,214</u>	<u>19,210,099</u>	<u>1,850</u>	<u>9,247</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. CASH FLOW INFORMATION (CONT'D)

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

The Group	Bankers' Acceptance RM	Lease Liabilities RM	Term Loans RM	Total RM
2023				
At 1 January 2023	35,241,504	16,917,678	7,129,054	59,288,236
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	3,930,448	-	-	3,930,448
Repayment of principal	-	(2,839,142)	(809,536)	(3,648,678)
	3,930,448	(2,839,142)	(809,536)	281,770
<u>Non-cash Changes</u>				
Acquisition of new leases (Note 23)	-	2,044,431	-	-
Reassessments/Modifications of leases (Note 23)	-	1,286,787	-	-
	-	3,331,218	-	-
	<u>39,171,952</u>	<u>17,409,754</u>	<u>6,319,518</u>	<u>59,570,006</u>
At 31 December 2023				

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. CASH FLOW INFORMATION (CONT'D)

(b) 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
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 23)	-	1,219,600	-	-	1,219,600
Reassessments/Modifications of leases (Note 23)	-	(649,703)	-	-	(649,703)
	-	569,897	-	-	569,897
At 31 December 2022	35,241,504	16,917,678	-	7,129,054	59,288,236

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. CASH FLOW INFORMATION (CONT'D)

(b) 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
2023			
At 1 January 2023	7,177,682	-	7,177,682
<u>Changes in Financing Cash Flows</u>			
Increase in amount owing to subsidiaries	3,926,765	-	3,926,765
Repayment of borrowing principal	-	-	-
	3,926,765	-	3,926,765
At 31 December 2023	<u>11,104,447</u>	<u>-</u>	<u>11,104,447</u>
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>			
Repayment 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>

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	104,507,295	56,595,113	831,582	626,326
Deposits with licensed banks	20,077,918	6,457,419	-	-
Bank overdrafts	(4,258,686)	(6,016,378)	-	-
	<u>120,326,527</u>	<u>57,036,154</u>	<u>831,582</u>	<u>626,326</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest paid on lease liabilities	814,375	821,467	-	-
Payment of lease liabilities	2,839,142	2,655,145	-	-
Payment of short-term leases	14,400	14,400	-	-
Payment of leases of low-value assets	4,993	4,993	-	-
	<u>3,672,910</u>	<u>3,496,005</u>	<u>-</u>	<u>-</u>

36. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

(a) Directors

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:-				
- fees	75,180	69,180	66,900	60,900
- salaries, bonuses and other benefits	3,231,488	2,157,945	-	-
	<u>3,306,668</u>	<u>2,227,125</u>	<u>66,900</u>	<u>60,900</u>
Defined contribution plan	298,547	204,848	-	-
	<u>3,605,215</u>	<u>2,431,973</u>	<u>66,900</u>	<u>60,900</u>
<i>Non-executive Directors</i>				
Short-term employee benefits:-				
- fees	399,060	303,860	290,700	285,500
- other benefits	-	-	90,000	-
	<u>399,060</u>	<u>303,860</u>	<u>380,700</u>	<u>285,500</u>
	<u>4,004,275</u>	<u>2,735,833</u>	<u>447,600</u>	<u>346,400</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:- (Cont'd)

(a) Directors (Cont'd)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits:-				
- fees	2,040	2,040	-	-
- salaries, bonuses and other benefits	897,630	858,362	-	-
	899,670	860,402	-	-
Defined contribution plan	72,637	68,370	-	-
	<u>972,307</u>	<u>928,772</u>	<u>-</u>	<u>-</u>
Total directors' remuneration (Note 29)	<u>4,976,582</u>	<u>3,664,605</u>	<u>447,600</u>	<u>346,400</u>

37. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(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	
	2023 RM	2022 RM	2023 RM	2022 RM
Subsidiaries:-				
- accounting fee	-	-	24,000	24,000
- advisory fee income	-	-	(53,400)	(53,400)
- dividend income	-	-	(16,851,000)	(24,000,000)
- purchase on goods	-	-	10,827	9,193
- interest income	-	-	(483,429)	(459,584)
- management income	-	-	(366,000)	(366,000)
- service income	-	-	(67,370)	(51,411)
- sundry income	-	-	-	(1,049)
Associate:-				
- dividend income	-	-	-	(11,098,164)
- purchase of products	145,376,658	144,476,428	-	-
- freight charges	1,287,770	1,515,758	-	-
- sales	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (Cont'd)

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:- (Cont'd)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
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	5,139,458	241,766	-	-
- sale of products	(3,983,735)	(307,500)	-	-
- rental	1,348,227	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.

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director, as the chief operating decision maker, in order to allocate resources to the segments and to assess their performances 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 and poultry products.
 - Prawn Segment – involved in the rearing and production of prawns 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, poultry products and fresh produce.
 - Corporate Segment – involved in the provision of management services.
- (a) The Group Managing Director assesses the performances 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's assets are measured based on all assets (including goodwill) of the segments other than investments in associates and tax-related assets.
- (c) Each reportable segment's liabilities are measured based on all liabilities of the segments 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 2023

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2023	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Revenue						
External revenue	111,213,530	93,502,736	24,073,689	751,959,635	-	980,749,590
Inter-segment revenue	225,377,793	16,364,457	660	106,460,391	17,217,000	365,420,301
	<u>336,591,323</u>	<u>109,867,193</u>	<u>24,074,349</u>	<u>858,420,026</u>	<u>17,217,000</u>	<u>1,346,169,891</u>
Consolidation adjustments						<u>(365,420,301)</u>
Consolidated revenue						<u>980,749,590</u>
Results						
Segment profit before interest and taxation	24,539,228	9,492,369	2,982,786	71,400,109	(3,097,463)	105,317,029
Finance costs						(2,655,069)
Share of results in an associate						<u>4,779,040</u>
Consolidated profit before taxation						<u>107,441,000</u>
Segment profit before interest and taxation includes the followings:-						
Interest expense	551,561	45,130	-	1,052,536	191,467	1,840,694
Interest income	(2,768)	(154,357)	(7,342)	(385,734)	(42,082)	(592,283)
Interest expense on lease liabilities	3,151	12,609	-	798,615	-	814,375
Depreciation of investment properties	-	-	-	817,994	-	817,994
Depreciation of property, plant and equipment	5,596,586	1,104,332	119,427	19,053,146	31,028	25,904,519
Other material non-cash items	7,403	280,560	(31,667)	897,693	969,541	2,123,530
Share of results in an associate	-	-	-	-	4,779,040	<u>4,779,040</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2023	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	Group RM
Assets						
Segment assets	121,854,625	66,688,094	14,224,073	321,736,402	15,762,482	540,265,676
Unallocated assets:-						
- investment in an associate						33,423,527
- goodwill						380,224
- deferred tax assets						1,778,698
- current tax assets						397,952
Consolidated total assets						<u>576,246,077</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	<u>15,726,306</u>	<u>761,280</u>	<u>275,444</u>	<u>18,949,765</u>	<u>1,850</u>	<u>35,714,645</u>
Liabilities						
Segment liabilities	31,548,057	9,772,875	1,621,935	61,859,324	4,849,522	109,651,713
Unallocated liabilities:-						
- deferred tax liabilities						9,600,885
- lease liabilities						17,409,754
- current tax liabilities						8,472,246
- consolidated adjustments						(447,999)
Consolidated total liabilities						<u>144,686,599</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

38. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

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
	<u>327,619,266</u>	<u>80,306,076</u>	<u>22,477,084</u>	<u>813,726,701</u>	<u>24,366,000</u>	<u>1,268,495,127</u>
Consolidation adjustments						(382,749,866)
Consolidated revenue						<u>885,745,261</u>
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						<u>81,371,526</u>
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 2023

38. 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	4,643,817	852,216	43,381	14,506,906	383,379	20,429,699
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 2023

38. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

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

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

Group	Revenue		Non-current Assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Australia	-	1,138,164	-	-
Indonesia	197,857,777	192,159,789	52,573,490	51,640,527
Hong Kong	1,193,596	429,118	-	-
Japan	55,911,140	32,551,521	-	-
Korea	3,093,880	2,146,153	-	-
People's Republic of China	4,042,379	-	-	-
Thailand	4,334,547	-	-	-
Malaysia	708,963,538	651,602,524	210,605,804	192,721,487
Taiwan	5,052,213	5,717,992	-	-
Vietnam	300,520	-	-	-
	<u>980,749,590</u>	<u>885,745,261</u>	<u>263,179,294</u>	<u>244,362,014</u>

MAJOR CUSTOMERS

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

39. CAPITAL COMMITMENTS

	The Group	
	2023 RM	2022 RM
Purchase of property, plant and equipment	<u>4,309,706</u>	<u>9,067,772</u>

40. CONTINGENT LIABILITIES

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

	The Group	
	2023 RM	2022 RM
Performance guarantee extended by a subsidiary to third parties	<u>7,538,840</u>	<u>5,632,743</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company 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 overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

41.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are 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"), Japanese Yen ("JPY") 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 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 Exposur

The Group	Indonesian Rupiah RM	Hong Kong Dollar RM	Japan Yen RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2023						
Financial Assets						
Trade receivables	7,266,878	-	-	456,751	41,216,315	48,939,944
Short-term investment	-	-	-	-	5,781,971	5,781,971
Other receivables and deposits	654,147	-	-	-	9,311,761	9,965,908
Deposits with licensed banks	-	-	-	-	20,077,918	20,077,918
Cash and bank balances	55,918,248	306	14,103	651,457	47,923,181	104,507,295
	63,839,273	306	14,103	1,108,208	124,311,146	189,273,036

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Indonesian Rupiah RM	Hong Kong Dollar RM	Japan Yen RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2023						
<u>Financial Liabilities</u>						
Trade payables	8,070,531	-	-	-	26,783,913	34,854,444
Other payables, deposits and accruals	5,057,528	-	-	90,337	17,858,285	23,006,150
Bank borrowings:-						
- bank overdrafts	3,762,190	-	-	-	496,496	4,258,686
- other borrowings	-	-	-	-	45,491,470	45,491,470
Lease liabilities	-	-	-	-	17,409,754	17,409,754
	16,890,249	-	-	90,337	108,039,918	125,020,504
Net financial assets	46,949,024	306	14,103	1,017,871	16,271,228	64,252,532
Less: Net financial assets denominated in the respective entities' functional currencies	(46,949,024)	-	-	-	(16,271,228)	(63,220,252)
Currency exposure	-	306	14,103	1,017,871	-	1,032,280

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
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	(10,481,188)	-	7,598,216	(2,882,972)
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 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2023	2022
	RM	RM
Effects on Profit after Taxation		
USD/RM – strengthened by 10%	- 77,000	- 77,000
– weakened by 10%	+ 77,000	+ 77,000
JPY/RM – strengthened by 10%	- 1,000	-
– weakened by 10%	+ 1,000	-
Effects on Equity		
IDR/RM – strengthened by 10%	+ 3,460,000	+ 797,000
– weakened by 10%	- 3,460,000	- 797,000
USD/RM – strengthened by 10%	- 77,000	- 77,000
– weakened by 10%	+ 77,000	+ 77,000
JPY/RM – strengthened by 10%	- 1,000	-
– weakened by 10%	+ 1,000	-

(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 exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group and the Company adopts a policy of obtaining the most favourable interest rates available.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The 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 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2023	2022
	RM	RM
Effects on Profit after Taxation		
Increase of 25 basis points	- 20,000	- 25,000
Decrease of 25 basis points	+ 20,000	+ 25,000
Effects on Equity		
Increase of 25 basis points	- 20,000	- 25,000
Decrease of 25 basis points	+ 20,000	+ 25,000

(iii) Equity Price Risk

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

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures 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 and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group and the Company do 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 RM44,232,183 (2022: RM36,334,332), 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group and the Company evaluate 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 the fact that 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.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables

The Group applies the simplified approach to measure 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 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 using linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

For some of the subsidiaries, the historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rate.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

Allowance for Impairment Losses

The Group	Gross amount RM	Lifetime Collective Allowance RM	Carrying Amount RM
2023			
Current (not past due)	34,183,720	(21,812)	34,161,908
1 to 30 days past due	9,575,216	(11,895)	9,563,321
31 to 60 days past due	3,166,557	(3,209)	3,163,348
61 to 90 days past due	1,468,483	(64,864)	1,403,619
More than 90 days past due	936,251	(581,640)	354,611
	<hr/>	<hr/>	<hr/>
	49,330,227	(683,420)	48,646,807
Credit impaired	864,224	(571,087)	293,137
	<hr/>	<hr/>	<hr/>
	50,194,451	(1,254,507)	48,939,944
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
	49,637,216	(1,103,008)	48,534,208
Credit impaired	1,761,957	(1,568,205)	193,752
	<hr/>	<hr/>	<hr/>
	51,399,173	(2,671,213)	48,727,960
	<hr/>	<hr/>	<hr/>

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.

Under this approach, loss allowance is measured on either 12-month expected credit losses 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).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

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

The Group	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2023			
Low credit risk	9,965,908	-	9,965,908
Credit impaired	397,420	(397,420)	-
	<u>10,363,328</u>	<u>(397,420)</u>	<u>9,965,908</u>
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>

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

Amount owing by Subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount owing by Subsidiaries (Cont'd)

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. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

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

	Gross amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2023			
Low credit risk	86,717,532	-	86,717,532
Credit impaired	969,541	(969,541)	-
	<u>87,687,073</u>	<u>(969,541)</u>	<u>86,717,532</u>
2022			
Low credit risk	<u>93,100,445</u>	-	<u>93,100,445</u>

The movements in the loss allowances are disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantees Contract

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

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 and the Company 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 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2023							
Trade and other payables							
- non-interest bearing	-	57,860,594	57,860,594	57,860,594	-	-	-
Borrowings:-							
- bank overdraft	3.85 - 8.75	4,258,686	4,258,686	4,258,686	-	-	-
- bankers' acceptance	3.80 - 4.74	39,171,952	39,171,952	39,171,952	-	-	-
- term loans	4.55 - 5.20	6,319,518	6,681,800	1,116,686	1,183,266	3,992,616	389,232
Lease liabilities	4.20 - 6.45	17,409,754	19,585,798	3,683,578	6,104,210	9,073,810	724,200
		<u>125,020,504</u>	<u>127,558,830</u>	<u>106,091,496</u>	<u>7,287,476</u>	<u>13,066,426</u>	<u>1,113,432</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	Over 5 Years RM
2022							
Trade and other payables	-	60,859,511	60,859,511	60,859,511	-	-	-
- non-interest bearing							
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 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM
2023						
Trade and other payables	-	747,049	747,049	747,049	-	-
- non-interest bearing	-	11,104,447	11,104,447	11,104,447	-	-
Amount owing to subsidiaries	-	-	44,232,183	44,232,183	-	-
Financial guarantee contract *		11,851,496	56,083,679	56,083,679	-	-
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	-	-

* 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 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 CAPITAL RISK MANAGEMENT

The Group and the Company manages their 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 and the Company 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 and the Company manage their 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 and the Company include 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 and the Company at the end of the reporting period are as follows:-

	The Group	
	2023	2022
	RM	RM
Bank borrowings:-		
- bank overdrafts	4,258,686	6,016,378
- lease liabilities	17,409,754	16,917,678
- other borrowings	45,491,470	42,370,558
	<u>67,159,910</u>	<u>65,304,614</u>
Less: Deposits with licensed banks	(20,077,918)	(6,457,419)
Less: Cash and bank balances	(104,507,295)	(56,595,113)
	<u>(57,425,303)</u>	<u>2,252,082</u>
Net debt		
	<u>(57,425,303)</u>	<u>2,252,082</u>
Total equity	<u>431,559,478</u>	<u>362,250,724</u>
Debt-to-equity ratio	*	0.01

* Not applicable as the Company's cash and cash equivalents exceed its borrowings.

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

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial Assets				
<u>Fair value through profit or loss</u>				
Short-term investment	5,781,971	8,044,790	5,781,971	8,044,790
<u>Amortised Cost</u>				
Trade receivables	48,939,944	48,727,960	-	-
Other receivables and deposits	9,965,908	8,202,191	626,695	619,001
Amount owing by subsidiaries	-	-	86,717,532	93,100,445
Deposits with licensed banks	20,077,918	6,457,419	-	-
Cash and bank balances	104,507,295	56,595,113	831,582	626,326
	<u>189,273,036</u>	<u>128,027,473</u>	<u>93,957,780</u>	<u>102,390,562</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables	34,854,444	41,267,307	-	-
Other payables, deposits and accruals	23,006,150	19,592,204	747,049	538,635
Amount owing to subsidiaries	-	-	11,104,447	7,177,682
Bank borrowings:-				
- bank overdrafts	4,258,686	6,016,378	-	-
- other borrowings	45,491,470	42,370,558	-	-
Lease liabilities	17,409,754	16,917,678	-	-
	<u>125,020,504</u>	<u>126,164,125</u>	<u>11,851,496</u>	<u>7,716,317</u>

41.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
<u>Amortised Cost</u>				
Net (gains)/losses recognised in profit or loss	<u>(954,012)</u>	<u>(353,659)</u>	<u>278,225</u>	<u>(506,235)</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	<u>1,840,694</u>	<u>1,623,902</u>	<u>-</u>	<u>195,051</u>

41.5 FAIR VALUE INFORMATION

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

- 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.
- 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.

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 paid or payable to the Company's external auditors, Crowe Malaysia PLT ("Crowe") for the financial year ended 31 December 2023 by the Company and the Group are RM89,000 and RM402,300 respectively. The amount of non-audit fees incurred for services rendered to the Company and the Group for the financial year ended 31 December 2023 to Crowe and a firm or corporation affiliated to Crowe amounted to RM96,200 and RM178,300 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 2023 or entered into since the end of the previous financial year.

LIST OF TOP 10 PROPERTIES AS AT 31 DECEMBER 2023

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	23	2.802	13,258,490
Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibul, Sarawak	Corporate Office, Coldroom and Warehouse	Leasehold Expiring on 10.01.2071	31.12.2020	17	3.571	10,513,214
Jl. Adi Sucipto Arang Limbung Kubu Raya, 78391 Pontianak Indonesia	Factory, Office and Warehouse	Leasehold expiring 20.08.2045	31.12.2020	21	2.656	9,769,409
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	28	5.671	9,247,644
Lot 511, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 17.04.2116	31.12.2020	11	17.295	7,086,493
Bau Occupation Ticket No. 3574, Bau Land District Sarawak	Layer farm	Leasehold Expiring on 17.04.2116	31.12.2020	11	30.999	
Lot 16, Block 9 Senggi-Poak Land District Bau, Sarawak	Layer farm	Leasehold Expiring on 17.04.2116	31.12.2020	11	10.459	
Lot 2704, Block 24 Muara Tuang Land District Sarawak	Vegetable Farm	Leasehold Expiring on 16.05.2073	31.12.2020	6	12.531	6,616,610

LIST OF TOP 10 PROPERTIES (Cont'd) AS AT 31 DECEMBER 2023

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Lot 604, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 19.04.2116	31.12.2020	33	15.250	5,613,994
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	33	14.443	
Bau Occupation Ticket No. 2596 of 1934 Bau Land District, Sarawak	Breeder Farm	Leasehold Expiring on 21.11.2116	31.12.2020	33	8.520	
Lot 123, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 19.04.2116	31.12.2020	21	12.390	5,330,949
Lot 124, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 09.02.2116	31.12.2020	21	33.169	
Lot 202, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 10.04.2077	31.12.2020	21	2.720	
Lot 203, Senggi-Poak Land District Bau Sarawak	Broiler Farm	Leasehold Expiring on 17.04.2077	31.12.2020	21	4.960	
Country Lease No. 025339753 & 025339762 Lok Kawi, District of Papar Sabah	Factory, Office and Warehouse	Leasehold Expiring on 31.12.2042	31.12.2021	26	2.679	5,098,700
Country Lease No. 025092602 Papar District of Papar, Sabah	Broiler Farm	Leasehold Expiring on 02.07.2929	31.12.2021	12	12.320	4,463,877

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2024

SHARE CAPITAL

Total number of issued shares	:	630,718,960
Issued share capital	:	RM158,968,930
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 [#]
127	less than 100 shares	2.71	4,852	0.00
765	100 - 1,000 shares	16.30	377,524	0.06
2,060	1,001 - 10,000 shares	43.90	10,105,320	1.63
1,432	10,001 - 100,000 shares	30.51	44,954,232	7.24
306	100,001 - less than 5% of issued shares	6.52	290,254,704	46.75
3	5% and above of issued shares	0.06	275,187,428	44.32
4,693	-	100.00	620,884,060	100.00

Note:

[#] excluding 9,834,900 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 1 April 2024.

SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders as at 1 April 2024)

No.	Name	No. of shares held			
		Direct Interest	% [#]	Indirect Interest	% [#]
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.25	-	-
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.66	138,170,076 ^(a)	22.25
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.41	-	-
4.	Tan Sri Datuk Tiong Su Kouk	30,871,288 ^(b)	4.97	241,596,156 ^(c)	38.91
5.	Lau Liong Kii	15,668,752 ^(d)	2.52	27,043,084 ^(e)	4.36
6.	Puan Sri Datin Wong Bak Hee	2,589,224	0.42	241,596,156 ^(c)	38.91
7.	Tiong Chiong Hiiung	1,699,624	0.27	241,596,156 ^(f)	38.91
8.	Tiong Chiong Soon	1,515,360	0.24	241,596,156 ^(f)	38.91
9.	Chong Shaw Fui	-	-	33,591,272 ^(g)	5.41

Notes:

[#] excluding 9,834,900 ordinary shares bought back and retained as treasury shares as at 1 April 2024.

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

(b) 9,000,000 shares are held through Alliancegroup Nominees (Tempatan) Sdn. Bhd. and 9,000,000 shares are held through UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.

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

(d) 3,559,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 4,455,896 shares are held through CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.

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

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

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

ANALYSIS OF SHAREHOLDINGS (Cont'd) AS AT 1 APRIL 2024

DIRECTORS' INTERESTS

(As per the Register of Directors' Shareholdings as at 1 April 2024)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Tan Sri Datuk Tiong Su Kouk	30,871,288 ^(a)	4.97	244,185,380 ^(b)	39.33
2.	Chong Shaw Fui	-	-	33,601,272 ^(c)	5.41
3.	Tiong Chiong Hiiung	1,699,624	0.27	244,567,888 ^(d)	39.39
4.	Tiong Chiong Soon	1,515,360	0.24	241,596,156 ^(e)	38.91
5.	Kueh Chung Peng	9,480,664 ^(f)	1.53	7,407,400 ^(g)	1.19
6.	Lau Liong Kii	15,668,752 ^(h)	2.52	40,701,352 ⁽ⁱ⁾	6.56
7.	Ling Ting Leong @ Ling Chong Seng	521,428 ^(j)	0.08	3,311,988 ^(k)	0.53
8.	Dato Sim Kheng Boon	-	-	-	-
9.	Wong Ping Eng	-	-	-	-

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 9,834,900 ordinary shares bought back and retained as treasury shares as at 1 April 2024.
- (a) 9,000,000 shares are held through Alliancegroup Nominees (Tempatan) Sdn. Bhd. and 9,000,000 shares are held through UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.
- (b) 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.
- (c) Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd. and the interest of his child in the Company.
- (d) 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.
- (e) Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.
- (f) 7,445,892 shares are held through CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. and 2,034,772 shares are held through RHB Nominees (Tempatan) Sdn. Bhd.
- (g) Deemed interested by virtue of the interest of his children in the Company.
- (h) 3,559,096 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 4,455,896 shares are held through CGS International Nominees Malaysia (Tempatan) Sdn. Bhd.
- (i) 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.
- (j) 393,132 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.
- (k) 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 1 APRIL 2024

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of shares	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	138,170,076	22.25
2.	S.K. Tiong Enterprise Sdn. Bhd.	103,426,080	16.66
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	33,591,272	5.41
4.	Unione Enterprise (S) Sdn. Bhd.	27,043,084	4.36
5.	Tan Sri Datuk Tiong Su Kouk	12,871,288	2.07
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Datuk Tiong Su Kouk (7006915)	9,000,000	1.45
7.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tan Sri Datuk Tiong Su Kouk	9,000,000	1.45
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	8,363,300	1.35
9.	Lau Liong Kii	7,653,760	1.23
10.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Chung Peng (MQ0352)	7,445,892	1.20
11.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Syariah Growth Opportunities Fund (50156 TR01)	7,171,300	1.16
12.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	6,555,876	1.06
13.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	6,257,900	1.01
14.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged securities account for Goh Sung Hien @ Goh Soon Hien (MQ0136)	5,118,332	0.82
15.	Wong See Khong	5,052,268	0.81
16.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	5,010,900	0.81
17.	Annie Lau Ting Ting	4,963,072	0.80
18.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii (MQ0348)	4,455,896	0.72
19.	Betty Lau Mei Mei	4,343,932	0.70
20.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	4,033,900	0.65
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	4,020,600	0.65
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tze Liang (MQ0543)	3,907,400	0.63
23.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ng Ai Choo	3,800,000	0.61
24.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged securities account for Ng Ai Choo (MQ0359)	3,739,560	0.60
25.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	3,559,096	0.57
26.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	3,517,100	0.57
27.	Kueh Tze Siong	3,500,000	0.56
28.	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lee Poh Kwee	3,200,000	0.52
29.	Wong Kee Hung	3,001,040	0.48
30.	Kong Goon Khing	3,000,000	0.48

Note:

excluding 9,834,900 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 1 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of CCK Consolidated Holdings Berhad (“the Company”) will be held at the Company’s Conference Room at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak, Malaysia on Friday, 31 May 2024 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 2023 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 4.25 sen per share in respect of the financial year ended 31 December 2023. | Resolution 1 |
| 3. | To approve the payment of Directors’ fees amounting to RM384,359 for the financial year ended 31 December 2023. | Resolution 2 |
| 4. | To approve the meeting allowance up to RM35,400 payable to the Directors for the period from 1 June 2024 until the next annual general meeting of the Company to be held in 2025. | 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) Ling Ting Leong @ Ling Chong Seng | Resolution 4 |
| | (ii) Tiong Chiong Soon | Resolution 5 |
| 6. | To re-elect Dato Sim Kheng Boon who retires pursuant to Article 127 of the Company’s Constitution and being eligible, has offered himself for re-election. | Resolution 6 |
| 7. | 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:

8. 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;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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.”

9. 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 4.25 sen per share in respect of the financial year ended 31 December 2023, if approved at the Twenty-Eighth Annual General Meeting, will be payable on 19 June 2024 to depositors whose names appear in the Record of Depositors on 4 June 2024.

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 4 June 2024 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: 30 April 2024
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 Ling Ting Leong @ Ling Chong Seng, Tiong Chiong Soon and Dato Sim Kheng Boon and was satisfied with their performance and recommended them for re-election. The Board endorsed the Nomination Committee's recommendation that Ling Ting Leong @ Ling Chong Seng, Tiong Chiong Soon and Dato Sim Kheng Boon be re-elected as Directors of the Company. All the aforesaid 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 30 April 2024 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.
- (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, Malaysia not less than

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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 24 May 2024 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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Number of shares held	
CDS Account No.	

FORM OF PROXY

*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-Eighth Annual General Meeting of the Company to be held at the Company's Conference Room at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak, Malaysia on Friday, 31 May 2024 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 of 4.25 sen per share for the financial year ended 31 December 2023.		
2.	Payment of Directors' fees amounting to RM384,359 for the financial year ended 31 December 2023.		
3.	Payment of meeting allowance up to RM35,400 to the Directors for the period from 1 June 2024 until the next annual general meeting to be held in 2025.		
4.	Re-election of Ling Ting Leong @ Ling Chong Seng as Director.		
5.	Re-election of Tiong Chiong Soon as Director.		
6.	Re-election of Dato Sim Kheng Boon 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:

	No. of shares	%
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 _____ 2024

*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, Malaysia 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 24 May 2024 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