

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Company No:396692-T

**INTERIM FINANCIAL STATEMENTS**  
for the Financial Period Ended 30 June 2018

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No. 396692-T

Interim Report for the Financial Quarter Ended 30 June 2018

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	<b>As at 30.6.2018 RM'000 (Unaudited)</b>	<b>As at 31.12.2017 RM'000 (Restated)</b>	<b>As at 1.1.2017 RM'000 (Restated)</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment in an associate	22,629	20,670	21,073
Investment properties	17,327	17,338	1,448
Property, plant and equipment	182,358	180,820	198,656
Goodwill	380	380	380
Deferred tax assets	868	868	1,139
	<hr/> 223,562	<hr/> 220,076	<hr/> 222,696
<b>CURRENT ASSETS</b>			
Inventories	56,373	66,029	58,423
Biological assets	5,769	4,144	3,091
Trade receivables	36,251	32,655	36,254
Other receivables, deposits and prepayments	11,066	11,761	10,089
Current tax assets	642	1,687	3,565
Deposits with licensed banks	4,526	8,914	-
Cash and bank balances	26,049	28,397	23,813
	<hr/> 140,676	<hr/> 153,587	<hr/> 135,235
<b>TOTAL ASSETS</b>	<hr/> 364,238	<hr/> 373,663	<hr/> 357,931
<b>EQUITY AND LIABILITIES</b>			
Share capital	158,969	158,969	157,680
Treasury shares	(395)	-	(1,171)
Foreign exchange translation reserve	(4,889)	(3,158)	(414)
Retained profits	101,946	92,789	71,401
	<hr/> 255,631	<hr/> 248,600	<hr/> 227,496
Total Equity Attributable to Owners of the Company			
Non-controlling interests	417	402	460
	<hr/> 256,048	<hr/> 249,002	<hr/> 227,956
<b>TOTAL EQUITIES</b>	<hr/> <hr/> 256,048	<hr/> <hr/> 249,002	<hr/> <hr/> 227,956

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**CCK CONSOLIDATED HOLDINGS BERHAD**

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Interim Report for the Financial Quarter Ended 30 June 2018

**CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	<b>As at 30.6.2018 RM'000 (Unaudited)</b>	<b>As at 31.12.2017 RM'000 (Restated)</b>	<b>As at 1.1.2017 RM'000 (Restated)</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables, deposits and accruals	10,038	10,038	12,333
Bank borrowings	3,649	2,271	2,597
Deferred income	19	19	19
Deferred tax liabilities	12,901	12,913	13,437
	<hr/> 26,607	<hr/> 25,241	<hr/> 28,386
<b>CURRENT LIABILITIES</b>			
Trade payables	20,387	24,981	29,024
Other payables, deposits and accruals	7,590	18,816	14,530
Bank borrowings:-			
- bank overdrafts	2,327	1,816	768
- other borrowings	47,189	50,572	55,353
Provision for employee benefits	574	613	468
Current tax liabilities	3,516	2,622	1,446
	<hr/> 81,583	<hr/> 99,420	<hr/> 101,589
<b>TOTAL LIABILITIES</b>	<hr/> 108,190	<hr/> 124,661	<hr/> 129,975
<b>TOTAL EQUITIES&amp; LIABILITIES</b>	<hr/> 364,238	<hr/> 373,663	<hr/> 357,931
Net assets per share (RM)	<hr/> 0.41*	<hr/> 0.79	<hr/> 0.75

(\*Adjusted for sub-division of shares)

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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### CONDENSED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	←-----Non-distributable -----→					Attributable to owners of the Company	Non- controlling Interest	Total Equity
	Share Capital RM'000	Treasury Share RM'000	Exchange Translation RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
<b>At 30 June 2018</b>								
<b>Balance at 1.1.2018</b>								
- as previously stated	158,969	-	(3,158)	47,390	52,421	255,622	401	256,023
- effect of adopting MFRSs	-	-	-	(47,390)	40,368	(7,022)	-	(7,022)
- as restated	158,969	-	(3,158)	-	92,789	248,600	401	249,001
Profit after taxation	-	-	-	-	18,618	18,618	21	18,639
Other comprehensive income for the period:-								
- foreign currency translation difference	-	-	(1,731)	-	-	(1,731)	(5)	(1,736)
Total comprehensive income for the period	-	-	(1,731)	-	18,618	16,887	16	16,903
Contributions by and distributions to owners of the Company:-								
- purchase of treasury shares	-	(395)	-	-	-	(395)	-	(395)
Dividends paid by the Company	-	-	-	-	(9,461)	(9,461)	-	(9,461)
Total transactions with owners	-	(395)	-	-	(9,461)	(9,856)	-	(9,856)
<b>Balance at 30.6.2018</b>	158,969	( 395)	(4,889)	-	101,946	255,631	417	256,048

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the Financial Quarter Ended 30 June 2018

### CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONT'D) (UNAUDITED)

	←-----Non-distributable -----→				Distributable Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Share RM'000	Exchange Translation RM'000	Revaluation Reserve RM'000				
<b>At 30 JUNE 2017</b>								
<b>Balance at 1.1.2017</b>								
- as previously stated	157,680	(1,171)	(414)	49,143	28,502	233,740	460	234,200
- effect of adopting MFRSs	-	-	-	-	-	-	-	-
- as restated	157,680	(1,171)	(414)	-	28,502	233,740	460	234,200
Profit after taxation	-	-	-	-	12,226	12,226	11	12,237
Other comprehensive income for the period:-								
- foreign currency translation difference	-	-	(942)	-	-	(942)	(4)	(946)
Total comprehensive income for the period	-	-	(942)	-	12,226	11,284	7	11,291
Contributions by and distributions to owners of the Company:-								
- purchase of treasury shares	-	(279)	-	-	-	(279)	-	(279)
- disposal of a subsidiary	-	-	-	-	-	-	(86)	(86)
Dividends paid by the Company	-	-	-	-	(6,264)	(6,264)	-	(6,264)
Total transactions with owners	-	(279)	-	-	(6,264)	(6,543)	(86)	(6,629)
Amortisation of revaluation reserves	-	-	-	(1,606)	1,606	-	-	-
<b>Balance at 30.6.2017</b>	<b>157,680</b>	<b>(1,450)</b>	<b>(1,356)</b>	<b>47,537</b>	<b>36,070</b>	<b>238,481</b>	<b>381</b>	<b>238,862</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the Financial Quarter Ended 30 June 2018

**CONDENSED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2018 (Unaudited) RM'000	Preceding year Corresponding Quarter 30.6.2017 (Restated) RM'000	Current Year to-Date 30.6.2018 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 30.6.2017 (Restated) RM'000
Revenue	166,568	155,888	320,223	298,246
Cost of sales	(134,234)	(126,627)	(252,447)	(242,247)
<b>Gross profit</b>	<b>32,334</b>	29,261	<b>67,776</b>	55,999
Other income	1,084	1,155	3,725	4,766
Distribution costs	-	-	-	(543)
Administrative expenses	(8,612)	(5,940)	(16,084)	(15,018)
Other operating expenses	(17,224)	(17,477)	(32,626)	(30,270)
Share of results in an associate	1,383	1,143	2,729	2,013
Finance costs	(1,217)	(738)	(1,818)	(1,421)
<b>Profit before taxation</b>	<b>7,748</b>	7,404	<b>23,702</b>	15,526
Income tax expense	(1,530)	(1,895)	(5,063)	(3,311)
<b>Profit after taxation</b>	<b>6,218</b>	5,509	<b>18,639</b>	12,215
<b>Other comprehensive income for the financial period:-</b>				
- foreign currency translation difference	(4,614)	(792)	(1,738)	(946)
<b>Total comprehensive income for the financial period</b>	<b>1,604</b>	4,717	<b>16,901</b>	11,269
<b>Profit after taxation attributable to:</b>				
- Owners of the Company	6,206	5,503	18,618	12,204
- Non-controlling interests	12	6	21	11
	<b>6,218</b>	5,509	<b>18,639</b>	12,215
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	1,608	4,714	16,886	11,261
- Non-controlling interests	(4)	3	15	8
	<b>1,604</b>	4,717	<b>16,901</b>	11,269

The Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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### CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding year	Current	Preceding year
	Year Quarter	Corresponding	Year to-Date	Corresponding
	30.6.2018	Quarter	30.6.2018	Year to-Date
	(Unaudited)	30.6.2017	(Unaudited)	30.6.2017
		(Restated)		(Restated)
<b>Earning per share(Sen):</b>				
- Basic	<b>0.99</b>	1.76	<b>2.96</b>	3.90
- Diluted	N/A	N/A	N/A	N/A

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The Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the Financial Quarter Ended 30 June 2018

### CONDENSED STATEMENTS OF CASH FLOWS

	6-month period ended	
	<u>30.6.2018</u>	<u>30.6.2017</u>
	(Unaudited)	(Restated)
	RM'000	RM'000
<b><u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u></b>		
<b>Profit before taxation</b>	23,702	15,526
<b>Adjustments for non-cash items:-</b>		
Non-cash items	8,668	7,160
Interest expenses	1,818	1,452
Interest income	(235)	(64)
Share of results in an associate	(2,729)	(2,014)
<b>Operating profit before working capital changes</b>	31,224	22,060
(Decrease)/(increase) in current assets	3,951	(679)
Decreased in current liabilities	(14,349)	(6,758)
<b>Cash from/(for) operations</b>	20,826	14,623
Interest paid	(1,818)	(1,452)
Interest received	235	64
Income tax paid	(3,044)	(3,204)
<b>Net cash from/(for) operating activities</b>	16,199	10,031
<b><u>CASH FLOWS FOR INVESTING ACTIVITIES</u></b>		
Disposal of a subsidiary, net of cash and cash equivalents disposed	-	(82)
Dividend received from an associate	770	-
Proceeds from disposal of property, plant and equipment	-	53
Purchase of property, plant and equipment	(11,853)	(10,427)
<b>Net cash for investing activities</b>	(11,083)	(10,456)
Balance carried forward	5,116	(425)

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



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Interim Report for the Financial Quarter Ended 30 June 2018

**CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)**

	<b>6-month period ended</b>	
	<b><u>30.6.2018</u></b>	<b><u>30.6.2017</u></b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	5,116	(425)
<hr/>		
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(9,461)	(6,264)
Purchase of treasury shares	(395)	(279)
Repayment of borrowings	(1,995)	4,738
<hr/>		
<b>Net cash for financing activities</b>	<b>(11,851)</b>	<b>(1,805)</b>
<hr/>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,735)</b>	<b>(2,230)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(511)</b>	<b>(120)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>35,494</b>	<b>23,045</b>
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<b>Cash and cash equivalents at end of the financial year</b>	<b>28,248</b>	<b>20,695</b>
<hr/>		

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## **CCK CONSOLIDATED HOLDINGS BERHAD**

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Interim Report for the Financial Quarter Ended 30 June 2018

### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

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#### **A1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared under historical cost convention except otherwise stated.

These unaudited interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: *Interim Financial Reporting* issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

These unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

#### **A2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS)**

These condensed consolidated interim financial statements are the Group's first MFRSs condensed consolidated interim financial statements for part of the period covered by the Group's first MFRSs annual financial statements for the year ending 31 December 2018. MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

In preparing its opening MFRSs Statement of Financial Position as at 1 January 2017 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRSs. An explanation of how the transition from FRSs to MFRSs has affected the Group's financial position, financial performance and cash flows is set out in Note A3 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and reconciliation of equity at the date of transition reported under FRSs to those reported for those periods and at the date of transition under MFRSs.

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Interim Report for the Financial Quarter Ended 30 June 2018

### A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

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#### A3. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of the Group for the financial year ended 31 December 2017 were prepared in accordance with FRSs. Except for certain differences, the requirements under FRSs and MFRSs are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017 except as discussed below:-

##### Property, Plant and Equipment – Deemed Cost Exemption

Under FRSs, the Group measured its freehold and leasehold lands at valuation. The last valuation was carried out in 2015 of which the revaluation reserves of the freehold land and leasehold was RM51million. Upon transition to MFRSs, the Group elected to use the previous revaluation as deemed cost under MFRSs. Accordingly, the revaluation reserves at 1 January 2017 and 31 December 2017, amounting to RM49million and RM47million respectively, were transferred to retained profits. There was no impact to the carrying of the asset and its related deferred taxation.

##### MFRS 141 Agriculture

Under FRSs, biological assets are measured at accumulated costs and capitalised under inventories.

Upon the adoption of the MFRS 141, biological assets are accounted for under MFRS 141 and are measured at fair value less costs to sell. Any changes in fair value less costs to sell for the biological assets are recognised in profit or loss.

The reconciliation of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRSs to those reported for those periods and at the date of transition under MFRSs is provided below:-

a) Reconciliation of equity as at 1 January 2017

<b>ASSETS</b>	<b>FRSs</b>	<b>Transition</b>	<b>MFRSs</b>
<b>Current Assets</b>	<b>RM'000</b>	<b>Effect</b>	<b>RM'000</b>
		<b>RM'000</b>	
Biological assets	-	3,091	3,091
Inventories	67,758	(9,335)	58,423
<b>Equity and Liabilities</b>			
Retained profits	28,502	(6,244)	22,258

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the Financial Quarter Ended 30 June 2018

### B. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

#### A3. SIGNIFICANT ACCOUNTING POLICIES

##### Amendments to MFRS 116 Property, Plant & Equipment and MFRS 141 Agriculture: Bearer Plants (Cont'd)

The reconciliation of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRSs to those reported for those periods and at the date of transition under MFRSs is provided below (Cont'd):-

b) Reconciliation of equity as at 31 December 2017

<b>ASSETS</b>	<b>FRSs</b>	<b>Transition</b>	<b>MFRSs</b>
<b>Current Assets</b>	<b>RM'000</b>	<b>Effect</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
Biological assets	-	4,144	4,144
Inventories	77,195	(11,166)	66,029
<b>Equity and Liabilities</b>			
Retained profits	52,421	(7,022)	45,399

c) Reconciliation of total comprehensive income for the period ended 30 June 2017

	<b>FRSs</b>	<b>Transition</b>	<b>MFRSs</b>
	<b>RM'000</b>	<b>Effect</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
Cost of sales	(242,298)	52	(242,247)
Other income	2,549	2,217	4,766

d) Reconciliation of statements of cash flows for the period ended 30 June 2017

	<b>FRSs</b>	<b>Transition</b>	<b>MFRSs</b>
	<b>RM'000</b>	<b>Effect</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow (for)/from operating activities</b>			
Profit before taxation	13,258	2,268	15,526
Non-cash items	9,376	(2,216)	7,160
Increase in current assets	(627)	(52)	(679)

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Interim Report for the Financial Quarter Ended 30 June 2018

### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

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#### **A4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The Group's business operations were not affected by any significant seasonality or cyclicity factors in the current financial period.

#### **A5. UNUSUAL ITEMS**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence for the financial period under review.

#### **A6. MATERIAL CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

#### **A7. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, resale or repayments of debts and equity securities for the period under review.

#### **A8. DIVIDENDS PAID**

The company paid a first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2017 during the financial quarter.

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Interim Report for the Financial Quarter Ended 30 June 2018

### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

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#### **A9. SEGMENT REPORTING**

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

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

- Poultry Segment – involved in the rearing and production of poultry products.
  - Prawn Segment – involved in the rearing and production of prawn and seafood products.
  - Food Service Segment – involved in the supply and trading of food products and related services.
  - Retail Segment – involved in the trading of coldstorage products.
  - Corporate Segment – involved in the provision of management services.
- (a) Each reportable segment asset is measured based on all assets (including goodwill) of the segment other than investment in an associate and tax-related assets.
- (b) Each reportable segment liability is measured based on all liabilities of the segment other than tax-related liabilities.
- (c) 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 head office expenses.
- (d) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation

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Interim Report for the Financial Quarter Ended 30 June 2018

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A9. SEGMENT REPORTING (CONT'D)**

<b>6 months period ended 30 June 2018</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>							
External revenue	46,318	9,627	7,136	252,022	5,120	-	320,223
Inter-segment revenue	98,051	6,245	7	41,963	953	(147,219)	-
<b>Total segment revenue</b>	<b>144,369</b>	<b>15,872</b>	<b>7,143</b>	<b>293,985</b>	<b>6,073</b>	<b>(147,219)</b>	<b>320,223</b>
<b>RESULTS</b>							
Segment results	6,542	(1)	714	15,897	(361)	-	22,791
Finance costs							(1,818)
Share of results in an associate							2,729
Profit before taxation							<u>23,702</u>

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Interim Report for the Financial Quarter Ended 30 June 2018

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A9. SEGMENT REPORTING (CONT'D)**

<b>6 months period ended 30 June 2017</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>							
External revenue	41,573	9,918	5,338	241,417	-	-	298,246
Inter-segment revenue	83,713	5,238	5	41,240	183	(130,379)	-
<b>Total segment revenue</b>	<b>125,286</b>	<b>15,156</b>	<b>5,343</b>	<b>282,657</b>	<b>183</b>	<b>(130,379)</b>	<b>298,246</b>
<b>RESULTS</b>							
Segment results	2,897	152	565	11,622	(352)	-	14,884
Finance costs							(1,452)
Share of results in an associate							2,014
Unallocated expenses							80
Profit before taxation							<u>15,526</u>



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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A9. SEGMENT REPORTING (CONT'D)**

<b>ASSETS</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2018</b>						
Segment assets	92,221	16,992	9,688	208,595	12,223	339,719
Unallocated assets:-						
Investment in an associate						22,629
Deferred tax assets						868
Unallocated assets						1,022
Consolidated total assets						<u>364,238</u>
<b>30 June 2017</b>						
Segment assets	98,018	15,735	10,241	202,839	9,501	336,334
Unallocated assets:-						
Investment in an associate						23,087
Deferred tax assets						1,139
Unallocated assets						4,203
Consolidated total assets						<u>364,763</u>

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A9. SEGMENT REPORTING (CONT'D)**

<b>LIABILITIES</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2018</b>						
Segment liabilities	15,213	1,528	933	37,862	21,237	76,773
Unallocated liabilities:-						
Deferred tax liabilities						12,901
Unallocated liabilities and adjustments						18,516
Consolidated total liabilities						<u>108,190</u>
<b>30 June 2017</b>						
Segment liabilities	21,458	917	851	39,410	50,314	112,950
Unallocated liabilities:-						
Deferred tax liabilities						13,164
Unallocated liabilities and adjustments						1,944
Consolidated total liabilities						<u>128,058</u>

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### A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

#### A9. SEGMENT REPORTING (CONT'D)

Accordingly, no further segmental analysis is available for disclosures except for the following entity-wide disclosures as required by MFRS 8:-

##### 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.

<i>Revenue</i>	<b>3-month ended</b>		<b>Cumulative Quarter</b>	
	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2017</b> <b>(Restated)</b> <b>RM'000</b>	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2017</b> <b>(Restated)</b> <b>RM'000</b>
Hong Kong	671	-	1,103	-
Indonesia	29,432	20,521	54,159	39,862
Japan	745	1,847	1,823	4,577
Korea	-	201	-	201
People's Republic of China	507	296	507	296
Middle East	-	-	530	-
Malaysia	135,213	133,023	262,101	253,310
	<b>166,568</b>	<b>155,888</b>	<b>320,223</b>	<b>298,246</b>

<i>Non-current assets</i>	<b>As at</b>	
	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31.12.2017</b> <b>(Restated)</b> <b>RM'000</b>
Indonesia	28,569	29,762
Malaysia	171,496	189,446
	<b>200,065</b>	<b>219,208</b>

#### MAJOR CUSTOMERS

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

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### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

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#### **A10. PROPERTY, PLANT AND EQUIPMENT**

##### **a) Acquisition and Disposals**

During the 6-month period ended 30 June 2018, the Group acquired assets at a total cost of RM11.85 million and there was no material disposal during the current quarter.

##### **b) Impairment Losses**

Neither losses from impairment of property, plant and equipment nor reversal of such impairment losses were recognised for the period under review.

##### **c) Valuations**

The Group did not carry out any additional valuation on its property, plant and equipment during the period under review.

#### **A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

#### **A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current quarter and financial period under review.

#### **A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at the date of this report.

#### **A14. CAPITAL COMMITMENTS**

There were no material changes in capital commitments since the end of the previous financial quarter except as disclosed in the explanatory notes.

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### A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

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#### A15. RELATED PARTY DISCLOSURES

The Group carried out the following significant transactions with the related parties during the period under review:-

	3-month ended		Cumulative Quarter	
	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000
Purchase of products	21,649	32,154	49,599	49,984
Rental paid	-	28	-	56
Service fee	464	656	852	657
Sale of products	212	216	325	322

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#### A16. CASH AND CASH EQUIVALENTS

	As at	
	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000
Cash and bank balances	26,049	22,212
Deposits with licensed banks	4,526	-
Bank overdrafts, secured	(2,327)	(1,517)
	<hr/> 28,248	<hr/> 20,695

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### B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B1. REVIEW OF OPERATING PERFORMANCE

	←-----Individual Quarter-----→			
	Current Year Quarter 30.6.2018 (Unaudited) RM'000	Preceding Year Quarter 30.6.2017 (Restated) RM'000	Variances RM'000 %	
Revenue	166,568	155,888	10,680	7
Gross profits	32,334	29,261	3,073	11
Profit before taxation	7,748	7,404	344	5
Profit after taxation	6,218	5,509	709	13
Profit after taxation attributable to owners of the Company	6,206	5,503	703	13

  

	←-----Cumulative Quarter-----→			
	Current Year Quarter 30.6.2018 (Unaudited) RM'000	Preceding Year Quarter 30.6.2017 (Restated) RM'000	Variances RM'000 %	
Revenue	320,223	298,246	21,977	7
Gross profits	67,776	55,999	11,777	21
Profit before taxation	23,702	15,526	8,176	53
Profit after taxation	18,639	12,215	6,424	53
Profit after taxation attributable to owners of the Company	18,618	12,204	6,414	53

#### Analysis of the results for the 6-month ended 30 June 2018 against 6-month ended 30 June 2017.

##### Revenue

For the second quarter ended 30 June 2018, the Group recorded a revenue of RM320.223 million, representing an increase of approximately 7% over the same period last year whereby the revenue was recorded at RM298.246 million. The retail segment led the way with an increase in revenue of 4.6% compared to last year. Selling prices for table eggs were higher in 2018 when compared to the same period in 2017. Similarly, the price of dressed chicken for the first 6 months of 2018 was higher than that of 2017.

##### Profit before tax

The Group's profit before tax was recorded at RM23.702 million when compared RM15.526 million for the same period in the preceding year. The Group's gross profit margin for the first 6 months of 2018 was at 21%, as opposed to 18% for the same period last year. The improvement in gross margins is a direct result of the increase in selling prices of table eggs and dress chicken. The share of results from our associate company increased by 36% when compared to the same period last year.

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### B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

	←-----Individual Quarter-----→			
	Current Year Quarter 30.6.2018 (Unaudited) RM'000	Immediate Preceding Quarter 31.03.2018 (Restated) RM'000	Variances RM'000    %	
Revenue	166,568	153,655	12,913	8
Gross profits	32,334	35,442	(3,108)	-9
Profit before taxation	7,748	15,954	(8,206)	-51
Profit after taxation	6,218	12,421	(6,203)	-50
Profit after taxation attributable to owners of the Company	6,206	12,411	(6,205)	-50

For the current quarter ended 30 June 2018, the Group recorded an increase in revenue of 8% as compared to the preceding quarter. However, a lower profit before tax of RM7.7 million was achieved in the 2<sup>nd</sup> quarter. The poultry sector was affected by rising costs of feed as a result of a weaker Ringgit to USD. Prices of dressed chicken and table eggs in the 2<sup>nd</sup> quarter were lower when compared to the 1<sup>st</sup> quarter due to weaker market sentiments. Our Indonesian operations is affected by rising costs of raw materials used in the production of chicken sausages. In addition, there was a one-off insurance compensation of RM2.1 million received in the 1<sup>st</sup> quarter.

#### B3. FUTURE PROSPECTS

The Group is confident the performance for the rest of the year will be positive. Management will continue to monitor and review costs and pricing strategies. In addition, the Group will continue to expand the product range available at our retail stores.

The nugget line in Indonesia is expected to commence operations in the 3<sup>rd</sup> quarter of this year, thus improving the Indonesian operations contribution to the Group.

#### B4. VARIANCE OF ACTUAL FINANCIAL RESULTS FROM FINANCIAL ESTIMATES, FORECASTS, PROJECTIONS OR INTERNAL TARGETS

The disclosure requirements for explanatory notes for the variance of the actual financial results after tax and minority interest against financial estimates, forecasts, projections or internal targets are not applicable to the Group.

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### B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B5. INCOME TAX EXPENSE	3-month ended		Cumulative Quarter	
	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000
Current tax	1,530	1,895	5,063	3,311
Effective tax rate	20%	25%	21%	21%

The effective tax rate of the Group for the current financial quarter was lower than the statutory tax rate principally due to tax losses incurred by certain subsidiary companies. The effective tax rate of the Group for current financial quarter was higher than that of preceding year corresponding quarter principally due to lower tax losses incurred.

### B6. STATUS OF CORPORATE PROPOSALS

There were no significant developments or changes in the corporate proposals except that the following corporate exercises reported previously had been successfully completed during the current financial quarter:-

- (i) subdivision of every 1 existing ordinary share in the Company into 2 ordinary shares
- (ii) bonus issue of 315,359,400 free warrants in the Company on the basis of 1 Warrant for every 2 Subdivided Shares held on the Entitlement Date after the Subdivision.

### B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

	RM Denomination		Foreign Denomination	
	As at		As at	
	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000
<b>Current:-</b>				
- bank overdrafts	2,327	1,517	-	-
- banker's acceptance	18,990	24,159	-	-
- revolving credit	27,000	33,000	-	-
- term loans	1,199	2,684	62	215
	49,516	61,360	62	215
<b>Non-current:-</b>				
- term loans	3,649	2,822	-	-
	53,165	64,182	62	215

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000281 (31.12.2017: RP0.000300)



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### B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

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#### B8. MATERIAL LITIGATION

There was no litigation against the Group during the current quarter.

#### B9. DIVIDEND PAYABLE

The Board of Directors did not recommend any payment of dividend during the current quarter and financial period under review.

#### B10. EARNINGS PER SHARE

##### Basic:-

The basic earnings per share is based on the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter.

	3-month ended		Cumulative quarter	
	30.6.2018 (Unaudited)	30.6.2017 (Restated)	30.6.2018 (Unaudited)	30.6.2017 (Restated)
Profit attributable to owners of the Company (RM'000)	6,206	5,503	18,618	12,204
Weighted average number of ordinary shares at 1 January ('000)	628,599	313,215	628,599	313,215
Effect of treasury shares held	408	(49)	431	(28)
Weighted average number of ordinary shares at 30 June ('000)	629,007	313,166	629,030	313,187
Basic earnings per share (Sen)	0.99	1.76	2.96	3.90

##### Diluted:-

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding during the current quarter.

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### B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

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#### B11. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:-

	3-month ended		Cumulative Quarter	
	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2017 (Restated) RM'000
<b>After charging/(crediting)-</b>				
Allowance for impairment losses on and write off of receivables	-	-	40	-
Allowance for impairment losses on and write off of inventories	-	-	-	-
Depreciation and amortisation	3,247	4,764	8,467	9,407
(Gain)/loss on fair value changes in biological assets	(186)	-	158	-
(Gain)/loss on disposal of property, plant and equipment	-	9	-	(53)
(Gain)/loss on disposal of quoted or unquoted investments	-	-	-	-
Gain on foreign exchange	18	-	10	(6)
Gain on derivatives	-	-	-	-
Interest expense	1,217	738	1,818	1,452
Interest income	(150)	(39)	(235)	(64)
Impairment of assets	-	-	-	-
Other income including investment Income	-	-	-	-
Property, plant and equipment written off	3	-	3	-
Exceptional items	-	-	-	-

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#### B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

#### B13. FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments.

#### B14. AUTHORISATION FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors on 23 August 2018.