

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No:396692-T

INTERIM FINANCIAL STATEMENTS

for the Financial Period Ended 31 March 2018

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No. 396692-T

Interim Report for the First Financial Quarter Ended 31 March 2018

CONDENSED STATEMENTS OF FINANCIAL POSITION

	<u>As at</u> <u>31.3.2018</u> RM'000 (Unaudited)	<u>As at</u> <u>31.12.2017</u> RM'000 (Restated)	<u>As at</u> <u>1.1.2017</u> RM'000 (Restated)
ASSETS			
NON-CURRENT ASSETS			
Investment in an associate	22,016	20,670	21,073
Investment properties	17,307	17,338	1,448
Property, plant and equipment	187,050	180,820	198,656
Goodwill	380	380	380
Deferred tax assets	868	868	1,139
	<hr/> 227,621	<hr/> 220,076	<hr/> 222,696
CURRENT ASSETS			
Inventories	66,086	66,029	58,423
Biological assets	3,809	4,144	3,091
Trade receivables	31,910	32,655	36,254
Other receivables, deposits and prepayments	13,360	11,761	10,089
Current tax assets	1,314	1,687	3,565
Deposits with licensed banks	10,916	8,914	-
Cash and bank balances	28,253	28,397	23,813
	<hr/> 155,648	<hr/> 153,587	<hr/> 135,235
TOTAL ASSETS	<hr/> 383,269	<hr/> 373,663	<hr/> 357,931
EQUITY AND LIABILITIES			
Share capital	158,969	158,969	157,680
Treasury shares	-	-	(1,171)
Foreign exchange translation reserve	(292)	(3,158)	(414)
Retained profits	105,200	92,789	71,401
	<hr/> 263,877	<hr/> 248,600	<hr/> 227,496
Total Equity Attributable to Owners of the Compar			
Non-controlling interests	421	402	460
	<hr/> 264,298	<hr/> 249,002	<hr/> 227,956
TOTAL EQUITIES	<hr/> <hr/> 264,298	<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 First Financial Quarter Ended 31 March 2018

CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 31.3.2018 RM'000 (Unaudited)	As at 31.12.2017 RM'000 (Restated)	As at 1.1.2017 RM'000 (Restated)
NON-CURRENT LIABILITIES			
Other payables, deposits and accruals	10,038	10,038	12,333
Bank borrowings	2,395	2,271	2,597
Deferred income	19	19	19
Deferred tax liabilities	12,994	12,913	13,437
	<hr/> 25,446	<hr/> 25,241	<hr/> 28,386
CURRENT LIABILITIES			
Trade payables	27,246	24,981	29,024
Other payables, deposits and accruals	13,131	18,816	14,530
Bank borrowings:-			
- bank overdrafts	2,570	1,816	768
- other borrowings	46,391	50,572	55,353
Provision for employee benefits	541	613	468
Current tax liabilities	3,646	2,622	1,446
	<hr/> 93,525	<hr/> 99,420	<hr/> 101,589
TOTAL LIABILITIES	<hr/> 118,971	<hr/> 124,661	<hr/> 129,975
TOTAL EQUITIES& LIABILITIES	<hr/> 383,269	<hr/> 373,663	<hr/> 357,931
Net assets per share (RM)	<hr/> 0.84	<hr/> 0.79	<hr/> 0.75

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)

	Share Capital RM'000	Exchange Translation RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 31 March 2018							
Balance at 1.1.2018							
- 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	-	-	-	12,411	12,411	10	12,421
Other comprehensive income for the financial period:-							
- foreign currency translation difference	-	2,866	-	-	2,866	10	2,876
Total comprehensive income for the financial period	-	2,866	-	12,411	15,277	20	15,297
Balance at 31.3.2018	158,969	(292)	-	105,200	263,877	421	264,298

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.

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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				
At 31 MARCH 2017								
Balance at 1.1.2017								
- as previously stated	157,680	(1,171)	(414)	49,143	28,502	233,740	460	234,200
- effect of adopting MFRSs	-	-	-	(49,143)	42,899	(6,244)	-	(6,244)
- as restated	157,680	(1,171)	(414)	-	71,401	227,496	460	227,956
Profit after taxation	-	-	-	-	6,701	6,701	5	6,706
Other comprehensive income for the period:-								
- foreign currency translation difference	-	-	(154)	-	-	(154)	-	(154)
Total comprehensive income for the period	-	-	(154)	-	6,701	6,547	5	6,552
Contributions by and distributions to owners of the Company:-								
- purchase of treasury shares	-	(7)	-	-	-	(7)	-	(7)
- disposal of a subsidiary	-	-	-	-	-	-	(86)	(86)
Total transactions with owners	-	(7)	-	-	-	(7)	(86)	(93)
Balance at 31.3.2017	157,680	(1,178)	(568)	-	78,102	234,036	379	234,415

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2018 (Unaudited) RM'000	Preceding year Corresponding Quarter 31.3.2017 (Restated) RM'000	Current Year to-Date 31.3.2018 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 31.3.2017 (Restated) RM'000
Revenue	153,655	142,358	153,655	142,358
Cost of sales	(118,213)	(115,620)	(118,213)	(115,620)
Gross profit	35,442	26,738	35,442	26,738
Other income	2,641	3,611	2,641	3,611
Distribution costs	-	(543)	-	(543)
Administrative expenses	(7,472)	(9,078)	(7,472)	(9,078)
Other operating expenses	(15,402)	(12,793)	(15,402)	(12,793)
Share of results in an associate	1,346	870	1,346	870
Finance costs	(601)	(683)	(601)	(683)
Profit before taxation	15,954	8,122	15,954	8,122
Income tax expense	(3,533)	(1,416)	(3,533)	(1,416)
Profit after taxation	12,421	6,706	12,421	6,706
Other comprehensive income for the financial period:-				
- foreign currency translation difference	2,876	(154)	2,876	(154)
Total comprehensive income for the financial period	15,297	6,552	15,297	6,552
Profit after taxation attributable to:				
- Owners of the Company	12,411	6,701	12,411	6,701
- Non-controlling interests	10	5	10	5
	12,421	6,706	12,421	6,706
Total comprehensive income attributable to:				
- Owners of the Company	15,277	6,547	15,277	6,547
- Non-controlling interests	20	5	20	5
	15,297	6,552	15,297	6,552

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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Interim Report for the First Financial Quarter Ended 31 March 2018

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding year	Current	Preceding year
	Year Quarter	Corresponding	Year to-Date	Corresponding
	31.3.2018	Quarter	31.3.2018	Year to-Date
	(Unaudited)	31.3.2017	(Unaudited)	31.3.2017
		(Restated)		(Restated)
Earning per share(Sen):				
- Basic	3.95	2.14	3.95	2.14
- Diluted	N/A	N/A	N/A	N/A

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 CASH FLOWS

	3-month period ended	
	<u>31.3.2018</u>	<u>31.3.2017</u>
	(Unaudited)	(Restated)
	RM'000	RM'000
<u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u>		
Profit before taxation	15,954	8,122
Adjustments for non-cash items:-		
Non-cash items	5,594	2,491
Interest expenses	601	683
Interest income	(85)	(25)
Share of results in an associate	(1,346)	(870)
Operating profit before working capital changes	20,718	10,401
(Decrease)/(increase) in current assets	714	(4,713)
Decreased in current liabilities	(6,173)	(7,894)
Cash from/(for) operations	15,259	(2,206)
Interest paid	(601)	(683)
Interest received	85	25
Income tax paid	(2,212)	(1,324)
Net cash from/(for) operating activities	12,531	(4,188)
<u>CASH FLOWS FOR INVESTING ACTIVITIES</u>		
Disposal of a subsidiary, net of cash and cash equivalents disposed	-	(82)
Proceeds from disposal of property, plant and equipment	-	62
Purchase of property, plant and equipment	(8,203)	(3,353)
Net cash for investing activities	(8,203)	(3,373)
Balance carried forward	4,328	(7,561)

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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CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)

	3-month period ended	
	<u>31.3.2018</u>	<u>31.3.2017</u>
	(Unaudited)	(Restated)
	RM'000	RM'000
Balance brought forward	4,328	(7,561)
<hr/>		
CASH FLOWS FOR FINANCING ACTIVITIES		
Purchase of treasury shares	-	(7)
Repayment of borrowings	(4,080)	(704)
<hr/>		
Net cash for financing activities	(4,080)	(711)
<hr/>		
Net increase/(decrease) in cash and cash equivalents	248	(8,272)
Effect of exchange rate changes on cash and cash equivalents	857	(14)
Cash and cash equivalents at beginning of the financial year	35,494	23,046
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Cash and cash equivalents at end of the financial year	36,599	14,760
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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 First Financial Quarter Ended 31 March 2018

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

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

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

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

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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

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

c) Reconciliation of total comprehensive income for the period ended 31 March 2017

	FRSs	Transition	MFRSs
	RM'000	Effect	RM'000
		RM'000	RM'000
Cost of sales	(115,672)	52	(115,620)
Other income	1,394	2,217	3,611
<hr/>			

d) Reconciliation of statements of cash flows for the period ended 31 March 2017

	FRSs	Transition	MFRSs
	RM'000	Effect	RM'000
		RM'000	RM'000
Cash flow (for)/from operating activities			
Profit before taxation	5,853	2,269	8,122
Non-cash items	4,708	(2,217)	2,491
Increase in current assets	(4,661)	(52)	(4,713)
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A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

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

No dividend has been paid for the current quarter during the financial period under review.

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

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 First Financial Quarter Ended 31 March 2018

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

3 months period ended 31 March 2018	Poultry	Prawn	Food Service	Retail	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External revenue	24,226	4,422	4,130	120,877	-	-	153,655
Inter-segment revenue	47,292	3,541	4	20,459	92	(71,388)	-
Total segment revenue	71,518	7,963	4,134	141,336	92	(71,388)	153,655
RESULTS							
Segment results	4,907	(402)	508	10,402	(206)	-	15,209
Finance costs							(601)
Share of results in an associate							1,346
Profit before taxation							15,954

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

3 months period ended 31 March 2017	Poultry	Prawn	Food Service	Retail	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External revenue	19,720	4,948	2,851	114,839	-	-	142,358
Inter-segment revenue	41,214	2,893	2	21,419	92	(65,620)	-
Total segment revenue	60,934	7,841	2,853	136,258	92	(65,620)	142,358
RESULTS							
Segment results	2,605	(68)	405	5,201	(215)	-	7,928
Finance costs							(683)
Share of results in an associate							870
Unallocated expenses							7
Profit before taxation							<u>8,122</u>

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

3-month period ended 31 March 2018	Poultry	Prawn	Food Service	Retail	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External revenue	24,226	4,422	4,130	120,877	-	-	153,655
Inter-segment revenue	47,292	3,541	4	20,459	92	(71,388)	-
Total segment revenue	71,518	7,963	4,134	141,336	92	(71,388)	153,655
RESULTS							
Segment results	4,907	(402)	508	10,402	(206)	-	15,209
Finance costs							(601)
Share of results in an associate							1,346
Profit before taxation							15,954

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

3 months period ended 31 March 2017	Poultry	Prawn	Food Service	Retail	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
External revenue	19,720	4,948	2,851	114,839	-	-	142,358
Inter-segment revenue	41,214	2,893	2	21,419	92	(65,620)	-
Total segment revenue	60,934	7,841	2,853	136,258	92	(65,620)	142,358
RESULTS							
Segment results	2,605	(68)	405	5,201	(215)	-	7,928
Finance costs							(683)
Share of results in an associate							870
Unallocated expenses							7
Profit before taxation							<u>8,122</u>

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

ASSETS	Poultry RM'000	Prawn RM'000	Food Service RM'000	Retail RM'000	Corporate RM'000	Consolidated RM'000
31 March 2018						
Segment assets	102,427	15,285	10,085	230,494	400	358,691
Unallocated assets:-						
Investment in an associate						22,016
Deferred tax assets						868
Unallocated assets						1,694
Consolidated total assets						<u>383,269</u>
31 March 2017						
Segment assets	100,245	15,001	11,971	199,427	8,433	335,077
Unallocated assets:-						
Investment in an associate						21,943
Deferred tax assets						1,139
Unallocated assets						3,139
Consolidated total assets						<u>361,298</u>

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Interim Report for the First Financial Quarter Ended 31 March 2018

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

LIABILITIES	Poultry	Prawn	Food Service	Retail	Corporate	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2018						
Segment liabilities	22,929	1,484	1,441	49,352	27,118	102,324
Unallocated liabilities:-						
Deferred tax liabilities						12,994
Unallocated liabilities and adjustments						3,653
Consolidated total liabilities						<u>118,971</u>
31 March 2017						
Segment liabilities	22,527	1,953	1,714	42,538	39,990	108,722
Unallocated liabilities:-						
Deferred tax liabilities						13,302
Unallocated liabilities and adjustments						751
Consolidated total liabilities						<u>122,775</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>	3-month ended		Cumulative Quarter	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	RM'000	RM'000	RM'000	RM'000
Hong Kong	432	-	432	-
Indonesia	24,727	19,341	24,727	19,341
Japan	1,078	2,730	1,078	2,730
Middle East	530	-	530	-
Malaysia	126,888	120,287	126,888	120,287
	153,655	142,358	153,655	142,358

<i>Non-current assets</i>	As at	
	31.3.2018	31.12.2017
	(Unaudited)	(Restated)
	RM'000	RM'000
Indonesia	33,775	29,762
Malaysia	170,962	189,446
	204,737	219,208

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)

A10. PROPERTY, PLANT AND EQUIPMENT

a) Acquisition and Disposals

During the 3-month period ended 31 March 2018, the Group acquired assets at a total cost of RM8 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 except for the followings:-

On 11 April 2018, the Company announced to undertake the following corporate exercises:-

- (i) proposed subdivision of every 1 existing ordinary share in the Company into 2 ordinary shares
- (ii) proposed 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 Proposed Subdivision.

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)

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	
	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000
Purchase of products	27,950	17,830	27,950	17,830
Rental paid	-	28	-	28
Service fee	1	1	1	1
Sale of products	113	106	113	106

A16. CASH AND CASH EQUIVALENTS

	As at	
	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000
Cash and bank balances	28,253	17,915
Deposits with licensed banks	10,916	-
Bank overdrafts, secured	(2,570)	(3,155)
	<hr/> 36,599	<hr/> 14,760

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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/Cumulative Quarter--→			
	Current Year Quarter 31.3.2018 (Unaudited) RM'000	Preceding Year Quarter 31.3.2017 (Restated) RM'000	Variances	
			RM'000	%
Revenue	153,655	142,358	11,297	8
Gross profits	35,442	26,738	8,704	33
Profit before taxation	15,954	8,122	7,832	96
Profit after taxation	12,421	6,706	5,715	85
Profit after taxation attributable to owners of the Company	12,411	6,701	5,710	85

Analysis of the results for the 3-month ended 31 March 2018 against 3-month ended 31 March 2017.

Revenue

For the First quarter ended 31 March 2018, the Group recorded a revenue of RM153.65 million, representing an increase of approximately 7.93% over the same period last year whereby the revenue was recorded at RM142.36 million. The retail segment led the way with an improvement of 5.26% compared to the same quarter last year. Revenue contribution from our Indonesian operations increased to 27.8% of the Group's total revenue. The improvement from Indonesia resulted from increases in production and sales of sausages and also increases in sales of dressed chickens.

Profit before tax

Correspondingly, the Group's profit before tax rose 96.43% from RM8.1 million in 2017 to RM15.95 million when compared to the same period in the preceding year. Improved margins for chicken and frozen products together with cost cutting across the board from our retail stores helped boost the retail segment's performance this quarter. The poultry segment benefitted from lower feed costs due to a stronger MYR/USD in the first quarter of 2018 as compared to the same quarter in 2017. The share of results from our associate company increased by 55% 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 31.3.2018 (Unaudited) RM'000	Immediate Preceding Quarter 31.12.2017 (Restated) RM'000	Variances	
			RM'000	%
Revenue	153,655	154,287	(632)	-0.4
Gross profits	35,442	37,384	(1,942)	-5
Profit before taxation	15,954	12,405	3,549	29
Profit after taxation	12,421	9,585	2,836	30
Profit after taxation attributable to owners of the Company	12,411	9,583	2,828	30

For the current quarter ended 31 March 2018, the Group recorded a slightly lower revenue and higher profit before tax as compared to the preceding quarter. The higher profit before tax was achieved with effective cost cutting measures across all the retail outlets and with improved farm efficiencies. The current quarter saw the opening of 2 new outlets bringing the total number of outlets to 57.

B3. FUTURE PROSPECTS

Based on current quarter's performance coupled with continuous cost cutting measures, improving margins, new marketing strategies and expected improved performance from our Indonesian operations, the Group is confident that the performance for the coming financial year ending 31 December 2018 will be positive.

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

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.

B5. INCOME TAX EXPENSE

	3-month ended		Cumulative Quarter	
	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000
Current tax	3,533	1,416	3,533	1,416
Effective tax rate	22%	17%	22%	17%

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.

B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

	RM Denomination		Foreign Denomination	
	As at		As at	
	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000
Current:-				
- bank overdrafts	2,570	1,816	-	-
- banker's acceptance	17,707	19,992	-	-
- revolving credit	28,500	30,000	-	-
- term loans	184	580	184	267
	48,961	52,388	184	267
Non-current:-				
- term loans	2,395	2,271	-	-
	51,356	54,659	184	267

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000332 (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)

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. However, subsequent to financial quarter, the directors proposed a first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2017 subject to the shareholders' approval at the forthcoming Annual General Meeting.

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	
	31.3.2018 (Unaudited)	31.3.2017 (Restated)	31.3.2018 (Unaudited)	31.3.2017 (Restated)
Profit attributable to owners of the Company (RM'000)	12,411	6,701	12,411	6,701
Weighted average number of ordinary shares at 1 January ('000)	314,300	313,215	314,300	313,215
Effect of treasury shares held	-	(7)	-	(7)
Weighted average number of ordinary shares at 31 March ('000)	314,300	313,208	314,300	313,208
Basic earnings per share (Sen)	3.95	2.14	3.95	2.14

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)

B11. PROFIT BEFORE TAX

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

	3-month ended		Cumulative Quarter	
	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000	31.3.2018 (Unaudited) RM'000	31.3.2017 (Restated) RM'000
After charging/(crediting)-				
Allowance for impairment losses on and write off of receivables	40	-	40	-
Allowance for impairment losses on and write off of inventories	-	-	-	-
Depreciation and amortisation	5,220	4,764	5,220	4,764
(Gain)/loss on fair value changes in biological assets	344	(2,217)	344	(2,217)
(Gain)/loss on disposal of property, plant and equipment	-	(62)	-	(62)
(Gain)/loss on disposal of quoted or unquoted investments	-	6	-	6
Gain on foreign exchange	(8)	(6)	(8)	(6)
Gain on derivatives	-	-	-	-
Interest expense	601	683	601	683
Interest income	(85)	(25)	(85)	(25)
Impairment of assets	-	-	-	-
Other income including investment Income	-	-	-	-
Property, plant and equipment written off	-	-	-	-
Exceptional items	-	-	-	-

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 28 May 2018.