

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Company No:396692-T

**INTERIM FINANCIAL STATEMENTS**  
for the Financial Period Ended 30 June 2019

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No. 396692-T

Interim Report for the Second Financial Quarter Ended 30 June 2019

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	<b>As at 30.6.2019 RM'000 (Unaudited)</b>	<b>As at 31.12.2018 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	23,626	21,234
Investment properties	17,170	17,212
Property, plant and equipment	175,846	173,431
Goodwill	380	380
Deferred tax assets	1,378	1,378
	<hr/> 218,400	<hr/> 213,635
<b>CURRENT ASSETS</b>		
Inventories	62,066	55,221
Biological assets	16,092	14,257
Trade receivables	38,496	39,095
Other receivables, deposits and prepayments	15,591	13,855
Current tax assets	2,265	2,393
Deposits with licensed banks	6,597	7,969
Cash and bank balances	20,205	24,076
	<hr/> 161,312	<hr/> 156,866
<b>TOTAL ASSETS</b>	<hr/> 379,712	<hr/> 370,501
<b>EQUITY AND LIABILITIES</b>		
Share capital	158,969	158,969
Treasury shares	(1,653)	(1,614)
Foreign exchange translation reserve	(3,709)	(4,482)
Retained profits	105,664	97,246
	<hr/> 259,271	<hr/> 250,119
Total Equity Attributable to Owners of the Company		
Non-controlling interests	366	433
	<hr/> 259,637	<hr/> 250,552
<b>TOTAL EQUITIES</b>	<hr/> <hr/> 259,637	<hr/> <hr/> 250,552

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

	<b>As at 30.6.2019 RM'000 (Unaudited)</b>	<b>As at 31.12.2018 RM'000 (Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Other payables, deposits and accruals	6,609	6,609
Bank borrowings	4,190	3,879
Deferred income	19	19
Deferred tax liabilities	10,195	10,187
	<hr/> 21,013	<hr/> 20,694
<b>CURRENT LIABILITIES</b>		
Trade payables	24,286	27,890
Other payables, deposits and accruals	13,251	15,805
Bank borrowings:-		
- bank overdrafts	4,109	1,963
- other borrowings	54,228	50,015
Provision for employee benefits	692	676
Current tax liabilities	2,496	2,906
	<hr/> 99,062	<hr/> 99,255
<b>TOTAL LIABILITIES</b>	<hr/> 120,075	<hr/> 119,949
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<hr/> 379,712	<hr/> 370,501
	<hr/>	<hr/>
Net assets per share (RM)	0.41	0.40

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 30 June 2019</b>							
<b>Balance at 1.1.2019</b>	158,969	(1,614)	(4,482)	97,246	250,119	433	250,552
Profit after taxation	-	-	-	16,272	16,272	20	16,292
- foreign currency translation difference	-	-	773	-	773	-	773
Total comprehensive income for the financial period	-	-	773	16,272	17,045	20	17,065
Contributions by and distributors to owners of the Company:-							
- Purchase of treasury shares	-	(39)	-	-	(39)	-	(39)
- Dividends:-							
-by the Company	-	-	-	(7,854)	(7,854)	-	(7,854)
-by subsidiaries to non-controlling interests	-	-	-	-	-	(87)	(87)
Total transactions with owners	-	(39)	-	(7,854)	(7,893)	(87)	(7,980)
<b>Balance at 30.6.2019</b>	158,969	(1,653)	(3,709)	105,664	259,271	366	259,637

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the Second Financial Quarter Ended 30 June 2019

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

	Share Capital RM'000	Treasury Share 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
<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
Contribution 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 2018 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 30.6.2019 (Unaudited) RM'000	Preceding year Corresponding Quarter 30.6.2018 (Unaudited) RM'000	Current Year to-Date 30.6.2019 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 30.6.2018 (Unaudited) RM'000
Revenue	165,362	166,568	320,632	320,223
Cost of sales	(132,147)	(134,234)	(256,175)	(252,447)
<b>Gross profit</b>	<b>33,215</b>	<b>32,334</b>	<b>64,457</b>	<b>67,776</b>
Other income	1,053	1,084	1,756	3,725
Distribution costs	-	-	-	-
Administrative expenses	( 7,295)	(8,612)	(14,922)	(16,084)
Other operating expenses	(16,123)	(17,224)	(31,043)	(32,626)
Share of results in an associate	1,307	1,383	2,392	2,729
Finance costs	(912)	(1,217)	(1,795)	(1,818)
<b>Profit before taxation</b>	<b>11,245</b>	<b>7,748</b>	<b>20,845</b>	<b>23,702</b>
Income tax expense	(2,361)	(1,530)	(4,553)	(5,063)
<b>Profit after taxation</b>	<b>8,884</b>	<b>6,218</b>	<b>16,292</b>	<b>18,639</b>
<b>Other comprehensive income for the financial period:-</b>				
- foreign currency translation difference	670	(4,614)	773	(1,738)
<b>Total comprehensive income for the financial period</b>	<b>9,554</b>	<b>1,604</b>	<b>17,065</b>	<b>16,901</b>
<b>Profit after taxation attributable to:</b>				
- Owners of the Company	8,876	6,206	16,272	18,618
- Non-controlling interests	8	12	20	21
	<b>8,884</b>	<b>6,218</b>	<b>16,292</b>	<b>18,639</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	9,547	1,608	17,045	16,886
- Non-controlling interests	7	(4)	20	15
	<b>9,554</b>	<b>1,604</b>	<b>17,065</b>	<b>16,901</b>

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 2018 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)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding year	Current	Preceding year
	Year Quarter	Corresponding	Year to-Date	Corresponding
	30.6.2019	Quarter	30.6.2019	Year to-Date
	(Unaudited)	30.6.2018	(Unaudited)	30.6.2018
		(Unaudited)		(Unaudited)
<b>Earnings per share(Sen):</b>				
- Basic	1.41	0.99	2.58	2.95
- 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 2018 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the Second Financial Quarter Ended 30 June 2019

### CONDENSED STATEMENTS OF CASH FLOWS

	6-month period ended	
	<u>30.6.2019</u>	<u>30.6.2018</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
<b>Profit before taxation</b>	20,845	23,702
<b>Adjustments for non-cash items:-</b>		
Non-cash items	8,300	8,668
Interest expenses	1,795	1,818
Interest income	(267)	(235)
Share of results in an associate	(2,392)	(2,729)
<b>Operating profit before working capital changes</b>	28,281	31,224
(Increase)/decrease in current assets	(7,620)	3,951
Decrease in current liabilities	(6,732)	(14,349)
<b>Cash from operations</b>	13,929	20,826
Interest paid	(1,795)	(1,818)
Interest received	267	235
Income tax refunded	59	-
Income tax paid	(5,067)	(3,044)
<b>Net cash from operating activities</b>	7,393	16,199
<b><u>CASH FLOWS FOR INVESTING ACTIVITIES</u></b>		
Dividend received from an associate	-	770
Proceeds from disposal of property, plant and equipment	72	-
Purchase of property, plant and equipment	(11,524)	(11,853)
<b>Net cash for investing activities</b>	(11,452)	(11,083)
Balance carried forward	(4,059)	5,116

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



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

	<b>6-month period ended</b>	
	<b><u>30.6.2019</u></b>	<b><u>30.6.2018</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	(4,059)	5,116
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(7,941)	(9,461)
Drawdown from borrowings	7,735	-
Purchase of treasury shares	(39)	(395)
Repayment of borrowings	(3,211)	(1,995)
<b>Net cash for financing activities</b>	<b>(3,456)</b>	<b>(11,851)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,515)</b>	<b>(6,735)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>127</b>	<b>(511)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>30,081</b>	<b>35,494</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>22,693</b>	<b>28,248</b>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the Second Financial Quarter Ended 30 June 2019

### **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 2018. 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 2018.

#### **A2. 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.

#### **A3. 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.

#### **A4. 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.

#### **A5. DEBT AND EQUITY SECURITIES**

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

#### **A6. DIVIDENDS PAID**

The Company paid a first and final single tier dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 December 2018 during the financial quarter.

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Interim Report for the Second Financial Quarter Ended 30 June 2019

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

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#### **A7. 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 Second Financial Quarter Ended 30 June 2019

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. SEGMENT REPORTING (CONT'D)**

<b>6 months period ended 30 June 2019</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	60,516	10,233	8,022	241,861	-	-	320,632
Inter-segment revenue	89,576	10,644	7	50,226	183	(150,636)	-
<b>Total segment revenue</b>	<b>150,092</b>	<b>20,877</b>	<b>8,029</b>	<b>292,087</b>	<b>183</b>	<b>(150,636)</b>	<b>320,632</b>
<b>RESULTS</b>							
Segment results	5,841	(223)	574	13,610	446	-	20,248
Finance costs							(1,795)
Share of results in an associate							2,392
Profit before taxation							20,845

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. SEGMENT REPORTING (CONT'D)**

6 months period ended 30 June 2018	Poultry	Prawn	Food Service	Retail	Corporate	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<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>	144,369	15,872	7,143	293,985	6,073	(147,219)	320,223
<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							23,702

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. 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 2019</b>						
Segment assets						
Unallocated assets:-	81,103	26,513	12,070	226,752	5,625	352,063
Investment in an associate						23,626
Goodwill						380
Deferred tax assets						1,378
Current tax assets						2,265
Consolidated total assets						<u>379,712</u>
<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>

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**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)****A8. 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 2019</b>						
Segment liabilities	28,632	3,347	2,680	47,298	30,335	112,292
Unallocated liabilities:-						
Deferred tax liabilities						10,195
Current tax liabilities						2,496
Unallocated liabilities and adjustments						(4,908)
Consolidated total liabilities						<u>120,075</u>
<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>

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

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#### A8. 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>30.6.2019</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2019</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>
Australia	239	-	1,126	-
Hong Kong	297	671	621	1,103
Indonesia	27,089	29,432	51,971	54,159
Japan	665	745	2,464	1,823
Korea	173	-	173	-
People's Republic of China	-	507	-	507
Middle East	-	-	-	530
Malaysia	136,712	135,213	263,962	262,101
Vietnam	187	-	315	-
	<hr/>	<hr/>	<hr/>	<hr/>
	165,362	166,568	320,632	320,223

<i>Non-current assets</i>	<b>As at</b>	
	<b>30.6.2019</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.6.2018</b> <b>(Unaudited)</b> <b>RM'000</b>
Indonesia	32,095	28,569
Malaysia	184,927	171,496
	<hr/>	<hr/>
	217,022	200,065

#### MAJOR CUSTOMERS

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



## **CCK CONSOLIDATED HOLDINGS BERHAD**

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Interim Report for the Second Financial Quarter Ended 30 June 2019

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

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#### **A9. PROPERTY, PLANT AND EQUIPMENT**

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

During the 6-month period ended 30 June 2019, the Group acquired assets at a total cost of RM11.5 million and there was immaterial 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.

#### **A10. 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.

#### **A11. 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.

#### **A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

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

#### **A13. 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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Interim Report for the Second Financial Quarter Ended 30 June 2019

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

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#### A14. 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	
	30.6.2019 (Unaudited) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2019 (Unaudited) RM'000	30.6.2018 (Unaudited) RM'000
Purchase of products	30,641	21,649	62,338	49,599
Service fee	-	464	-	852
Sale of products	247	212	307	325
Rental paid	15	-	15	-
Advisory income	-	-	2	-
Forwarding charges	-	-	1	-

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#### A15. CASH AND CASH EQUIVALENTS

	As at	
	30.6.2019 (Unaudited) RM'000	30.6.2018 (Unaudited) RM'000
Cash and bank balances	20,205	26,049
Deposits with licensed banks	6,597	4,526
Bank overdrafts, secured	(4,109)	(2,327)
	<hr/>	<hr/>
	22,693	28,248

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## CCK CONSOLIDATED HOLDINGS BERHAD

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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	Preceding	Variances	
	Year	Year		
	Quarter	Quarter		
	30.6.2019	30.6.2018		
	(Unaudited)	(Unaudited)	RM'000	%
	RM'000	RM'000		
Revenue	165,362	166,568	(1,206)	(1)
Gross profits	33,215	32,334	881	3
Profit before taxation	11,245	7,748	3,497	45
Profit after taxation	8,884	6,218	2,666	43
Profit after taxation attributable to owners of the Company	8,876	6,206	2,670	43

	←--Cumulative Quarter--→			
	Current	Preceding	Variances	
	Year	Year		
	Quarter	Quarter		
	30.6.2019	30.6.2018		
	(Unaudited)	(Unaudited)	RM'000	%
	RM'000	RM'000		
Revenue	320,632	320,223	409	0
Gross profits	64,457	67,776	(3,319)	(5)
Profit before taxation	20,845	23,702	(2,857)	(12)
Profit after taxation	16,292	18,639	(2,347)	(13)
Profit after taxation attributable to owners of the Company	16,272	18,618	(2,346)	(13)

#### Analysis of the results for the 3-month ended 30 June 2019 against 3-month ended 30 June 2018

##### Revenue

For the 3 months ended 30 June 2019, the Group recorded a revenue of RM165.36 million, a decline of approximately 1% when compared to the corresponding quarter in 2018.

The prawn segment's revenue declined as a result of weak global market for prawns.

##### Profit before tax

The Group recorded a profit before tax of RM11.24 million for the 2<sup>nd</sup> quarter of 2019, an improvement of approximately 45% when compared to the same period in 2018.

The gross profit margin for the 3 months ended June 2019 was at 20.1% compared to 19.4% for the same quarter in 2018.

The improvement in profit before tax for this quarter was mainly due to a better performance from the retail segment.

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

#### Analysis of the results for the 6-month ended 30 June 2019 against 6-month ended 30 June 2018

##### Revenue

For the 6 months ended 30 June 2019, the Group recorded a revenue of RM320.63 million, representing an increase of approximately 0.13% over the same period last year whereby the revenue was recorded at RM320.22 million. Revenue contribution from our Indonesian operations remained at 16% of the Group's total revenue. The Group ended the first quarter of 2019 with 58 stores (2018 : 56 stores).

##### Profit before tax

The Group's profit before tax declined 12.1% from RM23.72 million in 2018 to RM20.85 million in 2019. However, after eliminating the effect of an insurance compensation of RM2 million received in the 1<sup>st</sup> quarter of 2018, the profit before tax reflected an actual decrease of 4%.

The strengthening of the USD/MYR of approximately 4.66% in half of 2019 when compared to the same period in 2018, affected our gross margins. The gross margin for the first half of 2019 was 20.1% in comparison to 21.2% for the same period in 2018.

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

	←-----Individual Quarter-----→			
	Current Year Quarter 30.6.2019 (Unaudited) RM'000	Immediate Preceding Quarter 31.3.2019 (Unaudited) RM'000	Variances RM'000    %	
Revenue	165,362	155,270	10,092	6
Gross profits	33,215	31,242	1,973	6
Profit before taxation	11,245	9,601	1,644	17
Profit after taxation	8,884	7,409	1,475	20
Profit after taxation attributable to owners of the Company	8,876	7,396	1,480	20

##### Revenue

Revenue for the current quarter improved by approximately 6% against the immediate preceding quarter. The retail segment led the way with an increase in revenue of 7.48%. Amongst the contributory factors for the increase in revenue was the Gawai festival in Sarawak and Hari Raya Aidilfitri both in Malaysia and in Indonesia. The Group ended the quarter with 58 stores, as opposed to 57 stores in the previous quarter.

## **CCK CONSOLIDATED HOLDINGS BERHAD**

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

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#### **B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS (CONT'D)**

##### Profit before tax

Correspondingly, the Group's profit before tax increased by approximately 17% from the immediate preceding quarter. This quarter, the Group achieved a gross margin of 20%, similar to the margin in the last quarter.

The share of results from our associate company, Gold Coin Sarawak Sdn Bhd, was RM1.3m as opposed to RM1m in 2018.

#### **B3. FUTURE PROSPECTS**

Based on the current quarter's performance coupled with continuing cost cutting measures, evolving marketing and pricing strategies and expected improved performance from our Indonesian operations, the Group is confident that the performance for the rest of the year will be positive. The Group is expected to open 2 more new outlets in 2019 and will continue to source for locations to expand our retail network.

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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	
	30.6.2019 (Unaudited) RM'000	30.6.2018 (Unaudited) RM'000	30.6.2019 (Unaudited) RM'000	30.6.2018 (Unaudited) RM'000
Current tax	2,361	1,530	4,553	5,063
Effective tax rate	21%	20%	22%	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.

#### 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 30.6.2019 (Unaudited) RM'000	As at 30.6.2018 (Unaudited) RM'000	As at 30.6.2019 (Unaudited) RM'000	As at 30.6.2018 (Unaudited) RM'000
<b>Current:-</b>				
- bank overdrafts	4,109	2,327	-	-
- banker's acceptance	33,228	18,990	-	-
- revolving credit	21,000	27,000	-	-
- term loans	-	1,199	-	62
	58,337	49,516	-	62
<b>Non-current:-</b>				
- hire purchase	187	-	-	-
- term loans	4,003	3,649	-	-
	4,190	3,649	-	-
	<b>62,527</b>	<b>53,165</b>	-	62

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000293 (31.12.2018: RP0.000286).

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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	
	30.6.2019 (Unaudited)	30.6.2018 (Unaudited)	30.6.2019 (Unaudited)	30.6.2018 (Unaudited)
Profit attributable to owners of the Company (RM'000)	8,876	6,206	16,272	18,618
Weighted average number of ordinary shares at 1 January ('000)	315,359	315,359	315,359	315,359
Effect of treasury shares held	(24)	(11)	(24)	(11)
Effect of share split – subdivision of 1 into 2 ordinary shares *	315,359	315,359	315,359	315,359
Weighted average number of ordinary shares at 30 June ('000)	630,694	630,707	630,694	630,707
Basic earnings per share (Sen)	1.41	0.99	2.58	2.95

##### 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	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<b>After charging/(crediting)-</b>				
Allowance for impairment losses on receivables	99	-	237	40
Allowance for impairment losses on receivables no longer required	(15)	-	(26)	-
Bad debt written off	10	-	10	-
Bad debt recovered	(1)	-	(1)	-
Depreciation and amortisation	4,949	3,247	9,845	8,467
Loss/(gain) on fair value changes in biological assets	425	(186)	(1,834)	158
(Gain)/loss on disposal of property, plant and equipment	(21)	-	73	-
(Gain)/loss on foreign exchange:-				
- realised	(18)	18	-	10
- unrealised	-	-	(4)	-
Interest expense	912	1,217	1,795	1,818
Interest income	(154)	(150)	(267)	(235)
Property, plant and equipment written off	-	3	-	3

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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 2018 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 22 August 2019.