

# **CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Company No:396692-T

**INTERIM FINANCIAL STATEMENTS**  
for the financial period ended 30 June 2017

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

**AS AT 30 JUNE 2017**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at</b>	<b>As at</b>
	<b><u>30.6.2017</u></b>	<b><u>31.12.2016</u></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Investment in an associate	23,087	21,073
Investment properties	1,432	1,448
Property, plant and equipment	198,499	198,656
Goodwill	380	380
Deferred tax assets	1,139	1,139
	<hr/>	<hr/>
	224,537	222,696
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Inventories	69,466	67,758
Trade receivables	37,456	36,254
Other receivables, deposits and prepayments	7,269	10,089
Current tax assets	3,823	3,565
Cash and bank balances	22,212	23,813
	<hr/>	<hr/>
	140,226	141,479
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	364,763	364,175
	<hr/>	<hr/>
<b>EQUITY AND LIABILITIES</b>		
Share capital	157,680	157,680
Treasury shares	(1,450)	(1,171)
Revaluation reserves	47,537	49,143
Foreign exchange translation reserve	(1,356)	(414)
Retained profits	33,912	28,502
	<hr/>	<hr/>
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	236,323	233,740
Non-controlling interests	382	460
	<hr/>	<hr/>
<b>TOTAL EQUITIES</b>	236,705	234,200
	<hr/>	<hr/>

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

**AS AT 30 JUNE 2017**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>As at</b> <b><u>30.6.2017</u></b> <b><u>RM'000</u></b> <b><u>(Unaudited)</u></b>	<b>As at</b> <b><u>31.12.2016</u></b> <b><u>RM'000</u></b> <b><u>(Audited)</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Other payables, deposits and accruals	12,333	12,333
Bank borrowings	2,822	2,597
Deferred income	19	19
Deferred tax liabilities	13,164	13,437
	<hr/> 28,338	<hr/> 28,386
<b>CURRENT LIABILITIES</b>		
Trade payables	23,488	29,025
Other payables, deposits and accruals	12,477	14,530
Bank borrowings:-		
- bank overdrafts	1,517	768
- other borrowings	59,843	55,353
Provision for employee benefits	452	468
Current tax liabilities	1,943	1,445
	<hr/> 99,720	<hr/> 101,589
<b>TOTAL LIABILITIES</b>	<hr/> 128,058	<hr/> 129,975
<b>TOTAL EQUITIES&amp; LIABILITIES</b>	<hr/> 364,763	<hr/> 364,175
	<hr/>	<hr/>
Net assets per share (RM)	0.76	0.75

The Condensed Consolidated Statement of Financial Position 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.

**CCK CONSOLIDATED HOLDINGS BERHAD****(Company No. 396692-T)**

(Incorporated in Malaysia)

**Interim report for the quarter ended 30 June 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----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>	157,680	(1,171)	(414)	49,143	28,502	233,740	460	234,200
Profit after taxation	-	-	-	-	10,068	10,068	12	10,080
Other comprehensive income for the period:-								
- foreign currency translation difference	-	-	(942)	-	-	(942)	(4)	(946)
Total comprehensive income for the Period	-	-	(942)	-	10,068	9,126	8	9,134
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>33,912</b>	<b>236,323</b>	<b>382</b>	<b>236,705</b>

The Condensed Consolidated Statement 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.

**CCK CONSOLIDATED HOLDINGS BERHAD****(Company No. 396692-T)**

(Incorporated in Malaysia)

**Interim report for the quarter ended 30 June 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Non-distributable -----→					Distributable	Attributable	Non-	Total
	Share	Treasury	Share	Exchange	Revaluation	Retained	to owners	controlling	Equity
	Capital	Share	Premium	Translation	Reserve	Profits	of the	Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Company	RM'000	RM'000
<b>At 30 June 2016</b>									
<b>Balance at 1.1.2016</b>	78,840	(2,190)	158	(2,110)	51,395	90,119	216,212	445	216,657
Profit after taxation	-	-	-	-	-	6,782	6,782	12	6,794
Other comprehensive income for the period:-									
- foreign currency translation Difference	-	-	-	(446)	-	-	(446)	(2)	(448)
Total comprehensive income for the period	-	-	-	(446)	-	6,782	6,336	10	6,346
Balance carried forward	78,840	(2,190)	158	(2,556)	51,395	96,901	222,548	455	223,003

The Condensed Consolidated Statement 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.

**CCK CONSOLIDATED HOLDINGS BERHAD****(Company No. 396692-T)**

(Incorporated in Malaysia)

**Interim report for the quarter ended 30 June 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Non-distributable -----→					Distributable	Attributable	Non-	Total
	Share Capital RM'000	Treasury Share RM'000	Share Premium RM'000	Exchange Translation RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	to owners of the Company RM'000	controlling Interest RM'000	Equity RM'000
<b>At 30 June 2016</b>									
Balance brought forward	78,840	(2,190)	158	(2,556)	51,395	96,901	222,548	455	223,003
Contributions by and distributions to owners of the Company:-									
- bonus issues	78,840	-	(158)	-	-	(78,682)	-	-	-
- purchase of treasury shares	-	(5)	-	-	-	-	(5)	-	(5)
- treasury shares sold	-	2,195	-	-	-	785	2,980	-	2,980
- dividend paid	-	-	-	-	-	(4,730)	(4,730)	-	(4,730)
Total transactions with owners	78,840	2,190	(158)	-	-	(82,627)	(1,755)	-	(1,755)
Amortisation of revaluation reserves	-	-	-	-	(1,159)	1,159	-	-	-
<b>Balance at 30.6.2016</b>	<b>157,680</b>	<b>-</b>	<b>-</b>	<b>(2,556)</b>	<b>50,236</b>	<b>15,433</b>	<b>220,793</b>	<b>455</b>	<b>221,248</b>

The Condensed Consolidated Statement 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.

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Interim report for the quarter ended 30 June 2017

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2017 RM'000	Preceding year Corresponding Quarter 30.6.2016 RM'000	Current Year to Date 30.6.2017 RM'000	Preceding year Corresponding Year to Date 30.6.2016 RM'000
Revenue	155,888	144,523	298,246	268,981
Cost of sales	(126,627)	(116,806)	(242,298)	(218,154)
<b>Gross profit</b>	<b>29,261</b>	27,717	<b>55,948</b>	50,827
Other income	1,155	1,159	1,605	3,064
Administrative expenses	(5,940)	(3,227)	(11,386)	(11,785)
Other operating expenses	(17,477)	(19,223)	(33,471)	(30,728)
Share of results in an associate	1,143	349	2,014	349
Finance costs	(738)	(736)	(1,452)	(1,520)
<b>Profit before taxation</b>	<b>7,404</b>	6,039	<b>13,258</b>	10,207
Income tax expense	(1,895)	(2,248)	(3,178)	(3,413)
<b>Profit after taxation</b>	<b>5,509</b>	3,791	<b>10,080</b>	6,794
<b>Other comprehensive income for the period:-</b>				
- Foreign currency translation difference	(792)	797	(946)	(448)
<b>Total comprehensive income for the period</b>	<b>4,717</b>	4,588	<b>9,134</b>	6,346
<b>Profit after taxation attributable to:</b>				
- Owners of the Company	5,503	3,786	10,068	6,782
- Non-controlling interests	6	5	12	12
	<b>5,509</b>	3,791	<b>10,080</b>	6,794
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	4,714	4,580	9,126	6,336
- Non-controlling interests	3	8	8	10
	<b>4,717</b>	4,588	<b>9,134</b>	6,346

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

**Interim report for the quarter ended 30 June 2017**

The figures have not been audited.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Preceding year		Preceding year
	Current	Corresponding	Current	Corresponding
	Year Quarter	Quarter	Year to Date	Year to Date
	<b>30.6.2017</b>	<b>30.6.2016</b>	<b>30.6.2017</b>	<b>30.6.2016</b>
<b>Earning per share(Sen):</b>				
- Basic	<b>1.76</b>	1.21	<b>3.21</b>	2.16
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Incomes 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.

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Interim report for the quarter ended 30 June 2017

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6-month period ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	RM'000	RM'000
<b><u>CASH FLOWS FOR OPERATING ACTIVITIES</u></b>		
Profit before taxation	13,258	10,207
<b>Adjustments for non-cash items:-</b>		
Non-cash items	9,376	9,394
Interest expenses	1,452	1,520
Interest income	(64)	(56)
Share of results in an associate	(2,014)	(349)
<b>Operating profit/(loss) before working capital changes</b>	<b>22,008</b>	<b>(20,716)</b>
Increase in current assets	(627)	(16,623)
(Decrease)/increased in current liabilities	(6,758)	13,400
<b>Cash from operations</b>	<b>14,623</b>	<b>17,493</b>
Interest paid	(1,452)	(1,520)
Interest received	64	56
Income tax paid	(3,204)	(1,786)
<b>Net cash from operating activities</b>	<b>10,031</b>	<b>14,243</b>
<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	-	1,632
Purchase of investment in an associate	-	(20,672)
Proceeds from disposal of property, plant and equipment	53	-
Purchase of property, plant and equipment	(10,427)	(3,993)
<b>Net cash for investing activities</b>	<b>(10,456)</b>	<b>(23,033)</b>
<b><u>CASH FLOWS FOR FINANCING ACTIVITIES</u></b>		
Dividend paid	(6,264)	(4,730)
Net proceeds from disposal of treasury shares	-	2,975
Purchase of treasury shares	(279)	-
Repayment of borrowings	4,738	(2,949)
<b>Net cash for financing activities</b>	<b>(1,805)</b>	<b>(4,704)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,230)</b>	<b>(13,494)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(120)</b>	<b>(42)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>23,045</b>	<b>27,194</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>20,695</b>	<b>13,658</b>

The Condensed Consolidated Statement of Cash Flows 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.

**CCK CONSOLIDATED HOLDINGS BERHAD**  
**NOTES TO THE QUARTERLY REPORT**  
**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

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**A. Explanatory Notes Pursuant to FRS 134**

**A1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with FRS 134 *Interim Financial Reporting* and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016. 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 2016.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) that are effective on 1 January 2017:-

**FRSs and IC Interpretations (Including the Consequential Amendments)**

Amendments to FRS 107: Disclosure Initiatives

Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to FRS 12: Disclosure of Interests in Other Entities (Annual Improvements to FRSs 2014 – 2016 Cycle)

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

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venture (herein called "transitioning entities").

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impact that may arise from the adoption of MFRSs and the process is still ongoing.

**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

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**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A2. Seasonality or cyclicity of interim operations**

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

**A3. Unusual items affecting assets, liabilities, equity, net income, or cash flow**

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

**A4. 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 except that the Company repurchased 320,000 of its issued ordinary shares from the open market at an average price of RM0.85 per share.

**A6. Dividends Paid**

The Company made a first and final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2016.

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**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A7. Segment reporting**

<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	629	152	565	11,622	(352)	-	12,616
Finance costs							(1,452)
Share of results in an associate							2,014
Unallocated expenses							80
Profit before taxation							<b>13,258</b>

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**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

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**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A7. Segment reporting (Cont'd)**

<b>6 months period ended 30 June 2016</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	37,192	7,096	5,907	218,786	-	-	268,981
Inter-segment revenue	73,570	6,625	5	43,819	183	(124,202)	-
<b>Total segment revenue</b>	<b>110,762</b>	<b>13,721</b>	<b>5,912</b>	<b>262,605</b>	<b>183</b>	<b>(124,202)</b>	<b>268,981</b>
<b>RESULTS</b>							
Segment results	2,895	103	757	8,557	(934)	-	11,378
Share of results in an associate							349
Finance costs							(1,520)
Profit before taxation							<u>10,207</u>

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**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A7. Segment reporting (Cont'd)**

	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>30 June 2017</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>ASSETS</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>
 <b>31 December 2016</b>						
<b>ASSETS</b>						
Segment assets	87,693	24,604	11,432	205,922	8,368	338,019
Unallocated assets:-						
Investment in an associate						21,073
Deferred tax assets						1,139
Unallocated assets						3,944
Consolidated total assets						<u>364,175</u>

Company No. 396692-T

**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

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**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A7. Segment reporting (Cont'd)**

	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>30 June 2017</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>LIABILITIES</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>
<b>31 December 2016</b>						
<b>LIABILITIES</b>						
Segment liabilities	21,390	2,236	1,017	36,920	52,113	113,676
Unallocated liabilities:-						
Deferred tax liabilities						13,437
Unallocated liabilities and adjustments						2,862
Consolidated total liabilities						<u>129,975</u>

**CCK CONSOLIDATED HOLDINGS BERHAD  
NOTES TO THE QUARTERLY REPORT  
INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

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**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

**A8. Property, plant and equipment**

a) Acquisition and Disposals

During the 6-month period ended 30 June 2017, the Group acquired assets at a total cost of RM10 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.

**A9. 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 a fire incident occurred on 24 July 2017 at the fish ball production section of a subsidiary of the Group.

**A10. Changes in the composition of the Group**

There were no changes in the composition of the Group during the period under review except for a disposal of subsidiary as disclosed in note A15.

**A11. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets as at the end of the current interim period.

**A12. 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.

**A13. 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	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Interest charged	38	-	38	-
Purchase of products	32,154	2	49,984	31
Rental paid	28	65	56	93
Service fee	656	-	656	-
Sale of products	216	136	322	136

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**CCK CONSOLIDATED HOLDINGS BERHAD**  
**NOTES TO THE QUARTERLY REPORT**  
**INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

**A. Explanatory Notes Pursuant to FRS 134 (Cont'd)**

A14. <b>Cash and cash equivalents</b>	<b>As at</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	22,212	15,179
Bank overdrafts, secured	(1,517)	(863)
Bank overdrafts, unsecured	-	(658)
	20,695	13,658

**A15. Liquidation of a subsidiary**

On 12 January 2017, the Group liquidated of its entire equity interests in CCK-BME Sdn Bhd for RM123,382 in cash. The financial effects of the liquidation are summarised below:-

(a) <b>Liquidation Proceeds</b>	<b>As at</b>
	<b>30.6.2017</b>
	<b>RM'000</b>
Cash	123
Less amount owing by holding company	(146)
Net disposal	(23)

(b) <b>Financial Effect Arising from Liquidation</b>	<b>As at</b>
	<b>30.6.2017</b>
	<b>RM'000</b>
Cash and bank balances	58
Current tax assets	15
Other payables, deposits and accruals	(4)
Non-controlling interests	(86)
Carrying amount of net assets disposed of	(17)
Less: Loss on disposal of a subsidiary	(6)
Consideration paid, satisfied in cash (Note A15(a))	(23)
Less: cash and cash balances of a subsidiary disposed of	(59)
Net cash outflow from the disposal of a subsidiary	(82)

There were no disposals of subsidiaries in the last financial year.

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**B. Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of operating performance**

The Group recorded a revenue of RM298.25 million for the six months period ended 30<sup>th</sup> June 2017 as compared to RM268.99 million in previous year's corresponding period, an increase of 10.9%.

The retail segment continues to lead the Group with an increase in revenue of 10.3 % as a result of strategic pricing and marketing plans.

The prawn sector also achieved better results with exports to Dubai, Korea and Japan. The stronger US Dollar also had a positive impact on the performance of the prawn segment.

The poultry segment recorded a decline in performance for the first 6 months of this year. Despite increasing costs of production in this segment, the Group as a whole was able to withstand the cost increases through pricing strategies across our retail network. In addition, depressed prices for table eggs in the 2nd quarter of the year as a result of over supply and competition for the double festivities in June was a contributory factor for the decline in the poultry segment's performance.

In tandem with the increase in revenue, the Group recorded a pre-tax profit of RM13.26 million for the first six months of the year, an increase of 30% when compared to the same period last year.

**B2. Comparison with the immediate preceding quarter's results**

The Group's revenue for the current quarter ended 30 June 2017 was recorded at RM155.888 million, which represented an increase of 7.9% as compared with the immediate preceding quarter's performance where the Group's revenue was recorded at RM144.523 million. The increased revenue resulted from a higher contribution from our Indonesian operations in Pontianak and Jakarta, as well as improved sales from our retail stores in Sarawak during the double festivals of Gawai and Hari Raya Aidilfitri in June 2017. Gross profit margin maintained at 18.7% for both the first and second quarters of the year. The Group's current quarter's pre-tax profit of RM7.404 million is higher as compared with the immediate preceding quarter's result of RM5.853 million of pre-tax profits. The share of results in our associate company also showed an improvement this quarter.

**B3. Future Prospects**

Barring any unforeseen circumstances, the Group is confident that the performance for the remaining quarters of 2017 will be satisfactory.

**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. Taxation	3-month ended		Cumulative Quarter	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Current taxation	2,028	2,703	3,444	3,718
Deferred taxation	(133)	(455)	(266)	(305)
	<u>1,895</u>	<u>2,248</u>	<u>3,178</u>	<u>3,413</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

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 the previous corresponding quarter was higher than the statutory tax rate principally due to expenses which were not deductible for tax purposes.

**B6. Status of corporate proposals**

There were no significant developments or changes in the corporate proposals.

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**B. Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B7. Group Borrowings**

Details of the Group borrowings are as follows:-

	As at	
	30.6.2017	31.12.2016
	RM'000	RM'000
<b>Current</b>		
Secured -		
- Bank overdrafts	1,517	768
- Banker's acceptance	24,159	17,811
- Term loans	2,684	1,542
- Revolving credit	33,000	36,000
	<b>61,360</b>	<b>56,121</b>
<b>Non-current</b>		
Secured -		
- Term loans	2,822	2,597
	<b>2,822</b>	<b>2,597</b>

**B8. Material litigation**

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

**B9. Dividend**

The Company paid a first and final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2016.

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**B. Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**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	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Profit attributable to owners of the Company (RM'000)	5,503	3,786	10,068	6,782
Weighted average of ordinary shares at 30 June ('000)	313,166	313,882	313,187	313,884
Basic earnings per share (Sen)	1.76	1.21	3.21	2.16

**Diluted:-**

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

**B11. Disclosure of realised and unrealised retained profits**

The breakdown of the retained profits of the Group into realised and unrealised profits or losses are analysed as follows:-

	As at	
	30.6.2017	31.12.2016
	RM'000	RM'000
Total retained profits:-		
- realised	60,968	57,736
- unrealised	(12,025)	(12,361)
	48,943	45,375
Share of results on an associates - realised	2,286	1,143
Less: Consolidation adjustments	(17,317)	(18,016)
	<b>33,912</b>	<b>28,502</b>

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**B. Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd)**

**B12. Profit before tax**

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

	3-month ended		Cumulative Quarter	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
<b>After charging/(crediting)-</b>				
Allowance for impairment losses				
on receivables	-	11	-	11
Depreciation and amortisation	4,764	3,670	9,407	9,384
Loss/(gain) on disposal of property, plant and equipment	9	(20)	(53)	(20)
(Gain)/loss on foreign exchange	-	(55)	(6)	(47)
Interest expense	738	736	1,452	1,520
Interest income	(39)	(49)	(64)	(56)

Other than the above, there were no impairment of assets, gain or loss on disposal of properties and exceptional items for the current quarter.

**B13. Net assets per share**

The net assets per share of RM0.76 is calculated by dividing the net assets of the Group of RM236.323 million by 312.885 million number of shares of the Company in issue as at the end of the current financial quarter.

**B14. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

**B15. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 August 2017.