

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No. 396692-T

INTERIM FINANCIAL STATEMENTS
for the Financial Period Ended 31 December 2017

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No. 396692-T

Interim Report for the Fourth Financial Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	22,177	21,073
Investment properties	7,060	1,448
Property, plant and equipment	190,768	198,656
Goodwill	380	380
Deferred tax assets	1,139	1,139
	<hr/> 221,524	<hr/> 222,696
CURRENT ASSETS		
Inventories	76,564	67,758
Trade receivables	37,939	36,254
Other receivables, deposits and prepayments	12,218	10,089
Current tax assets	1,406	3,565
Cash and bank balances	33,969	23,813
	<hr/> 162,096	<hr/> 141,479
TOTAL ASSETS	<hr/> 383,620	<hr/> 364,175
EQUITY AND LIABILITIES		
Share capital	158,976	157,680
Treasury shares	-	(1,171)
Revaluation reserves	46,429	49,143
Foreign exchange translation reserve	(3,380)	(414)
Retained profits	53,712	28,502
	<hr/> 255,737	<hr/> 233,740
Total Equity Attributable to Owners of the Company		
Non-controlling interests	393	460
	<hr/> 256,130	<hr/> 234,200
TOTAL EQUITIES	<hr/> 256,130	<hr/> 234,200

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.

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

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000 (Audited)
NON-CURRENT LIABILITIES		
Other payables, deposits and accruals	12,333	12,333
Bank borrowings	2,503	2,597
Deferred income	19	19
Deferred tax liabilities	13,100	13,437
	<hr/> 27,955	<hr/> 28,386
CURRENT LIABILITIES		
Trade payables	28,741	29,025
Other payables, deposits and accruals	16,255	14,530
Bank borrowings:-		
- bank overdrafts	1,859	768
- other borrowings	50,264	55,353
Provision for employee benefits	486	468
Current tax liabilities	1,930	1,445
	<hr/> 99,535	<hr/> 101,589
TOTAL LIABILITIES	<hr/> 127,490	<hr/> 129,975
TOTAL EQUITIES & LIABILITIES	<hr/> 390,187	<hr/> 364,175
	<hr/>	<hr/>
Net assets per share (RM)	0.81	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital RM'000	Treasury Shares 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 December 2017								
Balance at 1.1.2017	157,680	(1,171)	(414)	49,143	28,502	233,740	460	234,200
Profit after taxation	-	-	-	-	28,798	28,798	30	28,828
Other comprehensive income for the financial period:-								
- foreign currency translation difference	-	-	(2,966)	-	-	(2,966)	(11)	(2,977)
- Remeasurement of defined benefit plans	-	-	-	-	(38)	(38)	-	(38)
Total comprehensive income for the financial period	-	-	(2,966)	-	28,760	24,794	19	25,813
Contributions by and distributions to owners of the Company:-								
- purchase of treasury shares	-	(1,574)	-	-	-	(1,574)	-	(1,574)
- disposal of a subsidiary	-	-	-	-	-	-	(86)	(86)
- disposal of treasury shares	1,296	2,745	-	-	-	4,041	-	4,041
- dividends paid	-	-	-	-	(6,264)	(6,264)	-	(6,264)
Total transactions with owners	1,296	1,171	-	-	(6,264)	(3,797)	(86)	(3,883)
Amortisation of revaluation reserves	-	-	-	(2,714)	2,714	-	-	-
Balance at 31.12.2017	158,976	-	(3,380)	46,429	53,712	255,737	393	256,130

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
(UNAUDITED)**

	Share Capital RM'000	Treasury Shares RM'000	Share Premium 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 December 2016									
Balance at 1.1.2016	78,840	(2,190)	158	(2,110)	51,395	90,119	216,212	445	216,657
Profit after taxation	-	-	-	-	-	18,296	18,296	19	18,315
Other comprehensive income for the financial period:-									
- foreign currency translation differences	-	-	-	1,728	-	-	1,728	8	1,736
Total comprehensive income for the financial period	-	-	-	1,728	-	18,296	20,024	27	20,051
Balance carried forward	78,840	(2,190)	158	(382)	51,395	108,415	236,236	472	236,708

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) (UNAUDITED)

	Share Capital RM'000	Treasury Shares RM'000	Share Premium 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 December 2016									
Balance brought forward	78,840	(2,190)	158	(382)	51,395	108,415	236,236	472	236,708
Contributions by and distributions to owners of the Company:-									
- bonus issues	78,840	-	(158)	-	-	(78,682)	-	-	-
- purchase of treasury shares	-	(1,168)	-	-	-	-	(1,168)	-	(1,168)
- treasury shares sold	-	2,195	-	-	-	785	2,980	-	2,980
- dividends paid	-	-	-	-	-	(4,730)	(4,730)	-	(4,730)
Total transactions with owners	78,840	1,027	(158)	-	-	(82,627)	(2,918)	-	(2,918)
Amortisation of revaluation reserves	-	-	-	-	(1,739)	1,739	-	-	-
Balance at 31.12.2016	157,680	(1,163)	-	(382)	49,077	28,106	233,318	472	233,790

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.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2017 RM'000	Preceding year Corresponding Quarter 31.12.2016 RM'000	Current Year to-Date 31.12.2017 RM'000	Preceding year Corresponding Year to-Date 31.12.2016 RM'000
Revenue	154,287	143,663	609,259	553,125
Cost of sales	(116,913)	(121,746)	(478,521)	(454,724)
Gross profit	37,374	21,917	130,738	98,401
Other income	1,357	2,996	3,840	7,904
Administrative expenses	(8,653)	(6,076)	(26,267)	(23,983)
Other operating expenses	(18,546)	(13,275)	(71,410)	(57,477)
Share of results in an associate	1,379	2,826	4,507	4,456
Finance costs	(1,141)	(1,213)	(3,338)	(3,455)
Profit before taxation	11,770	7,175	38,070	25,846
Income tax expense	(2,820)	(2,183)	(9,242)	(7,531)
Profit after taxation	8,950	4,992	28,828	18,315
Other comprehensive income for the financial period:-				
- foreign currency translation difference	(1,239)	1,128	(2,978)	1,736
- remeasurement of defined benefit plans	(38)	-	(38)	-
Total comprehensive income for the financial period	7,673	6,120	25,812	20,051
Profit after taxation attributable to:				
- Owners of the Company	8,948	4,995	28,798	18,296
- Non-controlling interests	2	(3)	30	19
	8,950	4,992	28,828	18,315
Total comprehensive income attributable to:				
- Owners of the Company	7,676	6,118	25,793	20,024
- Non-controlling interests	(3)	2	19	27
	7,673	6,120	25,812	20,051

The Condensed Consolidated Statement 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 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2017	Preceding year Corresponding Quarter 31.12.2016	Current Year to-Date 31.12.2017	Preceding year Corresponding Year to-Date 31.12.2016
Earning per share(Sen):				
- Basic	2.84	1.59	9.18	5.83
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement 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 2016 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	12-month period ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
<u>CASH FLOWS FOR OPERATING ACTIVITIES</u>		
Profit before taxation	38,070	25,846
Adjustments for non-cash items:-		
Non-cash items	19,057	18,096
Interest expenses	3,338	3,455
Interest income	(587)	(394)
Share of results in an associate	(4,507)	(4,456)
Operating profit before working capital changes	55,371	42,547
Increase in current assets	(14,772)	(17,540)
Increased in current liabilities	4,532	16,392
Cash from operations	45,131	41,399
Interest paid	(3,338)	(3,455)
Interest received	587	394
Income tax paid	(7,104)	(5,968)
Net cash from operating activities	35,276	32,370
<u>CASH FLOWS FOR INVESTING ACTIVITIES</u>		
Disposal of a subsidiary, net of cash and cash equivalents disposed	(82)	-
Dividend received from an associate	3,403	3,264
Purchase of investment in an associate	-	(20,672)
Proceeds from disposal of property, plant and equipment	2,677	-
Purchase of property, plant and equipment	(22,906)	(13,265)
Net cash for investing activities	(16,908)	(30,673)
Balance carried forward	18,368	1,697

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.

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Interim Report for the Fourth Financial Quarter Ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
(UNAUDITED)**

	12-month period ended	
	<u>31.12.2017</u>	<u>31.12.2016</u>
	RM'000	RM'000
Balance brought forward	18,368	1,697
<u>CASH FLOWS FOR FINANCING ACTIVITIES</u>		
Dividend paid	(6,264)	(4,730)
Net proceeds from disposal of treasury shares	2,467	1,812
Repayment of borrowings	(5,127)	(3,123)
Net cash for financing activities	(8,924)	(6,041)
Net increase/(decrease) in cash and cash equivalents	9,444	(4,344)
Effect of exchange rate changes on cash and cash equivalents	(379)	137
Cash and cash equivalents at beginning of the financial year	23,045	27,194
Cash and cash equivalents at end of the financial year	32,110	22,987

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.

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Interim Report for the Fourth Financial Quarter Ended 31 December 2017

A. EXPLANATORY NOTES PURSUANT TO FRS 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 Financial Reporting Standards (“FRS”) 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 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.

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.

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

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

No dividend has been paid for the current quarter except for a first and final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2016 paid during the financial period under review.

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

A7. SEGMENT REPORTING

3 months period ended 31 December 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	20,144	6,147	2,650	125,282	64	-	154,287
Inter-segment revenue	47,201	5,072	5	20,523	3,494	(76,295)	-
Total segment revenue	67,345	11,219	2,655	145,805	3,558	(76,295)	154,287
RESULTS							
Segment results	5,036	1,015	195	6,745	(1,459)	-	11,532
Finance costs							(1,141)
Share of results in an associate							1,379
Profit before taxation							<u>11,770</u>

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

A7. SEGMENT REPORTING (CONT'D)

3 months period ended 31 December 2016	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	19,622	6,037	2,101	115,903	-	-	143,663
Inter-segment revenue	39,779	3,982	2	20,350	1,723	(65,836)	-
Total segment revenue	59,401	10,019	2,103	136,253	1,723	(65,836)	143,663
RESULTS							
Segment results	588	526	317	5,139	(1,008)	-	5,562
Finance costs							(1,213)
Share of results in an associate							2,826
Profit before taxation							7,175

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

A7. SEGMENT REPORTING (CONT'D)

12 months period ended 31 December 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	83,076	22,646	12,016	491,457	64	-	609,259
Inter-segment revenue	175,299	15,689	14	86,081	3,769	(280,852)	-
Total segment revenue	258,375	38,335	12,030	577,538	3,833	(280,852)	609,259
RESULTS							
Segment results	9,801	2,066	1,226	25,856	(2,048)	-	36,901
Finance costs							(3,338)
Share of results in an associate							4,507
Profit before taxation							<u>38,070</u>

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

A7. SEGMENT REPORTING (CONT'D)

12 months period ended 31 December 2016	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	75,921	20,282	10,917	446,005	-	-	553,125
Inter-segment revenue	153,505	15,186	9	80,014	3,630	(252,344)	-
Total segment revenue	229,426	35,468	10,926	526,019	3,630	(252,344)	553,125
RESULTS							
Segment results	4,815	1,544	1,518	19,206	(2,238)	-	24,845
Finance costs							(3,455)
Share of results in an associate							4,456
Profit before taxation							<u>25,846</u>

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

A7. 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 December 2017						
Segment assets	103,689	16,486	8,743	219,310	10,290	358,518
Unallocated assets:-						
Investment in an associate						22,177
Deferred tax assets						1,139
Unallocated assets						1,786
Consolidated total assets						<u>383,620</u>
31 December 2016						
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>

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

A7. SEGMENT REPORTING (CONT'D)

LIABILITIES	Poultry RM'000	Prawn RM'000	Food Service RM'000	Retail RM'000	Corporate RM'000	Consolidated RM'000
31 December 2017						
Segment liabilities	23,035	1,088	666	56,229	31,443	112,461
Unallocated liabilities:-						
Deferred tax liabilities						13,100
Unallocated liabilities and adjustments						1,929
Consolidated total liabilities						<u>127,490</u>
31 December 2016						
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>

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

A7. SEGMENT REPORTING (CONT'D)

Accordingly, no further segmental analysis is available for disclosures except for the following entity-wide disclosures as required by FRS 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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Australia	-	-	420	755
Hong Kong	-	-	78	-
Indonesia	22,836	18,775	86,901	66,268
Japan	3,135	-	11,058	6,829
Korea	-	-	199	-
Middle East	280	-	576	-
People's Republic of China	155	-	148	579
Malaysia	127,881	124,888	509,879	478,694
	154,287	143,663	609,259	553,125

<i>Non-current assets</i>	As at	
	31.12.2017	31.12.2016
	RM'000	RM'000
Indonesia	29,505	32,457
Malaysia	168,704	189,100
	198,209	221,557

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 FRS 134 (CONT'D)

A8. PROPERTY, PLANT AND EQUIPMENT

a) Acquisition and Disposals

During the 12-month period ended 31 December 2017, the Group acquired assets at a total cost of RM23 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.

A10. 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 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 date of this report.

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.

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

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Interest charged	-	-	38	-
Purchase of products	28,799	17,073	106,487	57,885
Rental paid	145	65	352	272
Service fee	824	-	1,485	-
Sale of products	206	95	668	408

A14. CASH AND CASH EQUIVALENTS

	As at	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash and bank balances	33,969	23,755
Bank overdrafts, secured	(1,859)	(768)
	<hr/>	<hr/>
	32,110	22,987

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

A15. DISPOSAL OF A SUBSIDIARY

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

	As at 31.12.2017 RM'000
(a) Disposal Proceeds	
Cash	123
Less amount owing by holding company	(146)
	<hr/>
Net disposal	(23)
	<hr/>
(b) Financial Effect Arising from Disposal	
	As at 31.12.2017 RM'000
Cash and bank balances	58
Current tax assets	15
Other payables, deposits and accruals	(4)
Non-controlling interests	(86)
	<hr/>
Carrying amount of net assets disposed of	(17)
Less: Loss on disposal of a subsidiary	(6)
	<hr/>
Consideration paid, satisfied in cash (Note A15(a))	(23)
Less: cash and cash balances of a subsidiary disposed of	(59)
	<hr/>
Net cash outflow from the disposal of a subsidiary	(82)
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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 (CONT'D)

B1. REVIEW OF OPERATING PERFORMANCE

	←-----Individual Quarter-----→			
	Current Year Quarter 31.12.2017 RM'000	Preceding Year Corresponding Quarter 31.12.2016 RM'000	Variances RM'000 %	
Revenue	154,287	143,663	10,624	7
Gross profits	37,374	21,917	15,457	71
Profit before taxation	11,770	7,175	4,595	64
Profit after taxation	8,950	4,992	3,958	79
Profit after taxation attributable to owners of the Company	8,948	4,995	3,953	79

	←-----Cumulative Quarter-----→			
	Current Year to-Date 31.12.2017 RM'000	Preceding Year Corresponding Period 31.12.2016 RM'000	Variances RM'000 %	
Revenue	609,259	553,125	56,134	10
Gross profits	130,738	98,401	32,337	33
Profit before taxation	38,070	25,846	12,224	47
Profit after taxation	28,828	18,315	10,513	57
Profit after taxation attributable to owners of the Company	28,798	18,296	10,502	57

(a) Analysis of the results for the 3-month ended 31 December 2017 against 3-month ended 31 December 2016.

Revenue

For the fourth quarter ended 31 December 2017, the Group recorded a revenue of RM154.29 million, representing an increase of approximately 7.4% over the same period last year whereby the revenue was recorded at RM143.66 million. The retail segment showed better performances from all our retail stores.

Profit before tax

Correspondingly, the Group's profit before tax rose 64.4% from RM7.1 million in 2016 to RM11.78 million when compared to the same period in the preceding year. The cessation of operations of the loss making CCK Fresh Mart (West Malaysia) Sdn Bhd and its stores this quarter have helped improve the Group's profit before tax figures. Improved margins across the board from our retail stores helped boost the retail segments performance this quarter. The poultry segment benefitted from lower feed costs due to a stronger MYR/USD in 2017 as compared to 2016, improvements in farm efficiencies, better chicken pricing and better pricing of table eggs.

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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 (CONTINUED)

(b) Analysis of the results for 12-months ended 31 December 2017 against 12-months ended 31 December 2016

Revenue

The Group recorded an increase in revenue of 10.15% for the year ended 31 December 2017 from RM553.1 million in 2016 to RM609.2 million in 2017. The retail segment led the way with an improvement in revenue of 10% from RM446.0 million in 2016 to RM491.5 million in 2017. The Indonesian operations contributed 14% towards the Group's revenue in 2017 as compared to 12% in 2016. Better chicken pricing and pricing for table eggs contributed towards the increased revenue in the poultry segment. The prawn segment continued its recovery with exports to Australia, Japan, Hong Kong, Dubai and China.

Profit before tax

Profit before tax for the Group for the 12-months ended 31 December 2017 amounted to RM38.1 million (2016 : RM25.8 million) an improvement of 47.2% from 2016. The retail segment showed an improvement in results of 34.7%, aided by better overall margins and pricing at the retail level. Improved farming efficiencies, better chicken and egg pricings and a stronger MYR/USD contributed towards the poultry segment's improved performance for 2017.

B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

	←-----Individual Quarter-----→			
	Current Year Quarter 31.12.2017 RM'000	Current Year Last Quarter 30.9.2017 RM'000	Variances	
			RM'000	%
Revenue	154,287	156,726	(2,439)	-2
Gross profits	37,374	37,416	(42)	-
Profit before taxation	11,770	13,042	(1,272)	-10
Profit after taxation	8,950	9,798	(839)	-9
Profit after taxation attributable to owners of the Company	8,948	9,782	(834)	-9

For the current quarter ended 31 December 2017, the Group recorded a lower revenue and profit before tax as compared to the preceding quarter. As our business has a seasonal aspect, the performance of the Group for the quarter ended December 2017 was lower due to the absence of major festivities. For the quarter ended 30th September 2017, there were 2 major celebrations i.e. Hari Raya Haji and Awal Muharram.

B3. FUTURE PROSPECTS

Based on current year's performance, continuous strengthening of the ringgit and with continuing improving efficiencies and cost control, as well as stable pricing for chicken and eggs, the Group is confident that the performance for the coming financial year ending 31 December 2018 will be comparable if not better.

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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	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Current tax	2,997	2,322	9,774	8,087
Deferred tax	(177)	(139)	(532)	(556)
	<u>2,820</u>	<u>2,183</u>	<u>9,242</u>	<u>7,531</u>
Effective tax rate	<u>24%</u>	<u>30%</u>	<u>24%</u>	<u>29%</u>

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.

B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

	RM Denomination		Foreign Denomination	
	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Current:-				
- bank overdrafts	1,859	768	-	-
- banker's acceptance	19,917	17,811	-	-
- revolving credit	30,000	36,000	-	-
- term loans	347	1,542	199	223
	<u>52,123</u>	<u>56,121</u>	<u>199</u>	<u>223</u>
Non-current:-				
- term loans	2,503	2,597	66	520
	<u>54,626</u>	<u>58,718</u>	<u>265</u>	<u>743</u>

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000298 (31.12.2016: RP0.000323)

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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

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to owners of the Company (RM'000)	8,948	4,995	28,798	18,296
Weighted average number of ordinary shares at 1 January ('000)	313,215	312,925	313,215	312,925
Effect of treasury shares held	1,736	564	340	1,020
Weighted average number of ordinary shares at 31 December ('000)	314,951	313,489	313,555	313,945
Basic earnings per share (Sen)	2.84	1.59	9.18	5.83

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting)-				
Allowance for impairment losses on and write off of receivables	(15)	-	50	11
Allowance for impairment losses on and write off of inventories	-	-	26	-
Depreciation and amortisation	4,573	4,016	18,465	18,086
(Gain)/loss on disposal of property, plant and equipment	14	-	(127)	-
Gain on disposal of quoted or unquoted investments	-	-	7	-
Gain on foreign exchange	2	(34)	(32)	(81)
Gain on derivatives	-	-	-	-
Interest expense	1,141	1,213	3,338	3,455
Interest income	(486)	(28)	(587)	(394)
Impairment of assets	-	-	-	-
Other income including investment Income	-	-	-	-
Property, plant and equipment written off	-	-	635	-
Exceptional items	-	-	-	-

B12. 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.

B13. FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments.