

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

**INTERIM FINANCIAL STATEMENTS**

for the Financial Period Ended 30 September 2020

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	<b>As at 30.9.2020 RM'000 (Unaudited)</b>	<b>As at 31.12.2019 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	27,279	26,486
Investment properties	17,000	17,085
Property, plant and equipment	190,816	190,403
Goodwill	380	380
Deferred tax assets	1,389	1,389
	<hr/> 236,864	<hr/> 235,743
<b>CURRENT ASSETS</b>		
Inventories	55,752	55,843
Biological assets	14,282	15,324
Trade receivables	39,341	39,678
Other receivables, deposits and prepayments	12,166	11,217
Current tax assets	610	771
Deposits with licensed banks	3,449	4,925
Cash and bank balances	43,860	39,101
	<hr/> 169,460	<hr/> 166,859
<b>TOTAL ASSETS</b>	<hr/> 406,324	<hr/> 402,602
<b>EQUITY AND LIABILITIES</b>		
Share capital	158,969	158,969
Treasury shares	(2,432)	(2,320)
Foreign exchange translation reserve	(5,756)	(3,465)
Retained profits	136,499	122,590
	<hr/> 287,280	<hr/> 275,774
Total Equity Attributable to Owners of the Company	287,280	275,774
Non-controlling interests	409	380
	<hr/> 287,689	<hr/> 276,154
<b>TOTAL EQUITIES</b>	<hr/> 287,689	<hr/> 276,154

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

	<b>As at 30.9.2020 RM'000 (Unaudited)</b>	<b>As at 31.12.2019 RM'000 (Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Other payables, deposits and accruals	6,265	6,265
Lease liabilities	10,901	10,978
Bank borrowings	8,162	6,310
Deferred income	19	19
Deferred tax liabilities	9,643	9,661
	<hr/> 34,990	<hr/> 33,233
<b>CURRENT LIABILITIES</b>		
Trade payables	26,239	23,698
Other payables, deposits and accruals	11,590	19,586
Bank borrowings:-		
- bank overdrafts	1,064	815
- other borrowings	39,054	43,963
Lease liabilities	1,826	1,826
Provision for employee benefits	734	776
Current tax liabilities	3,138	2,551
	<hr/> 83,645	<hr/> 93,215
<b>TOTAL LIABILITIES</b>	<hr/> 118,635	<hr/> 126,448
<b>TOTAL EQUITIES&amp; LIABILITIES</b>	<hr/> 406,324	<hr/> 402,602
	<hr/>	<hr/>
Net assets per share (RM)	0.46	0.44

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CCK CONSOLIDATED HOLDINGS BERHAD**

Registration No. 199601024340 (396692-T)

(Incorporated in Malaysia)

Interim Report for the Third Financial Quarter Ended 30 September 2020

**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 September 2020</b>							
<b>Balance at 1.1.2020</b>	158,969	(2,320)	(3,465)	122,590	275,774	380	276,154
Profit after taxation	-	-	-	24,875	24,875	29	24,904
- foreign currency translation difference	-	-	(2,291)	-	(2,291)	-	(2,291)
Total comprehensive income for the financial period	-	-	(2,291)	24,875	22,584	29	22,613
Contributions by and distributors to owners of the Company:-							
- Purchase of treasury shares	-	(112)	-	-	(112)	-	(112)
-Dividends:- -by the Company				(10,966)	(10,966)		(10,966)
Total Transactions with owners	-	(112)	-	(10,966)	(11,078)	-	(11,078)
<b>Balance at 30.9.2020</b>	158,969	(2,432)	(5,756)	136,499	287,280	409	287,689

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CCK CONSOLIDATED HOLDINGS BERHAD**

Registration No. 199601024340 (396692-T)

(Incorporated in Malaysia)

Interim Report for the Third Financial Quarter Ended 30 September 2020

**CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONT'D) (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 September 2019</b>							
<b>Balance at 1.1.2019</b>							
- as previously stated	158,969	(1,614)	(4,482)	97,246	250,119	433	250,552
Profit after taxation	-	-	-	23,960	23,960	27	23,987
Other comprehensive income for the period:-							
- foreign currency translation difference	-	-	1,021	-	1,021	-	1,021
Total comprehensive income for the financial period	-	-	1,021	23,960	24,981	27	25,008
Contributions by and distributors to owners of the Company:-							
-Purchase of treasury shares	-	(706)	-	-	(706)	-	(706)
Dividends:-							
-by the Company	-	-	-	(7,854)	(7,854)	-	(7,854)
-by subsidiaries to non controlling interest	-	-	-	-	-	(88)	(88)
Total Transactions with owners	-	(706)	-	(7,854)	(8,560)	(88)	(8,648)
<b>Balance at 30.9.2019</b>	158,969	(2,320)	(3,461)	113,352	266,540	372	266,912

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2020 (Unaudited) RM'000	Preceding year Corresponding Quarter 30.9.2019 (Unaudited) RM'000	Current Year to-Date 30.9.2020 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 30.9.2019 (Unaudited) RM'000
Revenue	165,189	165,775	480,016	486,408
Cost of sales	(130,856)	(133,026)	(383,360)	(389,202)
<b>Gross profit</b>	<b>34,333</b>	<b>32,749</b>	<b>96,656</b>	<b>97,206</b>
Other income	1,460	1,784	3,886	3,540
Administrative expenses	( 5,893)	(5,084)	(18,808)	(20,006)
Other operating expenses	(19,039)	(20,193)	(51,951)	(51,235)
Share of results in an associate	1,352	1,431	4,056	3,823
Finance costs	(617)	(775)	(2,095)	(2,570)
<b>Profit before taxation</b>	<b>11,596</b>	<b>9,912</b>	<b>31,744</b>	<b>30,758</b>
Income tax expense	(2,348)	(2,218)	(6,840)	(6,771)
<b>Profit after taxation</b>	<b>9,248</b>	<b>7,694</b>	<b>24,904</b>	<b>23,987</b>
<b>Other comprehensive income for the financial period:-</b>				
- foreign currency translation difference	(2,962)	247	(2,290)	1,020
<b>Total comprehensive income for the financial period</b>	<b>6,286</b>	<b>7,941</b>	<b>22,614</b>	<b>25,007</b>
<b>Profit after taxation attributable to:</b>				
- Owners of the Company	9,234	7,687	24,875	23,960
- Non-controlling interests	14	7	29	27
	<b>9,248</b>	<b>7,694</b>	<b>24,904</b>	<b>23,987</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	6,272	7,935	22,585	24,980
- Non-controlling interests	14	6	29	27
	<b>6,286</b>	<b>7,941</b>	<b>22,614</b>	<b>25,007</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

### 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
	30.9.2020	Quarter	30.9.2020	Year to-Date
	(Unaudited)	30.9.2019	(Unaudited)	30.9.2019
		(Unaudited)		(Unaudited)
<b>Earnings per share(Sen):</b>				
- Basic	1.47	1.22	3.97	3.80
- 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

### CONDENSED STATEMENTS OF CASH FLOWS

	9-month period ended	
	<u>30.9.2020</u>	<u>30.9.2019</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
<b>Profit before taxation</b>	31,744	30,758
<b>Adjustments for non-cash items:-</b>		
Non-cash items	15,763	11,913
Interest expenses	2,095	2,570
Interest income	(475)	(367)
Share of results in an associate	(4,056)	(3,823)
<b>Operating profit before working capital changes</b>	45,071	41,051
Increase in current assets	(1,608)	(4,784)
Decrease in current liabilities	(3,920)	(5,630)
Employee benefits paid	-	(28)
<b>Cash from operations</b>	39,543	30,609
Interest paid	(2,095)	(2,570)
Interest received	475	367
Income tax refunded	-	59
Income tax paid	(6,398)	(5,945)
<b>Net cash from operating activities</b>	31,525	22,520
<b><u>CASH FLOWS FOR INVESTING ACTIVITIES</u></b>		
Proceeds from disposal of property, plant and equipment	108	71
Dividend received from an associate	3,264	-
Purchase of property, plant and equipment	(17,120)	(16,045)
<b>Net cash for investing activities</b>	(13,748)	(15,974)
Balance carried forward	17,777	6,546

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

	<b>9-month period ended</b>	
	<b><u>30.9.2020</u></b>	<b><u>30.9.2019</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	17,777	6,546
<hr/>		
<b><u>CASH FLOWS FOR FINANCING ACTIVITIES</u></b>		
Dividend paid	(10,966)	(7,941)
Drawdown from borrowings	1,694	2,752
Proceeds from purchase of treasury shares	(112)	(706)
Repayment of borrowings	(4,752)	(4,577)
Repayment of lease liabilities	(77)	-
<hr/>		
<b>Net cash for financing activities</b>	<b>(14,213)</b>	<b>(10,472)</b>
<hr/>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,564</b>	<b>(3,926)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(530)</b>	<b>181</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>43,211</b>	<b>30,081</b>
<hr/>		
<b>Cash and cash equivalents at end of the financial period</b>	<b>46,245</b>	<b>26,336</b>
<hr/>		

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

## **CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

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

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

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

These unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. 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 2019.

#### **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 final single tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2019 during the current quarter.

## **CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

#### **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.

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

9 months period ended 30 September 2020	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	71,756	12,042	10,709	385,509	-	-	480,016
Inter-segment revenue	143,159	8,744	7	68,680	3,539	(224,129)	-
<b>Total segment revenue</b>	214,915	20,786	10,716	454,189	3,539	(224,129)	480,016
<b>RESULTS</b>							
Segment results	5,460	(406)	1,372	24,211	(854)	-	29,783
Finance costs							(2,095)
Share of results in an associate							4,056
Profit before taxation							31,744

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

<b>9 months period ended 30 September 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	74,216	16,224	13,277	382,691	-	-	486,408
Inter-segment revenue	147,623	10,138	11	69,856	275	(227,903)	-
<b>Total segment revenue</b>	<b>221,839</b>	<b>26,362</b>	<b>13,288</b>	<b>452,547</b>	<b>275</b>	<b>(227,903)</b>	<b>486,408</b>
<b>RESULTS</b>							
Segment results	7,608	59	1,185	20,407	246	-	29,505
Finance costs							(2,570)
Share of results in an associate							3,823
Profit before taxation							<u>30,758</u>

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

<b>ASSETS</b>	<b>Poultry RM'000</b>	<b>Prawn RM'000</b>	<b>Food Service RM'000</b>	<b>Retail RM'000</b>	<b>Corporate RM'000</b>	<b>Consolidated RM'000</b>
<b>30 September 2020</b>						
Segment assets						
Unallocated assets:-	93,323	19,823	11,797	241,023	10,700	376,666
Investment in an associate						27,279
Goodwill						380
Deferred tax assets						1,389
Current tax assets						610
Consolidated total assets						<u>406,324</u>
<b>30 September 2019</b>						
Segment assets	96,675	19,635	11,963	217,527	6,398	352,198
Unallocated assets:-						
Investment in an associate						25,057
Goodwill						380
Deferred tax assets						1,378
Unallocated assets						714
Consolidated total assets						<u>379,727</u>

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

#### A8. SEGMENT REPORTING (CONT'D)

LIABILITIES	Poultry RM'000	Prawn RM'000	Food Service RM'000	Retail RM'000	Corporate RM'000	Consolidated RM'000
<b>30 September 2020</b>						
Segment liabilities	22,976	2,055	1,814	58,761	24,748	110,354
Unallocated liabilities:-						
Deferred tax liabilities						9,643
Current tax liabilities						3,138
Unallocated liabilities and adjustments						(4,500)
Consolidated total liabilities						<u>118,635</u>
<b>30 September 2019</b>						
Segment liabilities	29,006	2,622	1,699	38,637	30,751	102,715
Unallocated liabilities:-						
Deferred tax liabilities						10,197
Current tax liabilities						2,843
Unallocated liabilities and adjustments						(2,940)
Consolidated total liabilities						<u>112,815</u>

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

#### 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-months ended</b>		<b>Cumulative Quarter</b>	
	<b>30.9.2020</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.9.2019</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.9.2020</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.9.2019</b> <b>(Unaudited)</b> <b>RM'000</b>
Australia	-	(3)	537	1,123
Hong Kong	-	15	261	636
Indonesia	27,331	27,208	84,375	79,178
Japan	1,445	2,811	5,545	5,276
Taiwan	-	456	324	456
Korea	-	350	-	524
Middle East	-	-	343	-
Malaysia	136,413	134,951	388,631	398,913
Vietnam	-	(13)	-	302
	<b>165,189</b>	<b>165,775</b>	<b>480,016</b>	<b>486,408</b>

<i>Non-current assets</i>	<b>As at</b>	
	<b>30.9.2020</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>30.9.2019</b> <b>(Unaudited)</b> <b>RM'000</b>
Indonesia	33,165	33,115
Malaysia	202,805	185,005
	<b>235,970</b>	<b>218,120</b>

#### MAJOR CUSTOMERS

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

## **CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

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

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

During the 9-month period ended 30 September 2020, the Group acquired assets at a total cost of RM17.1 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.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

#### A14. RELATED PARTY DISCLOSURES

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

	3-months ended		Cumulative Quarter	
	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000
Purchase of products	24,484	30,935	75,428	93,273
Sale of products	102	157	647	464
Rental paid	-	8	-	23
Advisory income	-	2	-	4
Freight charges	333	-	1,124	1

---

#### A15. CASH AND CASH EQUIVALENTS

	As at	
	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000
Cash and bank balances	43,860	22,599
Deposits with licensed banks	3,449	5,884
Bank overdrafts, secured	(1,064)	(2,147)
	<hr/> 46,245	<hr/> 26,336

---

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

#### B1. REVIEW OF OPERATING PERFORMANCE

##### a) Analysis of the results for the 3-months ended 30 September 2020 against 3-months ended 30 September 2019

	←--Individual Quarter--→			
	Current Year Quarter 30.9.2020 (Unaudited) RM'000	Preceding Year Quarter 30.9.2019 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	165,189	165,775	(586)	(0.3)
Gross profits	34,333	32,749	1,584	5
Profit before taxation	11,596	9,912	1,684	17
Profit after taxation	9,248	7,694	1,554	20
Profit after taxation attributable to owners of the Company	9,234	7,687	1,547	20

#### Revenue

As opposed to 2019, this quarter's results encompassed a period of movement control on the people of Malaysia, which subsequently affected many businesses throughout the country. The Group's revenue for the 3-months ended 30 September 2020 declined marginally by 0.3% when compared to the same period last year.

The retail segment's revenue improved by 10.8% from the same quarter in 2019. In Malaysia, the Group opened its first supermarket branded as CCKLocal in Kuching on 31 July 2020. We ended the quarter with 63 CCK Fresh Mart retail stores and 1 CCKLocal supermarket (2019 : 60 retail stores.) The Indonesian retail operation's revenue contribution remained at 16%.

The prawn segment's revenue declined by 50% (RM1.6 million) as the export market for prawns was weak with low global pricing for prawns.

#### Profit before tax

The Group's profit before tax increased by 17% (RM1.68 million) as opposed to the same quarter last year. Despite the challenging business environment, the Group achieved a gross profit margin of 20.7% (2019 : 19.7%).

Share of results in our associate decreased by 5% (RM79,000).

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

**B1. REVIEW OF OPERATING PERFORMANCE (CONT'D)**

**b) Analysis of the results for the 9-months ended 30 September 2020 against 9-months ended 30 September 2019**

	←--Cumulative Quarter--→		Variances	
	Current Year Quarter 30.9.2020 (Unaudited) RM'000	Preceding Year Quarter 30.9.2019 (Unaudited) RM'000		
Revenue	480,016	486,408	(6,392)	(1)
Gross profits	96,656	97,206	(550)	(1)
Profit before taxation	31,744	30,758	986	3
Profit after taxation	24,904	23,987	917	4
Profit after taxation attributable to owners of the Company	24,875	23,960	915	4

**Analysis of the results for the 9-months ended 30 September 2020 against 9-months ended 30 September 2019**

Revenue

For the third quarter ended 30 September 2020, the Group recorded a revenue of RM480 million, representing a decrease of approximately 1% over the same period last year whereby the revenue was recorded at RM486.4 million. The 9-months ended 30 September 2020 included 3 ½ months of restricted movement under the Movement Control Order (MCO).

The prawn segment posted a decline in revenue of 25% or RM4.2 million when compared to the same period last year. Exports declined by approximately 28% as our traditional markets in Australia and Japan were also suffering the affects of the pandemic. This was compounded by low export prices of prawns.

Our retail segment showed an improvement in revenue of RM2.8 million or 0.7% compared to the same period last year. Revenue in the 3<sup>rd</sup> quarter picked up after feeling the effects of the closure or limited operations of many of our food and beverage customers in the 2<sup>nd</sup> quarter because of the pandemic.

The food service segment was impacted by the closure of schools in the first two quarters of the year. This segment recorded a decrease in revenue of 19% (RM2.6 million).

Revenue contribution from our Indonesian operations improved to 17.58% for the 9 months ended 30 September 2020, as compared to 16.80% for the same period in 2019.

## **CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

#### **B1. REVIEW OF OPERATING PERFORMANCE (CONT'D)**

##### **b) Analysis of the results for the 9-months ended 30 September 2020 against 9-months ended 30 June 2019 (cont'd)**

###### Profit before tax

For the nine months ended 30 September 2020, the Group's profit before tax increased by 3% from RM30.76 million in 2019 to RM31.74 million in 2020.

The strengthening of the US Dollar against the Malaysian Ringgit by 2.4% impacted the performance of the poultry segment with increases in feed cost in 2020. The poultry segment's results decreased by approximately 28% or RM2.1 million.

The retail segment posted an improvement in performance of 18.6% or RM3.8 million. There were increases in production and sales of sausages, nuggets, burger patties and meatballs for our Indonesian operations which were not affected by nationwide lockdowns.

Share of results in our associate increased by 6% for the nine months ended 30 September 2020 when comparing to the same period last year.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

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

	←-----Individual Quarter-----→			
	Current Year Quarter 30.9.2020 (Unaudited) RM'000	Immediate Preceding Quarter 30.6.2020 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	165,189	153,865	11,324	7
Gross profits	34,333	31,310	3,023	10
Profit before taxation	11,596	9,654	1,942	20
Profit after taxation	9,248	7,568	1,680	22
Profit after taxation attributable to owners of the Company	9,234	7,558	1,676	22

#### Revenue

With the easing of movement control restrictions in Malaysia, the Group's revenue for the third quarter increased by 7% from the second quarter of the year.

The retail segment posted an improvement in performance from the second quarter by 5.8%. Many of our food and beverage customers in Malaysia resumed operations, albeit on a smaller scale. As the restrictions eased in the third quarter, the Group's first supermarket, CCKLocal, opened its doors in Kuching on 31 July 2020. In addition, a new CCK Fresh Mart store was opened in Asajaya, Sarawak on 3 July 2020. In comparison, no new retail stores were opened in the second quarter.

The prawn segment showed an improvement in revenue of approximately 10% with a change in strategy targeting local markets rather than export markets.

#### Profit before tax

Consequently, the Group's profit before tax in the third quarter increased by 20%, comparing to the second quarter of the year. The Group's gross margin remained at 20% across both quarters.

The prawn segment's third quarter results showed an improvement of 129% from the second quarter as local sales offset against losses from exports.

Share of results in our associate company, Gold Coin Sarawak Sdn Bhd, increased by 8.4% in the third quarter.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

---

#### B3. FUTURE PROSPECTS

The Group's second supermarket, branded under "CCKLocal" will be opened in Kota Kinabalu, Sabah in the fourth quarter. In addition to the supermarket, the Group plans to open 2 retail stores in Song and Simunjan in Sarawak in the last remaining quarter of the financial year.

As restrictions on movement control ease and the population learn to live with the "new norm", the Board of Directors is cautiously optimistic with regards the Group's performance for the rest of the financial year.

#### 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-months ended		Cumulative Quarter	
	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000
Current tax	2,348	2,218	6,840	6,771
Effective tax rate	20%	22%	22%	22%

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.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

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

#### B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

	RM Denomination		Foreign Denomination	
	As at		As at	
	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000
<b>Current:-</b>				
- bank overdrafts	1,064	2,147	-	-
- banker's acceptance	25,554	26,565	-	-
- revolving credit	13,500	19,500	-	-
	40,118	48,212	-	-
<b>Non-current:-</b>				
-hire purchase	-	162	-	-
- term loans	8,085	5,842	-	-
	8,085	6,004	-	-
	<b>48,203</b>	<b>54,216</b>	-	-

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000279 (31.12.2019: RP0.000295)

#### 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.

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

### 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-months ended		Cumulative quarter	
	30.9.2020 (Unaudited)	30.9.2019 (Unaudited)	30.9.2020 (Unaudited)	30.9.2019 (Unaudited)
Profit attributable to owners of the Company (RM'000)	9,234	7,687	24,875	23,960
Weighted average number of ordinary shares at 1 January ('000)	630,718	315,359	630,718	315,359
Effect of treasury shares held	(3,923)	(13)	(3,923)	(37)
Effect of share split – subdivision of 1 into 2 ordinary shares	-	315,359	-	315,359
Weighted average number of ordinary shares at 30 September ('000)	626,795	630,705	626,795	630,681
Basic earnings per share (Sen)	1.47	1.22	3.97	3.80

**Diluted:-**

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

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Third Financial Quarter Ended 30 September 2020

### 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-months ended		Cumulative Quarter	
	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000	30.9.2020 (Unaudited) RM'000	30.9.2019 (Unaudited) RM'000
<b>After charging/(crediting)-</b>				
Allowance for impairment losses on receivables	65	35	149	272
Allowance for impairment losses on receivables no longer required	(5)	(41)	(14)	(67)
Bad debt written off	-	-	-	10
Bad debt recovered	-	-	-	(1)
Depreciation and amortisation	4,788	5,098	14,548	14,943
(Gain)/loss on fair value changes in biological assets	(982)	(1,479)	1,042	(3,313)
(Gain)/loss on disposal of property, plant and equipment	22	-	20	73
(Gain)/loss on foreign exchange:-				
- realised	-	(68)	-	(68)
- unrealised	-	-	18	(4)
Interest expense	617	775	2,095	2,570
Interest income	(70)	(100)	(475)	(367)

---

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

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

#### B13. FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments.

#### B14. AUTHORISATION FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors on 23 November 2020.