

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

INTERIM FINANCIAL STATEMENTS

for the Financial Period Ended 31 December 2020

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	29,757	26,486
Investment properties	16,976	17,085
Property, plant and equipment	202,118	190,403
Goodwill	380	380
Deferred tax assets	1,389	1,389
	<hr/> 250,620	<hr/> 235,743
CURRENT ASSETS		
Inventories	55,575	55,843
Biological assets	14,486	15,324
Trade receivables	37,601	39,678
Other receivables, deposits and prepayments	11,230	11,217
Current tax assets	971	771
Deposits with licensed banks	6,455	4,925
Cash and bank balances	52,692	39,101
	<hr/> 179,010	<hr/> 166,859
TOTAL ASSETS	<hr/> 429,630	<hr/> 402,602
EQUITY AND LIABILITIES		
Share capital	158,969	158,969
Treasury shares	(2,432)	(2,320)
Foreign exchange translation reserve	(4,637)	(3,465)
Retained profits	147,563	122,590
	<hr/> 299,463	<hr/> 275,774
Total Equity Attributable to Owners of the Company		
Non-controlling interests	92	380
	<hr/> 299,555	<hr/> 276,154
TOTAL EQUITIES	<hr/> <hr/> 299,555	<hr/> <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 Financial Period Ended 31 December 2020

CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Audited)
NON-CURRENT LIABILITIES		
Other payables, deposits and accruals	6,265	6,265
Lease liabilities	16,383	10,978
Bank borrowings	8,600	6,310
Deferred income	19	19
Deferred tax liabilities	9,672	9,661
	<hr/> 40,939	<hr/> 33,233
CURRENT LIABILITIES		
Trade payables	33,563	23,698
Other payables, deposits and accruals	14,445	19,586
Bank borrowings:-		
- bank overdrafts	376	815
- other borrowings	34,725	43,963
Lease liabilities	2,825	1,826
Provision for employee benefits	771	776
Current tax liabilities	2,431	2,551
	<hr/> 89,136	<hr/> 93,215
TOTAL LIABILITIES	<hr/> 130,075	<hr/> 126,448
TOTAL EQUITIES& LIABILITIES	<hr/> 429,630	<hr/> 402,602
	<hr/>	<hr/>
Net assets per share (RM)	0.48	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 Financial Period Ended 31 December 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
At 31 December 2020							
Balance at 1.1.2020	158,969	(2,320)	(3,465)	122,590	275,774	380	276,154
Profit after taxation	-	-	-	35,964	35,964	-	35,964
- Remeasurement of defined benefit plans	-	-	-	(10)	(10)	-	(10)
- foreign currency translation difference	-	-	(1,172)	-	(1,172)	-	(1,172)
Total comprehensive income for the financial period	-	-	(1,172)	35,954	34,782	-	34,782
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)
Changes in ownership interests in subsidiaries							
- Acquisition from non-controlling interests				(15)	(15)	(288)	(303)
Total Transactions with owners	-	(112)	-	(10,981)	(11,093)	(288)	(11,381)
Balance at 31.12.2020	158,969	(2,432)	(4,637)	147,563	299,463	92	299,555

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 Financial Period Ended 31 December 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
At 31 December 2019							
Balance at 1.1.2019							
- as previously stated	158,969	(1,614)	(4,482)	97,246	250,119	433	250,552
Profit after taxation	-	-	-	33,622	33,622	39	33,661
Other comprehensive income for the period:-							
- foreign currency translation difference	-	-	1,039	-	1,039	-	1,039
Total comprehensive income for the financial period	-	-	1,039	33,622	34,661	39	34,700
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)
Balance at 31.12.2019	158,969	(2,320)	(3,443)	123,014	276,220	384	276,604

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 Financial Period Ended 31 December 2020

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 (Unaudited) RM'000	Preceding year Corresponding Quarter 31.12.2019 (Unaudited) RM'000	Current Year to-Date 31.12.2020 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 31.12.2019 (Unaudited) RM'000
Revenue	177,405	173,332	657,421	659,740
Cost of sales	(140,204)	(136,293)	(523,563)	(525,495)
Gross profit	37,201	37,039	133,858	134,245
Other income	1,806	1,082	5,692	3,261
Administrative expenses	(6,160)	(6,057)	(24,968)	(26,063)
Other operating expenses	(20,281)	(18,750)	(72,232)	(68,624)
Share of results in an associate	2,478	1,506	6,534	5,330
Finance costs	(681)	(2,021)	(2,777)	(4,592)
Profit before taxation	14,363	12,799	46,107	43,557
Income tax expense	(3,303)	(3,125)	(10,143)	(9,896)
Profit after taxation	11,060	9,674	35,964	33,661
Other comprehensive income for the financial period:-				
- Remeasurement of defined benefit plans	(10)	-	(10)	-
- foreign currency translation difference	1,119	18	(1,172)	1,039
Total comprehensive income for the financial period	12,169	9,692	34,782	34,700
Profit after taxation attributable to:				
- Owners of the Company	11,089	9,662	35,964	33,622
- Non-controlling interests	(29)	12	-	39
	11,060	9,674	35,964	33,661
Total comprehensive income attributable to:				
- Owners of the Company	12,198	9,680	34,782	34,661
- Non-controlling interests	(29)	12	-	39
	12,169	9,692	34,782	34,700

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 Financial Period Ended 31 December 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
	31.12.2020	Quarter	31.12.2020	Year to-Date
	(Unaudited)	31.12.2019	(Unaudited)	31.12.2019
		(Unaudited)		(Unaudited)
Earnings per share(Sen):				
- Basic	1.77	1.54	5.74	5.34
- 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 Financial Period Ended 31 December 2020

CONDENSED STATEMENTS OF CASH FLOWS

	12-month period ended	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	46,107	43,557
Adjustments for non-cash items:-		
Non-cash items	23,180	20,684
Interest expenses	2,386	3,287
Interest expense on lease liabilities	391	1,305
Interest income	(1,433)	(1,526)
Share of results in an associate	(6,534)	(5,330)
Operating profit before working capital changes	64,097	61,977
Decrease in current assets	1,798	1,161
Increase/(decrease) in current liabilities	5,678	(1,450)
Employee benefits paid	(83)	(36)
Cash from operations	71,490	61,652
Interest paid	(2,777)	(4,592)
Interest received	1,433	1,526
Income tax refunded	-	890
Income tax paid	(10,786)	(9,868)
Net cash from operating activities	59,360	49,608
<u>CASH FLOWS FOR INVESTING ACTIVITIES</u>		
Acquisition of additional equity interest from non controlling interests	(303)	-
Proceeds from disposal of property, plant and equipment	120	152
Dividend received from an associate	3,264	-
Purchase of property, plant and equipment	(26,090)	(23,833)
Net cash for investing activities	(23,009)	(23,681)
Balance carried forward	36,351	25,927

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 Financial Period Ended 31 December 2020

CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)

	12-month period ended	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Balance brought forward	36,351	25,927
<u>CASH FLOWS FOR FINANCING ACTIVITIES</u>		
Dividend paid	(10,966)	(7,941)
Net of drawdown and repayment of borrowings	(6,948)	(3,485)
Purchase of treasury shares	(112)	(706)
Acquisition of new leases	226	-
Repayment of lease liabilities	(2,680)	(1,562)
Net cash for financing activities	(20,480)	(13,694)
Net increase in cash and cash equivalents	15,871	12,233
Effect of exchange rate changes on cash and cash equivalents	(311)	211
Cash and cash equivalents at beginning of the financial period	43,211	30,081
Cash and cash equivalents at end of the financial period	58,771	45,525

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 Financial Period Ended 31 December 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.

The Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9	Interest Rate Benchmark Reform
MFRS 139, and MFRS 7	
Amendments to MFRS 16	COVID-19-Related Rent Concessions
Amendments to MFRS 101	Definition of Material
and MFRS 108	
Amendments References to the Conceptual Framework in MFRS Standards	

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

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

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

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

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 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 Financial Period Ended 31 December 2020

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

12 months period ended 31 December 2020	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	96,871	18,470	13,522	528,558	-	-	657,421
Inter-segment revenue	193,340	13,450	11	92,637	9,630	(309,068)	-
Total segment revenue	290,211	31,920	13,533	621,195	9,630	(309,068)	657,421
RESULTS							
Segment results	7,962	590	1,631	34,000	(1,833)	-	42,350
Finance costs							(2,777)
Share of results in an associate							6,534
Profit before taxation							<u>46,107</u>

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

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

12 months period ended 31 December 2019	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	101,369	21,907	16,465	519,999	-	-	659,740
Inter-segment revenue	200,580	18,674	14	93,895	366	(313,529)	-
Total segment revenue	301,949	40,581	16,479	613,894	366	(313,529)	659,740
RESULTS							
Segment results	11,183	1,923	1,328	28,301	84	-	42,819
Finance costs							(4,592)
Share of results in an associate							5,330
Profit before taxation							<u>43,557</u>

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**A8. 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 2020						
Segment assets						
Unallocated assets:-	97,435	22,786	6,346	256,530	14,036	397,133
Investment in an associate						29,757
Goodwill						380
Deferred tax assets						1,389
Current tax assets						971
Consolidated total assets						<u>429,630</u>
31 December 2019						
Segment assets	100,553	21,974	9,451	233,557	7,679	373,214
Unallocated assets:-						
Investment in an associate						26,564
Goodwill						380
Deferred tax assets						1,378
Unallocated assets						714
Consolidated total assets						<u>402,250</u>

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

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

LIABILITIES	Poultry	Prawn	Food Service	Retail	Corporate	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2020						
Segment liabilities	25,241	2,555	726	61,440	24,333	114,295
Unallocated liabilities:-						
Deferred tax liabilities						9,672
Current tax liabilities						2,431
Unallocated liabilities and adjustments						3,677
Consolidated total liabilities						<u>130,075</u>
31 December 2019						
Segment liabilities	26,785	3,175	1,353	55,533	31,185	118,031
Unallocated liabilities:-						
Deferred tax liabilities						10,233
Current tax liabilities						2,413
Unallocated liabilities and adjustments						(5,031)
Consolidated total liabilities						<u>125,646</u>

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 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>	3-months ended		Cumulative Quarter	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Australia	-	675	537	1,798
Hong Kong	-	29	261	665
Indonesia	31,733	26,757	116,108	105,935
Japan	1,403	2,104	6,947	7,380
Taiwan	423	-	748	456
Korea	-	-	-	524
Middle East	-	-	343	-
Malaysia	143,846	143,767	532,477	542,680
Vietnam	-	-	-	302
	177,405	173,332	657,421	659,740

<i>Non-current assets</i>	As at	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Indonesia	35,289	33,064
Malaysia	213,942	199,807
	249,231	232,871

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 Financial Period Ended 31 December 2020

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

A9. PROPERTY, PLANT AND EQUIPMENT

a) Acquisition and Disposals

During the 12-month period ended 31 December 2020, the Group acquired assets at a total cost of RM26 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 Financial Period Ended 31 December 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	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Purchase of products	26,521	11,912	101,949	105,185
Sale of products	-	523	647	987
Rental paid	-	-	-	23
Advisory income	-	-	-	4
Freight charges	640	2,005	1,764	2,006

A15. CASH AND CASH EQUIVALENTS

	As at	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Cash and bank balances	52,692	33,778
Deposits with licensed banks	6,455	9,992
Bank overdrafts, secured	(376)	(1,245)
	58,771	45,525

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 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 31 December 2020 against 3-months ended 31 December 2019

	←--Individual Quarter--→			
	Current Year Quarter 31.12.2020 (Unaudited) RM'000	Preceding Year Quarter 31.12.2019 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	177,405	173,332	4,073	2
Gross profits	37,201	37,039	162	0.4
Profit before taxation	14,363	12,799	1,564	12
Profit after taxation	11,060	9,674	1,386	14
Profit after taxation attributable to owners of the Company	11,089	9,662	1,427	15

Revenue

For the quarter ended 31 December 2020, revenue increased by 2% versus the same quarter in 2019. The retail segment continued to drive Group performance, reporting a 10% increase in revenue from 2019. During the quarter under review, the Group's second supermarket branded under CCKLocal, opened its doors in Kota Kinabalu, Sabah on 9 November 2020. In addition, 3 CCK Fresh Mart retail outlets were opened in Sarawak in Asajaya, Song and Simunjan.

CCKLocal supermarkets offer households a wide range of SKUs ranging from food items to household items. CCK Fresh Mart retail outlets cater to both businesses and households and have a smaller range of SKUs with are target specific to certain locations and buyer demographics.

The Group's retail operations in Indonesia contributed 17.88% (2019 : 15.44%) for the quarter ended 31 December 2020.

Profit before tax

Compared to 2019, the gross profit margin for 2020 was 20.97% (2019 : 21.37%).

The poultry segment's performance was affected by the rising global prices of soy and corn, the main raw materials for chicken feed. Results for the poultry segment declined by 28% when compared to the same quarter in 2019.

The Group's profit before tax for the last quarter of 2020 increased by 12% when compared to the same quarter in 2019. The share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd increased by 64%.

Finance costs declined by approximately RM1.3 million. This can be largely attributed to the cut in OPR by Bank Negara Malaysia from 3% in December 2019 to 1.75% in December 2020. In addition, the Group's total bank borrowings declined when compared to the same quarter last year.

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 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 12-months ended 31 December 2020 against 12-months ended 31 December 2019

	←--Cumulative Quarter--→		Variances	
	Current Year Quarter 31.12.2020 (Unaudited) RM'000	Preceding Year Quarter 31.12.2019 (Unaudited) RM'000	RM'000	%
Revenue	657,421	659,740	(2,319)	(0.3)
Gross profits	133,858	134,245	(387)	(0.3)
Profit before taxation	46,107	43,557	2,550	6
Profit after taxation	35,964	33,661	2,303	7
Profit after taxation attributable to owners of the Company	35,964	33,622	2,342	7

Analysis of the results for the 12-months ended 31 December 2020 against 12-months ended 31 December 2019

Revenue

For the year ended 31 December 2020, the Group recorded a revenue of RM657.4 million, representing a decrease of approximately 0.3% over the year ended 31 December 2019.

The prawn segment posted a decline in revenue of 16% from RM21.9 million in 2019 to RM18.5 million in 2020. This is due to a pandemic induced decline in exports to our traditional markets in Australia and Japan and a downtick in export prices of prawns.

Our retail segment showed an improvement in revenue of RM8.5 million or 1.64% compared to the same period last year. Notably, the 12-months ended 31 December 2020 included 3 ½ months of restricted movement under the Movement Control Order (MCO). Revenue picked up in the 3rd quarter, recovering from the effects of the pandemic induced closure or limited operations of our food and beverage customers in the 2nd quarter. Unlike West Malaysia and Sabah, Sarawak did not revert back to MCO status in October 2020, thereby allowing operations to fully continue. During the year, the retail network expanded with 4 retail-type stores and 2 supermarkets, ending the year with a total of 65 retail outlets and 2 supermarkets.

The food service segment was impacted by the closure of schools in the first two quarters of the year and in December 2020. This segment recorded a decrease in revenue of 18% (RM2.9 million).

Revenue contribution from our Indonesian operations improved from 16.05% in 2019 to 17.66% in 2020.

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 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 12-months ended 31 December 2020 against 12-months ended 31 December 2019 (cont'd)

Profit before tax

For the twelve months ended 31 December 2020, the Group's profit before tax increased by 6% from RM43.5 million in 2019 to RM46.1 million in 2020. The gross profit margin remained the same at 20.3%.

The retail segment led the Group with an improvement in results of 20% or RM5.7 million driven by contributions from the Malaysian and Indonesian operations. Operations in Indonesia were less affected by the pandemic as there was no nationwide movement restrictions.

Finance costs for the year decreased by 39.53% or RM1.8 million as Bank Negara Malaysia reduced the OPR rate from 3% in December 2019 to 1.75% in December 2020 in an effort to help the economy recover from the impact of the pandemic. In addition, there was also a decline in our total bank borrowings by 14.5% from 2019.

Share of results in our associate increased by 22.59% or RM1.2 million for the twelve months ended 31 December 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 Financial Period Ended 31 December 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 31.12.2020 (Unaudited) RM'000	Immediate Preceding Quarter 30.9.2020 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	177,405	165,189	12,216	7
Gross profits	37,201	34,333	2,868	8
Profit before taxation	14,363	11,596	2,767	24
Profit after taxation	11,060	9,248	1,812	19
Profit after taxation attributable to owners of the Company	11,089	9,234	1,855	20

Revenue

Revenue for the fourth quarter improved by 7% when compared to the third quarter of 2020.

The retail segment posted a 7.2% improvement in revenue performance from the third quarter due to the easing of the movement controls, improving customer sentiments and new openings of retail stores and supermarkets. The additions to our retail network in the third and fourth quarters are as follows –

	Q3	Q4
Existing retail	62	64
New supermarket	1	1
New retail store	1	2
Total	64	67

The prawn segment showed an improvement in revenue of approximately 73% with a change in strategy targeting local markets rather than export markets.

Profit before tax

Consequently, the Group's profit before tax in the fourth quarter increased by 24%, compared to the third quarter of the year. The Group's gross margin remained at 20% across both quarters. The retail segment's results improved by 17% or RM1.4 million.

The prawn segment's third quarter results showed an improvement of 51% from the third quarter as local sales offset the losses from exports.

Share of results in our associate company, Gold Coin Sarawak Sdn Bhd, increased by 83% in the fourth quarter when compared to the third quarter.

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Financial Period Ended 31 December 2020

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

B3. FUTURE PROSPECTS

For the coming financial year, barring any unforeseen circumstances, CCK plans to open 4 retail stores in Sarawak, 3 retail stores in Sabah and an additional supermarket in Sarawak. This is in-line with our strategic yet conservative approach to organic expansion.

The Board notes that the current uncertainties regarding the volatility of feed prices is a concern to the Group and may affect the cost structure of the poultry segment.

With the rollout of Covid-19 vaccinations globally and here in Malaysia in early 2021, the World Bank expects Malaysia's growth to turn positive in the coming financial year. The Board of Directors is optimistic about our performance for the financial year ending 31 December 2021.

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	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Current tax	3,303	3,125	10,143	9,896
Effective tax rate	23%	24%	22%	23%

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 Financial Quarter Ended 31 December 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	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
Current:-				
- bank overdrafts	376	1,245	-	-
- banker's acceptance	22,725	25,279	-	-
- revolving credit	12,000	18,000	-	-
	35,101	44,524	-	-
Non-current:-				
-hire purchase	-	162	-	-
- term loans	8,600	6,969	-	-
	8,600	7,131	-	-
	43,701	51,655	-	-

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000287 (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 Financial Quarter Ended 31 December 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	
	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)
Profit attributable to owners of the Company (RM'000)	11,089	9,662	35,964	33,622
Weighted average number of ordinary shares at 1 January ('000)	630,718	315,359	630,718	315,359
Effect of treasury shares held	(4,004)	(1,435)	(4,004)	(1,543)
Effect of share split – subdivision of 1 into 2 ordinary shares	-	315,359	-	315,359
Weighted average number of ordinary shares at 31 December ('000)	626,714	627,283	626,714	629,175
Basic earnings per share (Sen)	1.77	1.54	5.74	5.34

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 Financial Period Ended 31 December 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	
	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000	31.12.2020 (Unaudited) RM'000	31.12.2019 (Unaudited) RM'000
After charging/(crediting)-				
Allowance for impairment losses on receivables	9	(50)	158	222
Allowance for impairment losses on receivables no longer required	(31)	(23)	(45)	(90)
Bad debt written off	-	91	-	101
Bad debt recovered	-	(1)	-	(2)
Depreciation and amortisation	5,031	5,059	19,579	20,002
Depreciation of right of use assets	2,557	2,156	2,557	2,156
Loss/(gain) on fair value changes in biological assets	(204)	1,512	838	(1,801)
Loss on disposal of property, plant and equipment	(5)	-	15	73
(Gain)/loss on foreign exchange:-				
- realised	-	68	-	-
- unrealised	(29)	27	(11)	23
Interest expense	291	717	2,386	3,287
Interest expense on lease liabilities	391	1,305	391	1,305
Interest income	(958)	(1,159)	(1,433)	(1,526)

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 25 February 2021.