

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

INTERIM FINANCIAL STATEMENTS

for the Financial Period Ended 31 March 2021

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the First Financial Quarter Ended 31 March 2021

CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 31.3.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	31,071	29,688
Investment properties	16,189	16,213
Property, plant and equipment	202,071	202,960
Goodwill	380	380
Deferred tax assets	1,593	1,593
	<hr/> 251,304	<hr/> 250,834
CURRENT ASSETS		
Inventories	63,032	55,501
Biological assets	14,726	16,308
Trade receivables	35,843	32,633
Other receivables, deposits and prepayments	10,963	10,335
Current tax assets	1,105	1,162
Deposits with licensed banks	3,393	9,266
Cash and bank balances	50,558	49,861
	<hr/> 179,620	<hr/> 175,066
TOTAL ASSETS	<hr/> 430,924	<hr/> 425,900
EQUITY AND LIABILITIES		
Share capital	158,969	158,969
Treasury shares	(2,432)	(2,432)
Foreign exchange translation reserve	(4,858)	(4,666)
Retained profits	155,122	149,061
	<hr/> 306,801	<hr/> 300,932
Total Equity Attributable to Owners of the Company	306,801	300,932
Non-controlling interests	92	92
TOTAL EQUITIES	<hr/> 306,893	<hr/> 301,024

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 31.3.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
NON-CURRENT LIABILITIES		
Other payables, deposits and accruals	3,434	3,434
Lease liabilities	16,144	16,144
Bank borrowings	8,476	7,548
Deferred income	19	19
Deferred tax liabilities	9,765	9,766
	<hr/> 37,838	<hr/> 36,911
CURRENT LIABILITIES		
Trade payables	28,534	22,835
Other payables, deposits and accruals	13,778	21,983
Bank borrowings:-		
- bank overdrafts	533	-
- other borrowings	36,929	36,020
Lease liabilities	2,820	3,133
Provision for employee benefits	878	881
Current tax liabilities	2,721	3,113
	<hr/> 86,193	<hr/> 87,965
TOTAL LIABILITIES	<hr/> 124,031	<hr/> 124,876
TOTAL EQUITIES& LIABILITIES	<hr/> 430,924	<hr/> 425,900
	<hr/>	<hr/>
Net assets per share (RM)	0.49	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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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 March 2021							
Balance at 1.1.2021	158,969	(2,432)	(4,666)	149,061	300,932	92	301,024
Profit after taxation	-	-	-	6,061	6,061	-	6,061
- foreign currency translation difference	-	-	(192)	-	(192)	-	(192)
Total comprehensive income for the financial period	-	-	(192)	6,061	5,869	-	5,869
Contributions by and distributors to owners of the Company:-							
- Purchase of treasury shares	-	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-	-
Balance at 31.3.2021	158,969	(2,432)	(4,858)	155,122	306,801	92	306,893

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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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 MARCH 2020							
Balance at 1.1.2020							
- as previously stated	158,969	(2,320)	(3,465)	122,590	275,774	380	276,154
Profit after taxation	-	-	-	8,083	8,083	5	8,088
Other comprehensive income for the period:-							
- foreign currency translation difference	-	-	(4,172)	-	(4,172)	-	(4,172)
Total comprehensive income for the financial period	-	-	(4,172)	8,083	3,911	5	3,916
Contributions by and distributors to owners of the Company:-							
-Purchase of treasury shares	-	(112)	-	-	(112)	-	(112)
Total Transactions with owners	-	(112)	-	-	(112)	-	(112)
Balance at 31.3.2020	158,969	(2,432)	(7,637)	130,673	279,573	385	279,958

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 199601024340 (396692-T)

Interim Report for the First Financial Quarter Ended 31 March 2021

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2021 (Unaudited) RM'000	Preceding year Corresponding Quarter 31.3.2020 (Unaudited) RM'000	Current Year to-Date 31.3.2021 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 31.3.2020 (Unaudited) RM'000
Revenue	163,669	160,963	163,669	160,963
Cost of sales	(130,693)	(129,950)	(130,693)	(129,950)
Gross profit	32,976	31,013	32,976	31,013
Other income	1,120	887	1,120	887
Administrative expenses	(6,012)	(6,316)	(6,012)	(6,316)
Other operating expenses	(21,050)	(15,835)	(21,050)	(15,835)
Share of results in an associate	1,383	1,457	1,383	1,457
Finance costs	(521)	(714)	(521)	(714)
Profit before taxation	7,896	10,492	7,896	10,492
Income tax expense	(1,835)	(2,404)	(1,835)	(2,404)
Profit after taxation	6,061	8,088	6,061	8,088
Other comprehensive income for the financial period:-				
- foreign currency translation difference	(192)	(4,172)	(192)	(4,172)
Total comprehensive income for the financial period	5,869	3,916	5,869	3,916
Profit after taxation attributable to:				
- Owners of the Company	6,061	8,083	6,061	8,083
- Non-controlling interests	-	5	-	5
	6,061	8,088	6,061	8,088
Total comprehensive income attributable to:				
- Owners of the Company	5,869	3,911	5,869	3,911
- Non-controlling interests	-	5	-	5
	5,869	3,916	5,869	3,916

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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
	31.3.2021	Quarter	31.3.2021	Year to-Date
	(Unaudited)	31.3.2020	(Unaudited)	31.3.2020
		(Restated)		(Restated)
Earnings per share(Sen):				
- Basic	0.97	1.29	0.97	1.29
- 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the First Financial Quarter Ended 31 March 2021

CONDENSED STATEMENTS OF CASH FLOWS

	3-months period ended	
	<u>31.3.2021</u>	<u>31.3.2020</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<u>CASH FLOWS FOR OPERATING ACTIVITIES</u>		
Profit before taxation	7,896	10,492
Adjustments for non-cash items:-		
Non-cash items	6,325	7,378
Interest expenses	521	714
Interest income	(51)	(171)
Share of results in an associate	(1,383)	(1,457)
Operating profit before working capital changes	13,308	16,956
Increase in current assets	(11,545)	(10,386)
Decrease in current liabilities	(2,319)	(4,562)
Cash (for)/ from operations	(556)	2,008
Interest paid	(521)	(714)
Interest received	51	171
Income tax refunded	-	-
Income tax paid	(2,284)	(2,382)
Net cash for operating activities	(3,310)	(917)
<u>CASH FLOWS FOR INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	-	4
Dividend received	-	3,264
Purchase of property, plant and equipment	(3,873)	(8,622)
Net cash for investing activities	(3,873)	(5,354)
Balance carried forward	(7,183)	(6,271)

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)

	3-months period ended	
	<u>31.3.2021</u>	<u>31.3.2020</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Balance brought forward	(7,183)	(6,271)
<u>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</u>		
Drawdown from borrowings	4,362	532
Proceeds from purchase of treasury shares	-	(112)
Repayment of lease liabilities	(313)	-
Repayment of borrowings	(2,525)	(2,068)
Net cash from/(for) financing activities	1,524	(1,648)
Net decrease in cash and cash equivalents	(5,659)	(7,919)
Effect of exchange rate changes on cash and cash equivalents	(50)	(935)
Cash and cash equivalents at beginning of the financial year	59,127	43,211
Cash and cash equivalents at end of the financial year	53,418	34,357

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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 2020. 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 2020.

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.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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

3 months period ended 31 March 2021	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	22,355	4,626	1,914	134,774	-	-	163,669
Inter-segment revenue	47,517	4,305	2	20,098	92	(72,014)	-
Total segment revenue	69,872	8,931	1,916	154,872	92	(72,014)	163,669
RESULTS							
Segment results	(2,159)	264	86	9,070	(227)	-	7,034
Finance costs							(521)
Share of results in an associate							1,383
Profit before taxation							<u>7,896</u>

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

3 months period ended 31 March 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	24,972	4,961	5,159	125,871	-	-	160,963
Inter-segment revenue	51,015	2,904	3	24,121	3,355	(81,398)	-
Total segment revenue	75,987	7,865	5,162	149,992	3,355	(81,398)	160,963
RESULTS							
Segment results	2,126	(124)	573	7,314	(140)	-	9,749
Finance costs							(714)
Share of results in an associate							1,457
Profit before taxation							10,492

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

ASSETS	Poultry	Prawn	Food Service	Retail	Corporate	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2021						
Segment assets						
Unallocated assets:-	94,893	23,616	7,380	256,558	14,328	396,775
Investment in an associate						31,071
Goodwill						380
Deferred tax assets						1,593
Current tax assets						1,105
Consolidated total assets						<u>430,924</u>
31 March 2020						
Segment assets	96,007	21,434	12,775	232,037	8,982	371,235
Unallocated assets:-						
Investment in an associate						24,680
Goodwill						380
Deferred tax assets						1,389
Unallocated assets						610
Consolidated total assets						<u>398,294</u>

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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 March 2021						
Segment liabilities	25,797	2,601	3,053	60,189	22,871	114,511
Unallocated liabilities:-						
Deferred tax liabilities						9,765
Current tax liabilities						2,721
Unallocated liabilities and adjustments						(2,966)
Consolidated total liabilities						<u>124,031</u>
31 March 2020						
Segment liabilities	26,128	3,220	2,492	49,492	27,005	108,337
Unallocated liabilities:-						
Deferred tax liabilities						9,626
Current tax liabilities						2,734
Unallocated liabilities and adjustments						(2,361)
Consolidated total liabilities						<u>118,336</u>

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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	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Australia	-	537	-	537
Hong Kong	-	261	-	261
Indonesia	29,847	25,304	29,847	25,304
Japan	1,692	2,423	1,692	2,423
Middle East	-	351	-	351
Malaysia	132,130	132,087	132,130	132,087
Vietnam	-	-	-	-
	163,669	160,963	163,669	160,963

<i>Non-current assets</i>	As at	
	31.3.2021	31.3.2020
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Indonesia	35,206	30,167
Malaysia	214,506	199,620
	249,712	229,787

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 MFRS 134 (CONT'D)

A9. PROPERTY, PLANT AND EQUIPMENT

a) Acquisition and Disposals

During the 3-months period ended 31 March 2021, the Group acquired assets at a total cost of RM3.9 million and there was no disposal during the current quarter.

b) Impairment Losses

Neither losses from impairment of property, plant and equipment nor reversal of such impairment losses were recognised for the period under review.

c) Valuations

The Group did not carry out any additional valuation on its property, plant and equipment during the period under review.

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and financial period under review.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A13. CAPITAL COMMITMENTS

There were no material changes in capital commitments since the end of the previous financial quarter except as disclosed in the explanatory notes.

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Interim Report for the First Financial Quarter Ended 31 March 2021

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	
	31.3.2021 (Unaudited) RM'000	31.3.2020 (Restated) RM'000	31.3.2021 (Unaudited) RM'000	31.3.2020 (Restated) RM'000
Purchase of products	29,835	25,853	29,835	25,853
Sale of products	-	-	-	-
Advisory income	-	-	-	-
Freight charges	370	451	370	451

A15. CASH AND CASH EQUIVALENTS

	As at	
	31.3.2021 (Unaudited) RM'000	31.3.2020 (Unaudited) RM'000
Cash and bank balances	50,558	31,823
Deposits with licensed banks	3,393	4,252
Bank overdrafts, secured	(533)	(1,718)
	53,418	34,357

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Interim Report for the First Financial Quarter Ended 31 March 2021

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

B1. REVIEW OF OPERATING PERFORMANCE

Comparison of the results for the 3-months ended 31 March 2021 against 3-months ended 31 March 2020

	←--Individual Quarter/Cumulative Quarter--→			
	Current Year Quarter 31.3.2021 (Unaudited) RM'000	Preceding Year Quarter 31.3.2020 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	163,669	160,963	2,706	2
Gross profits	32,976	31,013	1,963	6
Profit before taxation	7,896	10,492	(2,596)	(25)
Profit after taxation	6,061	8,088	(2,027)	(25)
Profit after taxation attributable to owners of the Company	6,061	8,083	(2,022)	(25)

Revenue

For the first quarter ended 31 March 2021, the Group recorded a revenue of RM163.669 million, representing an increase of approximately 2% over the same period last year whereby the revenue was recorded at RM160.963 million.

The retail segment posted a 7% improvement in revenue compared to the same quarter last year. The improvement in revenue is attributed to the opening of the two CCKLocal supermarkets and four CCK Freshmart retail stores during the year. One new outlet commenced operations in Keningau, Sabah during the quarter. The Group's retail network in Malaysia ended the quarter with the following –

	Q1 2020	Q1 2021
CCKLocal Supermarkets	0	2
CCK Fresh Mart retail stores	56	60
CCK wholesale stores	6	6
Total touch points	62	68

The revenue from our Indonesian operations improved by RM4.5 million from RM25.304 million in 2020 to RM29.847 million in 2021. A new factory and logistics centre commenced operations in Pontianak, Indonesia in January 2021. The said facility replaced an existing site which was unable to cater for increasing sausage production requirements.

The food service segment posted a decline in revenue of 17% when compared to the same quarter last year. The food service segment caters to food contractors of the government schools in Sarawak. Since mid January 2021, the rural areas and northern zones of Sarawak have seen an increase in the numbers of covid positive cases thus affecting school operations. In contrast, the effect of school closures in 2020 was only seen from March 18, 2020 onwards with the implementation of the MCO (Movement Control Order) nationwide.

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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 (CONT'D)

Profit before tax

Profit before tax decreased by 25% or RM2.596 million from RM10.492 million in 2020. The increase in the gross profit margin from 19.27% in 2020 to 20.15% in 2021 was partly due to the strengthening of the Ringgit against the US Dollar by an average of 0.027%. In addition, we were able to pass on some of the increasing costs of operations which also contributed to the better margins. Other operating expenses increased by 33% due to the opening of 2 supermarkets, 4 retail stores and the facility in Pontianak, Indonesia.

The retail segment posted an improvement in results from the same quarter last year by approximately 24% with flowthrough affects from our existing and new retail outlets and supermarkets.

The poultry segment was badly affected by the global increase in the cost of feed driven by increasing costs of raw materials. The poultry segment posted a loss of RM2.159 million this quarter.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, declined marginally by RM74,000 to RM1.383 million.

B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

	←-----Individual Quarter-----→			
	Current Year Quarter 31.3.2021 (Unaudited) RM'000	Immediate Preceding Quarter 31.12.2020 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	163,669	177,405	(13,736)	(8)
Gross profits	32,976	37,201	(4,225)	(11)
Profit before taxation	7,896	14,363	(6,467)	(45)
Profit after taxation	6,061	11,060	(4,999)	(45)
Profit after taxation attributable to owners of the Company	6,061	11,089	(5,028)	(45)

Revenue

Revenue for the 1st quarter of 2021 declined by 8% from RM177.405 million in the last quarter of 2020 to RM163.669 million in 2021.

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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 (CONT'D)

The retail segment's revenue declined by approximately 6.13% from the preceding quarter. The retail segment was affected by the closure or minimal operations of outlets in various zones in the northern region of Sarawak as a result of escalating covid positive cases. Some of the closures extended to 3 weeks in February 2021 stretching from the pre-Chinese New Year sales period to post-Chinese New Year period. Our food and beverage customers in these regions were similarly affected.

Revenue contribution from our Indonesian operations improved from 17.88% in December 2020 to 18.23% in March 2021 with increases in the production and sales of sausages and nuggets.

With the continuing suppressed global demand and pricing of prawns, the prawn segment's revenue declined by 28% this quarter when compared to the preceding quarter. Exports declined by 40% this quarter. However, a shift to local sales softened the loss of revenue from exports.

The food service segment's revenue declined by 32% when compared to the immediate preceding quarter. The re-opening of schools for the new school year was short-lived and schools in red zones of Sarawak, particularly the northern regions, were forced to resume online schooling. This affected our food contractor customers supplying boarding schools and colleges throughout Sarawak.

Profit before tax

The Group's profit before tax declined by 45% when compared to the immediate preceding quarter. The gross profit margin for March 2021 was 20.15%, as opposed to 20.9% in December 2020.

The poultry segment's results decreased by approximately 86% from the immediate preceding quarter. This was mainly attributed to the increase in feed price.

The share in results of our associate company decreased by 44% from RM2.478 million in the 4th quarter of 2020 to RM1.383 million in the 1st quarter of 2021.

B3. FUTURE PROSPECTS

Barring any further unforeseen circumstances, the Group plans to proceed with the opening of its third CCKLocal supermarket in Sibul, Sarawak in the 4th quarter of 2021. In addition, the Group plans to open four (4) CCK Freshmart retail stores in the remaining quarters of the year. Surveys and research are currently being conducted for suitable locations in East Malaysia.

The increasing costs of raw materials for the manufacture of feed is a concern to the Management as this may affect the cost structures of both the retail and poultry segments.

Also of a concern, is the slower than expected vaccine roll-outs in East Malaysia thus affecting consumers' and business sentiment and outlook.

Given the above, the Board is cautious with regards the quarters ahead. The Board and Management teams are striving diligently to mitigate the risks and costs in this challenging environment driven by poor market sentiment and the pandemic.

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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-months ended		Cumulative Quarter	
	31.3.2021 (Unaudited) RM'000	31.3.2020 (Unaudited) RM'000	31.3.2021 (Unaudited) RM'000	31.3.2020 (Unaudited) RM'000
Current tax	1,835	2,404	1,835	2,404
Effective tax rate	23%	23%	23%	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.

B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

	RM Denomination		Foreign Denomination	
	As at 31.3.2021 (Unaudited) RM'000	As at 31.3.2020 (Unaudited) RM'000	As at 31.3.2021 (Unaudited) RM'000	As at 31.3.2020 (Unaudited) RM'000
Current:-				
- bank overdrafts	533	1,718	-	-
- banker's acceptance	26,429	24,819	-	-
- revolving credit	10,500	16,500	-	-
- term loans	-	-	-	-
	37,462	43,037	-	-
Non-current:-				
- term loans	8,476	7,418	-	-
	45,938	53,436	-	-

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000286 (31.12.2020: RP0.000287)

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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 PAYABLE

The Board of Directors did not recommend any payment of dividend during the current quarter and financial period under review.

B10. EARNINGS PER SHARE

Basic:-

The basic earnings per share is based on the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter.

	3-months ended		Cumulative quarter	
	31.3.2021 (Unaudited)	31.3.2020 (Unaudited)	31.3.2021 (Unaudited)	31.3.2020 (Unaudited)
Profit attributable to owners of the Company (RM'000)	6,061	8,083	6,061	8,083
Weighted average number of ordinary shares at 1 January ('000)	630,718	630,718	630,718	630,718
Effect of treasury shares held	(4,073)	(3,761)	(4,073)	(3,761)
Weighted average number of ordinary shares at 31 March ('000)	626,645	626,957	626,645	626,957
Basic earnings per share (Sen)	0.97	1.29	0.97	1.29

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-months ended		Cumulative Quarter	
	31.3.2021 (Unaudited) RM'000	31.3.2020 (Unaudited) RM'000	31.3.2021 (Unaudited) RM'000	31.3.2020 (Unaudited) RM'000
After charging/(crediting)-				
Allowance for impairment losses on receivables	128	49	128	49
Allowance for impairment losses on receivables no longer required	(10)	(10)	(10)	(10)
Depreciation and amortisation	4,619	7,194	4,619	7,194
Loss/(gain) on fair value changes in biological assets	1,582	123	1,582	123
Loss on disposal of property, plant and equipment	-	4	-	4
Loss/(gain) on foreign exchange:-				
- realised	-	-	-	-
- unrealised	(7)	18	(7)	18
Property, plant and equipment written off	13	-	13	-
Interest expense	521	714	521	714
Interest income	(51)	(171)	(51)	(171)

B12. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2020 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 May 2021.