

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

INTERIM FINANCIAL STATEMENTS
for the Financial Period Ended 30 June 2021

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Second Financial Quarter Ended 30 June 2021

CONDENSED STATEMENTS OF FINANCIAL POSITION

| | As at 30.6.2021 RM'000 (Unaudited) | As at 31.12.2020 RM'000 (Audited) |
|--|---|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Investment in an associate | 32,875 | 29,688 |
| Investment properties | 16,158 | 16,213 |
| Property, plant and equipment | 202,153 | 202,960 |
| Goodwill | 380 | 380 |
| Deferred tax assets | 1,593 | 1,593 |
| | <hr/> 253,159 | <hr/> 250,834 |
| CURRENT ASSETS | | |
| Inventories | 66,559 | 55,501 |
| Biological assets | 14,120 | 16,308 |
| Trade receivables | 38,692 | 32,633 |
| Other receivables, deposits and prepayments | 10,712 | 10,335 |
| Current tax assets | 1,106 | 1,162 |
| Deposits with licensed banks | 2,955 | 9,266 |
| Cash and bank balances | 38,859 | 49,861 |
| | <hr/> 173,003 | <hr/> 175,066 |
| TOTAL ASSETS | <hr/> 426,162 | <hr/> 425,900 |
| EQUITY AND LIABILITIES | | |
| Share capital | 158,969 | 158,969 |
| Treasury shares | (2,432) | (2,432) |
| Foreign exchange translation reserve | (4,875) | (4,666) |
| Retained profits | 147,953 | 149,061 |
| | <hr/> 299,615 | <hr/> 300,932 |
| Total Equity Attributable to Owners of the Company | 299,615 | 300,932 |
| Non-controlling interests | 92 | 92 |
| TOTAL EQUITIES | <hr/> 299,707 | <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.

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Second Financial Quarter Ended 30 June 2021

CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

| | As at 30.6.2021 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 | 16,176 | 16,144 |
| Bank borrowings | 8,337 | 7,548 |
| Deferred income | 19 | 19 |
| Deferred tax liabilities | 9,765 | 9,766 |
| | <hr/> 37,731 | <hr/> 36,911 |
| CURRENT LIABILITIES | | |
| Trade payables | 32,148 | 22,835 |
| Other payables, deposits and accruals | 11,208 | 21,983 |
| Bank borrowings:- | | |
| - bank overdrafts | 1,562 | - |
| - other borrowings | 37,505 | 36,020 |
| Lease liabilities | 2,764 | 3,133 |
| Provision for employee benefits | 865 | 881 |
| Current tax liabilities | 2,672 | 3,113 |
| | <hr/> 88,724 | <hr/> 87,965 |
| TOTAL LIABILITIES | <hr/> 126,455 | <hr/> 124,876 |
| TOTAL EQUITIES& LIABILITIES | <hr/> 426,162 | <hr/> 425,900 |
| | | |
| Net assets per share (RM) | <hr/> 0.48 | <hr/> 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.

CCK CONSOLIDATED HOLDINGS BERHAD

Registration No. 199601024340 (396692-T)

(Incorporated in Malaysia)

Interim Report for the Second Financial Quarter Ended 30 June 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 30 June 2021 | | | | | | | |
| Balance at 1.1.2021 | 158,969 | (2,432) | (4,666) | 149,061 | 300,932 | 92 | 301,024 |
| Profit after taxation | - | - | - | 11,425 | 11,425 | - | 11,425 |
| - foreign currency translation difference | - | - | (209) | - | (209) | - | (209) |
| Total comprehensive income for the financial period | - | - | (209) | 11,425 | 11,216 | - | 11,216 |
| Contributions by and distributors to owners of the Company:- | | | | | | | |
| - Purchase of treasury shares | - | - | - | - | - | - | - |
| -Dividends:- -by the Company | | | | (12,533) | (12,533) | | (12,533) |
| Total Transactions with owners | - | - | - | (12,533) | (12,533) | - | (12,533) |
| Balance at 30.6.2021 | 158,969 | (2,432) | (4,875) | 147,953 | 299,615 | 92 | 299,707 |

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.

CCK CONSOLIDATED HOLDINGS BERHAD

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(Incorporated in Malaysia)

Interim Report for the Second Financial Quarter Ended 30 June 2021

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 30 June 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 | - | - | - | 15,641 | 15,641 | 15 | 15,656 |
| Other comprehensive income for the period:- | | | | | | | |
| - foreign currency translation difference | - | - | 671 | - | 671 | - | 671 |
| Total comprehensive income for the financial period | - | - | 671 | 15,641 | 16,312 | 15 | 16,327 |
| Contributions by and distributors to owners of the Company:- | | | | | | | |
| -Purchase of treasury shares | - | (112) | - | - | (112) | - | (112) |
| -Dividends:- | | | | | | | |
| -by the Company | | | | (7,833) | (7,833) | | (7,833) |
| Total Transactions with owners | - | (112) | - | (7,833) | (7,945) | - | (7,945) |
| Balance at 30.6.2020 | 158,969 | (2,432) | (2,794) | 130,398 | 284,141 | 395 | 284,536 |

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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Interim Report for the Second Financial Quarter Ended 30 June 2021

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|--|---|---|
| | Current Year Quarter 30.6.2021 (Unaudited) RM'000 | Preceding year Corresponding Quarter 30.6.2020 (Unaudited) RM'000 | Current Year to-Date 30.6.2021 (Unaudited) RM'000 | Preceding year Corresponding Year to-Date 30.6.2020 (Unaudited) RM'000 |
| Revenue | 166,889 | 153,865 | 330,558 | 314,827 |
| Cost of sales | (135,105) | (122,555) | (265,798) | (252,504) |
| Gross profit | 31,784 | 31,310 | 64,760 | 62,323 |
| Other income | 1,193 | 1,537 | 2,312 | 2,425 |
| Administrative expenses | (5,709) | (6,598) | (11,720) | (12,915) |
| Other operating expenses | (21,604) | (17,077) | (42,654) | (32,912) |
| Share of results in an associate | 1,803 | 1,247 | 3,187 | 2,704 |
| Finance costs | (535) | (765) | (1,056) | (1,478) |
| Profit before taxation | 6,932 | 9,654 | 14,829 | 20,147 |
| Income tax expense | (1,569) | (2,086) | (3,404) | (4,491) |
| Profit after taxation | 5,363 | 7,568 | 11,425 | 15,656 |
| Other comprehensive income for the financial period:- | | | | |
| - foreign currency translation difference | (17) | 4,843 | (209) | 671 |
| Total comprehensive income for the financial period | 5,346 | 12,411 | 11,216 | 16,327 |
| Profit after taxation attributable to: | | | | |
| - Owners of the Company | 5,363 | 7,558 | 11,425 | 15,641 |
| - Non-controlling interests | - | 10 | - | 15 |
| | 5,363 | 7,568 | 11,425 | 15,656 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 5,346 | 12,401 | 11,216 | 16,312 |
| - Non-controlling interests | - | 10 | - | 15 |
| | 5,346 | 12,411 | 11,216 | 16,327 |

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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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 |
| | 30.6.2021 | Quarter | 30.6.2021 | Year to-Date |
| | (Unaudited) | 30.6.2020 | (Unaudited) | 30.6.2020 |
| | | (Unaudited) | | (Unaudited) |
| Earnings per share(Sen): | | | | |
| - Basic | 0.86 | 1.21 | 1.82 | 2.50 |
| - 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 Second Financial Quarter Ended 30 June 2021

CONDENSED STATEMENTS OF CASH FLOWS

| | 6-month period ended | |
|---|----------------------|------------------|
| | <u>30.6.2021</u> | <u>30.6.2020</u> |
| | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Profit before taxation | 14,829 | 20,147 |
| Adjustments for non-cash items:- | | |
| Non-cash items | 11,555 | 11,875 |
| Interest expenses | 1,056 | 1,478 |
| Interest income | (336) | (405) |
| Share of results in an associate | (3,187) | (2,704) |
| Operating profit before working capital changes | 23,917 | 30,391 |
| Increase in current assets | (17,716) | (7,290) |
| Decrease in current liabilities | (1,285) | (7,928) |
| Employee benefits paid | (13) | - |
| Cash from operations | 4,903 | 15,173 |
| Interest paid | (1,056) | (1,478) |
| Interest received | 336 | 405 |
| Income tax refunded | - | - |
| Income tax paid | (3,901) | (4,094) |
| Net cash from operating activities | 282 | 10,006 |
| <u>CASH FLOWS FOR INVESTING ACTIVITIES</u> | | |
| Proceeds from disposal of property, plant and equipment | 148 | 94 |
| Dividend received | - | 3,264 |
| Purchase of property, plant and equipment | (8,659) | (9,459) |
| Net cash for investing activities | (8,511) | (6,101) |
| Balance carried forward | (8,229) | 3,905 |

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 Second Financial Quarter Ended 30 June 2021

CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)

| | 6-month period ended | |
|---|----------------------|------------------|
| | <u>30.6.2021</u> | <u>30.6.2020</u> |
| | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 |
| Balance brought forward | (8,229) | 3,905 |
| <u>CASH FLOWS FOR FINANCING ACTIVITIES</u> | | |
| Dividend paid | (12,533) | (7,833) |
| Drawdown from borrowings | 6,299 | 8,080 |
| Proceeds from purchase of treasury shares | - | (112) |
| Repayment of lease liabilities | (337) | - |
| Repayment of borrowings | (4,024) | (3,218) |
| Net cash for financing activities | (10,595) | (3,083) |
| Net (decrease)/increase in cash and cash equivalents | (18,824) | 822 |
| Effect of exchange rate changes on cash and cash equivalents | (51) | 156 |
| Cash and cash equivalents at beginning of the financial year | 59,127 | 43,211 |
| Cash and cash equivalents at end of the financial year | 40,252 | 44,189 |

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 Second Financial Quarter Ended 30 June 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

The Company paid an interim single tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2020 during the financial quarter.

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Interim Report for the Second Financial Quarter Ended 30 June 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 Second Financial Quarter Ended 30 June 2021

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

| 3 months period ended 30 June 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 | 21,308 | 5,356 | 1,897 | 138,328 | - | - | 166,889 |
| Inter-segment revenue | 49,169 | 5,158 | 3 | 20,955 | 91 | (75,376) | - |
| Total segment revenue | 70,477 | 10,514 | 1,900 | 159,283 | 91 | (75,376) | 166,889 |
| RESULTS | | | | | | | |
| Segment results | (1,575) | 191 | 227 | 7,302 | (481) | - | 5,664 |
| Finance costs | | | | | | | (535) |
| Share of results in an associate | | | | | | | 1,803 |
| Profit before taxation | | | | | | | <u>6,932</u> |

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

| 3 months period ended 30 June 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 | 23,730 | 3,375 | 593 | 126,167 | - | - | 153,865 |
| Inter-segment revenue | 46,523 | 2,591 | 1 | 20,007 | 92 | (69,214) | - |
| Total segment revenue | 70,253 | 5,966 | 594 | 146,174 | 92 | (69,214) | 153,865 |
| RESULTS | | | | | | | |
| Segment results | 1,472 | (399) | - | 8,535 | (436) | - | 9,172 |
| Finance costs | | | | | | | (765) |
| Share of results in an associate | | | | | | | 1,247 |
| Profit before taxation | | | | | | | <u>9,654</u> |

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

| 6 months period ended 30 June 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 | 43,663 | 9,982 | 3,811 | 273,102 | - | - | 330,558 |
| Inter-segment revenue | 96,686 | 9,463 | 5 | 41,053 | 183 | (147,390) | - |
| Total segment revenue | 140,349 | 19,445 | 3,816 | 314,155 | 183 | (147,390) | 330,558 |
| RESULTS | | | | | | | |
| Segment results | (3,734) | 455 | 313 | 16,372 | (708) | - | 12,698 |
| Finance costs | | | | | | | (1,056) |
| Share of results in an associate | | | | | | | 3,187 |
| Profit before taxation | | | | | | | <u>14,829</u> |

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Interim Report for the Second Financial Quarter Ended 30 June 2021

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

| 6 months period ended 30 June 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 | 48,702 | 8,336 | 5,752 | 252,037 | - | - | 314,827 |
| Inter-segment revenue | 97,538 | 5,495 | 4 | 44,128 | 3,447 | (150,612) | - |
| Total segment revenue | 146,240 | 13,831 | 5,756 | 296,165 | 3,447 | (150,612) | 314,827 |
| RESULTS | | | | | | | |
| Segment results | 3,598 | (523) | 573 | 15,849 | (576) | - | 18,921 |
| Finance costs | | | | | | | (1,478) |
| Share of results in an associate | | | | | | | 2,704 |
| Profit before taxation | | | | | | | <u>20,147</u> |

CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the Second Financial Quarter Ended 30 June 2021

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

A8. SEGMENT REPORTING (CONT'D) INDIVIDUAL QUARTER

| ASSETS | Poultry RM'000 | Prawn RM'000 | Food Service RM'000 | Retail RM'000 | Corporate RM'000 | Consolidated RM'000 |
|----------------------------|-------------------|-----------------|---------------------------|------------------|---------------------|------------------------|
| 30 June 2021 | | | | | | |
| Segment assets | | | | | | |
| Unallocated assets:- | (5,163) | (612) | 455 | 2,500 | (3,747) | (6,567) |
| Investment in an associate | | | | | | 1,804 |
| Goodwill | | | | | | - |
| Deferred tax assets | | | | | | - |
| Current tax assets | | | | | | 1 |
| Consolidated total assets | | | | | | <u>(4,762)</u> |
| 30 June 2020 | | | | | | |
| Segment assets | (1,768) | (1,239) | (785) | 13,853 | 197 | 10,258 |
| Unallocated assets:- | | | | | | |
| Investment in an associate | | | | | | 1,247 |
| Goodwill | | | | | | - |
| Deferred tax assets | | | | | | - |
| Unallocated assets | | | | | | - |
| Consolidated total assets | | | | | | <u>11,505</u> |

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

| ASSETS | Poultry RM'000 | Prawn RM'000 | Food Service RM'000 | Retail RM'000 | Corporate RM'000 | Consolidated RM'000 |
|----------------------------|---------------------------|-------------------------|------------------------------------|--------------------------|-----------------------------|--------------------------------|
| 30 June 2021 | | | | | | |
| Segment assets | | | | | | |
| Unallocated assets:- | 89,730 | 23,004 | 7,835 | 259,058 | 10,581 | 390,208 |
| Investment in an associate | | | | | | 32,875 |
| Goodwill | | | | | | 380 |
| Deferred tax assets | | | | | | 1,593 |
| Current tax assets | | | | | | 1,106 |
| Consolidated total assets | | | | | | <u>426,162</u> |
| 30 June 2020 | | | | | | |
| Segment assets | 94,239 | 20,195 | 11,990 | 245,890 | 9,179 | 381,493 |
| Unallocated assets:- | | | | | | |
| Investment in an associate | | | | | | 25,927 |
| Goodwill | | | | | | 380 |
| Deferred tax assets | | | | | | 1,389 |
| Unallocated assets | | | | | | 610 |
| Consolidated total assets | | | | | | <u>409,799</u> |

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

| LIABILITIES | Poultry RM'000 | Prawn RM'000 | Food Service RM'000 | Retail RM'000 | Corporate RM'000 | Consolidated RM'000 |
|---|---------------------------|-------------------------|------------------------------------|--------------------------|-----------------------------|--------------------------------|
| 30 June 2021 | | | | | | |
| Segment liabilities | 9 | 1,160 | (2,249) | 6,321 | (1,389) | 3,852 |
| Unallocated liabilities:- | | | | | | |
| Deferred tax liabilities | | | | | | - |
| Current tax liabilities | | | | | | (49) |
| Unallocated liabilities and adjustments | | | | | | (1,379) |
| Consolidated total liabilities | | | | | | <u>2,424</u> |
| 30 June 2020 | | | | | | |
| Segment liabilities | (1,273) | (949) | (829) | 12,599 | (1,404) | 8,144 |
| Unallocated liabilities:- | | | | | | |
| Deferred tax liabilities | | | | | | 40 |
| Current tax liabilities | | | | | | 375 |
| Unallocated liabilities and adjustments | | | | | | (1,632) |
| Consolidated total liabilities | | | | | | <u>6,927</u> |

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

| LIABILITIES | Poultry RM'000 | Prawn RM'000 | Food Service RM'000 | Retail RM'000 | Corporate RM'000 | Consolidated RM'000 |
|---|---------------------------|-------------------------|------------------------------------|--------------------------|-----------------------------|--------------------------------|
| 30 June 2021 | | | | | | |
| Segment liabilities | 25,806 | 3,761 | 804 | 66,510 | 21,482 | 118,363 |
| Unallocated liabilities:- | | | | | | |
| Deferred tax liabilities | | | | | | 9,765 |
| Current tax liabilities | | | | | | 2,672 |
| Unallocated liabilities and adjustments | | | | | | (4,345) |
| Consolidated total liabilities | | | | | | <u>126,455</u> |
| 30 June 2020 | | | | | | |
| Segment liabilities | 24,855 | 2,271 | 1,663 | 62,091 | 25,601 | 116,481 |
| Unallocated liabilities:- | | | | | | |
| Deferred tax liabilities | | | | | | 9,666 |
| Current tax liabilities | | | | | | 3,109 |
| Unallocated liabilities and adjustments | | | | | | (3,993) |
| Consolidated total liabilities | | | | | | <u>125,263</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-month ended | | Cumulative Quarter | |
|----------------|----------------------|--------------------|---------------------------|--------------------|
| | 30.6.2021 | 30.6.2020 | 30.6.2021 | 30.6.2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Australia | 298 | - | 298 | 537 |
| Hong Kong | - | - | - | 261 |
| Indonesia | 34,155 | 31,740 | 64,002 | 57,044 |
| Japan | 1,319 | 1,677 | 3,011 | 4,100 |
| Taiwan | 250 | 324 | 250 | 324 |
| Middle East | - | (8) | - | 343 |
| Korea | 462 | - | 462 | - |
| Malaysia | 130,405 | 120,131 | 262,535 | 252,218 |
| | 166,889 | 153,864 | 330,558 | 314,827 |

| <i>Non-current assets</i> | As at | |
|---------------------------|--------------------|--------------------|
| | 30.6.2021 | 30.6.2020 |
| | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 |
| Indonesia | 36,070 | 35,803 |
| Malaysia | 215,496 | 198,255 |
| | 251,566 | 234,058 |

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 6-month period ended 30 June 2021, the Group acquired assets at a total cost of RM8.6 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.

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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-month ended | | Cumulative Quarter | |
|----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 |
| Purchase of products | 30,432 | 25,091 | 60,267 | 50,944 |
| Sale of products | - | - | - | 545 |
| Advisory income | - | - | - | - |
| Freight charges | 392 | 340 | 762 | 791 |

A15. CASH AND CASH EQUIVALENTS

| | As at | |
|------------------------------|------------------------------------|------------------------------------|
| | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 |
| Cash and bank balances | 38,859 | 37,893 |
| Deposits with licensed banks | 2,955 | 8,344 |
| Bank overdrafts, secured | (1,562) | (2,048) |
| | 40,252 | 44,189 |

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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

a) Analysis of the results for the 3-months ended 30 June 2021 against 3 months ended 30 June 2020.

| | ←--Individual Quarter --> | | | |
|---|--|--|-----------|------|
| | Current Year Quarter 30.6.2021 (Unaudited) RM'000 | Preceding Year Quarter 30.6.2020 (Unaudited) RM'000 | Variances | |
| | | | RM'000 | % |
| Revenue | 166,889 | 153,865 | 13,024 | 8 |
| Gross profits | 31,784 | 31,310 | 474 | 2 |
| Profit before taxation | 6,932 | 9,654 | (2,722) | (28) |
| Profit after taxation | 5,363 | 7,568 | (2,205) | (29) |
| Profit after taxation attributable to owners of the Company | 5,363 | 7,558 | (2,195) | (29) |

Revenue

Group revenue for the quarter under review ("2QFY2021") increased by 8% to RM166.9 million from the corresponding quarter in the preceding year ("2QFY2020"). Driving the growth in revenue was a robust performance by the retail segment despite the challenging environment brought about by the Covid-19 pandemic.

Specifically, the retail segment posted an increase of 9% in revenue in 2QFY2021. This was largely brought about by the contributions from two (2) CCKLocal supermarkets (in Kuching and Kota Kinabalu, respectively) and four (4) CCK Fresh Mart retail stores which were opened in the past twelve (12) months. The Group's retail network in Malaysia ended the quarter with the following –

| | Q2 2020 | Q2 2021 |
|------------------------------|------------|------------|
| CCKLocal Supermarkets | 0 | 2 |
| CCK Fresh Mart retail stores | 56 | 60 |
| CCK wholesale stores | 6 | 6 |
| Total touch points | 62 | 68 |

Additionally, revenue from our Indonesian operations improved by RM2.4 million to RM34.1 million in 2QFY2021 from RM31.7 million reported in 2QFY2020. The growth in revenue was due to contributions from a new factory and logistics centre which commenced operations in Pontianak, Indonesia in January 2021. The new facility is part of an expansion plan to replace an existing site which was unable to cater for increasing sausage production requirements.

The prawn segment's revenue increased by 58% to RM5.3 million in 2QFY2021. This significant turnaround was on the back of depressed global pricing and demand for prawns brought about by the Covid-19 pandemic. Ongoing efforts to acquire new customers bore fruit as the segment benefitted from additional exports to South Korea and Australia as well as higher domestic sales.

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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

Despite the growth in revenue, profit before tax decreased by 28% to RM6.9 million due to an overall decline in gross profit margins to 19.04% in 2QFY2021 from 20.35% in 2QFY2020.

Profitability was largely affected by the ongoing hike in feed prices as a result of increasing costs of raw materials since January 2021. This has had an adverse impact on the Group's gross profit margins and the performance of the poultry segment; which reported a loss of approximately RM1.5 million.

Despite the challenging operating environment, the retail segment continued to underpin the Group's performance, posting a profit of RM7.3 million. This is approximately 14% lower than 2QFY2020 as the Group did not pass on the entirety of feed cost hikes to the customers.

The uptick in other operating expenses by 26% was due to expansion carried out in the past twelve (12) months via the opening of two (2) supermarkets, four (4) retail stores and the facility in Pontianak, Indonesia.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, improved by 44% to RM1.8 million in 2QFY2021. This cushioned some of the direct negative impact of the hike in feed prices affecting the poultry segment.

b) Analysis of the results for the 6-months ended 30 June 2021 against 6 months ended 30 June 2020.

| | ←-----Cumulative Quarter-----→ | | | |
|---|--------------------------------|-------------|-----------|------|
| | Current Year | Preceding | Variances | |
| | Quarter | Year | | |
| | 30.6.2021 | Quarter | | |
| | (Unaudited) | 30.6.2020 | | |
| | RM'000 | (Unaudited) | RM'000 | % |
| Revenue | 330,558 | 314,827 | 15,731 | 5 |
| Gross profits | 64,760 | 62,323 | 2,437 | 4 |
| Profit before taxation | 14,829 | 20,147 | (5,318) | (26) |
| Profit after taxation | 11,425 | 15,656 | (4,231) | (27) |
| Profit after taxation attributable to owners of the Company | 11,425 | 15,641 | (4,216) | (27) |

Revenue

Group revenue for the 6-months period ended 30 June 2021 ("1HFY2021") increased by 5% against the same period last year ("1HFY2020").

Revenue growth in 1HFY2021 was largely driven by the performance of the retail segment, which achieved an 8.35% increase in segment revenue. The robust performance of the retail segment was due to contributions from the expansion of the Malaysian retail network and Indonesian operations. Revenue contribution from the Group's Indonesian operations (which are classified under the retail segment) increased to 19.36% in 1HFY2021 from 18.12% in 1HFY2020. This was brought about by an overall increase in production and sales of sausages, nuggets and other processed products. Additionally, Pontianak's new facility that was opened in January 2021 has gradually ramped up production.

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

b) Analysis of the results for the 6-months ended 30 June 2021 against 6 months ended 30 June 2020.

Revenue (cont'd)

The prawn segment's revenue grew by 19.7% in 1HFY2021. This was due to ongoing efforts made to boost exports sales to new customers in Korea and Taiwan in addition to our traditional markets in Australia and Japan. Sales to local customers through our CCK retail network in Sarawak also improved.

Profit before tax

The Group's profit before tax for the 1HFY2021 declined by 26% to RM14.8 million. Gross profit margin remained at 19%. The marked decline in profitability can be attributed to a significant increase in feed prices affecting the poultry segment and an overall increase in operating expenses due to the ongoing expansion of our Malaysian retail network and Indonesian operations.

The hike in feed prices resulting from the global increase in prices of soy and corn had a direct negative impact on the poultry segment, which reported a loss of RM3.7 million in 1HFY2021.

Other operating expenses increased by 29% due to the opening of the Pontianak facility and flowthrough effects from the opening of two (2) CCKLocal supermarkets and (4) CCK Fresh Mart retail outlets in the past 12 months.

Finance costs declined by 28.55% from 2020 resulting in a cut in the OPR by Bank Negara Malaysia from 2% in June 2020 to 1.75% in June 2021.

The prawn segment's results for 1HFY2021 improved by 187% due to ongoing efforts to acquire new customers. The segment benefitted from additional exports to South Korea and Australia as well as higher domestic sales.

Share of results in our associate company, Gold Coin Sarawak Sdn Bhd, increased by 18%. This cushioned some of the direct negative impact of the hike in feed prices affecting the poultry segment.

B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

| | ←-----Individual Quarter-----→ | | | |
|---|---|---|-----------|------|
| | Current Year Quarter 30.6.2021 (Unaudited) RM'000 | Immediate Preceding Quarter 31.3.2021 (Unaudited) RM'000 | Variances | |
| | | | RM'000 | % |
| Revenue | 166,889 | 163,669 | 3,220 | 2 |
| Gross profits | 31,784 | 32,976 | (1,192) | (4) |
| Profit before taxation | 6,932 | 7,896 | (964) | (12) |
| Profit after taxation | 5,363 | 6,061 | (698) | (11) |
| Profit after taxation attributable to owners of the Company | 5,363 | 6,061 | (698) | (11) |

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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)

Revenue

Revenue in the 2QFY2021 improved by 2% from 1QFY2021. With 3 major festivals in the 2nd quarter (Hari Raya Aidilfitri, Kaamatan Harvest Festival and Gawai Harvest Festival), the retail segment's revenue increased by 2.6% with improvements both from the Malaysian retail network and our Indonesian operations. Revenue contributions from the Indonesian operations increased to 20.5% in the 2QFY2021 from 18.2% in the 1QFY2021. No new retail outlets were opened during the quarter.

The prawn segment's revenue increased by 15.8% from the 1QFY2021 with improving local sales and additional export sales to Australia, Korea and Taiwan, in addition to sales to our traditional markets in Japan.

Profit before tax

The Group's profit before tax declined by 12% compared to the 1QFY2021. The gross profit margin for 2QFY2021 stood at 19%, as opposed to 20% in 1QFY2021.

In 2QFY2021, the US dollar strengthened against the Malaysian ringgit by approximately 1.5%. This had an effect on the cost structure of the poultry and retail segments.

The hike in feed price was due to the strengthening of the US dollar coupled with an overall increase in prices of raw materials. This effectively increased the segment's cost of sales and had a negative effect on profitability.

The retail segment's results in the 2QFY2021 decreased by 19% compared to the 1QFY2021. Costs of imported beef, lamb, fish and other frozen products increased as a result of the strengthening of the US dollar.

The share in results of our associate company increased by 30% to RM1.8 million in 2QFY2021 from RM1.3 million in 1QFY2021.

B3. FUTURE PROSPECTS

Vaccination rates in Sarawak have now exceeded 80% of the eligible adult population. However, with high daily numbers of positive covid-19 cases in the state, curbs on travel movements and the food and beverage industry have not been removed, thus affecting business and consumer sentiments.

Despite the extremely uncertain and challenging environment, the Group plans to proceed with the opening of its third CCKLocal supermarket in Sibu, Sarawak in the 4th quarter of 2021. In addition, the Group plans to open three (3) CCK Freshmart retail stores in the remaining quarters of the year.

The strengthening of the US dollar and the continuing hike in global prices of corn and soy 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.

Given the above, the Board is cautious with regards the last two quarters of the year. The Board and Management teams are constantly striving to mitigate the risks in this challenging and fast changing environment driven by 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-month ended | | Cumulative Quarter | |
|--------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 |
| Current tax | 1,569 | 2,086 | 3,404 | 4,491 |
| Effective tax rate | 23% | 22% | 23% | 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.

B7. GROUP BORROWINGS

Details of the secured Group borrowings are as follows:-

| | RM Denomination | | Foreign Denomination | |
|-----------------------|---|---|---|---|
| | As at 30.6.2021 (Unaudited) RM'000 | As at 30.6.2020 (Unaudited) RM'000 | As at 30.6.2021 (Unaudited) RM'000 | As at 30.6.2020 (Unaudited) RM'000 |
| Current:- | | | | |
| - bank overdrafts | 1,562 | 2,048 | - | - |
| - banker's acceptance | 28,505 | 32,827 | - | - |
| - revolving credit | 9,000 | 15,000 | - | - |
| | 39,067 | 49,875 | - | - |
| Non-current:- | | | | |
| - term loans | 8,337 | 7,308 | - | - |
| | 47,404 | 57,183 | - | - |

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-month ended | | Cumulative quarter | |
|--|---------------|-------------|--------------------|-------------|
| | 30.6.2021 | 30.6.2020 | 30.6.2021 | 30.6.2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Profit attributable to owners of the Company (RM'000) | 5,363 | 7,558 | 11,425 | 15,641 |
| 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) | (3,842) | (4,073) | (3,842) |
| Weighted average number of ordinary shares at 30 June ('000) | 626,645 | 626,876 | 626,645 | 626,876 |
| Basic earnings per share (Sen) | 0.86 | 1.21 | 1.82 | 2.50 |

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

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

B11. PROFIT BEFORE TAX

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

| | 3-month ended | | Cumulative Quarter | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 | 30.6.2021 (Unaudited) RM'000 | 30.6.2020 (Unaudited) RM'000 |
| After charging/(crediting)- | | | | |
| Allowance for impairment losses on receivables | 58 | 35 | 186 | 84 |
| Allowance for impairment losses on receivables no longer required | (17) | 1 | (27) | (9) |
| Depreciation and amortisation | 4,732 | 5,012 | 9,351 | 9,760 |
| Loss/(gain) on fair value changes in biological assets | 606 | 1,901 | 2,188 | 2,024 |
| (Gain)/loss on disposal of property, plant and equipment | (149) | (6) | (149) | (2) |
| Loss/(gain) on foreign exchange:- | | | | |
| - realised | - | - | - | - |
| - unrealised | - | - | (7) | 18 |
| Property, plant and equipment written off | - | - | 13 | - |
| Interest expense | 535 | 764 | 1,056 | 1,478 |
| Interest income | (285) | (316) | (336) | (405) |

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 August 2021.