

**CCK CONSOLIDATED HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

**INTERIM FINANCIAL STATEMENTS**

for the Financial Period Ended 31 March 2023

## CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the First Financial Quarter Ended 31 March 2023

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	<b>As at 31.3.2023 RM'000 (Unaudited)</b>	<b>As at 31.12.2022 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in an associate	29,212	28,644
Investment properties	10,121	10,747
Intangible assets	3,928	3,755
Property, plant and equipment	204,657	200,836
Goodwill	380	380
Deferred tax assets	2,574	2,552
	<hr/> 250,872	<hr/> 246,914
<b>CURRENT ASSETS</b>		
Inventories	99,050	106,055
Biological assets	16,765	16,652
Trade receivables	51,760	48,728
Other receivables, deposits and prepayments	16,548	13,384
Current tax assets	969	2,513
Short term investment	7,113	8,045
Deposits with licensed banks	8,356	6,457
Cash and bank balances	60,801	56,595
	<hr/> 261,362	<hr/> 258,429
<b>TOTAL ASSETS</b>	<hr/> 512,234	<hr/> 505,343
<b>EQUITY AND LIABILITIES</b>		
Share capital	158,969	158,969
Treasury shares	(5,453)	(5,453)
Foreign exchange translation reserve	(4,252)	(8,139)
Retained profits	232,558	216,394
	<hr/> 381,822	<hr/> 361,771
Total Equity Attributable to Owners of the Company	381,822	361,771
Non-controlling interests	480	480
	<hr/> 382,302	<hr/> 362,251
<b>TOTAL EQUITIES</b>	<hr/> 382,302	<hr/> 362,251

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

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

	<b>As at 31.3.2023 RM'000 (Unaudited)</b>	<b>As at 31.12.2022 RM'000 (Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	13,510	13,510
Bank borrowings	6,926	6,286
Deferred tax liabilities	8,111	8,085
	<hr/> 28,547	<hr/> 27,881
<b>CURRENT LIABILITIES</b>		
Trade payables	41,955	41,267
Other payables, deposits and accruals	10,461	19,592
Bank borrowings:-		
- bank overdrafts	3,454	6,016
- other borrowings	29,478	36,085
Lease liabilities	3,407	3,407
Provision for employee benefits	1,222	1,227
Current tax liabilities	11,408	7,617
	<hr/> 101,385	<hr/> 115,211
<b>TOTAL LIABILITIES</b>	<hr/> 129,932	<hr/> 143,092
<b>TOTAL EQUITIES&amp; LIABILITIES</b>	<hr/> 512,234	<hr/> 505,343
Net assets per share (RM)	<hr/> 0.61	<hr/> 0.58

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 199601024340 (396692-T)

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Interim Report for the First Financial Quarter Ended 31 March 2023

**CONDENSED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 31 March 2023</b>							
<b>Balance at 1.1.2023</b>	158,969	(5,453)	(8,139)	216,394	361,771	480	362,251
Profit after taxation	-	-	-	16,164	16,164	-	16,164
- foreign currency translation difference	-	-	3,887	-	3,887	-	3,887
Total comprehensive income for the financial period	-	-	3,887	16,164	20,051	-	20,051
Contributions by and distributors to owners of the Company:-							
- Purchase of treasury shares	-	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-	-
<b>Balance at 31.3.2023</b>	158,969	(5,453)	(4,252)	232,558	381,822	480	382,302

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 199601024340 (396692-T)

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

	Share Capital RM'000	Treasury shares RM'000	Foreign exchange Translation Reserve RM'000	Distributable Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
<b>At 31 MARCH 2022</b>							
<b>Balance at 1.1.2022</b>							
- as previously stated	158,969	(2,432)	(3,433)	161,053	314,157	92	314,249
Profit after taxation	-	-	-	11,133	11,133	-	11,133
Other comprehensive income for the period:-							
- foreign currency translation difference	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	11,133	11,133	-	11,133
Contributions by and distributors to owners of the Company:-							
-Purchase of treasury shares	-	(1,235)	-	-	(1,235)	-	(1,235)
Total Transactions with owners	-	(1,235)	-	-	(1,235)	-	(1,235)
<b>Balance at 31.3.2022</b>	158,969	(3,667)	(3,433)	172,186	324,055	92	324,147

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Registration No. 199601024340 (396692-T)

Interim Report for the First Financial Quarter Ended 31 March 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2023 (Unaudited) RM'000	Preceding year Corresponding Quarter 31.3.2022 (Unaudited) RM'000	Current Year to-Date 31.3.2023 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 31.3.2022 (Unaudited) RM'000
Revenue	240,612	197,434	240,612	197,434
Cost of sales	(191,681)	(156,806)	(191,681)	(156,806)
<b>Gross profit</b>	48,931	40,628	48,931	40,628
Other income	4,327	1,162	4,327	1,162
Administrative expenses	(10,763)	(8,121)	(10,763)	(8,121)
Other operating expenses	(21,696)	(20,191)	(21,696)	(20,191)
Share of results in an associate	567	1,899	567	1,899
Finance costs	(425)	(866)	(425)	(866)
<b>Profit before taxation</b>	20,941	14,511	20,941	14,511
Income tax expense	(4,777)	(3,378)	(4,777)	(3,378)
<b>Profit after taxation</b>	16,164	11,133	16,164	11,133
<b>Other comprehensive income for the financial period:-</b>				
- foreign currency translation difference	3,887	-	3,887	-
<b>Total comprehensive income for the financial period</b>	20,051	11,133	20,051	11,133
<b>Profit after taxation attributable to:</b>				
- Owners of the Company	16,164	11,133	16,164	11,133
- Non-controlling interests	-	-	-	-
	16,164	11,133	16,164	11,133
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	20,051	11,133	20,051	11,133
- Non-controlling interests	-	-	-	-
	20,051	11,133	20,051	11,133

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Registration No. 199601024340 (396692-T)

Interim Report for the First Financial Quarter Ended 31 March 2023

### CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2023 (Unaudited)	Preceding year Corresponding Quarter 31.3.2022 (Unaudited)	Current Year to-Date 31.3.2023 (Unaudited)	Preceding year Corresponding Year to-Date 31.3.2022 (Unaudited)
<b>Earnings per share(Sen):</b>				
- Basic	2.60	1.78	2.60	1.78
- 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the First Financial Quarter Ended 31 March 2023

### CONDENSED STATEMENTS OF CASH FLOWS

	3-months period ended	
	<u>31.3.2023</u>	<u>31.3.2022</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<b><u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u></b>		
Profit before taxation	20,941	14,511
<b>Adjustments for non-cash items:-</b>		
Non-cash items	3,139	4,147
Interest expenses	425	866
Interest income	(90)	(43)
Share of results in an associate	(567)	(1,899)
<b>Operating profit before working capital changes</b>	<b>23,848</b>	<b>17,582</b>
Increase in current assets	3,120	(22,604)
Decrease in current liabilities	(7,145)	(3,289)
<b>Cash from/(for) operations</b>	<b>19,823</b>	<b>(8,311)</b>
Interest paid	(425)	(866)
Interest received	90	43
Income tax refunded	-	-
Income tax paid	(2,530)	(1,787)
<b>Net cash from/(for) operating activities</b>	<b>16,958</b>	<b>(10,921)</b>
<b><u>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</u></b>		
Proceeds from disposal of property, plant and equipment	4	2
Proceeds from disposal of investment properties	1,800	-
Proceeds from disposal of short term investment	1,000	-
Dividend received	-	11,098
Purchase of property, plant and equipment	(5,967)	(3,151)
<b>Net cash (for)/from investing activities</b>	<b>(3,163)</b>	<b>7,949</b>
Balance carried forward	13,795	(2,972)

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

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

	<b>3-months period ended</b>	
	<b><u>31.3.2023</u></b>	<b><u>31.3.2022</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	13,795	(2,972)
<hr/>		
<b><u>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</u></b>		
Drawdown from borrowings	-	6,462
Proceeds from purchase of treasury shares	-	(1,235)
Repayment of borrowings	(5,967)	(2,319)
<hr/>		
<b>Net cash (for)/from financing activities</b>	<b>(5,967)</b>	<b>2,908</b>
<hr/>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,828</b>	<b>(64)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>839</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>57,036</b>	<b>57,206</b>
<hr/>		
<b>Cash and cash equivalents at end of the financial period</b>	<b>65,703</b>	<b>57,142</b>
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The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 First Financial Quarter Ended 31 March 2023

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

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#### **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 2022. 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 2022..

#### **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**

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

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#### **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 2023

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

<b>3 months period ended 31 March 2023</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>							
External revenue	26,964	23,172	6,446	183,985	45	-	240,612
Inter-segment revenue	54,405	3,746	-	27,160	92	(85,403)	-
<b>Total segment revenue</b>	<b>81,369</b>	<b>26,918</b>	<b>6,446</b>	<b>211,145</b>	<b>137</b>	<b>(85,403)</b>	<b>240,612</b>
<b>RESULTS</b>							
Segment results	198	2,314	813	17,880	(406)	-	20,799
Finance costs							(425)
Share of results in an associate							567
Profit before taxation							<u>20,941</u>

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

<b>3 months period ended 31 March 2022</b>	<b>Poultry</b>	<b>Prawn</b>	<b>Food Service</b>	<b>Retail</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>							
External revenue	23,504	3,856	4,268	165,776	30	-	197,434
Inter-segment revenue	56,868	5,148	2	25,353	91	(87,462)	-
<b>Total segment revenue</b>	<b>80,372</b>	<b>9,004</b>	<b>4,270</b>	<b>191,129</b>	<b>121</b>	<b>(87,462)</b>	<b>197,434</b>
<b>RESULTS</b>							
Segment results	1,411	226	470	11,849	(478)	-	13,478
Finance costs							(866)
Share of results in an associate							1,899
Profit before taxation							14,511

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

<b>ASSETS</b>	<b>Poultry RM'000</b>	<b>Prawn RM'000</b>	<b>Food Service RM'000</b>	<b>Retail RM'000</b>	<b>Corporate RM'000</b>	<b>Consolidated RM'000</b>
<b>31 March 2023</b>						
Segment assets						
Unallocated assets:-	96,822	51,898	17,974	294,793	17,612	479,099
Investment in an associate						29,212
Goodwill						380
Deferred tax assets						2,574
Current tax assets						969
Consolidated total assets						<u>512,234</u>
<b>31 March 2022</b>						
Segment assets	89,443	20,802	10,477	282,187	13,638	416,547
Unallocated assets:-						
Investment in an associate						26,022
Goodwill						380
Deferred tax assets						1,792
Unallocated assets						2,410
Consolidated total assets						<u>447,151</u>

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

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

LIABILITIES	Poultry RM'000	Prawn RM'000	Food Service RM'000	Retail RM'000	Corporate RM'000	Consolidated RM'000
<b>31 March 2023</b>						
Segment liabilities	26,809	6,648	2,883	67,792	4,924	109,056
Unallocated liabilities:-						
Deferred tax liabilities						8,111
Current tax liabilities						11,408
Unallocated liabilities and adjustments						1,357
Consolidated total liabilities						<u>129,932</u>
<b>31 March 2022</b>						
Segment liabilities	30,663	2,705	1,828	68,426	9,715	113,337
Unallocated liabilities:-						
Deferred tax liabilities						8,374
Current tax liabilities						5,106
Unallocated liabilities and adjustments						(3,813)
Consolidated total liabilities						<u>123,004</u>

## CCK CONSOLIDATED HOLDINGS BERHAD

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

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

Accordingly, no further segmental analysis is available for disclosures except for the following entity-wide disclosures as required by MFRS 8:-

#### GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

<i>Revenue</i>	<b>3-months ended</b>		<b>Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Australia	1,141	351	1,141	351
Indonesia	48,202	44,099	48,202	44,099
Japan	18,353	752	18,353	752
Korea	2,146	330	2,146	330
Taiwan	3,676	-	3,676	-
Hong Kong	404	-	404	-
Malaysia	166,690	151,902	166,690	151,902
	<b>240,612</b>	<b>197,434</b>	<b>240,612</b>	<b>197,434</b>

<i>Non-current assets</i>	<b>As at</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Indonesia	54,400	37,225
Malaysia	193,898	207,912
	<b>248,298</b>	<b>245,137</b>

#### MAJOR CUSTOMERS

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



## **CCK CONSOLIDATED HOLDINGS BERHAD**

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

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

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

During the 3-months period ended 31 March 2023, the Group acquired assets at a total cost of RM5.9 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

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Interim Report for the First Financial Quarter Ended 31 March 2023

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

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#### 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	
	31.3.2022 (Unaudited) RM'000	31.3.2022 (Restated) RM'000	31.3.2023 (Unaudited) RM'000	31.3.2022 (Restated) RM'000
Purchase of products	32,042	34,895	32,042	34,895
Rental paid	9	9	9	9
Freight charges	335	435	335	435

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#### A15. CASH AND CASH EQUIVALENTS

	As at	
	31.3.2023 (Unaudited) RM'000	31.3.2022 (Unaudited) RM'000
Cash and bank balances	60,801	50,787
Deposits with licensed banks	8,356	7,078
Bank overdrafts, secured	(3,454)	(723)

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## CCK CONSOLIDATED HOLDINGS BERHAD

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

#### REVIEW OF OPERATING PERFORMANCE

##### B1. Comparison of the results for the 3-months ended 31 March 2023 against 3-months ended 31 March 2022

	←--Individual Quarter/Cumulative Quarter--→			
	Current Year Quarter 31.3.2023 (Unaudited) RM'000	Preceding Year Quarter 31.3.2022 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	240,612	197,434	43,178	22
Gross profits	48,931	40,628	8,303	20
Profit before taxation	20,941	14,511	6,430	44
Profit after taxation	16,164	11,133	5,031	45
Profit after taxation attributable to owners of the Company	16,164	11,133	5,031	45

#### Revenue

Group revenue for the quarter under review ("Q1FY2023") increased by 21.9% to RM240.6 million from the corresponding quarter last year ("Q1FY2022"). Revenue growth was driven by several factors, namely; contribution from PT Bonanza Pratama Abadi ("PT Bonanza") that boosted the prawn segment, a strong performance from the retail segment due to higher consumer demand, and heightened activities in government schools that drove the performance of the food service segment.

The retail segment grew 11.0% during the quarter, partly due to more matured contributions from our established retail network and strong consumer demand that in-turn drove wholesale volumes as food and beverage outlets returned to pre-Covid levels.

In Q1FY2023, one (1) additional CCK Fresh Mart was opened in Telipok, Sabah.

The Group's retail network in Malaysia ended the quarter with the following –

	Q1 2022	Q1 2023
CCKLocal Supermarkets	3	3
CCK Fresh Mart retail stores	63	64
CCK wholesale stores	6	6
<b>Total touch points</b>	<b>72</b>	<b>73</b>

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

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

##### **B1. Comparison of the results for the 3-months ended 31 March 2023 against 3-months ended 31 March 2022 (Cont'd)**

Revenue from our Indonesian manufacturing operations (Pontianak and Jakarta) amounted to RM48.2 million in Q1FY2023, an increase of 9.3% from RM44.1 million in Q1FY2022. Performance was driven by higher overall sales volumes as demand for our in-house manufactured processed products remained strong.

Total poultry segment revenue remained largely unchanged at RM81.4 million in Q1FY2023. Demand for poultry products from institutional clients and via our own retail stores (intersegment sales) remained robust, largely tracking the performance of the retail segment.

The prawn segment's revenue increased significantly by 500.0% to RM23.2 million for Q1FY2023. The outperformance was due to the contribution from the recently acquired PT Bonanza that boosted overall segment export volumes to Japan, Taiwan, Australia, Korea and Hong Kong.

The food service segment reported a revenue of RM6.4 million in Q1FY2023, a significant improvement from RM4.3 million in Q1FY2022. This strong performance was due to the heightened activities of government schools in Sarawak.

#### Profit before tax

Profit before tax ("PBT") increased by 44.3% to RM20.9 million largely due the outperformance of the retail segment, contribution from PT Bonanza that boosted the prawn segment, and higher activities of schools in Sarawak that drove the performance of the food service segment. The strong performance of these segments mitigated the weaker performance of the poultry segment, which continues to be affected by elevated feed prices and the weakness in the Malaysian Ringgit. Overall gross profit margins remained healthy at above 20% for Q1FY2023.

The retail segment contributed significantly to the Group's performance in Q1FY2023, reporting a PBT of RM17.9 million. This 50.1% growth in segment profitability against the same period last year was due to a more favourable product mix and increased sales volumes in our retail and wholesale channels driven by an overall improvement in consumer demand.

The poultry segment reported a PBT of RM0.2 million, markedly lower than Q1FY2022. This was due to the fluctuations in feed costs, price ceilings for chicken and eggs, and the absence of subsidies. That said, mitigating factors include effective cost control measures and a more favourable product mix that has resulted in the segment remaining profitable.

The prawn segment delivered a PBT of RM2.3 million, a significant increase from RM0.2 million in Q1FY2022. This was due to the contribution from the recently acquired PT Bonanza. Contributions from PT Bonanza boosted overall segment profitability as export volumes to Japan, Taiwan, Australia, Korea and Hong Kong. increased. The prawn segment also benefited from economies of scale post acquisition which led to a more efficient cost structure.

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

#### REVIEW OF OPERATING PERFORMANCE (CONT'D)

##### B1. Comparison of the results for the 3-months ended 31 March 2023 against 3-months ended 31 March 2022 (Cont'd)

The food service segment reported a PBT of RM0.8 million, higher than the RM0.5 million in Q1FY2022. The increase in profitability was due to the heightened activities of government schools in Sarawak.

Operating and administrative expenses increased due to the additional running costs incurred by PT Bonanza, facilities in Pontianak, Indonesia that was commissioned in FY2021, and retail outlets that came on stream in the last few quarters.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, declined to RM0.5 million in Q1FY2023. Profitability was hampered by fluctuations in the raw material price compounded by unfavorable movements in foreign currency against the Malaysian Ringgit.

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

	←-----Individual Quarter-----→			
	Current Year Quarter 31.3.2023 (Unaudited) RM'000	Immediate Preceding Quarter 31.12.2022 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	240,612	234,947	5,665	2
Gross profits	48,931	47,548	1,383	3
Profit before taxation	20,941	17,757	3,184	18
Profit after taxation	16,164	12,976	3,188	25
Profit after taxation attributable to owners of the Company	16,164	12,976	3,188	25

#### Revenue

Revenue increased to RM240.6 million, up 2.4% from the immediate preceding quarter ("Q4FY2022"). The improvement was largely driven by an uptick in the retail segment, which benefitted from the higher overall sales volumes and more matured contributions from newer retail outlets and supermarkets (opened during the last two years).

The retail segment delivered a revenue of RM184.0 million in Q1FY2023, RM7.6 million higher than Q4FY2022. The growth in revenue was due to higher production and sales volume from our Indonesian manufacturing operations (classified under the retail segment) which was driven by strong demand for our in-house manufactured processed products.

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

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#### **B2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS (CONT'D)**

Total poultry segment revenue amounted to RM81.4 million for Q1FY2023, largely unchanged from Q4FY2022 as demand for poultry products from institutional clients and via our own retail stores (intersegment sales) remained robust.

The prawn segment's revenue decreased by 5.7% to RM23.2 million from RM24.6 in Q4FY2022. Whilst contributions from the recently acquired PT Bonanza remained strong, a downtick in domestic sales was mitigated by stronger exports to Japan, Australia, Korea, Hong Kong and Taiwan.

The food service segment delivered a revenue of RM6.4 million, higher than the RM6.0 million in Q4FY2022. This increase was due to the heightened activities of government schools in Sarawak during the quarter.

#### Profit before tax

PBT increased significantly to RM20.9 million, 15.5% higher than Q4FY2022. This was driven by a strong performance specifically from the retail segment which effectively offset the decline in the prawn and poultry segments. Gross profit margins increased to 20.3% from 20.2% in the immediate preceding quarter.

The growth in profitability was due to a standout performance from the retail segment. The retail segment benefitted from robust sales volumes from our expansive retail network and a markedly stronger performance from our Indonesian operations. Indonesian operations continues to experience strong demand for sausages, nuggets and other in-house manufactured processed products.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, declined to RM0.6 million in Q1FY2023. Profitability was hampered by ongoing fluctuations in the raw material price compounded by unfavorable movements in foreign currency against the Malaysian Ringgit.

#### **B3. FUTURE PROSPECTS**

With Covid-19 and movement restrictions firmly behind us, consumer sentiment has recovered as all sectors of the economy returned to normal. This is expected to have a positive direct impact on all our business segments as the flowthrough effects of a complete reopening is realised.

That said, the volatility of the US dollar against the Malaysian Ringgit remains a concern as it leads to fluctuations in prices of corn and soy. This is further exacerbated by heightened inflation that has led to an overall increase in raw material input costs as well as along the supply chain. This phenomenon is likely to persist into the coming quarters of the financial year and will affect the cost structures of both the retail and poultry segments.

The Board and Management teams continue to take proactive steps to mitigate any risks that may arise in this challenging and fast changing operating environment whilst optimising efficiency and productivity across all our key business segments.

Taking into account the above, the Board is cautious yet optimistic with regards to the performance of the group in the coming quarters of the financial year.

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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	
	31.3.2023 (Unaudited) RM'000	31.3.2022 (Unaudited) RM'000	31.3.2023 (Unaudited) RM'000	31.3.2022 (Unaudited) RM'000
Current tax	4,777	3,378	4,777	3,378
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 31.3.2023 (Unaudited) RM'000	As at 31.3.2022 (Unaudited) RM'000	As at 31.3.2023 (Unaudited) RM'000	As at 31.3.2022 (Unaudited) RM'000
<b>Current:-</b>				
- bank overdrafts	3,454	723	-	-
- banker's acceptance	29,478	31,651	-	-
- revolving credit	-	4,500	-	-
- term loans	-	-	-	-
	32,932	36,874	-	-
<b>Non-current:-</b>				
- term loans	39,858	7,729	-	-
	<b>72,790</b>	<b>44,603</b>	-	-

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000295 (31.12.2022: RP0.000282)

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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	
	31.3.2023 (Unaudited)	31.3.2022 (Unaudited)	31.3.2023 (Unaudited)	31.3.2022 (Unaudited)
Profit attributable to owners of the Company (RM'000)	16,164	11,133	16,164	11,133
Weighted average number of ordinary shares at 1 January ('000)	630,718	630,718	630,718	630,718
Effect of treasury shares held	(7,204)	(4,321)	(7,204)	(4,321)
Weighted average number of ordinary shares at 31 March ('000)	623,514	626,397	623,514	626,397
Basic earnings per share (Sen)	2.60	1.78	2.60	1.78

**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)

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#### B11. PROFIT BEFORE TAX

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

	3-months ended		Cumulative Quarter	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<b>After charging/(crediting)-</b>				
Allowance for impairment losses on receivables	16	39	16	39
Allowance for impairment losses on receivables no longer required	(122)	(46)	(122)	(46)
Depreciation and amortisation	4,928	5,058	4,928	5,058
Gain on fair value changes in biological assets	(113)	(995)	(113)	(995)
Loss on disposal of property, plant and equipment	25	11	25	11
Gain on disposal of investment properties	(1,379)	-	(1,379)	-
(Gain)/loss on foreign exchange:-				
- realised	-	-	-	-
- unrealised	(88)	(2)	(88)	(2)
Property, plant and equipment written off	-	82	-	82
Interest expense	425	866	425	866
Interest income	(90)	(43)	(90)	(43)

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

The auditors' report on the financial statements for the financial year ended 31 December 2022 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 29 May 2023.