

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No:199601024340 (396692-T)

INTERIM FINANCIAL STATEMENTS
for the Financial Period Ended 30 June 2023

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Second Financial Quarter Ended 30 June 2023

CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30.6.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	30,504	28,644
Investment properties	9,917	10,747
Intangible assets	4,154	3,755
Property, plant and equipment	209,427	200,836
Goodwill	380	380
Deferred tax assets	2,601	2,552
	<hr/> 256,983	<hr/> 246,914
CURRENT ASSETS		
Inventories	99,198	106,055
Biological assets	16,784	16,652
Trade receivables	55,850	48,728
Other receivables, deposits and prepayments	23,293	13,384
Current tax assets	914	2,513
Short term investment	5,687	8,045
Deposits with licensed banks	5,976	6,457
Cash and bank balances	65,017	56,595
	<hr/> 272,719	<hr/> 258,429
TOTAL ASSETS	<hr/> 529,702	<hr/> 505,343
EQUITY AND LIABILITIES		
Share capital	158,969	158,969
Treasury shares	(5,453)	(5,453)
Foreign exchange translation reserve	2,249	(8,139)
Retained profits	227,565	216,394
	<hr/> 383,330	<hr/> 361,771
Total Equity Attributable to Owners of the Company		
Non-controlling interests	480	480
	<hr/> 383,810	<hr/> 362,251
TOTAL EQUITIES	<hr/> 383,810	<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 Second Financial Quarter Ended 30 June 2023

CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	As at 30.6.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	13,510	13,510
Bank borrowings	6,723	6,286
Deferred tax liabilities	8,145	8,085
	<hr/> 28,378	<hr/> 27,881
CURRENT LIABILITIES		
Trade payables	41,326	41,267
Other payables, deposits and accruals	13,076	19,592
Bank borrowings: -		
- bank overdrafts	7,243	6,016
- other borrowings	37,305	36,085
Lease liabilities	3,407	3,407
Provision for employee benefits	1,292	1,227
Current tax liabilities	13,865	7,617
	<hr/> 117,514	<hr/> 115,211
TOTAL LIABILITIES	<hr/> 145,892	<hr/> 143,092
TOTAL EQUITIES & LIABILITIES	<hr/> 529,702	<hr/> 505,343
Net assets per share (RM)	<hr/> 0.62	<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.

CCK CONSOLIDATED HOLDINGS BERHAD

Registration No. 199601024340 (396692-T)

(Incorporated in Malaysia)

Interim Report for the Second Financial Quarter Ended 30 June 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
At 30 June 2023							
Balance at 1.1.2023	158,969	(5,453)	(8,139)	216,394	361,771	480	362,251
Profit after taxation	-	-	-	32,918	32,918	-	32,918
- foreign currency translation difference	-	-	10,388	-	10,388	-	10,388
Total comprehensive income for the financial period	-	-	10,388	32,918	43,306	-	43,306
Contributions by and distributors to owners of the Company: -							
- Dividend paid by the Company	-	-	-	(21,747)	(21,747)	-	(21,747)
Total Transactions with owners	-	-	-	(21,747)	(21,747)	-	(21,747)
Balance at 30.6.2023	158,969	(5,453)	2,249	227,565	383,330	480	383,810

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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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 2022							
Balance at 1.1.2022							
- as previously stated	158,969	(2,432)	(3,433)	161,053	314,157	92	314,249
Profit after taxation	-	-	-	22,746	22,746	-	22,746
Other comprehensive income for the period: -							
- foreign currency translation difference	-	-	760	-	760	-	760
Total comprehensive income for the financial period	-	-	760	22,746	23,506	-	23,506
Contributions by and distributors to owners of the Company: -							
-Purchase of treasury shares	-	(1,235)	-	-	(1,235)	-	(1,235)
-Dividend paid by the Company	-	-	-	(7,805)	(7,805)	-	(7,805)
Total Transactions with owners	-	(1,235)	-	(7,805)	(9,040)	-	(9,040)
Balance at 30.6.2022	158,969	(3,667)	(2,673)	175,994	328,623	92	328,715

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.

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Registration No. 199601024340 (396692-T)

Interim Report for the Second Financial Quarter Ended 30 June 2023

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2023 (Unaudited) RM'000	Preceding year Corresponding Quarter 30.6.2022 (Unaudited) RM'000	Current Year to-Date 30.6.2023 (Unaudited) RM'000	Preceding year Corresponding Year to-Date 30.6.2022 (Unaudited) RM'000
Revenue	247,107	210,002	487,718	407,436
Cost of sales	(193,692)	(168,982)	(385,373)	(325,789)
Gross profit	53,415	41,020	102,345	81,647
Other income	2,376	2,204	6,703	3,367
Administrative expenses	(6,997)	(5,881)	(17,760)	(14,002)
Other operating expenses	(27,678)	(23,648)	(49,374)	(48,839)
Share of results in an associate	1,292	1,665	1,859	3,564
Finance costs	(662)	(446)	(1,087)	(1,312)
Profit before taxation	21,746	14,914	42,686	29,425
Income tax expense	(4,991)	(3,301)	(9,768)	(6,679)
Profit after taxation	16,755	11,613	32,918	22,746
Other comprehensive income for the financial period: -				
- foreign currency translation difference	6,500	761	10,388	761
Total comprehensive income for the financial period	23,255	12,374	43,306	23,507
Profit after taxation attributable to:				
- Owners of the Company	16,755	11,613	32,918	22,746
- Non-controlling interests	-	-	-	-
	16,755	11,613	32,918	22,746
Total comprehensive income attributable to:				
- Owners of the Company	23,255	12,374	43,306	23,507
- Non-controlling interests	-	-	-	-
	23,255	12,374	43,306	23,507

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.

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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
	30.6.2023	Quarter	30.6.2023	Year to-Date
	(Unaudited)	30.6.2022	(Unaudited)	30.6.2022
		(Unaudited)		(Unaudited)
Earnings per share(Sen):				
- Basic	2.70	1.85	5.30	3.63
- 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.

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Interim Report for the Second Financial Quarter Ended 30 June 2023

CONDENSED STATEMENTS OF CASH FLOWS

	6-months period ended	
	<u>30.6.2023</u>	<u>30.6.2022</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u>		
Profit before taxation	42,686	29,425
Adjustments for non-cash items: -		
Non-cash items	8,307	6,869
Interest expenses	1,087	1,312
Interest income	(328)	(461)
Share of results in an associate	(1,859)	(3,564)
Operating profit before working capital changes	49,893	33,581
Increase in current assets	(5,273)	(35,059)
(Decrease)/Increase in current liabilities	(6,174)	2,376
Employee benefits paid	-	(19)
Cash from operations	38,446	879
Interest paid	(1,087)	(1,312)
Interest received	328	461
Income tax paid	(5,120)	(2,952)
Net cash from/(for) operating activities	32,567	(2,924)
<u>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	4	42
Proceeds from disposal of investment properties	1,800	-
Proceeds from disposal of short term investment	13,500	-
Dividend received	-	11,098
Purchase of short term investment	(11,013)	-
Purchase of property, plant and equipment	(12,384)	(8,274)
Net cash (for)/from investing activities	(8,093)	2,866
Balance carried forward	24,474	(58)

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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CONDENSED STATEMENTS OF CASH FLOWS (CONT'D)

	6-months period ended	
	<u>30.6.2023</u>	<u>30.6.2022</u>
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Balance brought forward	24,474	(58)
<u>CASH FLOWS FOR FINANCING ACTIVITIES</u>		
Dividend paid	(21,747)	(7,805)
Drawdown from borrowings	2,064	7,838
Purchase of treasury shares	-	(1,235)
Repayment of borrowings	(406)	(3,819)
Net cash for financing activities	(20,089)	(5,021)
Net increase/(decrease) in cash and cash equivalents	4,385	(5,079)
Effect of exchange rate changes on cash and cash equivalents	2,329	248
Cash and cash equivalents at beginning of the financial period	57,036	57,206
Cash and cash equivalents at end of the financial period	63,750	52,375

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 Second Financial Quarter Ended 30 June 2023

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 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

The Company paid a first and final single-tier dividend of 3.50 sen per ordinary share in respect of the financial year ended 31 December 2022 during the financial quarter.

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Interim Report for the Second Financial Quarter Ended 30 June 2023

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 2023

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

3 months period ended 30 June 2023	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	26,182	22,844	6,452	191,583	45	-	247,106
Inter-segment revenue	54,811	3,590	1	26,010	91	(84,503)	-
Total segment revenue	80,993	26,434	6,453	217,593	136	(84,503)	247,106
RESULTS							
Segment results	558	2,672	1,079	17,508	(702)	-	21,115
Finance costs							(662)
Share of results in an associate							1,292
Profit before taxation							<u>21,745</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 2022	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	27,523	5,298	5,114	172,037	30	-	210,002
Inter-segment revenue	56,748	2,997	2	27,818	92	(87,657)	-
Total segment revenue	84,271	8,295	5,116	199,855	122	(87,657)	210,002
RESULTS							
Segment results	(772)	162	605	14,410	(710)	-	13,695
Finance costs							(446)
Share of results in an associate							1,665
Profit before taxation							<u>14,914</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 2023	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	53,146	46,016	12,898	375,568	90	-	487,718
Inter-segment revenue	109,216	7,336	1	53,170	183	(169,906)	-
Total segment revenue	162,362	53,352	12,899	428,738	273	(169,906)	487,718
RESULTS							
Segment results	756	4,986	1,892	35,388	(1,108)	-	41,914
Finance costs							(1,087)
Share of results in an associate							1,859
Profit before taxation							42,686

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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 2022	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	51,027	9,154	9,382	337,813	60	-	407,436
Inter-segment revenue	113,616	8,145	4	53,171	183	(175,119)	-
Total segment revenue	164,643	17,299	9,386	390,984	243	(175,119)	407,436
RESULTS							
Segment results	639	388	1,075	26,259	(1,188)	-	27,173
Finance costs							(1,312)
Share of results in an associate							3,564
Profit before taxation							29,425

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

ASSETS	Poultry	Prawn	Food Service	Retail	Corporate	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2023						
Segment assets						
Unallocated assets: -	2,923	3,996	3,850	7,760	(2,325)	16,204
Investment in an associate						1,292
Goodwill						-
Deferred tax assets						27
Current tax assets						(55)
Consolidated total assets						<u>17,468</u>
30 June 2022						
Segment assets	1,806	(207)	1,812	11,789	(2,461)	12,739
Unallocated assets: -						
Investment in an associate						1,665
Goodwill						-
Deferred tax assets						-
Unallocated assets						-
Consolidated total assets						<u>14,404</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 2023						
Segment assets						
Unallocated assets: -	99,745	55,894	21,824	302,553	15,287	495,303
Investment in an associate						30,504
Goodwill						380
Deferred tax assets						2,601
Current tax assets						914
Consolidated total assets						<u>529,702</u>
30 June 2022						
Segment assets	91,249	20,595	12,289	293,976	11,177	429,286
Unallocated assets: -						
Investment in an associate						27,687
Goodwill						380
Deferred tax assets						1,792
Unallocated assets						2,410
Consolidated total assets						<u>461,555</u>

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

LIABILITIES	Poultry	Prawn	Food Service	Retail	Corporate	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2023						
Segment liabilities	3,699	965	701	10,030	(434)	14,961
Unallocated liabilities: -						
Deferred tax liabilities						34
Current tax liabilities						2,457
Unallocated liabilities and adjustments						(1,492)
Consolidated total liabilities						<u>15,960</u>
30 June 2022						
Segment liabilities	(1,239)	821	152	8,097	(1,745)	6,086
Unallocated liabilities: -						
Deferred tax liabilities						4
Current tax liabilities						2,135
Unallocated liabilities and adjustments						1,611
Consolidated total liabilities						<u>9,836</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 2023						
Segment liabilities	30,508	7,613	3,584	77,822	4,490	124,017
Unallocated liabilities: -						
Deferred tax liabilities						8,145
Current tax liabilities						13,865
Unallocated liabilities and adjustments						(135)
Consolidated total liabilities						145,892
30 June 2022						
Segment liabilities	29,424	3,526	1,980	76,523	7,970	119,423
Unallocated liabilities: -						
Deferred tax liabilities						8,378
Current tax liabilities						7,241
Unallocated liabilities and adjustments						(2,202)
Consolidated total liabilities						132,840

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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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Australia	-	896	-	1,247
Indonesia	49,327	36,349	97,529	80,448
Japan	15,895	813	30,936	1,565
Korea	874	685	874	1,015
Taiwan	2,624	-	5,128	-
Hong Kong	383	-	787	-
Malaysia	178,003	171,259	352,464	323,161
	247,106	210,002	487,718	407,436

<i>Non-current assets</i>	As at	
	30.6.2023	30.6.2022
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Indonesia	57,090	39,360
Malaysia	197,292	207,856
	254,382	247,216

MAJOR CUSTOMERS

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

CCK CONSOLIDATED HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No. 199601024340 (396692-T)

Interim Report for the Second Financial Quarter Ended 30 June 2023

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

A9. PROPERTY, PLANT AND EQUIPMENT

a) Acquisition and Disposals

During the 6-months period ended 30 June 2023, the Group acquired assets at a total cost of RM12.3 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-months ended		Cumulative Quarter	
	30.6.2023 (Unaudited) RM'000	30.6.2022 (Restated) RM'000	30.6.2023 (Unaudited) RM'000	30.6.2022 (Restated) RM'000
Purchase of products	32,256	39,355	64,298	74,250
Rental paid	27	9	36	18
Freight charges	300	444	635	879

A15. CASH AND CASH EQUIVALENTS

	As at	
	30.6.2023 (Unaudited) RM'000	30.6.2022 (Unaudited) RM'000
Cash and bank balances	65,017	47,112
Deposits with licensed banks	5,976	7,952
Bank overdrafts, secured	(7,243)	(2,689)
	<hr/> 63,750	<hr/> 52,375

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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. a) Comparison of the results for the 3-months ended 30 June 2023 against 3-months ended 30 June 2022

	←--Individual Quarter--→			
	Current Year Quarter 30.6.2023 (Unaudited) RM'000	Preceding Year Quarter 30.6.2022 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	247,107	210,002	37,105	18
Gross profits	53,415	41,020	12,395	30
Profit before taxation	21,746	14,914	6,832	46
Profit after taxation	16,755	11,613	5,142	44
Profit after taxation attributable to owners of the Company	16,755	11,613	5,142	44

Revenue

Group revenue for the quarter under review ("Q2FY2023") increased to RM247.1 million, up 17.7% from the corresponding quarter last year ("Q2FY2022"). Revenue growth was largely driven by the contribution from PT Bonanza Pratama Abadi ("PT Bonanza") which boosted the prawn segment, and a strong performance from the retail segment due to higher consumer demand.

The retail segment grew 11.4% during the quarter, largely due to contributions from our established retail network and strong consumer demand.

In Q2FY2023, no additional stores were opened.

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

	30.6.2023	30.6.2022
CCK Local Supermarkets	3	3
CCK Fresh Mart retail stores	64	63
CCK wholesale stores	6	6
Total touch points	73	72

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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. a) Comparison of the results for the 3-months ended 30 June 2023 against 3-months ended 30 June 2022 (Cont'd)

Revenue from our Indonesian manufacturing operations (Pontianak and Jakarta) amounted to RM49.3 million in Q2FY2023, an increase of 35.7% from RM36.3 million in Q2FY2022. Performance was driven by higher overall sales volumes as demand for our in-house manufactured processed products remained strong.

Total poultry segment revenue declined marginally to RM81.0 million in Q2FY2023. Despite the slight downtick in sales volume, demand for poultry products from institutional clients and via our own retail stores (intersegment sales) remained robust.

The prawn segment's revenue increased significantly by 331.2% to RM22.8 million in Q2FY2023. The outperformance was due to the contribution from PT Bonanza that boosted overall segment export volumes to Japan, Taiwan, Korea and Hong Kong.

The food service segment reported a revenue of RM6.5 million in Q2FY2023, an improvement from RM5.1 million in Q2FY2022. This was due to the heightened activities of government schools in Sarawak.

Profit before tax

Profit before tax ("PBT") increased by 45.8% to RM21.7 million largely due the outperformance of the retail segment and strong contribution from PT Bonanza that boosted the prawn segment. Overall gross profit margins remained healthy at 21.6% for Q2FY2023.

The retail segment reported a PBT of RM17.5 million in Q2FY2023, translating into a 21.5% growth in segment profitability against the same period last year. This 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 RM0.6 million, overturning a loss from the same period last year. This return to profitability was largely due to the subsidy scheme from the Government of Malaysia ("GOM") in relation to the price ceilings for chicken and eggs. This segment also benefited from effective cost control measures and a favourable movement in feed input costs.

The prawn segment delivered a PBT of RM2.7 million, significantly higher than RM0.2 million in Q2FY2022. This was due to the contribution from PT Bonanza that boosted overall segment profitability as export volumes to Japan, Taiwan, Korea and Hong Kong increased. The prawn segment also benefited from economies of scale and stronger domestic sales via our own retail channels.

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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)

The food service segment reported a PBT of RM1.1 million, higher than the RM0.6 million in Q2FY2022. 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, and retail outlets that came on stream in the last few quarters.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, amounted to RM1.3 million in Q2FY2023.

B1. b) Comparison of the results for the 6-months ended 30 June 2023 against 6-months ended 30 June 2022

	←--Cumulative Quarter--→		Variances	
	Current Year Quarter 30.6.2023 (Unaudited) RM'000	Preceding Year Quarter 30.6.2022 (Unaudited) RM'000	RM'000	%
Revenue	487,718	407,436	80,282	20
Gross profits	102,345	81,647	20,698	25
Profit before taxation	42,686	29,425	13,261	45
Profit after taxation	32,918	22,746	10,172	45
Profit after taxation attributable to owners of the Company	32,918	22,746	10,172	45

Group revenue for the 6-month period ended 30 June 2023 ("1HFY2023") increased by 19.7% to RM487.7 million from the corresponding period last year ("1HFY2022"). Revenue growth during the period was driven by strong performances from the retail and prawn segments. Notably, higher consumer demand led to an outperformance in the retail segment and whilst contributions from PT Bonanza significantly boosted the prawn segment.

The retail segment achieved a revenue of RM375.6 million during the period, 11.2% higher than 1HFY2022. Growth was driven by more matured contributions from our established retail network, higher sales volumes from both the retail and wholesale channels, and strong demand for our in-house manufactured processed products in Indonesia.

Notably, our Indonesian manufacturing operations was able to cater to the strong demand due to the additional production capacity that came on stream in January 2021. Revenue from our Indonesian manufacturing operations (Pontianak and Jakarta) amounted to RM97.5 million, accounting for 20.0% of total Group revenue for 1HFY2023.

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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. b) Comparison of the results for the 6-months ended 30 June 2023 against 6-months ended 30 June 2022 (Cont'd)

The poultry segment reported a total segment revenue of RM162.4 million for 1HFY2023, largely unchanged from the same period last year. Overall demand for poultry products remained robust as sales via our own retail stores (intersegment sales) contributed to segment performance.

The prawn segment's revenue amounted to RM46.0 million in 1HFY2023, 405.5% higher than 1HFY2022. This significant growth was largely due to the contribution from PT Bonanza which boosted overall segment export volumes to Japan, Taiwan, Korea and Hong Kong.

The food service segment reported a revenue of RM12.9 million, an improvement from RM9.4 million in 1HFY2022. This was due to the heightened activities of government schools in Sarawak.

Profit before tax

Group PBT for 1HFY2023 increased by 45.1% to RM42.7 million. This significant growth in overall profitability was largely due to an outperformance from the retail segment and the contribution from PT Bonanza which boosted the prawn segment. Gross profit margins for the period remained healthy at 21.0% for the period.

The retail segment reported a segment PBT of RM35.4 million, a 34.8% growth in profitability from the same period last year. Growth was driven by a myriad of factors, namely; increased sales volumes in our retail and wholesale channels driven by an overall improvement in consumer demand, more favourable product mix and strong demand for our in-house manufactured processed products in Indonesia.

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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. b) Comparison of the results for the 6-months ended 30 June 2023 against 6-months ended 30 June 2022 (Cont'd)

The poultry segment reported a PBT of RM0.8 million, marginally higher than 1HFY2022. The segment benefitted from the subsidy scheme from the Government in relation to the price ceilings for chicken and eggs. Additionally, this segment also benefited from effective cost control measures and a favourable movement in feed input costs.

The prawn segment recorded a PBT of RM5.0 million, a significant increase from the RM0.4 million in 1HFY2022. Notably, contribution from PT Bonanza boosted overall segment profitability as export volumes to Japan, Taiwan, Korea and Hong Kong increased significantly. The prawn segment also benefited from economies of scale and robust domestic sales via our own retail channels.

The food service segment reported PBT of RM1.9 million in 1HFY2023, higher than the same period last year due to heightened activities of schools in Sarawak.

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

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, amounted to RM1.9 million in 1HFY2023. This was markedly lower than the same period last year due to unfavourable movements in foreign exchange and raw material prices.

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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

	←-----Individual Quarter-----→			
	Current Year Quarter 30.6.2023 (Unaudited) RM'000	Immediate Preceding Quarter 31.3.2023 (Unaudited) RM'000	Variances	
			RM'000	%
Revenue	247,107	240,612	6,495	3
Gross profits	53,415	48,931	4,484	9
Profit before taxation	21,746	20,941	805	4
Profit after taxation	16,755	16,164	591	4
Profit after taxation attributable to owners of the Company	16,755	16,164	591	4

Revenue

Revenue increased by 2.7% to RM247.6 million from the immediate preceding quarter ("Q1FY2023"). The improvement was largely driven by an uptick in the retail segment due to an increase in consumer demand.

The retail segment delivered a revenue of RM191.6 million in Q2FY2023, RM7.6 million higher than Q1FY2023. Revenue growth was due to higher overall sales volumes from our established retail network. Additionally, the segment also benefitted from an increase in 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.

Total poultry segment revenue amounted to RM81.0 million, largely unchanged from Q1FY2023 as demand for poultry products from institutional clients and via our own retail stores (intersegment sales) remained robust.

The prawn segment's revenue declined marginally to RM22.8 million from RM23.2 million in Q1FY2023. Whilst contributions from the PT Bonanza remained strong, a downtick in domestic sales was mitigated by stronger exports to Japan, Korea, Hong Kong and Taiwan.

The food service segment delivered a revenue of RM6.4 million, unchanged from Q1FY2023 as activities in government schools in Sarawak remained heightened during the quarter.

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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)

Profit before tax

PBT increased marginally to RM21.7 million whilst gross profit margins improved to 21.6% from 20.3% in the immediate preceding quarter.

The profitability of all key segments remained encouragingly robust. Notably, the retail segment continued to experience healthy sales volumes from our expansive retail network whilst our Indonesian operations benefitted from strong demand for sausages, nuggets and other in-house manufactured processed products.

Share of results in our associate company, Gold Coin (Sarawak) Sdn Bhd, increased to RM1.3 million from RM0.6 million in 1QFY2023. Profitability was driven by favourable movements in the prices of raw materials.

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 remaining quarters of the 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 cautiously optimistic with regards to the remaining quarters of the year.

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

B4. INCOME TAX EXPENSE	3-months ended		Cumulative Quarter	
	30.6.2023 (Unaudited) RM'000	30.6.2022 (Unaudited) RM'000	30.6.2023 (Unaudited) RM'000	30.6.2022 (Unaudited) RM'000
Current tax	4,991	3,301	9,768	6,679
Effective tax rate	23%	22%	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.

B5. STATUS OF CORPORATE PROPOSALS

There were no significant developments or changes in the corporate proposals.

B6. GROUP BORROWINGS

Details of the secured Group borrowings are as follows: -

	RM Denomination		Foreign Denomination	
	As at		As at	
	30.6.2023 (Unaudited) RM'000	30.6.2022 (Unaudited) RM'000	30.6.2023 (Unaudited) RM'000	30.6.2022 (Unaudited) RM'000
Current: -				
- bank overdrafts	7,243	2,689	-	-
- banker's acceptance	37,305	33,237	-	-
- revolving credit	-	3,000	-	-
	44,548	38,926	-	-
Non-current: -				
- term loans	6,723	7,520	-	-
	51,271	46,446	-	-

The foreign denominated borrowings of the Group is Indonesian Rupiah ("RP") and it has been translated at rate of RP0.000312 (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)

B7. MATERIAL LITIGATION

There was no litigation against the Group during the current quarter.

B8. DIVIDEND PAYABLE

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

B9. EARNINGS PER SHARE

Basic: -

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

	3-months ended		Cumulative quarter	
	30.6.2023 (Unaudited)	30.6.2022 (Unaudited)	30.6.2023 (Unaudited)	30.6.2022 (Unaudited)
Profit attributable to owners of the Company (RM'000)	16,755	11,613	32,918	22,746
Weighted average number of ordinary shares at 1 January ('000)	630,718	630,718	630,718	630,718
Effect of treasury shares held	(9,369)	(4,874)	(9,369)	(4,874)
Weighted average number of ordinary shares at 30 June ('000)	621,349	625,844	621,349	625,844
Basic earnings per share (Sen)	2.70	1.85	5.30	3.63

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)

B10. PROFIT BEFORE TAX

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

	3-months ended		Cumulative Quarter	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting)-				
Allowance for impairment losses on receivables	2	75	18	114
Allowance for impairment losses on receivables no longer required	(52)	(30)	(174)	(76)
Depreciation and amortisation	5,201	5,061	10,129	10,119
Gain on fair value changes in biological assets	(19)	(2,470)	(132)	(3,465)
Loss on disposal of property, plant and equipment	11	86	36	97
Gain on disposal of investment properties	-	-	(1,379)	-
(Gain)/loss on foreign exchange: -				
- realised	-	-	-	-
- unrealised	88	-	-	(2)
Fair value gain on short term investment	(129)	-	(129)	-
Property, plant and equipment written off	-	-	-	82
Interest expense	662	446	1,087	1,312
Interest income	(238)	(418)	(328)	(461)

B11. 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.

B12. FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments.

B13. AUTHORISATION FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors on 22 August 2023.