2016 Annual Report

CCK CONSOLIDATED HOLDINGS BERHAD

396692-T

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Vision

The Food People of Choice

Mission

We are committed to provide quality food through our dedicated team of people to our customers thereby enhancing the economic well-being and quality of life of stakeholders

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Tiong Su Kouk
Non-Independent Non-Executive Chairman

Chong Shaw Fui
Executive Vice Chairman

Tiong Chiong Hiiung
Group Managing Director

Tiong Chiong Soon
Executive Director

Kueh Chung Peng
Executive Director

Lau Liong Kii
Executive Director

Ling Ting Leong @ Ling Chong Seng
Non-Independent Non-Executive Director

Datuk Pemanca Janggu anak Banyang
Independent Director

Datu Haji Putit bin Matzen
Independent Director

Bong Wei Leong
Independent Director

REGISTERED OFFICE

Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia

Tel : 082-336520
Fax : 082-331479

COMPANY SECRETARIES

Voon Jan Moi
(MAICSA 7021367)

Yap Hui Yih
(MAICSA 7048748)

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : 03-7849 0777
Fax : 03-7841 8151 / 03-7841 8152

AUDITORS

Crowe Horwath
Chartered Accountants
2nd Floor, No.1, Lorong Pahlawan 7A2
Jalan Pahlawan
96000 Sibu, Sarawak, Malaysia

STOCK EXCHANGE LISTING

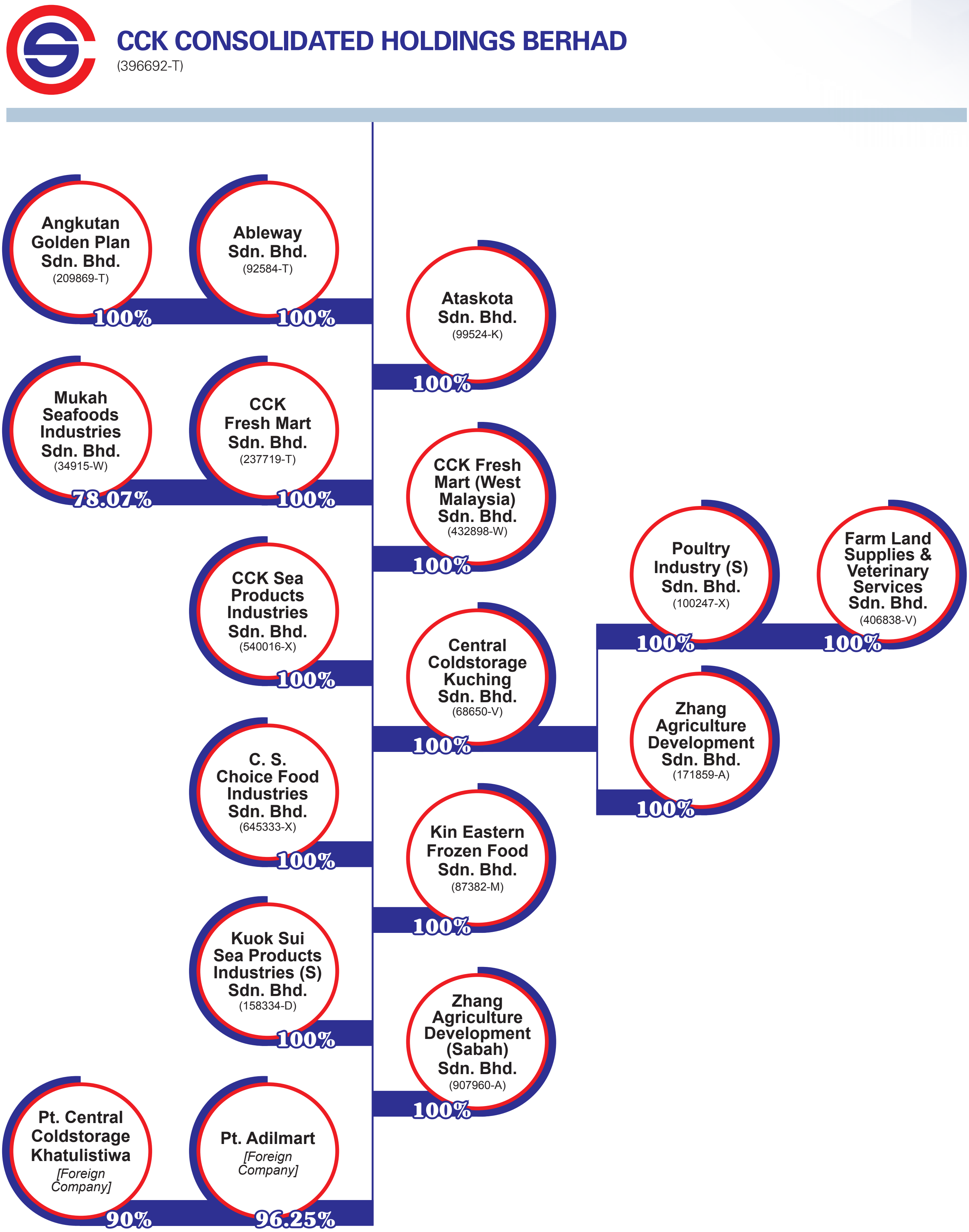
Main Market of Bursa Malaysia Securities Berhad

Stock Name : CCK
Stock Code : 7035

WEBSITE

www.cck.com.my

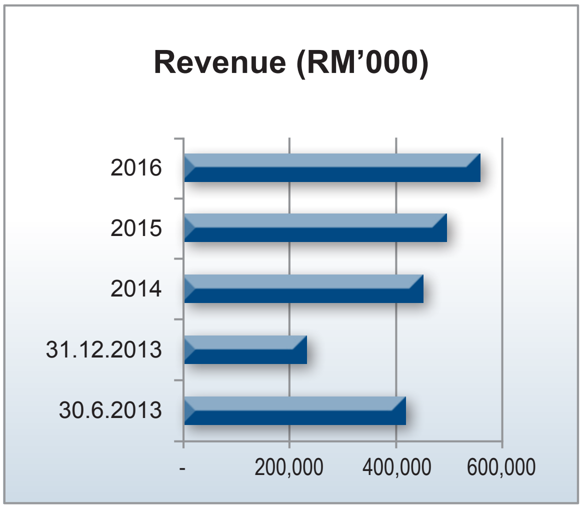
CORPORATE STRUCTURE

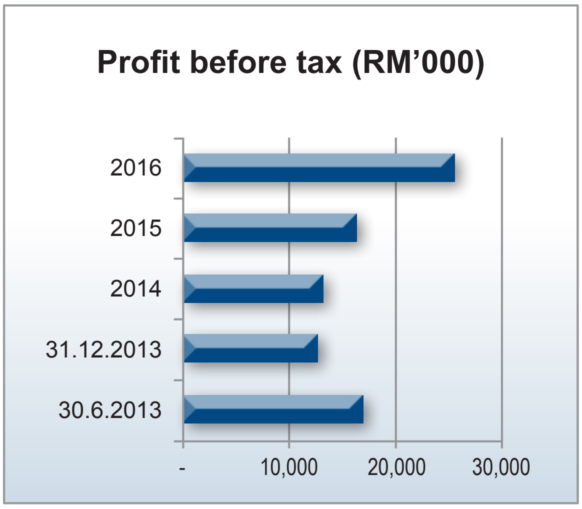


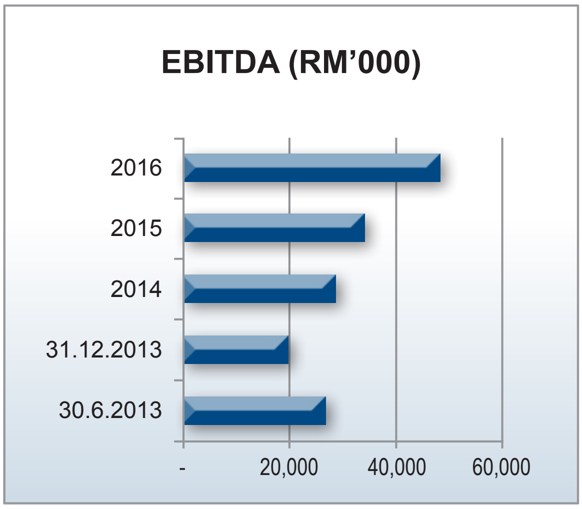
MANAGEMENT DISCUSSION & ANALYSIS

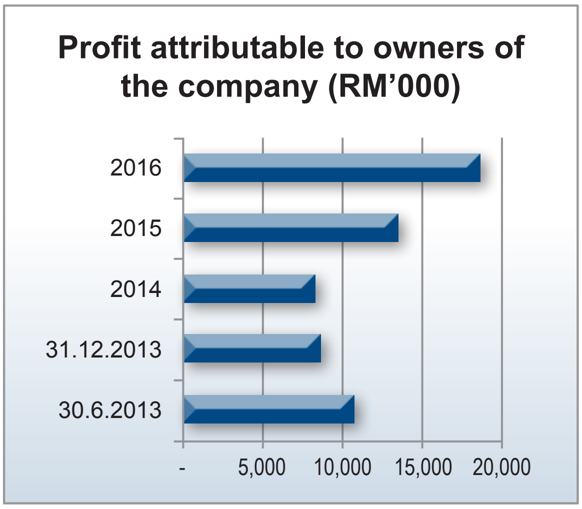
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	1.7.2012 to 30.6.2013 RM '000	1.7.2013 to 31.12.2013 RM '000	2014 RM '000	2015 RM '000	2016 RM '000
Revenue	417,954	230,797	451,282	494,095	559,049
Profit before tax (PBT)	16,642	12,411	12,947	16,028	25,375
Earnings before interest, tax, depreciation and amortisation (EBITDA)	27,010	19,516	28,726	34,183	47,882
Profit attributable to owners of the company	10,810	8,550	8,281	13,510	18,854
Earnings per share (Basic)	3.47	2.76	2.67	4.32	6.01









MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

The Board of Directors and Management of CCK Consolidated Holdings Berhad ("CCK") are pleased to present the Management Discussion & Analysis ("MD&A") containing Management commentary thus giving the investors and shareholders a better understanding of the Group's business and operations for the financial year ended 31 December 2016.

The MD&A should be read together with the audited financial statements of the Group and Company for the year ended 31 December 2016.

OVERVIEW OF BUSINESS AND OPERATIONS, OBJECTIVES AND STRATEGIES

Business and Operations

CCK Consolidated Holdings Berhad was established as an investment holding company in 1996 and provides management services to its subsidiaries which are principally involved in the retail, poultry and prawn industries.

The retail segment comprises of a network of more than 50 CCK stores throughout Sarawak, Sabah and the Klang Valley, the bulk of the stores being in Sarawak. The stores sell mainly dressed fresh chicken and coldstorage products to households, small businesses and corporates. The Group also has a subsidiary in Indonesia which apart from selling fresh chicken and coldstorage products, also manufactures chicken frankfurters.

The poultry segment, particularly in East Malaysia, strongly supports the retail segment with its hatchery, breeder, broiler and layer farms. As one of Sarawak's largest poultry integrated chain, the CCK Group is well-equipped with the latest farm technologies and automated abbatoir system, supported by fully equipped coldstorage facilities and full logistics set-up. The abbatoir is HALAL & HACCP certified.

The prawn segment cultivates and processes prawns in Sarawak mainly for the export market, particularly to Japan. The processing plant in Sibu, Sarawak is also HACCP certified.

Objectives and Strategies

CCK's objective is to create a strong profitable platform for the mutual benefit of all its shareholders and stakeholders based on the following strategies:

- The retail segment intends to focus on expanding its network of CCK stores in Sabah and Sarawak. The targeted customers are wholesalers and households in urban and rural areas. However, in a competitive environment and uncertain economic conditions, the challenge would be to minimise rising costs by economies of scale through increasing sales and production.

- In order to support the retail segment's expansion, the poultry segment would also be increasing its production of broilers and table eggs in East Malaysia. Farming facilities in Sabah will continue to be expanded to cater for the expansion plans. Cost of chicken feed makes up approximately 70% of production costs and therefore prudent cost control is necessary to manage the poultry segment's financial performance.

- The prawn segment will continue to source new export markets. In order to make its products more attractive, the prawn segment aims to be more cost competitive by managing its raw material costs. Innovations will be introduced to develop value-added products, whilst continuing to focus on its core products.

REVIEW OF FINANCIAL PERFORMANCE

The Group's revenue increased by 13.14% to RM559.049 million whilst profit before tax came in at RM25.375 million, an improvement of 58.32%. The growth in the Group's top line was driven by the retail segment with effective marketing strategies. Sales of dressed chicken and chicken parts make up more than 50% of our total retail segment sales. The improvement in revenue, for both Malaysia and Indonesia, was resulted from increases in sales of chicken by approximately RM17 million and RM14 million, respectively.

In May 2016, CCK acquired a 27.2% stake in Gold Coin Sarawak Sdn. Bhd. ("GCS"). Established in Singapore in 1953, Gold Coin is a pioneer in animal nutrition and the manufacturing of scientifically balanced animal feed within Asia. CCK hopes to benefit from Gold Coin's experience with lower feed costs and eventual improving livestock yields. The investment of 27.2% in GCS is starting to bear fruit with RM3.3 million dividend received for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

REVIEW OF OPERATING ACTIVITIES

CCK believes that it should focus on strengthening and building on its core business areas. With the retail sector spearheading our operations and with strong support from the poultry sector, particularly in East Malaysia, we are pleased to see much positive improvement in our results for 2016.

- Although no new stores were opened in 2016, the retail sector has been reaping the benefits of the last few years' expansion program. Retail segment revenue increased by 14.8% from 2015.

- The poultry segment showed an improvement in revenue of approximately 4.82% from 2015. As the thrust of our expansion programme has been in Sabah in recent years, the poultry segment continued to focus on expanding its farming facilities and maintain a constant supply of broilers to the retail stores.

- In 2016, the prawn sector continued its improving performance with an increase of 35.96% in revenue from 2015. The prawn sector exports mainly to the countries in the Asia-Pacific region.

ANTICIPATED BUSINESS RISKS

The main risks affecting the CCK Group are as follows:

1. **Competition Risk**

   The retail and poultry segments of CCK have one of the largest networks of stores and farms in Sarawak. We have developed our base of niche market segments and customer base. We face stiff competition from existing players and new entrants in this industry. According to data obtained from the Department of Statistics Malaysia, in 2014, chicken and eggs are the primary source of protein for the majority of Malaysians. This makes it very competitive as existing industry players vie for market share and simultaneously making it attractive to potential new players. CCK will strive to maintain its share of the market despite the challenging environment with market strategies suited to our business.

Selected agricultural commodities	Per capita consumption (kg)	
	2013	2014
Beef	5.9	5.9
Mutton	1.0	1.2
Pork	18.5	18.3
Poultry meat	46.0	46.6
Chicken/duck egg	18.1	19.1

Sourced from Department of Statistics Malaysia

2. **Foreign Exchange Risks**

   The CCK Group imports certain frozen products for the retail segment and also exports prawns, thus exposing itself to foreign exchange risks, mainly from the fluctuation of the United States Dollar ("USD") against the Malaysian Ringgit ("MYR"). For the poultry sector, the fluctuations in the USD/MYR affect the cost of feed and thus, the cost of operations.

   Imports and exports in a common currency, namely the USD, provide a natural hedge against fluctuations. However, the Group enters into foreign currency forward contracts to hedge against the residual foreign currency exposure.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

3. **Livestock disease risk**

As the Group deals in live biological assets, namely chicken and prawns, we are exposed to disease risks which may affect our bottom line.

The growing threat of the Avian flu virus (H7N9) poses many challenges. Although Sarawak has been declared free of Avian flu by the World Organisation for Animal Health (OIE), we still strictly adhere to rigid biosecurity measures. We have strict biosecurity measures and farm hygiene practices in all our farms. These reduce the risk of disease agents being transmitted to the farms from external sources, the movement of disease agents between sheds on the same farm, carry over of disease agents from one batch to the next, and carry over of disease agents from breeding flocks to their progeny via egg.

The economic impact that parasites, bacteria, fungus and virus have on prawns can be catastrophic on the prawn batches. One of the most common affecting the industry is a bacterial infection commonly known as Early Mortality Syndrome ("EMS") whereby the mortality of affected shrimp can exceed 70%. Measures to prevent, control and mitigate the EMS include improved biosecurity steps at our farm and disease risk assessments.

OUTLOOK

We will continue to expand our market share in the retail and poultry lines through continuous efficient market strategies, prudent cost saving measures and investments in opening new stores and improving our current farm facilities. The prawn sector aims to improve efficiency in productivity to produce high value shrimp products.

For the financial year ending 31 December 2017, the Group expects to face similar challenging factors as it did in 2016. However, we are optimistic for CCK's prospects for the coming year for both the Malaysian and Indonesian operations.

TIONG CHIONG HIIUNG
Group Managing Director

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("Board"), it gives me great pleasure to present the Annual Report and Audited Financial Statements of CCK Consolidated Holdings Berhad ("CCK") and of its Group of Companies ("CCK Group") for the financial year ended 31 December 2016.

TAN SRI DATUK TIONG SU KOUK *Chairman*

LOOKING FORWARD

In 2016, the global economy grew at a moderate pace with economic activity growing moderately in advanced economies. In Asia, growth was supported by domestic demand with some recovery in external demand. In Malaysia, like the rest of Asia, growth was also fuelled by domestic demand. For 2017, the private sector activity will again spearhead the Malaysian economy sustained by continued wage and employment growth. This is supported by the International Monetary Fund's growth projection for Malaysia of 4.6% for 2017. However, one of the key challenges to this growth remains the volatility of the USD/MYR rate, affecting costs of operations.

Despite that, we at CCK are optimistic that we would be able to produce positive growth for 2017.

DIVIDEND

In line with our continued focus on shareholder returns, the Board is pleased to announce a first and final single-tier dividend of 2 sen per share for the financial year ended 31 December 2016.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, CCK believes in balancing its social, economic and environmental responsibilities in the community in which we operate. We also recognise the importance of maintaining active dialogue with our stakeholders including employees, investors, suppliers, regulators and others and welcome feedback from all concerned.

Employee engagement remains a high priority as we believe that our people are our best assets. Recognising that we are in the food business, maintaining a high level of cleanliness and health among our employees is crucial. As such, we constantly strive to adhere to the standards of the Department of Safety and Health ("DOSH") and the Ministry of Health ("MOH"). Internal committees have been formed to monitor the working environment to ensure the safety and wellbeing of our employees. To ensure our employees are fully aware of this, there are always new training courses and new equipment introduced to ensure our employees are working in a safe environment.

CHAIRMAN'S STATEMENT (cont'd)

Understanding that our success depends on the mutual growth of our communities, we also demonstrated our social responsibility by reaching out to the less fortunate by contributing monetary aid to various charitable bodies. Some of our projects for 2016 included:

- The continuing support for the "Feed the Poor" program of SMK Kampung Nangka in Sibu, Sarawak. The program provides meal to the students for the duration of the academic year.
- Contributing or participating in charity food fairs organised by the Cheshire Home, The Salvation Army, The Sarawak Childrens' Cancer Society, Blind Association of Sibu etc.
- Wheelchairs for disabled senior citizens.

ACKNOWLEDGEMENTS

The consistency of CCK's performance over the years depended much on the quality and commitment of our colleagues who have worked tirelessly to ensure the Group's success. I would like to say thank you very much to my fellow directors on the Board, the various management teams and all our staff for your dedication. On behalf of the Board and CCK Group, I would also like to acknowledge the support of our shareholders, business partners, suppliers and customers and thank you for your continued belief and support in CCK.

TAN SRI DATUK TIONG SU KOUK
Chairman

DIRECTORS' PROFILE

TAN SRI DATUK TIONG SU KOUK
Non-Independent Non-Executive Chairman

YBhg. Tan Sri Datuk Tiong Su Kouk (aged 75, Malaysian, male) is the founder of CCK Consolidated Holdings Berhad ("CCK") and its subsidiaries ("CCK Group" or "the Group"). He was appointed as Executive Chairman to the Board of CCK on 15 July 1997 and re-designated as Non-Independent Non-Executive Chairman on 20 March 2002. He is also a member of the Audit Committee and Nomination Committee of CCK and the Chairman of the Remuneration Committee of CCK. He also acts as Chairman of the other companies within the CCK Group. Under his stewardship, the CCK Group has progressed from a small family-run business to one of the Sarawak's largest integrated poultry producers and producers of frozen seafood.

YBhg. Tan Sri Datuk Tiong began his career as a seafood trader at the age of 14. He also involved in poultry industries for the past 32 years. Additionally, YBhg. Tan Sri Datuk Tiong also sits on various school boards and is actively involved in the Foochow and Zhang Associations in Malaysia. He is the Honorary Life President of the Sibu Chinese Chamber of Commerce and Industry and the Honorary President of The Association Chinese Chambers of Commerce and Industry of Sarawak. He was appointed as the Honorary Life President of World Federation of Foochow Association in 2004 and the Permanent Honorary Life Chairman and Inaugurator of the World Zhang Clan Association in 2011.

YBhg. Tan Sri Datuk Tiong was appointed as Executive Chairman and Chief Executive Officer ("CEO") of Nam Cheong Limited ("NCL"), a public company listed on the Singapore Exchange since April 2011. He has relinquished his position as the CEO of NCL on 21 May 2013 but remained as the Executive Chairman of NCL. The NCL Group is one of the leading builders and suppliers of Offshore Support Vessels in Malaysia. He also sits on the boards of Hua Shang Economic Corporation (Sibu) Bhd. and other private limited companies in Malaysia.

YBhg. Tan Sri Datuk Tiong was conferred the "Panglima Jasa Negara" (PJN) which carries the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong on the occasion of His Excellency's 75th Birthday on 2 June 2001. He was also awarded the "Pingat Bintang Sarawak" (PBS) and "Johan Setia Mahkota" (JSM) in 1987 and 2000 respectively by the Sarawak State Government and Seri Paduka Baginda Yang Di-Pertuan Agong respectively for his contributions to the community. On 4 June 2016, he was bestowed the "Panglima Setia Mahkota" (PSM) which carries the title "Tan Sri" by Seri Paduka Baginda Yang di-Pertuan Agong XIV on His Majesty's 88th Birthday. The Award is in recognition of Tan Sri Datuk Tiong's contribution as a leader of diverse and multi-business ventures, his contribution to national economic development and to the society and country. YBhg. Tan Sri Datuk Tiong was awarded with Consumer Goods Industry Entrepreneur of the Year at the Asia Pacific Entrepreneurship Awards 2016.

During the financial year ended 31 December 2016, YBhg. Tan Sri Datuk Tiong attended three (3) out of the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

DIRECTORS' PROFILE (cont'd)

Mr. Chong Shaw Fui (aged 72, Malaysian, male) was appointed as Executive Vice Chairman to the Board of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has more than 45 years of experience in the field of poultry industry. He is responsible for the management of the poultry business unit of CCK, which ranges from breeding, hatchery, eggs to the production line accordingly.

Mr. Chong commenced his poultry breeding experience in Singapore in 1972. He was the founder of Sarawak Breeding farm, specialising in the hatching and breeding of commercial broiler day-old chicks. He then developed this business into Zhang Agriculture Development Sdn. Bhd., which is now a wholly-owned subsidiary of CCK.

In 1983, he incorporated Poultry Industry (S) Sdn. Bhd. ("Poultry Industry") and started contract farming. Poultry Industry supplies day-old chicks and feed to their Contract Farms and buy back the broilers which are then supplied to CCK's abattoir. Poultry Industry is now a wholly-owned subsidiary of CCK.

During the financial year ended 31 December 2016, Mr. Chong attended all the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

CHONG SHAW FUI
Executive Vice Chairman

Mr. Tiong Chiong Hiiung (aged 50, Malaysian, male) was appointed to the Board of CCK on 15 July 1997. He is the Group Managing Director of CCK and a member of Remuneration Committee and the Chairman of Risk Management Committee.

He graduated with a Bachelor of Economics from Monash University in Australia in 1989. He joined the Group after his graduation. In 1994, he was appointed as Managing Director of Central Coldstorage Kuching Sdn. Bhd., and was responsible for the overall management and operations of the CCK Group. He has been actively involved in every aspect of the Group's operations, including breeding, broiler farming, and processing of seafood.

He was appointed as Non-Executive Director and also members of the Audit Committee, Nomination Committee and Remuneration Committee of Nam Cheong Limited ("NCL"), a public company listed on the Singapore Exchange, on 28 April 2011. He was subsequently re-designated to Executive Director and was appointed as the Executive Vice Chairman of NCL on 1 July 2014. He then resigned as members of the Audit Committee and Remuneration Committee of NCL on 1 July 2014 and 1 October 2014 respectively. In 2017, he was appointed as the Financial Director for the Group.

Mr. Tiong is a Licensed Company Secretary by the Companies Commission of Malaysia. He also sits on the boards of AlphaMy Bhd. and various private limited companies.

During the financial year ended 31 December 2016, Mr. Tiong attended all the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

TIONG CHIONG HIIUNG
Group Managing Director

TIONG CHIONG SOON
Executive Director

Mr. Tiong Chiong Soon (aged 47, Malaysian, male) was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

He graduated with a Bachelor of Business from University of Oklahoma in USA in 1994. He joined the Group after his graduation, and is principally responsible for the purchasing function and the retail division of the Group. He maintains an excellent rapport with the suppliers thus ensuring timely delivery of products of the highest quality for the Group.

He is a Group General Manager of Nam Cheong Limited ("NCL") Group since 2009, responsible for NCL Group's shipbuilding operation including vessel chartering. NCL is a public company listed on the Singapore Exchange. He is also a Director of Nam Cheong Dockyard Sdn. Bhd. ("NCD") since 30 June 2010. NCD is a wholly-owned subsidiary of NCL. In addition, he also sits on the boards of various private limited companies.

During the financial year ended 31 December 2016, Mr. Tiong attended four (4) out of five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

KUEH CHUNG PENG
Executive Director

Mr. Kueh Chung Peng (aged 63, Malaysian, male) was appointed as Executive Director of CCK on 15 July 1997. He is a member of Risk Management Committee.

He has over 35 years' experience in aquaculture and coldstorage products industry, and he plays an advisory role for CCK in the field of coldstorage, aquaculture farming and poultry processing.

He joined Kin Eastern Frozen Food Sdn. Bhd. in 1982 as the Managing Director and is responsible for the aquaculture farming division of the CCK Group. He was appointed to the Board of CCK Fresh Mart Sdn. Bhd. in 1993. He was then appointed as the Managing Director of Central Coldstorage Kuching Sdn. Bhd. on 27 August 2014 to oversee the businesses of coldstorage, poultry processing and retailing.

During the financial year ended 31 December 2016, Mr. Kueh attended all the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

DIRECTORS' PROFILE (cont'd)

Mr. Lau Liong Kii (aged 66, Malaysian, male) was appointed as Executive Director to the Board on 15 July 1997. Currently, he is also a member of Remuneration Committee and Risk Management Committee.

He joined the CCK Group in 1982 as the Managing Director of Ableway Sdn. Bhd., principally responsible for the operations of Ableway Sdn. Bhd. He also oversees the production and marketing functions of CCK's prawn division. Since then, he gained vast experience in domestic and international food markets, and brought to the Group an in-depth understanding of specialist trends of the food industry.

During the financial year ended 31 December 2016, Mr. Lau attended four (4) out of the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

LAU LIONG KII
Executive Director

Mr. Ling Ting Leong @ Ling Chong Seng (aged 65, Malaysian, male) is a businessman with a wealth of experience. He also sits on the boards of other private limited companies.

Currently, he is a Non-Independent Non-Executive Director of CCK. He is a member of Audit Committee. He joined the CCK Group in 1983 and was responsible for the finance and corporate secretarial matters of the CCK Group. He was appointed as Executive Director to the Board of CCK on 15 July 1997, and was re-designated as Non-Independent Non-Executive Director on 1 July 2013.

Mr. Ling obtained his Certificate in Higher Accounting in 1971. From 1971 to 1982, he gained his experience in accounting and auditing. He is a Certified Company Secretary and is a member of the Malaysian Association of Company Secretaries ("MACS") since 2001. He was appointed as Sarawak Liaison Co-Chairman of MACS since 11 October 2011.

During the financial year ended 31 December 2016, Mr. Ling attended all the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

LING TING LEONG @ LING CHONG SENG
Non-Independent Non-Executive Director

DATUK PEMANCA JANGGU ANAK BANYANG
Independent Director

YBhg. Datuk Pemanca Janggu anak Banyang (aged 70, Malaysian, male) was appointed to the Board as an Independent Director of CCK on 15 July 1997. He is the Chairman of Audit Committee and Nomination Committee and a member of Remuneration Committee.

After completing his formal education, he worked for various companies and subsequently held directorship in those companies, which are principally involved in the activities of supply of rations, property development and timber contractor. He also involves in Agro-base Nursery.

YBhg. Datuk Pemanca Janggu was conferred the "Panglima Jasa Negara" (PJN) which carries the title "Datuk" by Seri Paduka Baginda Yang Di-Pertuan Agong on the occasion of his Excellency's Birthday on 6 June 2015.

He was also awarded the "Johan Mangku Negara" (JMN) by Yang Di-Pertuan Agong on the occasion of his Excellency's Birthday on 4 June 2011.

On 16 September 1990, he was awarded "Pegawai Bintang Kenyalang" (PBK) by Tuan Yang Terutama Gabenor Sarawak on the occasion of his excellency birthday.

During the financial year ended 31 December 2016, YBhg. Datuk Pemanca Janggu attended all the five (5) Board meetings held. His shareholdings in CCK as at 31 March 2017 are disclosed on page 133 of this annual report.

DATU HAJI PUTIT BIN MATZEN
Independent Director

YBhg. Datu Haji Putit bin Matzen (aged 72, Malaysian, male) was appointed to the Board as an Independent Director of CCK on 20 March 2002. He is a member of Audit Committee, Nomination Committee and Remuneration Committee.

He holds a Bachelor of Science Degree and obtained a professional post-graduate Diploma in Teaching. He started his career with the Sarawak Education Service in 1972 and held various senior positions including the Director in the State Education Department and Principal Assistant Director at the Ministry of Education in Kuala Lumpur. While in service, he pursued other professional courses, notably in educational management and administration, development, innovation, testing and examinations and also crisis management.

Currently, YBhg. Datu Haji Putit bin Matzen is a Deputy-Chairman of the Sarawak Branch of the Malaysian Red Crescent Society, the President of the Malaysian Historical Society (Sarawak Branch), Deputy Chairman of the Darul Falah Charitable Trust, Deputy Chairman of the Welfare Charitable Trust of Sadong Jaya, Chairman of Baitulmal and Waqaf Board of Trustees and Chief Executive of SEGI College Sarawak.

During the financial year ended 2016, YBhg. Datu Haji Putit attended all the five (5) Baord meetings held. He holds no share in CCK.

DIRECTORS' PROFILE (cont'd)

Mr. Bong Wei Leong (aged 50, Malaysian, male) was appointed to the Board as an Independent Director of CCK on 30 September 2009. He is a member of Audit Committee.

He was a Partner of a public accountants firm prior to starting his own practice in 2004. He has more than 23 years of experience in providing auditing, accounting and taxation services to various clients.

He graduated with a Bachelor of Business (Accountancy) and Bachelor of Law from Queensland University of Technology in Australia in 1993. He is a member of the Malaysian Institute of Accountants and the CPA Australia. He also sits on the board of a public listed company, Rimbunan Sawit Berhad.

During the financial year ended 31 December 2016, Mr. Bong attended all the five (5) Board meetings held. He holds no share in CCK.

BONG WEI LEONG
Independent Director

Other Information of Directors:

(i) All the five (5) Executive Directors , namely Mr. Tiong Chiong Hiiung, Mr. Tiong Chiong Soon, Mr. Chong Shaw Fui, Mr. Kueh Chung Peng and Mr. Lau Liong Kii, are also the Key Senior Management of CCK Group, who are primarily responsible for the business operations of CCK Group;

(ii) None of the Directors has been convicted of any offences within the past five (5) years and there was no public sanction and penalty imposed by the relevant regulatory bodies during the financial year under review;

(iii) None of the Directors has any conflict of interests with the Company; and

(iv) None of the Directors holds any directorship in other public companies, except for YBhg. Tan Sri Datuk Tiong Su Kouk, Mr. Tiong Chiong Hiiung and Mr. Bong Wei Leong.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of CCK Consolidated Holdings Berhad ("CCK" or "the Company") is committed in ensuring that CCK continues to maintain its standards of good corporate governance throughout the CCK Group in its business dealings at all times, being accountable to its shareholders and stakeholders.

This Statement sets out how the Company has applied the eight (8) Principles and observed the 26 Recommendations supporting the Principles in respect of the financial year ended 31 December 2016 as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

The Board is responsible for the oversight and overall management of the Group. To ensure the effective discharge of its function and responsibilities, the Board delegates specific powers of the Board to Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee to oversee the Group's affairs in accordance with their respective Terms of Reference as approved by the Board. All Board Committees do not have executive powers but to report to the Board on all matters considered and their recommendations thereon. Key matters reserved for the Board's approval include the annual plan and budget, dividend policy, issuance of securities, restructuring of business, acquisition and disposal of significant fixed assets and equity interest above a pre-determined limit.

All proceedings, matters arising, deliberations, in terms of the issue discussed, and recommendations made by the Board Committees at the committees' meetings are recorded in the minutes by the secretaries of the respective Board Committees, confirmed by the Board Committees, signed by the Chairmen of the said committees, and reported to the Board. All Committees' meetings were attended by the secretaries of the Board Committees. Upon invitation, Management representatives were present at the Board Committees' meetings to provide additional insight into matters to be discussed during the said committee meetings, if so required.

The Group Managing Director is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions. He is responsible for the day-to-day management of the business and operations of the Group with respect to both its regulatory and commercial functions. He is supported by the other Executive Directors and senior management team. He reports to the Board on the Group performance and operational matters at each quarterly Board meeting. The Group Managing Director implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the Group Managing Director and the Executive Directors, and this will be considered as their authorities and accountabilities as far as the Board is concerned.

1.2 Clear roles and responsibilities

Besides its statutory duties, the Board is ultimately responsible for good corporate governance, including the setting of the CCK Group's overall strategic direction, business plans and budgets, major investment and strategic commitment, overseeing the conduct of the businesses, identifying principal risks, ensuring that systems are in place to mitigate and manage these risks, implementation of succession planning programme for Senior Management, implementation of an investors relations programme and reviewing the adequacy and integrity of the CCK Group's internal control and management information systems.

The Board assured the following principal responsibilities in discharging its fiduciary and leadership functions:

(a) Reviewing and adopting the Company's strategic plans

The Board plays an active role in the development of the Company's strategy and in monitoring its performance and implementation. The Management presents to the Board its annual budget, business and strategic plans for the ensuing year for the Board's review and approval. The comparison between the actual performance against the budgeted figures was presented at each quarterly meeting of the Board. Management will keep the Board informed of the status of the strategic plans.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

(b) Overseeing the conduct of the Company's business

The Group Managing Director is responsible for the day-to-day management of the business and operations of the Group in respect of its commercial and regulatory functions. He is supported by the senior management team and other Board Committees. The performance of the Group is assessed by the Board through various reports and financial performance presented at each quarterly meeting of the Board.

(c) Identify principal risks and ensuring the implementation of appropriate system to manage them

The Risk Management Committee reports to the Board on areas of risks faced by the Group, and the adequacy of compliance and control throughout the Group. Further details of the Risk Management Committee are set out in Item 6 of this Statement.

(d) Succession planning

The Nomination Committee was entrusted by the Board to review members of the Board and Senior Management, to undertake yearly evaluation of their performance, contribution, experience and effectiveness, mix of skill and other qualities and independence in order to ensure a succession framework in place to run the Group.

(e) Overseeing the development and implementation of shareholder communication policy for the Group

The Company carries out its Investor Relations activities in accordance with its Investors Relations and Shareholders Communication Policy, details of which are set out in Item 8.3 of this Statement.

(f) Reviewing the adequacy and integrity of management information and internal control system of the Group

The Board is ultimately responsible for the adequacy and integrity of the CCK Group's systems of internal control and management information. Details pertaining to the Company's internal control system and management information are set out in Item 6 of this Statement.

1.3 Formalise ethical standards through Code of Ethics

The Code of Ethics ("Code") for Directors is set up to enhance the standard of corporate governance and behavior and to uphold the spirit of social responsibility and accountability. The Code includes principles relating to their duties, conflict of interest and dealings in securities. A summary of the Code is made available on the Company's website at www.cck.com.my.

The Whistleblowing Policy seeks to foster an environment where integrity and ethical behavior are maintained and any improper action and wrongdoing in the Group may be exposed. The Board is responsible to oversee the implementation of the Whistleblowing Policy. Whistleblower can raise his concerns to the Group Managing Director or Chairman of the Audit Committee if he deems not appropriate to report to his superior or Head of Department. The whistleblower will assure that he will be protected from any detrimental action. Progress of the investigation as well as the course of action from investigating team will be reported to the Group Managing Director or Chairman of the Audit Committee for deliberation. Decision made will be implemented immediately.

1.4 Strategies promoting sustainability

The Board has in place a Sustainability Policy, committing the Group to operate its business in accordance with environmental, social and economic responsibility, and to strive to achieve a sustainable long term balance between meeting its business goals and preserving the environment. The Group's activities to promote sustainability during the financial year under review are disclosed on pages 8 to 9 of this annual report. The Sustainability Policy can be found in CCK website at www.cck.com.my.

1.5 Access to information and advice

Every Director has unrestricted access to the information pertaining to the CCK Group's business and affairs to enable them in discharging their duties and responsibilities.

Procedures have been established for dissemination and access of information and advice to Directors. Directors are supplied with relevant information and reports on financial, operational, regulatory and audit matters for decisions to be made on an informed basis, so as to discharge their responsibilities effectively.

All Directors are provided with the relevant agenda and a set of board papers at least seven (7) days, prior to the Board meetings, to ensure the Directors receive sufficient relevant financial and non-financial information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in Board deliberations and decisions making during the Board meetings.

All Directors have access to the Senior Management, Company Secretaries, independent external professional advisors, internal auditors and external auditors in appropriate circumstances for professional advice and services as well as additional insights on the Group's operations and corporate matters in furtherance of their duties, at the Company's expense.

1.6 Company Secretaries

The Company Secretaries are qualified secretaries as required pursuant to the Malaysian Companies Act 2016. The Company Secretaries are the members of Malaysian Association of Institute of Chartered Secretaries and Administrators (MAICSA). They are competent in carrying out their work and play supporting and advisory roles to the Board and the Group on issue relating to compliance with laws and requirements.

They ensure adherence and compliance to the procedures and regulatory requirements from time to time. They constantly keep themselves abreast of regulatory changes and corporate governance developments through attendance conferences and training programmes. They have attended various continuous professional development ("CPD") programmes and fulfilled the CPD hours as required by MAICSA for practicing company secretaries. They update the Board on regulatory developments during quarterly meetings, through emails and facsimile transmission.

They ensure that meetings are properly convened and deliberations at meetings are accurately and sufficiently captured and minuted, minutes and statutory records are properly kept and updated. Any action item arising from the previous meeting will be discussed at the subsequent meeting and minuted until it is resolved. Besides, they also communicate with management on the Board's decisions, handling Company's share transactions, liaising with internal and external auditors, lawyers, tax agents, bankers and shareholders in respect of secretarial and compliances matters.

1.7 Board Charter

A summary of the Board Charter is available on the Company's website at www.cck.com.my. The Board Charter clearly sets out the roles and responsibilities of the Board and Board Committees, clear functions reserved for the Board and those delegated to the Management, the processes and procedures for convening their meetings, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company.

The Board Charter is reviewed and updated annually in line with changes in regulations and guidelines issued by the regulatory authorities, the Company's objectives and the expectation of the investing public.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee was set up on 27 February 2002. The members of the Nomination Committee all of whom are Non-Executive Directors and a majority of whom are independent, are as follows:

Chairman:
Datuk Pemanca Janggu anak Banyang *(Senior Independent Director)*

Members:
Tan Sri Datuk Tiong Su Kouk *(Non-Independent Non-Executive Director)*
Datu Haji Putit bin Matzen *(Independent Director)*

The Nomination Committee is mainly responsible for:

- selecting, assessing and recommending to the Board the candidature of directors, and appointment of directors;
- formulating and reviewing the selection and assessment criteria for members of the Board, Board Committees and key senior management;
- annual review and assessment of the performance of the Board as a whole, Board Committees, individual Directors, Independent Directors and the person primarily responsible for the management of the financial affairs of the Group including their required mix of skills, experience, integrity, competency, time commitment and contribution;
- reviewing of succession plans for the Board and senior management;
- reviewing the training needs for Directors;
- assessing and recommending directors for re-election and re-appointment at the Company Annual General Meeting; and
- reviewing the terms of office of the Board Committees and their members.

All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are properly documented.

During the financial year ended 31 December 2016, the Nomination Committee has met once with majority attendance of its members and has carried out the following key activities:

(a) reviewed the mix of skills, character, experience, integrity, core competences and other qualities required for the Board as well as their time commitment and Board balance;

(b) evaluated the performance and effectiveness of the Board as a whole including contributions of each individual Director;

(c) evaluated the performance and effectiveness of the independence of the Independent Directors;

(d) evaluated the performance and effectiveness of the Board Committees and its members;

(e) assessed and recommended to the Board, Directors who are due for retirement by rotation pursuant to Company's Articles of Association, for continuation in service as Directors;

(f) assessed and recommended to the board the re-appointment of the Director;

(g) assessed and recommended to the Board the Independent Directors who have served for more than nine (9) years, for continuation in office as Independent Directors of the Company;

(h) evaluated the character, experience, integrity, competence and time commitment of the Senior Finance Manager;

(i) assessed the training needs and programmes for Directors; and

(j) discussed succession plans for Senior Management and Directors.

2.2 Develop, maintain and review criteria for recruitment and annual assessment of Directors

In reviewing and recommending to the Board on the appointment of Director, the Nomination Committee considers the candidate's skills, expertise, experience, professionalism, knowledge, integrity, capabilities, age, time commitment, directorship in other companies and other relevant factors which can have contribution to the Group, as well as the composition requirements for the Board and Board Committees as set out in the Terms of Reference of the Nomination Committee, including the independency of the candidate, in the case of appointment of an Independent Director.

New Directors will undergo a formalisation programme, which includes visits to the Group's operating units, and meeting with Senior Management to facilitate the new Directors' understanding of the Group. The Company Secretaries will ensure that all appointments are properly carried out and all legal and regulatory obligations are met.

For the year ended 31 December 2016, the Board, through the Nomination Committee had conducted an annual assessment of the performance of the Board as a whole and of the Board Committees and performance of each individual Director, based on a peer-assessment approach.

The effectiveness of the Board as a whole is assessed in the areas of the Board's structure, roles and responsibilities and operations. The effectiveness of the Board Committees is assessed in terms of structure, accountabilities, responsibilities, processes, capability and terms of office. Each individual Director and also Board Chairman are assessed based on performance under main areas of contribution, participation, performance and capability, and also independency in the case of Independent Directors.

The Nomination Committee had reviewed the outcome of the assessment and considered the feedback/comments given by the Board/Board Committee and individual Directors.

The Nomination Committee upon its annual assessment and evaluation, is satisfied that the current size and composition of the Board is optimum and conducive to effective discussion and decision making; the Board has appropriate mix of skills, experience and core competencies in the composition of the Board including different ethnicity and age; all the members of the Board are suitably qualified to hold their position as Directors of the Company in view of their respective academic and professional qualifications, experience, integrity, core competencies and their time devoted and committed to discharge their roles; and it also has an appropriate number of Independent Directors which met the provision in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The Board considered and approved the recommendation made by the Nomination Committee based on reviews of the performance of the Directors, and proposed re-election and re-appointment of Directors at the annual general meeting.

The Board will continue to monitor and review the Board size and composition from time to time to ensure that women candidates are sought in the recruitment exercise.

2.3 Remuneration Committee

The Remuneration Committee was established on 27 February 2002. The members of the Remuneration Committee, the majority of whom are Non-Executive, are as follows:

Chairman:
Tan Sri Datuk Tiong Su Kouk *(Non-Independent Non-Executive Director)*

Members:
Tiong Chiong Hiiung *(Group Managing Director)*
Lau Liong Kii *(Executive Director)*
Datuk Pemanca Janggu anak Banyang *(Independent Director)*
Datu Haji Putit bin Matzen *(Independent Director)*

The Remuneration Committee is responsible to ensure that remuneration packages offered to the Directors are in recognition of their commitment and responsibilities assumed, and are competitive in reflecting the prevalent market rate so as to attract, motivate and retain caliber Directors, in order to enable the Company and the Group to achieve their strategies and long-term goals.

The components of remuneration for Executive Directors comprise fixed salary, directors' fee, meeting allowance, benefit-in-kind, and performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the Group.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Independent Director concerned.

During the financial year ended 31 December 2016, the Remuneration Committee met once with majority attendance of its members. They reviewed and recommended to the Board the remuneration package of the Directors which is reflective of the responsibility and commitment of the Directors. The fees for Non-Executive Directors are determined by the Board and to be recommended to the shareholders for approval at the annual general meeting. Each individual Director shall abstain from the Board's discussion and decision on his own remuneration.

The remuneration of the Company Directors for the financial year ended 31 December 2016, distinguishing between Executive and Non-Executive Directors in aggregation, and the number of Directors whose remuneration falls into successive bands of RM50,000, are set out as below:

	Executive Directors (RM)	Non-Executive Directors (RM)
Fee	61,560	284,160
Salary	1,189,560	-
Bonus	594,780	-
Defined contribution retirement plan	231,964	20,592
Meeting Allowance	10,100	12,900

Range of Remuneration	Executive Directors (No.)	Non-Executive Directors (No.)
RM650,001 to RM700,000	1	-
RM500,001 to RM650,000*	-	-
RM450,001 to RM500,000	2	-
RM250,001 to RM450,000*	-	-
RM200,001 to RM250,000	2	1
RM50,001 to RM200,000*	-	-
RM50,000 and below	-	4

*: *No Director received any remuneration within this range.*

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independent Directors

The Independent Directors bring unbiased, objective and independent views, advice and judgment not only on the interest of the Group, but also of shareholders and various stakeholders, including employees, customers, suppliers and other communities in which the Group conducts its business. Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Board, through the Nomination Committee, assesses the Independent Directors on an annual basis based on the criteria of annual assessment with a view to ensure that the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Group. All the Independent Directors fulfilled the criteria of "Independence" as defined in the Listing Requirements.

Our Independent Directors participated at Board and Board Committees meetings actively and constructively by expressing their independent views and feedback. They put forward their enquiries on matters discussed at the meetings before any decision is made by the Board.

3.2 Tenure of Independent Directors

In accordance with MCCG 2012, upon completion of consecutive term or cumulative term of nine (9) years' service in a company, an independent director can be re-designated as non-independent directors or remain as an independent director with justifications and subject to shareholders' approval.

Our two (2) Independent Directors, Datuk Pemanca Janggu anak Banyang and Datu Haji Putit bin Matzen have served as Independent Directors of the Company for a consecutive term of more than nine (9) years. However, the Board have concurred that their independence as Independent Directors have not been compromised in any way based on the following justifications and recommendation from the Nomination Committee:

(a) their experience, knowledge, and networking have significant contribution to the operation and performance of the Group;

(b) they have performed and will continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and are actively participated in deliberations at Board and Board Committee's Meetings; and they also provide unbiased and independent views to the Group's strategy in the best interest of the Group and shareholders as a whole; and

(c) they fulfill the criteria as independent director stipulated in the Listing Requirements and therefore can be entrusted to discharge their duties impartially and constructively.

The Board, having considered the above, had recommended both Datuk Pemanca Janggu anak Banyang and Datu Haji Putit bin Matzen to be retained as Independent Directors of the Company and such proposal will be tabled for shareholders' approval at the forthcoming Annual General Meeting.

3.3 Separation of positions of the Chairman and Group Managing Director

The roles and responsibilities of the Chairman and the Group Managing Director are clearly separated and defined so as to have a balance of power and authority among them to run the Company effectively.

The Chairman, YBhg. Tan Sri Datuk Tiong Su Kouk leads the Board in setting values and standards of the Company, responsible for ensuring the adequacy of the corporate and governance process and effectiveness of the Board. He also acts as a facilitator in Board meetings. Whilst the Group Managing Director, Mr. Tiong Chiong Hiiung is responsible for the development and implementation of the Group's strategies and policies, and also oversees organisational, business and operational effectiveness.

3.4 Composition of the Board

The CCK Group is led and managed by an experienced Board comprising 10 members. The Non-Independent Non-Executive Chairman, the Executive Vice Chairman, the Group Managing Director, the Non-Independent Non-Executive Director, three (3) Executive Directors and three (3) Independent Directors. The profiles of each Director are presented on pages 10 to 15 of this annual report.

At least one-third (1/3) of the Board members consist of Independent Directors of caliber, with necessary experience, skills, qualifications and other core competencies, in order to give balanced, objective and accountable decisions.

The current size and composition of the Board are considered adequate to provide an optimum mix of skills, experience, expertise and perspectives, and is ideal for decision making, except that with the Chairman who is not an Independent Director, the Board comprises majority of Non-Independent Directors. The Board is of the view that there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. The Board believes that the Chairman is well placed to act in the best interests of the shareholders as a whole, as he is the founder of CCK Group and has significant relevant interests in CCK Group.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

4. FOSTER COMMITMENT

4.1 Time Commitment and protocols for accepting new directorship

During the financial year ended 31 December 2016, five (5) Board meetings were held. The details of attendance of each Director at the Board meetings are set out below. Additional meetings will be convened as and when necessary.

Directors	No. of meetings attended
Tan Sri Datuk Tiong Su Kouk	3 out of 5
Chong Shaw Fui	5 out of 5
Tiong Chiong Hiiung	5 out of 5
Tiong Chiong Soon	4 out of 5
Kueh Chung Peng	5 out of 5
Lau Liong Kii	4 out of 5
Ling Ting Leong @ Ling Chong Seng	5 out of 5
Datuk Pemanca Janggu anak Banyang	5 out of 5
Datu Haji Putit bin Matzen	5 out of 5
Bong Wei Leong	5 out of 5

All Directors are informed of the annual meetings calendar before the commencement of the new financial year. The Board papers are furnished to Directors and Board Committees members at least seven (7) days before the meeting so that they have ample time to peruse the papers to facilitate effective discussion and decision making during the meetings.

The level of time commitment of each Director towards fulfilling their roles and responsibilities is satisfied as evidenced by their attendance at meetings of the Board and Board Committees. Each Director committed himself to discharge his relevant duties and responsibilities as and when required, e.g. discussions and consultations. All the Directors hold less than five (5) directorships in listed issuers so as to devote adequate time to discharge their duties. The Nomination Committee was of the view that Directors devoted sufficient time and efforts to carry out their duties and responsibilities.

Directors are at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance and contributions as a member of the Board. The Board acknowledges that exposure to other organisation can broaden the experience and knowledge of its Directors which may bring benefits to the Group. Directors shall notify the Chairman before accepting new directorship and indicate the time that will be spent on the new appointment. This is outlined in the Board Charter of the Company.

4.2 Continuing education programmes for Directors

The Board is mindful of the importance for its members to undergo continuous training to broaden the Directors' perspectives, and to keep them abreast with latest development in the industry, particularly on relevant new laws, regulations, Financial Reporting Standards and changing risk factors in competitive business environment.

During the financial year ended 31 December 2016, seminars /programmes/workshops attended by the Directors are set out below:

Title of trainings	No. of day spent
Transfer Pricing and Tax Audits & Investigations	1
CSP Practical Issues 4 - Challenges in Practice	1
Corporate Governance Statement Reporting Workshop	1
Independent Directors Programme: The Essence of Independence	1
Risk Management & Internal Control: Workshops for Audit Committee Members	1
Common violations/offences under the new Companies Act 2016 Bill – Defenses against penalties	1
"The Draft Malaysian Code on Corporate Governance 2016 - Raising the bar" & "Drafting the Management Discussion And Analysis"	1

Updates on statutory and regulatory requirements as well as Financial Reporting Standards are normally briefed by the Company Secretaries, the Senior Finance Manager and the external auditors from time to time at the Board meetings.

The Board through its Nomination Committee has assessed the training needs of Directors and agreed that all Directors are required to attend at least one (1) training programme per annum to further enhance their skills and knowledge in discharging of their duties as Directors more effectively.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

The Board recognises the importance of providing shareholders with a balanced and clear assessment of the Group's financial performance and future prospects through its quarterly and annual audited financial statements.

The Audit Committee met five (5) times in financial year 2016 to review the quarterly and annual audited financial statements prior to recommending them for the Board's approval and further release to public. The quarter-to-quarter and year-to-year financial performance against budget were also presented to the Audit Committee.

The Head of the Company's Internal Audit Function reported direct to the Audit Committee on the internal control assessment, gave assurance that no material issues or deficiencies which will pose high risk to the internal control system under review. The Audit Committee reviewed the scope of works, findings and recommendations of the internal and external auditors, monitoring the effectiveness of the internal control so as to assist the Board in discharging its duties on financial reporting.

The Board, through its Audit Committee, ensured that the quarterly and annual audited financial statements are prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company. Accordingly, the Statement of Directors' Responsibility in respect of preparation of Financial Statements was prepared as set out on page 33 of this annual report.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

5.2 Assessment of suitability and independence of external auditors

The Audit Committee undertook an annual assessment of the suitability and independence of the external auditors based on the criteria set out in the Company's evaluation worksheet for external auditors, which encompasses competency of and interaction with the lead engagement partner and engagement team, sufficient resources provided to the Group, openness in communication with Audit Committee, discussion and adjustment of audit plan to respond to changing risk, update of current development in accounting principles and auditing standards, discussion of risks of fraud in the financial statements, and advice of potential impact on the audit.

During the financial year under review, the Audit Committee met with the external auditors twice (2) without the presence of the other Directors and employees of the Group. The Audit Committee was informed by the external auditors that they received full cooperation from the management of CCK Group, had full access to its records and had no issues of concern that require the Audit Committee's attention.

The Audit Committee was satisfied that the external auditors met all the criteria as set out in the Company's evaluation worksheet for external auditors.

The external auditors given written assurance to the Audit Committee confirming that they have met relevant ethical requirements regarding independence throughout the audit of the Company, in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice).

The Audit Committee was also satisfied that the provision of non-audit services by the external auditors and their affiliates did not in any way impair their objectivity and independence as external auditors to the Group.

Hence, the Board, based on the assessment carried out by the Audit Committee in accordance with the criteria for assessment of external auditors, concurred with the Audit Committee's views and recommendation and thereby recommended the external auditors for re-appointment as auditors at the forthcoming annual general meeting.

Further details about Audit Committee and Internal Audit Function are disclosed in the Audit Committee Report as outlined on pages 31 to 32 of this annual report.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound framework to manage risks

The Risk Management Committee was established on 28 May 2013. The Risk Management Committee, led by the Group Managing Director, assists the Board to oversee the risk management matters relating to the activities of the Group, including review of the risk management framework, determine risk tolerance level, identify, assess and monitor key business risks, as well as the effectiveness of the risk treatment or mitigation action plans, to ensure the assets of the Group and shareholders' investment as well as the interest of stakeholders are protected and safeguarded.

The members of the Risk Management Committee are as follows:

Chairman:
Tiong Chiong Hiiung *(Group Managing Director)*

Members:
Chong Shaw Fui *(Executive Vice Chairman)*
Tiong Chiong Soon *(Executive Director)*
Kueh Chung Peng *(Executive Director)*
Lau Liong Kii *(Executive Director)*

6.2 Internal Audit Function

The Board has established an in-house Internal Audit Function, which is led by the Senior Internal Audit Manager who reports directly to the Audit Committee. The Audit Committee reviews and approves the annual audit plan and audit programme of Internal Audit Function and ensures the adequacy of the scope, functions, competency and resources of the Internal Audit Function, and that it has the necessary authority to carry out its works.

Details of the Company's internal control system and risk management framework are set out in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board is committed to ensuring that communication to the investing public regarding the Company's operation, financial performance and material information are factual, accurate, timely and thorough disseminated, so as to be in compliance with the continuous disclosures obligation on disclosure of material information in accordance with the Listing Requirements.

As such, the Board has put in place a Corporate Disclosure Policy which serves to enhance awareness of corporate disclosures requirements, setting the standard operation procedures for Directors and employees of the Group and relevant persons in the handling and disclosure of material information, and also provides levels of authority accorded to designated persons in the handling and disclosure of material information.

The Board is mindful that material information must be announced immediately and confidential information must be handled properly, avoid improper use and leakage of such information.

7.2 Leverage on information technology for effective dissemination of information

The Company makes timely release of quarterly financial results, annual reports and other announcements to Bursa Securities, which being the primary mode of disseminating information of the Company to the public.

A corporate section in the Company's website provides all relevant information on corporate governance which includes all announcements made by the Company, quarterly financial results, annual reports, corporate structure, Board Charter, Code of Conduct, policies, and notice of general meetings.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Shareholder participation at general meetings

The notice of general meeting is dispatched to shareholders within the prescribed period before the date of meeting, to allow shareholders to read through the annual report, papers supporting the resolutions proposed and to make necessary arrangements to attend and participate in general meeting in person, by corporate representatives or proxies. Special businesses transacted at the general meeting are accompanied by the explanatory notes to facilitate better understanding of the matters proposed at the general meeting.

At the Annual General Meeting ("AGM") held on 26 May 2016, the Chairman briefed the shareholders of their right to raise questions and vote on the resolutions at the commencement of the meeting. Members of the Board, top management and external auditors of the Company were present to address queries during the meeting.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

8.2 Encourage poll voting

Shareholders were also informed of their rights to demand a poll vote at the commencement of the AGM. However, all the resolutions set out in the Notice of the AGM were put to vote by show of hands and duly passed. The Chairman declared the outcome of the AGM, and the results was announced to public via Bursa LINK on the same day.

In line with the recent amendments made to the Listing Requirements, all resolutions set out in the Notice of the forthcoming 21st AGM will be voted by poll, and the poll results and vote cast will be validated by independent scrutineers.

8.3 Communication and proactive engagement with shareholders and prospective investors

The Board acknowledges the importance of effective communication with the Company's shareholders and prospective investors. Various channels of communications are through meetings with institutional prospective investors, general meetings with shareholders and announcements made to Bursa Securities. At the 20th AGM, shareholders were invited to raise questions during the meeting before the Chairman putting the resolutions to vote.

The Company's website provides up-to-date corporate details, overview of business activities and performance, annual reports, and all announcements which include quarterly results, audited financial statements, annual reports, notice of general meeting and information that are relevant to the shareholders and investors.

Shareholders and prospective investors can direct their queries or concerns to a dedicated electronic mail at investor@cck.com.my.

COMPLIANCE STATEMENT

The Board remains committed to inculcating good corporate governance for the Group. The CCK Group will continue to endeavour to comply with all the key principles and recommendations of the MCCG 2012 where the Board deems appropriate, in its effort to observe high standards of transparency, accountability and integrity.

This Statement is made in accordance with the resolution of the Board of Directors dated 12 April 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of the Company is committed to maintaining a sound risk management framework and internal control system ("the System") in the Group to safeguard shareholders' investments and the Group's assets.

This Statement outlines the nature and scope of the Group's risk management and internal control during the financial year ended 31 December 2016.

This Statement is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad, taking into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") and the Malaysian Code on Corporate Governance 2016 ("Code").

BOARD'S ROLES AND RESPONSIBILITIES

The Board affirms its overall responsibility for the System of the Group for reviewing the adequacy and effectiveness of the System, except for the associated company which is not under the control of the Board.

The system of internal control covers risk management, strategy, operational, financial, regulatory and compliance matters. The System is designed to manage, rather than eliminate, the risks and achieving the Group's goals and objectives within the risk tolerance level established by the Board and the Management. The System provides reasonable, but not absolute, assurance against material misstatement or loss.

The Board has been in place an on-going process for identifying, evaluating and managing significant risks faced by the Group, enabling better decisions to achieve its performance and targets. The process has been in place for the year under review and up to the date of approval of this Statement.

The Board has reviewed the adequacy and effectiveness of the System through its Audit Committee ("AC") and Risk Management Committee ("RMC") for the year under review, and necessary actions have been taken to remedy significant weaknesses identified from review.

Risk-related matters and internal control issues which warranted the attention of the Board were recommended by the AC and RMC to the Board for its deliberation and approval, decisions made within the AC's and RMC's purview were escalated to the Board for its notation.

RISK MANAGEMENT FRAMEWORK

The risk management and control framework is embedded into the culture, structure and processes of the Group, which is responsive to changes in the business environment, and has been clearly communicated to all levels.

The principal responsibilities of the RMC are to establish and monitor the Group's risk management framework, develop processes to identify, assess, monitor and report on all material business risks, and to provide guidance and strategic direction to the business units on the adequacy and effectiveness of the internal control system in order to achieve the Group's objectives and strategies within the acceptable risk appetite.

During the year under review, RMC has reviewed and assessed the efficacy of the controls and the progress of action plans taken in accordance with its Terms of Reference. The Board received sufficient and timely information concerning risk management practices and ensured that appropriate actions were taken in a timely manner.

Risk parameter was revised annually in accordance with the plans and budgets of subsidiaries for the forthcoming year, deliberated on and approved by the Board before its implementation. Risk appetite was determined based on the different categories of risk impact together with the likelihood of occurrence within a certain period of time. Level of risk tolerance is expressed through the use of risk impact and likelihood matrix with an established risk tolerance boundary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Staff of Risk Department communicated clearly to the risk owners that responsibilities of identifying and mitigating risks were laid on the risks owners i.e. senior management, Head of Department ("HOD") and employee concerned of respective units, so that prompt decisions and actions were taken by the appropriate person in charge to rectify significant failure or weaknesses. Staff of Risk Department is responsible for monitoring and updating the risk profiles and identifying and evaluating emerging new risks.

Risks that have been assessed during the year under review by the staff of Risk Department were on areas of factories, layer and poultry farms, business performance, market share, quality of chicken, and succession plan of HOD, covering risks of strategic, operation, financial and compliance. Risk treatment options were identified by risk owners and risk action plans were carried out accordingly. Principal risks are updated twice in a year after risk interview with HOD of respective units.

RMC can articulate and challenge risk ratings, control effectiveness of risk treatment options and risk action plans, change risk levels and risk process after discussion with risk owners. Risk profiles were updated in quarterly Board meetings for deliberation and decision making. Flash reports are required to be submitted to Group Managing Director in the event of any risk that required urgent attention.

INTERNAL AUDIT FUNCTION

Internal Auditors undertake regular, independent and systematic approach to review and appraise the effectiveness of the internal control system within the Group so as to provide reasonable assurance that such system will continue to operate effectively, efficiently and economically in accordance with the Group's overall objectives and goals.

An annual audit plan was submitted to the AC for discussion and subsequently to the Board for approval. Audit activities were carried out to cover the Group's governance, operations, financial, risk management and information system in accordance to the approved risk-based approach audit plan, taken into consideration of business segment and location.

Follow up audits are also taken to assess the status of implementation thereof by the management. Internal audit issues, findings, recommendations and remedy actions were compiled into audit reports and deliberated during the AC meetings held quarterly.

Management meetings and discussions were held with HOD and employees concerned to identify, discuss and resolve strategic, operational, financial and key management issues. Where any significant weakness has been identified, the Internal Auditor together with the input from the management will recommend measurements to improve the internal control accordingly.

Any cases of fraud, whether actual or suspected, are required to be reported to the Chairman of the AC and the Group Managing Director immediately upon discovered. Any significant incident concerning security and compliance are also required to be informed to the Head of Internal Audit Function upon discovered.

Internal Auditors carry out their functions according to the International Standards for the Professional Practice of Internal Auditing and uphold the principles of acting in integrity, objectivity, confidentiality and competency.

INTERNAL CONTROL FRAMEWORK

Appropriate insurance coverage and physical safeguards on major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that could result in material loss to the Group.

The Group has in place a set of standard operating procedures named Corporate Management System ("CMS") to ensure the effectiveness of internal control, to mitigate risk, and to achieve the performance and targets of the Group, which are continuously reviewed, monitored, updated and improved by the Steering Committee.

Other elements of internal control systems that are in place including monthly HOD meeting for the retail segment to review the actual performance against budget and quarterly Board meeting to review the Group's actual results against budgets, with major variances analysed for effective management and actions thereafter.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the System and is of the view that the System is sound and sufficient to meet the Group's objectives and to safeguard the Group's assets, shareholders' investments, as well as the interests of customers, regulators, employees and other stakeholders.

The Board has received assurance from the Group Managing Director, who is the Director primarily responsible for the management of the financial affairs of the Group, that the System of the Group is operating adequately and effectively in all material aspects, based on the System adopted by the Group.

For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. The Board continuous to take pertinent measures to sustain and, where necessary, to improve the System of the Group.

REVIEW OF THIS STATEMENT

The External Auditors have reviewed this Statement pursuant to Paragraph 15.23 of the Listing Requirements, and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared in accordance with the Guildelines, in all material aspects, nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 12 April 2017.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2016.

COMPOSITION AND ATTENDANCE OF MEETING

The Audit Committee comprises the following members. During the financial year ended 31 December 2016, five (5) meetings were held. The details of attendance of each member are outlined as follows:

Audit Committee Members	Attendance
Chairman: Datuk Pemanca Janggu anak Banyang *(Independent Director)*	5/5
Members: Tan Sri Datuk Tiong Su Kouk *(Non-Independent Non-Executive Director)*	3/5
Bong Wei Leong *(Independent Director)*	5/5
Datu Haji Putit bin Matzen *(Independent Director)*	2/2*
Ling Ting Leong @ Ling Chong Seng *(Non-Independent Non-Executive Director)*	2/2*

*: *Datu Haji Putit bin Matzen and Ling Ting Leong @ Ling Chong Seng were appointed as members of the Audit Committee on 26 May 2016.*

The term of office and performance of the Audit Committee and each of its members are reviewed by the Nomination Committee annually and the Board is satisfied that the Audit Committee and each of its members have discharged their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee.

Senior Finance Manager, Senior Internal Audit Manager and Company Secretaries attended the meetings held during the year under review. External auditors also attended some of these meetings upon invitation of the Audit Committee.

All proceedings and deliberations in terms of the issues discussed and recommendations at the Audit Committee meetings are recorded in the minutes by the Company Secretaries, and confirmed by the Committee. The Chairman reports on the main findings and deliberations at the meetings as well as its recommendations and views to the Board.

Summary of the terms of reference of the Audit Committee are available at the Company's website at www.cck.com.my.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The Audit Committee carried out the following activities during the financial year ended 31 December 2016 in discharging its functions and responsibilities:

(a) reviewed and deliberated the quarterly and annual financial statements to ensure that the financial reporting and disclosures presented a true and fair view of the financial positions of the Group and in compliance with financial reporting standards and Companies Act 1965 as well as Listing Requirements, prior to submission to the Board for consideration and approval;

(b) reviewed related party transactions and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity as well as the adequacy of the disclosure in the quarterly and annual financial statement, prior to the Board's consideration and approval;

(c) reviewed and approved the annual audit plans of the internal auditors and external auditors to ensure adequacy of resources, competencies and coverage of areas to be audited;

(d) reviewed and deliberated the audit reports of the internal auditors and external auditors, which includes the major findings, auditors' recommendations, and management's responses thereto;

(e) met with the external auditors and internal auditors without the presence of the other Directors and employees of the Group;

(f) assessed the suitability and independence of external auditors, and recommended to the Board their re-appointment and their fees;

(g) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function;

(h) reviewed the Statement on Risk Management and Internal Control and Audit Committee Report prior to the Board's consideration and approval;

(i) reviewed and deliberated the report on comparison of actual against budgeted results on a quarterly basis; and

(j) reviewed the performance of the Group and made recommendation for appropriate corrective measures to the Board.

INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit Function which principal responsibility is to assist the Audit Committee in discharging its duties and responsibilities by undertaking independent, regular and systematic review of the system of internal control so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

The internal audit engagements were carried out based on a risk-based annual audit plan approved by the Audit Committee. Ad-hoc audits and investigative assignments will be performed when required.

The Internal Audit Function is led by the Senior Internal Audit Manager, who reports directly to the Audit Committee on the activities carried out, covering all operating units within the Group i.e. factories, warehouses, trading, retail outlets, breeder and broiler farms, and also retail outlets' image and hygiene.

The audit reports were issued to the Audit Committee incorporating findings, recommendations to rectify weaknesses and enhance controls, and also corrective actions taken by the management within an agreed timeline. Follow-up audits on key engagements were conducted to ensure that corrective and preventive actions had been implemented accordingly.

The total cost incurred for the internal audit function in discharging its responsibilities in respect of the financial year ended 31 December 2016 was RM509,669 (2015: RM521,814).

Further details of the Company's internal control function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

This Report is made in accordance with the resolution of the Board of Directors dated 12 April 2017.

STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR PREPARING THE AUDITED FINANCIAL STATEMENTS

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are also required by the Companies Act 1965 ("the Act") to prepare the annual financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

The annual audited financial statements of the Group and of the Company have been drawn up in accordance with the applicable Financial Reporting Standards in Malaysia, the requirements of the Act, and the Listing Requirements.

In preparing the financial statements, the Directors have ensured that appropriate accounting policies have been adopted and consistently applied, reasonable and prudent judgements and estimates are made, and the annual financial statements are prepared on a going concern basis.

The Directors are responsible to ensure the Group and the Company maintain proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, and to enable them to ensure that the financial statements comply with the Act, applicable Financial Reporting Standards in Malaysia and the Listing Requirements. The Directors are also responsible to safeguard the assets of the Group and of the Company, as well as to detect and prevent fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of Directors dated 12 April 2017.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	18,869,193	9,338,564
Attributable to:-		
Owners of the Company	18,854,587	9,338,564
Non-controlling interests	14,606	-
	18,869,193	9,338,564

DIVIDENDS

A first and final single-tier dividend of 3.0 sen per ordinary share amounting to RM4,730,391 for the financial year ended 31 December 2015 was approved by the shareholders at the Annual General Meeting held on 26 May 2016 and paid on 30 June 2016.

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its authorised share capital from RM100,000,000 to RM500,000,000 by the creation of 800,000,000 new ordinary shares of RM0.50 each;

(b) the Company increased its issued and paid-up capital from RM78,839,850 to RM157,679,700 by the allotment of 78,839,850 new ordinary shares of RM0.50 each arising from bonus issues on the basis of one (1) bonus share for every one (1) existing ordinary shares of RM0.50 each. It is disclosed in Note 16 to the financial statements; and

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(c) there were no issues of debentures by the Company.

DIRECTORS' REPORT (cont'd)

TREASURY SHARES

During the financial year, the Company purchased 2,149,400 of its issued ordinary shares from the open market at a price of RM0.54 per share. The total consideration paid for the purchase was RM1,176,168 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 and are presented as a deduction from equity.

During the financial year, the Company has also sold 2,439,237 of its issued ordinary shares from the open market at a price of RM1.22 per share. The total consideration paid for the purchase was RM2,967,688 including transaction costs.

As at 31 December 2016, the Company held as treasury shares a total of 2,144,400 of its 157,679,700 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM1,171,068. Relevant details on the treasury shares are disclosed in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 37 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Tan Sri Datuk Tiong Su Kouk
Tiong Chiong Hiiung
Chong Shaw Fui
Tiong Chiong Soon
Lau Liong Kii
Ling Ting Leong @ Ling Chong Seng
Kueh Chung Peng
Datuk Pemanca Janggu Anak Banyang
Datu Haji Putit bin Matzen
Bong Wei Leong

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares of RM0.50 Each			
	At 1.1.2016	Bought	Sold	At 31.12.2016
Direct Interests in the Company				
Tan Sri Datuk Tiong Su Kouk	9,548,322	10,812,322	-	20,360,644
Tiong Chiong Hiiung	424,906	424,906	-	849,812
Tiong Chiong Soon	378,840	378,840	-	757,680
Lau Liong Kii	6,855,138	7,075,138	-	13,930,276
Ling Ting Leong @ Ling Chong Seng	296,607	296,607	-	593,214
Kueh Chung Peng	3,400,841	3,800,841	-	7,201,682
Datuk Pemanca Janggu Anak Banyang	49,600	49,600	-	99,200
Indirect Interests in the Company				
Tan Sri Datuk Tiong Su Kouk	61,327,678	61,327,678	-	122,655,356
Tiong Chiong Hiiung	61,141,972	61,141,972	-	122,283,944
Chong Shaw Fui	11,343,268	11,343,268	-	22,686,536
Tiong Chiong Soon	60,399,039	60,399,039	-	120,798,078
Lau Liong Kii	7,946,236	9,112,836	-	17,059,072
Ling Ting Leong @ Ling Chong Seng	1,079,820	1,079,820	-	2,159,640

DIRECTORS' REPORT (cont'd)

By virtue of their shareholdings in the Company, Tan Sri Datuk Tiong Su Kouk, Tiong Chiong Hiiung and Tiong Chiong Soon are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the benefits shown under the Directors' remuneration section of our report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of directors' remuneration are disclosed in Note 33 to the financial statements.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

None of the subsidiaries had any interest in shares in the Company during the financial year. Their interests in shares in other related corporations are disclosed in Note 5 to the financial statements.

AUDITORS' REMUNERATION

During the financial year, the total amount paid to or receivable by the auditors as remuneration for their services was RM289,000.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT (cont'd)

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 12 April 2017.

Tan Sri Datuk Tiong Su Kouk

Tiong Chiong Hiiung

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Datuk Tiong Su Kouk and Tiong Chiong Hiiung, being two of the directors of CCK Consolidated Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 47 to 127 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 42, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 12 April 2017.

Tan Sri Datuk Tiong Su Kouk | **Tiong Chiong Hiiung**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tiong Chiong Hiiung, I/C No. 670208-13-6277, being the director primarily responsible for the financial management CCK Consolidated Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 127 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Tiong Chiong Hiiung, I/C No. 670208-13-6277 at Sibu
on this 12 April 2017

Tiong Chiong Hiiung

Before me

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD

Crowe Horwath

Crowe Horwath *AF 1018*
Chartered Accountants
Member Crowe Horwath International

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CCK Consolidated Holdings Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (cont'd)

Crowe Horwath

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Acquisition of investment in an associate Refer to Note 6 in the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
During the financial year, the Company entered into a Shareholders Agreement with Gold Coin Malaysia Group Sdn. Bhd. to acquire 27.2% equity interest in Gold Coin Sarawak Sdn. Bhd. ("GCS") for a purchase consideration of RM20,672,000. The purchase consideration is to be satisfied in the following manner:- • 10% of the purchase consideration (equivalent to RM2,067,200) in cash, which has been paid by the Company upon the execution of the Shareholders Agreement; and • 90% of the purchase consideration (equivalent to RM18,604,800) over a period of not more than 10 years payable from dividend declared by GCS, subject to an interest at rate of 6% per annum. The payment terms agreed is effectively a deferred payment scheme. The management has estimated the dividend yield to determine the fair value of investment in the associate at the inception. This is considered to be a key audit matter due to the significant judgement required in determining the key assumptions used in the discounted cash flows model, including assumptions about estimated gross profit margin, future growth, operating expenditure, and the appropriate discount rate.	Our procedures included, amongst others:- • reviewing the Shareholders Agreement for the terms of the arrangement. • evaluating and challenging the appropriateness of the assumptions applied to key inputs (with consideration of the risk of management bias) such as gross margin, growth rate, operating costs and discount rate applied, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Company and the industry. • reviewing the computation of the cash flow model prepared by management based on the assumption used.

Cash Sales Transactions Refer to Note 25 in the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
The Group's revenue is mainly contributed by the retail segment, which represents 75% of the total revenue for the financial year under review. The majority of transactions are settled in cash. Cash sales transactions is a key audit matter due to voluminous transactions arising at multiple sales points.	Our procedures included, amongst others:- • inquiring, inspecting, observing and documenting cash sales cycle to obtain an understanding of the Group's design and implementation of policies and procedures of the cycle. • performing walkthrough tests, test of controls on cash sales cycle with samples documented on identified key controls and evaluating the control processes for cash sales transactions cycle especially the cash receipts and payment processes. • examining and reviewing year end cut-off to ensure revenue are accounted for in the appropriate period.

Crowe Horwath

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CCK CONSOLIDATED HOLDINGS BERHAD (cont'd)

Crowe Horwath

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Crowe Horwath

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (cont'd)

Other Reporting Responsibilities

The supplementary information set out in Note 42 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Morris Hii Su Ong
Approval No: 1682/06/17 (J)
Chartered Accountant

Sibu, Sarawak

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	80,848,101	80,848,101
Investment in an associate	6	21,073,115	-	19,930,171	-
Property, plant and equipment	7	198,656,343	199,224,168	7,722,880	7,858,699
Investment properties	8	1,447,632	1,479,092	-	-
Goodwill	9	380,224	380,224	-	-
Deferred tax assets	10	1,138,574	1,101,267	-	-
		222,695,888	202,184,751	108,501,152	88,706,800
CURRENT ASSETS					
Inventories	11	67,757,776	57,281,677	-	-
Trade receivables	12	36,254,446	33,755,958	-	-
Other receivables, deposits and prepayments	13	10,089,158	6,455,574	552,716	332,062
A mount owing by subsidiaries	14	-	-	120,113,856	121,533,231
Current tax assets	15	3,564,949	4,948,441	-	-
Cash and bank balances		23,813,287	27,797,079	92,702	2,946,646
		141,479,616	130,238,729	120,759,274	124,811,939
TOTAL ASSETS		364,175,504	332,423,480	229,260,426	213,518,739

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (cont'd)
AT 31 DECEMBER 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	157,679,700	78,839,850	157,679,700	78,839,850
Treasury shares	17	(1,171,068)	(2,190,061)	(1,171,068)	(2,190,061)
Reserves	18	77,231,741	139,562,237	17,172,339	90,770,422
Equity attributable to owners of the Company		233,740,373	216,212,026	173,680,971	167,420,211
Non-controlling interests	5	459,856	445,250	-	-
TOTAL EQUITY		234,200,229	216,657,276	173,680,971	167,420,211
NON-CURRENT LIABILITIES					
Other payables, deposits and accruals	19	12,333,316	-	12,333,316	-
Bank borrowings	20	2,596,812	2,232,681	-	-
Deferred income	22	18,815	28,222	-	-
Deferred tax liabilities	10	13,436,508	14,589,277	1,578,487	1,541,946
		28,385,451	16,850,180	13,911,803	1,541,946
CURRENT LIABILITIES					
Trade payables	23	29,023,809	28,282,222	-	-
Other payables, deposits and accruals	19	14,530,004	7,440,524	3,780,093	548,819
Amount owing to subsidiaries	14	-	-	1,887,559	2,007,763
Bank borrowings:-	20	-		-	
- bank overdrafts		768,218	603,134	-	-
- other borrowings		55,353,239	58,772,724	36,000,000	42,000,000
Provision for employee benefits	24	468,350	3,243,620	-	-
Current tax liabilities		1,446,204	573,800	-	-
		101,589,824	98,916,024	41,667,652	44,556,582
TOTAL LIABILITIES		129,975,275	115,766,204	55,579,455	46,098,528
TOTAL EQUITY AND LIABILITIES		364,175,504	332,423,480	229,260,426	213,518,739

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
REVENUE	25	559,049,368	494,094,843	13,630,000	85,366,000
COST OF SALES		(469,615,962)	(418,959,962)	-	-
GROSS PROFIT		89,433,406	75,134,881	13,630,000	85,366,000
OTHER INCOME		4,547,157	4,911,848	198,564	1,026,032
SELLING AND DISTRIBUTION EXPENSES		(4,036,048)	(3,912,339)	-	-
ADMINISTRATIVE EXPENSES		(22,007,456)	(24,183,358)	(2,417,597)	(1,133,181)
OTHER OPERATING EXPENSES		(44,149,476)	(32,905,838)	-	-
FINANCE COSTS	26	(2,818,755)	(3,017,572)	(2,035,862)	(2,154,351)
SHARE OF RESULTS IN ASSOCIATE, NET OF TAX		4,406,944	-	-	-
PROFIT BEFORE TAXATION	27	25,375,772	16,027,622	9,375,105	83,104,500
INCOME TAX EXPENSE	28	(6,506,579)	(2,505,076)	(36,541)	205,722
PROFIT AFTER TAXATION		18,869,193	13,522,546	9,338,564	83,310,222
OTHER COMPREHENSIVE INCOME	29				
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(6,971)	-	-	-
Revaluation of property, plant and equipment		62,700	51,163,500	-	5,534,284
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		1,695,835	1,983,750	-	-
TOTAL OTHER COMPREHENSIVE INCOME		1,751,564	53,147,250	-	5,534,284
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		20,620,757	66,669,796	9,338,564	88,844,506

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		18,854,587	13,510,491	9,338,564	83,310,222
Non-controlling interests		14,606	12,055	-	-
		18,869,193	13,522,546	9,338,564	83,310,222
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		20,606,151	66,647,780	9,338,564	88,844,506
Non-controlling interests		14,606	22,016	-	-
		20,620,757	66,669,796	9,338,564	88,844,506
EARNINGS PER SHARE (SEN):-	30				
Basic		6.01	4.32		
Diluted		Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Non-distributable								
	Share Capital RM	Treasury Shares RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Revaluation Reserve RM	Distributable Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group									
Balance at 1.1.2015	78,839,850	(2,176,723)	157,800	(3,852,562)	-	79,714,328	152,682,693	423,234	153,105,927
Profit after taxation for the financial year	-	-	-	-	-	13,510,491	13,510,491	12,055	13,522,546
Other comprehensive income for the financial year:-									
- revaluation of property, plant and equipment	-	-	-	-	51,163,500	-	51,163,500	-	51,163,500
- foreign currency translation differences	-	-	-	1,742,325	231,464	-	1,973,789	9,961	1,983,750
Total comprehensive income for the financial year	-	-	-	1,742,325	51,394,964	13,510,491	66,647,780	22,016	66,669,796
Balance carried forward	78,839,850	(2,176,723)	157,800	(2,110,237)	51,394,964	93,224,819	219,330,473	445,250	219,775,723

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Non-distributable					Distributable			
		Share Capital RM	Treasury Shares RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Revaluation Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group										
Balance brought forward		78,839,850	(2,176,723)	157,800	(2,110,237)	51,394,964	93,224,819	219,330,473	445,250	219,775,723
Contributions by and distributions to owners of the Company:-										
- purchase of treasury shares	17	-	(13,338)	-	-	-	-	(13,338)	-	(13,338)
- dividends:-										
- by the Company	31	-	-	-	-	-	(3,105,109)	(3,105,109)	-	(3,105,109)
Total transactions with owners		-	(13,338)	-	-	-	(3,105,109)	(3,118,447)	-	(3,118,447)
Balance at 31.12.2015		78,839,850	(2,190,061)	157,800	(2,110,237)	51,394,964	90,119,710	216,212,026	445,250	216,657,276

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Non-distributable								
The Group	Share Capital RM	Treasury Shares RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Revaluation Reserve RM	Distributable Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 31.12.2015/ 1.1.2016	78,839,850	(2,190,061)	157,800	(2,110,237)	51,394,964	90,119,710	216,212,026	445,250	216,657,276
Profit after taxation for the financial year				-	-	18,854,587	18,854,587	14,606	18,869,193
Other comprehensive income for the financial year:-									
- revaluation of property, plant and equipment	-	-	-	-	62,700	-	62,700	-	62,700
- remeasurement of defined benefit plans	-	-	-	-	-	(6,971)	(6,971)	-	(6,971)
- foreign currency translation differences	-	-	-	1,695,835	-	-	1,695,835	-	1,695,835
Total comprehensive income for the financial year	-	-	-	1,695,835	62,700	18,847,616	20,606,151	14,606	20,620,757
Balance carried Forward	78,839,850	(2,190,061)	157,800	(414,402)	51,457,664	108,967,326	236,818,177	459,856	237,278,033

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Non-distributable								
The Group	Note	Share Capital RM	Treasury Shares RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Revaluation Reserve RM	Distributable Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Balance brought forward		78,839,850	(2,190,061)	157,800	(414,402)	51,457,664	108,967,326	236,818,177	459,856	237,278,033
Contributions by and distributions to owners of the Company:-										
- purchase of treasury shares	17	-	(1,176,168)	-	-	-	-	(1,176,168)	-	(1,176,168)
- bonus issue	18	78,839,850	-	(791,394)	-	-	(78,048,456)	-	-	-
- share issuance expenses	18	-	-	(138,933)	-	-	-	(138,933)	-	(138,933)
- treasury shares sold		-	2,195,161	772,527	-	-	-	2,967,688	-	2,967,688
- dividends:-										
- by the Company	31	-	-	-	-	-	(4,730,391)	(4,730,391)	-	(4,730,391)
Total transactions with owners		78,839,850	1,018,993	(157,800)	-	-	(82,778,847)	(3,077,804)	-	(3,077,804)
- crystalisation of revaluation reserve		-	-	-	-	(2,314,257)	2,314,257	-	-	-
Balance at 31.12.2016		157,679,700	(1,171,068)	-	(414,402)	49,143,407	28,502,736	233,740,373	459,856	234,200,229

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Non-distributable Share Capital RM	Non-distributable Treasury Shares RM	Non-distributable Share Premium RM	Non-distributable Revaluation Reserve RM	Distributable Retained Profits RM	Total Equity RM
The Company							
Balance at 1.1.2015		78,839,850	(2,176,723)	157,800	-	4,873,225	81,694,152
Profit after taxation		-	-	-	-	83,310,222	83,310,222
Other comprehensive income for the financial year:-							
- revaluation of property, plant and equipment		-	-	-	5,534,284	-	5,534,284
Total comprehensive income for the financial year		-	-	-	5,534,284	83,310,222	88,844,506
Contributions by and distributions to owners of the Company:-							
- purchase of treasury shares	17	-	(13,338)	-	-	-	(13,338)
- dividends	31	-	-	-	-	(3,105,109)	(3,105,109)
Total transactions with owners		-	(13,338)	-	-	(3,105,109)	(3,118,447)
Balance at 31.12.2015		78,839,850	(2,190,061)	157,800	5,534,284	85,078,338	167,420,211

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Non-distributable				Distributable	
	Note	Share Capital RM	Treasury Shares RM	Share Premium RM	Revaluation Reserve RM	Retained Profits RM	Total Equity RM
The Company							
Balance at 31.12.2015 /1.1.2016		78,839,850	(2,190,061)	157,800	5,534,284	85,078,338	167,420,211
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	9,338,564	9,338,564
Contributions by and distributions to owners of the Company:-							
- bonus issues	18	78,839,850	-	(791,394)	-	(78,048,456)	-
- share issuance expenses	18	-	-	(138,933)	-	-	(138,933)
- purchase of treasury shares	17	-	(1,176,168)	-	-	-	(1,176,168)
- treasury shares sold	17	-	2,195,161	772,527	-	-	2,967,688
- dividends	31	-	-	-	-	(4,730,391)	(4,730,391)
Total transactions with owners		78,839,850	1,018,993	(157,800)	-	(82,778,847)	(3,077,804)
Amortisation of property, plant and equipment		-	-	-	(98,662)	98,662	-
Balance at 31.12.2016		157,679,700	(1,171,068)	-	5,435,622	11,736,717	173,680,971

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	25,375,772	16,027,622	9,375,105	83,104,500
Adjustments for:-				
Allowance for impairment losses on property, plant and equipment	-	1,040,912	-	-
Allowance for impairment losses on receivables	190,561	406,173	-	-
Allowance for impairment losses on receivables no longer required	(172,294)	(155,947)	-	-
Amortisation of government grant	(9,407)	(9,407)	-	-
Bad debts recovered	(2,000)	-	-	-
Bad debts written off	264,679	41,357	-	-
Depreciation of investment properties	31,460	31,461	-	-
Depreciation of property, plant and equipment	19,665,778	15,114,753	144,893	16,491
Dividend income	-	-	(13,264,000)	(85,000,000)
Gain on disposal of property, plant and equipment	(25,468)	(27,753)	-	-
Interest expense	2,818,755	3,017,572	2,035,862	2,154,351
Interest income	(396,220)	(30,446)	(109,268)	(957,616)
Property, plant and equipment written off	199,813	-	-	-
Provision for employee benefits	644,829	3,360,430	-	-
Share of results of associate	(4,406,944)	-	-	-
Unrealised gain on foreign exchange	(15,131)	(20,990)	-	-
Operating profit/(loss) before working capital changes	44,164,183	38,795,737	(1,817,408)	(682,274)
BALANCE CARRIED FORWARD	44,164,183	38,795,737	(1,817,408)	(682,274)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
BALANCE BROUGHT FORWARD	44,164,183	38,795,737	(1,817,408)	(682,274)
				-
Increase in inventories	(9,942,358)	(435,139)	-	-
(Increase)/decrease in trade and other receivables	(5,871,827)	(9,091,175)	(220,654)	275,209
Increase in trade and other payables	18,503,301	10,259,927	15,564,590	83,726
Employee benefits paid	(3,450,934)	(3,132,487)	-	-
CASH FROM/(FOR) OPERATIONS	43,402,365	36,396,863	13,526,528	(323,339)
Dividend received	-	-	13,264,000	85,000,000
Income tax paid	(7,642,914)	(10,148,335)	-	-
Income tax refunded	2,145,288	66,102	-	-
Interest paid	(2,818,755)	(3,017,572)	(2,035,862)	(2,099,830)
Interest received	396,220	30,446	109,268	957,616
NET CASH FROM OPERATING ACTIVITIES/BALANCE CARRIED FORWARD	35,482,204	23,327,504	24,863,934	83,534,447

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
NET CASH FROM OPERATING ACTIVITIES/ BALANCE BROUGHT FORWARD		35,482,204	23,327,504	24,863,934	83,534,447
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received		3,264,000	-	-	-
Proceeds from disposal of property, plant and equipment		60,255	553,468	-	410
Purchase of investment in an associate		(19,930,171)	-	(19,930,171)	-
Purchase of property, plant and equipment		(16,961,801)	(19,365,877)	(9,074)	(7,184)
NET CASH FOR INVESTING ACTIVITIES		(33,567,717)	(18,812,409)	(19,939,245)	(6,774)
BALANCE CARRIED FORWARD		1,914,487	4,515,095	4,924,689	83,527,673

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		The Group		The Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
BALANCE BROUGHT FORWARD		1,914,487	4,515,095	4,924,689	83,527,673
CASH FLOWS FOR FINANCING ACTIVITIES					
Net increase in amount owing by subsidiaries		-	-	1,299,171	(79,880,847)
Dividend paid		(4,730,391)	(3,105,109)	(4,730,391)	(3,105,109)
Drawdown of term loans		1,855,000	1,244,000	-	-
Net of drawdown/(repayment) of revolving Credit		(6,000,000)	2,000,000	(6,000,000)	2,000,000
Net of drawdown/(repayment) of bankers' acceptance		2,505,667	359,000	-	-
Payment of share issuance expenses		(138,933)	-	(138,933)	-
Purchase of treasury shares		(1,176,168)	(13,338)	(1,176,168)	(13,338)
Proceeds from disposal of treasury shares		2,967,688	-	2,967,688	-
Repayment of hire purchase obligations		(1,581)	(19,004)	-	-
Repayment of term loans		(1,481,550)	(1,193,129)	-	-
NET CASH FOR FINANCING ACTIVITIES		(6,200,268)	(727,580)	(7,778,633)	(80,999,294)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,285,781)	3,787,515	(2,853,944)	2,528,379
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		136,905	190,335	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		27,193,945	23,216,095	2,946,646	418,267
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32	23,045,069	27,193,945	92,702	2,946,646

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Lot 999, Section 66, Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak
Principal places of business	:	(a) Lot 999, Section 66, Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak
		(b) Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibu, Sarawak

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 12 April 2017.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 14 Regulatory Deferral Accounts

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 101: Disclosure Initiative

Amendments to FRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 127: Equity Method in Separate Financial Statements

Annual Improvements to FRSs 2012 – 2014 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (cont'd)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018*
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 140: Transfers of Investment Property	1 January 2018
Annual Improvements to FRS Standards 2014 – 2016 Cycles: • Amendments to FRS 12: Clarification of the Scope of Standard	1 January 2017
Annual Improvements to FRS Standards 2014 – 2016 Cycles: • Amendments to FRS 1: Deletion of Short-term Exemptions for First-time Adopters • Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

* *Entities that meet the specific criteria in FRS 4.20B may choose to defer the application of FRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

(a) FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost will be measured at fair value through other comprehensive income upon the adoption of FRS 9. The Group is currently assessing the financial impact of adopting FRS 9.

(b) The amendments to FRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application. However, additional disclosure notes on the statements of cash flows may be required.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3. BASIS OF PREPARATION (cont'd)

3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate,* including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Classification between Investment Properties and Owner occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(h) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(i) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(j) Defined Benefit Plans

The determination of the Group's obligations and cost for defined benefits obligation is dependent on its selection of certain assumptions used by the management in calculating such amounts. Actual results that differ from the Group's assumptions are recognised immediately in the profit or loss and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated obligation for defined benefits and net defined benefits expenses.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 BASIS OF CONSOLIDATION (cont'd)

Business Combinations from 1 January 2011 Onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Business Combinations before 1 January 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business Combinations from 1 January 2011 Onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business Combinations before 1 January 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

Interests in Associates

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill,that forms part of the carrying amount of the equity-accounted associates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests and is not recognised in profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in FRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Assets (cont'd)

(iii) Loans and Receivables Financial Assets (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are sold, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. When the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 Insurance Contracts. The Group recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Company has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2016. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with FRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold and leasehold lands, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold land is not depreciated. Leasehold lands are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold and leasehold lands are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease periods ranging from 14 to 906 years
Buildings	2% - 5%
Furniture, fittings and equipment	10% - 20%
Coldroom, plant and machinery	10% - 20%
Motor vehicles	20%
Renovation	10% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, property and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used by the Group. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

4.9 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 59 years to 99 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.9 INVESTMENT PROPERTIES (cont'd)

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.10 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investments in subsidiaries and investment in associates), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which FRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.10 IMPAIRMENT (cont'd)

(b) **Impairment of Non-financial Assets** (cont'd)

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the corresponding obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the moving weighted average basis and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) Defined Benefit Plans

The Group makes contributions to the Company's retirement benefit plan, a unfunded defined benefit plan.

The liability or asset recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method by independent actuaries annually, determined by discounting the estimated future benefits that employees have earned in the current and prior periods, using market yields of private corporate debt securities which have currency and terms to maturity approximating the terms of the related obligation.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

4.16 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.16 INCOME TAXES (cont'd)

(b) Deferred Tax

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(c) Goods and Service Tax ("GST")

Revenues, expenses and assets are recognised net of GST. However, when the GST incurred are related to purchases of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

Receivables and payables are stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

4.17 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.17 RELATED PARTIES (cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

4.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.20 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.21 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.21 BORROWING COSTS (cont'd)

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.22 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and services tax, returns, cash and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(e) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.23 REVENUE AND OTHER INCOME (cont'd)

(f) Government Grant

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statements of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2016 RM	The Company 2015 RM
Unquoted shares, at cost		
- in Malaysia	62,739,149	62,739,149
- outside Malaysia	18,108,952	18,108,952
	80,848,101	80,848,101

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2016 %	Percentage of Issued Share Capital Held by Parent 2015 %	Principal Activities
Ableway Sdn. Bhd.	Malaysia	100.0	100.0	General trading
Ataskota Sdn. Bhd.	Malaysia	100.0	100.0	Selling, spawning and culturing of prawns
CCK Fresh Mart Sdn. Bhd.	Malaysia	100.0	100.0	Retailing in coldstorage products
CCK Fresh Mart (West Malaysia) Sdn. Bhd.	Malaysia	100.0	100.0	Retailing in coldstorage products
CCK Sea Products Industries (S) Sdn. Bhd.	Malaysia	100.0	100.0	Culturing, processing and trading of prawns
Central Coldstorage Kuching Sdn. Bhd.	Malaysia	100.0	100.0	Retailing in coldstorage products, and poultry processing
C.S. Choice Food Industries Sdn. Bhd.	Malaysia	100.0	100.0	Manufacturing, processing, packing and distribution of meat and other food products
Kin Eastern Frozen Food Sdn. Bhd.	Malaysia	100.0	100.0	Processing and selling of frozen seafood
Kuok Sui Sea Products Industries (S) Sdn. Bhd.	Malaysia	100.0	100.0	Processing and exporting of prawns

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows (cont'd):-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Capital Held by Parent 2016 %	2015 %	Principal Activities
Pt. Adilmart^	Indonesia	100.0	100.0	Retailing in coldstorage products
Zhang Agriculture Development (Sabah) Sdn. Bhd.	Malaysia	100.0	100.0	Poultry breeding and trading
Subsidiary of Ableway Sdn. Bhd.:-				
Angkutan Golden Plan Sdn. Bhd.	Malaysia	100.0	100.0	Provision of transportation services
Subsidiary of CCK Fresh Mart Sdn. Bhd.:-				
Mukah Seafoods Industries Sdn. Bhd.	Malaysia	78.1	78.1	Trading of seafood and coldstorage products
Subsidiaries of Central Coldstorage Kuching Sdn. Bhd.:-				
CCK-BME Sdn. Bhd.	Malaysia	60.0	60.0	In liquidation
Poultry Industry (S) Sdn. Bhd.	Malaysia	100.0	100.0	Livestock breeding and trading
Zhang Agriculture Development Sdn. Bhd.	Malaysia	100.0	100.0	Poultry breeding and trading
Subsidiary of Poultry Industry (S) Sdn. Bhd.:-				
Farm Land Supplies & Veterinary Services Sdn. Bhd.	Malaysia	100.0	100.0	Provision of veterinary supplies and related services
Subsidiary of Pt. Adilmart:-				
Pt. Central Coldstorage Khatulistiwa^	Indonesia	90.0	90.0	Dormant

^ *This subsidiary was audited by member firms of Crowe Horwath International of which Crowe Horwath is a member.*

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2016 %	2015 %	The Group **2016** RM	**2015** RM
CCK-BME Sdn. Bhd. ("BME")	40.0	40.0	86,674	86,674
Mukah Seafoods Industries Sdn. Bhd. ("Mukah")	21.9	21.9	272,830	255,918
Pt. Central Coldstorage Khatulistiwa ("Khatulistiwa")	10.0	10.0	100,352	102,658
			459,856	445,250

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is as follows:-

	BME	
	2016 RM	2015 RM
At 31 December		
Non-current assets	-	-
Current assets	220,285	220,285
Non-current liabilities	-	-
Current liabilities	(3,600)	(3,600)
Net assets	216,685	216,685
Financial Year Ended 31 December		
Revenue	-	-
Profit for the financial year	-	-
Total comprehensive income	-	-
Total comprehensive income attributable to non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-

	Mukah	
	2016 RM	2015 RM
At 31 December		
Non-current assets	129,764	146,911
Current assets	1,255,857	1,123,225
Non-current liabilities	(9,262)	(5,616)
Current liabilities	(132,044)	(97,321)
Net assets	1,244,315	1,167,199
Financial Year Ended 31 December		
Revenue	2,722,054	2,627,284
Profit for the financial year	77,116	82,095
Total comprehensive income	77,116	60,251
Total comprehensive income attributable to non-controlling interests	16,912	13,211
Dividends paid to non-controlling interests	-	-
Net cash flows from operating activities	199,334	18,611
Net cash flows for investing activities	(8,999)	(141,739)
Net cash flows from/(for) financing activities	636	(144)

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is as follows (cont'd):-

	Khatulistiwa 2016 RM	Khatulistiwa 2015 RM
At 31 December		
Non-current assets	841	1,156
Current assets	1,513,816	1,039,523
Non-current liabilities	-	-
Current liabilities	(436,020)	(14,102)
Net assets	1,078,637	1,026,577
Financial Year Ended 31 December		
Revenue	-	-
Loss for the financial year	(23,075)	(11,564)
Total comprehensive income	(23,075)	88,049
Total comprehensive income attributable to non-controlling Interests	(2,306)	8,805
Dividends paid to non-controlling interests	-	-
Net cash flows for operating activities	(171,208)	(270,313)
Net cash flows for investing activities	-	(1,493)
Net cash flows from financing activities	-	-

6. INVESTMENT IN AN ASSOCIATE

	The Group 2016 RM	The Company 2016 RM
Unquoted shares, at cost	19,930,171	19,930,171
Share of post-acquisition reserves, net of dividend received	1,142,944	-
	21,073,115	19,930,171

The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2016 %	Principal Activities
Gold Coin Sarawak Sdn. Bhd.#	Malaysia	27.20	Manufacture and sale of animal feeds and trading in feed grains

\# *The associate was audited by other firms of chartered accountants.*

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

6. INVESTMENT IN AN ASSOCIATE (cont'd)

(a) The summarised financial information (after any fair value adjustment at acquisition date) for the associate is as follows:-

	Gold Coin Sarawak Sdn. Bhd. 2016 RM
At 31 December	
Non-current assets	9,196,000
Current assets	86,834,000
Non-current liabilities	(998,000)
Current liabilities	(30,054,000)
Net assets	64,978,000
Non-controlling interest	(497,000)
	64,481,000
Financial year ended 31 December	
Revenue	244,014,000
Profit for the financial year	16,202,000
Total comprehensive income	16,202,000
Group's share of profit for the financial year	4,406,944
Group's share of other comprehensive income	-
Dividend received	3,264,000
Reconciliation of net assets to carrying amount	
Group's share of net assets	17,538,832
Goodwill	3,534,283
Carrying amount of the Group's interests in the associate	21,073,115

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2016 RM	Additions RM	Disposals RM	Reclassifica-tions RM	Depreciation Charges RM	Written Off RM	Revaluation Surplus RM	Exchange Differences RM	At 31.12.2016 RM
2016									
Net Book Value									
Freehold land	12,511,000	-	-	-	(8,700)	-	-	-	12,502,300
Leasehold land	79,256,692	2,852,200	-	-	(2,889,918)	-	82,500	805,322	80,106,796
Buildings	44,322,695	6,116,196	-	3,657,553	(4,328,580)	-	-	296,875	50,064,739
Furniture, fittings and equipment	7,866,555	1,235,600	(5,090)	162,804	(2,171,625)	-	-	39,579	7,127,823
Coldroom, plant and machinery	43,293,049	4,005,268	(28,443)	651,112	(7,617,586)	(139,730)	-	1,113,832	41,277,502
Motor vehicles	2,758,855	490,996	(1,254)	85,365	(1,365,901)	-	-	32,644	2,000,705
Renovation	4,173,535	212,288	-	-	(1,283,468)	(60,083)	-	-	3,042,272
Capital work-in-progress	5,041,787	2,049,253	-	(4,556,834)	-	-	-	-	2,534,206
	199,224,168	16,961,801	(34,787)	-	(19,665,778)	(199,813)	82,500	2,288,252	198,656,343

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	At 1.1.2015 RM	Additions RM	Disposals RM	Reclassifica-tions RM	Depreciation Charges RM	Impairment Losses RM	Revaluation Surplus RM	Exchange Differences RM	At 31.12.2015 RM
2015									
Net Book Value									
Freehold land	3,285,884	8,670	-	435,000	-	(194,091)	8,975,537	-	12,511,000
Leasehold land	20,438,483	1,920,130	-	2,644,722	(545,491)	(846,821)	54,898,984	746,685	79,256,692
Buildings	46,566,336	3,194,463	-	(2,582,101)	(3,221,273)	-	-	365,270	44,322,695
Furniture, fittings and equipment	7,947,963	2,087,859	(243,698)	16,969	(2,010,687)	-	-	68,149	7,866,555
Coldroom, plant and machinery	38,997,204	6,793,034	(146,526)	2,767,543	(6,573,780)	-	-	1,455,574	43,293,049
Motor vehicles	3,712,801	466,995	(2,175)	(17,981)	(1,463,569)	-	-	62,784	2,758,855
Renovation	4,325,834	1,280,971	(133,316)	(1)	(1,299,953)	-	-	-	4,173,535
Capital work-in-progress	4,630,676	3,613,755	-	(3,264,151)	-	-	-	61,507	5,041,787
	129,905,181	19,365,877	(525,715)	-	(15,114,753)	(1,040,912)	63,874,521	2,759,969	199,224,168

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Net Book Value RM
2016					
Freehold land	-	12,705,091	(8,700)	(194,091)	12,502,300
Leasehold land	-	83,843,535	(2,889,918)	(846,821)	80,106,796
Buildings	79,248,020	-	(29,183,281)	-	50,064,739
Furniture, fittings and equipment	25,482,567	-	(18,354,744)	-	7,127,823
Coldroom, plant and machinery	101,079,156	-	(59,801,654)	-	41,277,502
Motor vehicles	16,013,462	-	(14,012,757)	-	2,000,705
Renovation	12,344,482	-	(9,302,210)	-	3,042,272
Capital work-in-progress	2,534,206	-	-	-	2,534,206
	236,701,893	96,548,626	(133,553,264)	(1,040,912)	198,656,343
2015					
Freehold land	-	12,705,091	-	(194,091)	12,511,000
Leasehold land	-	80,103,513	-	(846,821)	79,256,692
Buildings	69,153,433	-	(24,830,738)	-	44,322,695
Furniture, fittings and equipment	23,978,504	-	(16,111,949)	-	7,866,555
Coldroom, plant and machinery	95,197,578	-	(51,904,529)	-	43,293,049
Motor vehicles	15,652,511	-	(12,893,656)	-	2,758,855
Renovation	12,241,054	-	(8,067,519)	-	4,173,535
Capital work-in-progress	5,041,787	-	-	-	5,041,787
	221,264,867	92,808,604	(113,808,391)	(1,040,912)	199,224,168

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	At 1.1.2016 RM	Additions RM	Depreciation Charges RM	At 31.12.2016 RM
2016				
Net Book Value				
Leasehold land	7,847,979	-	(140,142)	7,707,837
Equipment	10,720	3,750	(4,662)	9,808
Renovation	-	5,324	(89)	5,235
	7,858,699	9,074	(144,893)	7,722,880

The Company	At 1.1.2015 RM	Additions RM	Disposals RM	Depreciation Charges RM	Revaluation Surplus RM	At 31.12.2015 RM
2015						
Net Book Value						
Leasehold land	576,349	-	-	(10,322)	7,281,952	7,847,979
Equipment	10,115	7,184	(410)	(6,169)	-	10,720
	586,464	7,184	(410)	(16,491)	7,281,952	7,858,699

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Net Book Value RM
2016				
Leasehold land	-	7,847,979	(140,142)	7,707,837
Equipment	43,515	-	(33,707)	9,808
Renovation	5,324	-	(89)	5,235
	48,839	7,847,979	(173,938)	7,722,880
2015				
Leasehold land	-	7,847,979	-	7,847,979
Equipment	39,765	-	(29,045)	10,720
	39,765	7,847,979	(29,045)	7,858,699

(a) Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of Nil (2015: RM48,536), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.

(b) The net book value of property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group is as follows:-

	The Group 2016 RM	The Group 2015 RM
Leasehold land	15,318,015	15,967,744
Buildings	6,561,726	5,970,342
	21,879,741	21,938,086

(c) During the financial year and previous financial year, the Group's freehold and leasehold lands were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred tax, have been credited to other comprehensive income as disclosed in Note 28 to the financial statements and accumulated in equity under the revaluation reserve.

(d) The details of the Group's and the Company's property, plant and equipment that carried at fair value are analysed as follows:-

The Group	Level 1 RM	Level 2 RM	Level 3 RM	**Total** RM
2016				
Freehold land	-	12,502,300	-	12,502,300
Leasehold land	-	80,106,796	-	80,106,796
	-	92,609,096	-	92,609,096

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) The details of the Group's and the Company's property, plant and equipment that carried at fair value are analysed as follows:- (cont'd)

The Group	Level 1 RM	Level 2 RM	Level 3 RM	**Total** RM
2015				
Freehold land	-	12,511,000	-	12,511,000
Leasehold land	-	79,256,692	-	79,256,692
	-	91,767,692	-	91,767,692

The Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2016				
Leasehold land	-	7,707,837	-	7,707,837
2015				
Leasehold land	-	7,847,979	-	7,847,979

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties.

(e) If the freehold and leasehold lands were measured using the cost model, the carrying amounts would be as follows:-

	The Group		**The Company**	
	2016 RM	**2015** RM	**2016** RM	**2015** RM
Cost	38,963,920	36,111,720	2,565,445	2,565,445
Less: Accumulated depreciation	(8,528,916)	(7,924,323)	(2,009,741)	(1,999,418)
	30,435,004	28,187,397	555,704	566,027

(f) The leasehold land of the Group and of the Company at the end of the reporting period is analysed as follows:-

	The Group		**The Company**	
	2016 RM	**2015** RM	**2016** RM	**2015** RM
Unexpired period of less than 50 years	48,146,883	50,993,985	-	-
Unexpired period of more than 50 years	31,959,913	28,262,707	7,707,837	7,847,979
	80,106,796	79,256,692	7,707,837	7,847,979

(g) Included in the assets of the Group at the end of the reporting period were freehold lands with a total net book value of RM936,000 (2015: RM936,000), which were held in trust by a third party.

8. INVESTMENT PROPERTIES

	The Group 2016 RM	The Group 2015 RM
Cost:-		
At 1 January / 31 December	1,694,180	1,694,180
Accumulated depreciation:-		
At 1 January	215,088	183,627
Depreciation during the financial year	31,460	31,461
At 31 December	246,548	215,088
	1,447,632	1,479,092
Represented by:-		
Leasehold land	371,069	379,001
Buildings	1,076,563	1,100,091
At 31 December	1,447,632	1,479,092
Fair value	2,100,000	2,100,000

(a) The leasehold land and buildings have been pledged to licensed banks as security for banking facilities granted to the Group.

(b) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

(c) The leasehold land of the Group at the end of the reporting period is analysed as follows:-

	The Group 2016 RM	The Group 2015 RM
Unexpired period of more than 50 years	371,069	379,001

9. GOODWILL

	The Group 2016 RM	The Group 2015 RM
At 1 January / 31 December	380,224	380,224

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

10. DEFERRED TAX

The Group	At 1.1.2016 RM	Recognised in Profit or Loss (Note 28) RM	Recognised in Other Comprehensive Income (Note 29) RM	Exchange Differences RM	At 31.12.2016 RM
2016					
Deferred Tax Liabilities					
Property, plant and equipment	3,298,615	2,340,824	-	-	5,639,439
Receivables	-	2,242			2,242
Revaluation surplus on property, plant and equipment	12,723,203	(4,228,421)	19,800	-	8,514,582
Unrealised gain on foreign exchange	3,329	-	-	(1,939)	1,390
	16,025,147	(1,885,355)	19,800	(1,939)	14,157,653
Deferred Tax Assets					
Provision for employee benefits	(646,337)	518,575	(2,324)	12,999	(117,087)
Property, plant and equipment	-	(124,442)	-	-	(124,442)
Unused tax losses and unabsorbed capital allowance	(1,890,800)	272,610	-	-	(1,618,190)
	(2,537,137)	666,743	(2,324)	12,999	(1,859,719)
	13,488,010	(1,218,612)	17,476	11,060	12,297,934

The Group	At 1.1.2015 RM	Recognised in Profit or Loss (Note 28) RM	Recognised in Other Comprehensive Income (Note 29) RM	Exchange Differences RM	At 31.12.2015 RM
2015					
Deferred Tax Liabilities					
Property, plant and equipment	4,089,403	(779,113)	-	(11,675)	3,298,615
Revaluation surplus on property, plant and equipment	-	-	12,723,203	-	12,723,203
Unrealised gain on foreign exchange	483	-	(12,182)	15,028	3,329
	4,089,886	(779,113)	12,711,021	3,353	16,025,147
Deferred Tax Assets					
Provision for employee benefits	(949,489)	303,152	-	-	(646,337)
Receivables	(21,005)	21,005	-	-	-
Unused tax losses and unabsorbed capital allowance	(666,662)	(1,224,138)	-	-	(1,890,800)
	(1,637,156)	(899,981)	-	-	(2,537,137)
	2,452,730	(1,679,094)	12,711,021	3,353	13,488,010

10. DEFERRED TAX (cont'd)

The Company	At 1.1.2016 RM	Recognised in Profit or Loss (Note 28) RM	At 31.12.2016 RM
2016			
Deferred Tax Liabilities			
Revaluation surplus on property, plant and equipment	1,747,668	(31,156)	1,716,512
Deferred Tax Assets			
Unused tax losses	(205,722)	67,697	(138,025)
	1,541,946	36,541	1,578,487

The Company	At 1.1.2015 RM	Recognised in Profit or Loss (Note 28) RM	Recognised in Other Comprehensive Income (Note 29) RM	At 31.12.2015 RM
2015				
Deferred Tax Liabilities				
Revaluation surplus on property, plant and equipment	-	-	1,747,668	1,747,668
Deferred Tax Assets				
Unused tax losses	-	(205,722)	-	(205,722)
	-	(205,722)	1,747,668	1,541,946

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:-

	The Group		The Company	
	2016 RM	**2015** RM	**2016** RM	**2015** RM
Deferred tax liabilities	13,436,508	14,589,277	1,578,487	1,541,946
Deferred tax assets	(1,138,574)	(1,101,267)	-	-
	12,297,934	13,488,010	1,578,487	1,541,946

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

10. DEFERRED TAX (cont'd)

No deferred tax assets are recognised in respect of the following items as it is not probable that taxable profits of the subsidiaries will be available against which the carryforward tax losses and tax credits can be utilised:-

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Unused tax losses and unabsorbed capital allowance	2,668,319	3,003,626	-	-

11. INVENTORIES

	The Group	
	2016	2015
	RM	RM
At cost:-		
Trading goods	47,973,836	42,907,987
Raw materials	5,229,259	3,005,922
Aquaculture products	7,672,265	5,398,022
Consumable stores	6,882,416	5,969,746
	67,757,776	57,281,677

12. TRADE RECEIVABLES

	The Group	
	2016	2015
	RM	RM
Trade receivables:-		
- third parties	35,592,167	32,309,403
- related parties	2,477,926	3,271,953
	38,070,093	35,581,356
Less: Allowance for impairment losses	(1,815,647)	(1,825,398)
	36,254,446	33,755,958
Allowance for impairment losses:-		
At 1 January	1,825,398	1,970,454
Addition during the financial year	168,523	381,635
Reversal during the financial year	(172,294)	(155,947)
Write-off during the financial year	(5,980)	(370,744)
At 31 December	1,815,647	1,825,398

The Group's normal trade credit terms range from 30 to 90 (2015: 30 to 90) days.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	RM	RM	RM
Other receivables:-				
- third parties	3,361,138	2,214,677	311,728	107,821
- related parties	192,862	108,981	-	-
- goods and services tax recoverable	1,430,539	-	15,847	-
	4,984,539	2,323,658	327,575	107,821
Less: Allowance for impairment losses	(59,352)	(37,314)	-	-
	4,925,187	2,286,344	327,575	107,821
Deposits	2,765,669	3,046,855	120,376	120,376
Prepayments	2,398,302	1,122,375	104,765	103,865
	10,089,158	6,455,574	552,716	332,062
Allowance for impairment losses:-				
At 1 January	37,314	12,776	-	-
Addition during the financial year	22,038	24,538	-	-
At 31 December	59,352	37,314	-	-

The amount owing by related parties is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

Included in the amount owing by subsidiaries is a sum of RM31,600,000 (2015: RM33,500,000), which is unsecured advances granted to subsidiaries. The advances carry interest at rate of 5.17% (2015: 5.59%) per annum and are repayable on demand.

All other amounts are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

15. CURRENT TAX ASSETS

Included in the current tax assets is an amount of approximately Nil (2015: RM2,100,000) paid by a subsidiary for the additional assessments and penalties raised by Lembaga Hasil Dalam Negeri ("LHDN") for years of assessment 2004 to 2006 pertaining to investment tax allowances ("ITA") under the Promotion of Investment Act 1986 ("PIA").

The subsidiary appealed to the Special Commissioners of Income Tax against the additional assessments and penalties. On 10 April 2015, the Special Commissioners of Income Tax had unanimously, inter alia, held that the subsidiary qualified to claim ITA under PIA 1986 for the years of assessment 2004 to 2006 and accordingly discharged/cancelled the impugned additional assessment.

The tax has been refunded during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

16. SHARE CAPITAL

	The Group/The Company			
	2016	**2015**	**2016**	**2015**
	Number of Shares		RM	RM
Ordinary Shares of RM0.50 Each:-				
Authorised				
At 1 January	200,000,000	200,000,000	100,000,000	100,000,000
Creation of shares	800,000,000	-	400,000,000	-
At 31 December	1,000,000,000	200,000,000	500,000,000	100,000,000
Issued and fully paid-up				
At 1 January	157,679,700	157,679,700	78,839,850	78,839,850
Bonus issues	157,679,700	-	78,839,850	-
At 31 December	315,359,400	157,679,700	157,679,700	78,839,850

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

During the financial year:-

(a) the Company increased its authorised share capital from RM100,000,000 to RM500,000,000 by the creation of 800,000,000 new ordinary shares of RM0.50 each; and

(b) the Company increased its issued and paid-up capital from RM78,839,850 to RM157,679,700 by the allotment of 78,839,850 new ordinary shares of RM0.50 each arising from bonus issues on the basis of one (1) bonus share for every one (1) existing ordinary shares of RM0.50 each.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

17. TREASURY SHARES

During the financial year, the Company has purchased 2,149,400 of its issued ordinary shares from the open market at a price of RM0.54 per share. The total consideration paid for the purchase was RM1,176,168 including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

During the financial year, the Company has also sold 2,439,237 of its issued ordinary shares from the open market at a price of RM1.22 per share. The total consideration paid for the purchase was RM2,967,688 including transaction costs.

Of the total 157,679,700 issued and fully paid-up ordinary shares at the end of the reporting period, 2,144,400 ordinary shares are held as treasury shares by the Company. None of the treasury shares were cancelled during the financial year.

18. RESERVES

	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Non-distributable:-				
Share premium	-	157,800	-	157,800
Foreign exchange translation reserve	(414,402)	(2,110,237)	-	-
Revaluation reserve	49,143,407	51,394,964	5,435,622	5,534,284
	48,729,005	49,442,527	5,435,622	5,692,084
Distributable:-				
Retained profits	28,502,736	90,119,710	11,736,717	85,078,338
	77,231,741	139,562,237	17,172,339	90,770,422

(a) The movements in the share premium of the Group and the Company are as follows:-

	The Group/The Company 2016 RM	The Group/The Company 2015 RM
At 1 January	157,800	157,800
Bonus issue	(791,394)	
Gain on disposal of treasury shares	772,527	-
Share issuance expenses	(138,933)	-
At 31 December	-	157,800

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries.

(c) The revaluation reserve represents the increase in the fair value of freehold and leasehold land of the Group (net of deferred tax, where applicable).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

19. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	RM	RM	RM
Non-current				
Other payables:-				
- third parties	12,333,316	-	12,333,316	-
Current				
Other payables:-				
- third parties	5,483,630	1,753,686	3,265,229	16,396
- related parties	37,307	57,898	-	-
- goods and services tax payable	21,864	-	10,095	-
	5,542,801	1,811,584	3,275,324	16,396
Deposits	2,161,050	1,983,038	-	-
Accruals	6,826,153	3,645,902	504,769	532,423
	14,530,004	7,440,524	3,780,093	548,819
	26,863,320	7,440,524	16,113,409	548,819

Included in other payables is an amount of RM15,598,376 (2015: Nil) which represents 90% purchase consideration of an investment in an associate. The amount is repayable within 10 years and subject to a late penalty fee of 6% (2015: Nil) per annum.

20. BANK BORROWINGS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	RM	RM	RM
Long-term borrowings:-				
Term loans, secured	2,596,812	2,232,681	-	-
Short-term borrowings:-				
Bank overdrafts, secured	768,218	538,671	-	-
Bank overdrafts, unsecured	-	64,463	-	-
Bankers' acceptance, secured	17,811,000	15,320,000	-	-
Hire purchase obligations (Note 21)	-	1,581	-	-
Revolving credit, unsecured	36,000,000	42,000,000	36,000,000	42,000,000
Term loans, secured	1,542,239	1,451,143	-	-
	56,121,457	59,375,858	36,000,000	42,000,000
Total borrowings	58,718,269	61,608,539	36,000,000	42,000,000

20. BANK BORROWINGS (cont'd)

The term loans are repayable as follows:-

	The Group	
	2016	2015
	RM	RM
Current		
Not later than 1 year	1,542,239	1,451,143
Non-current		
Later than 1 year and not later than 2 years	625,623	1,397,334
Later than 2 years and not later than 5 years	576,169	614,847
Later than 5 years	1,395,020	220,500
	2,596,812	2,232,681
	4,139,051	3,683,824

The unsecured bank overdrafts arose as a result of a subsidiary's current account with the bank being overdrawn due to issuance of several cheques prior to the year end and which were only presented for payment subsequent to the financial year ended 31 December 2016. The subsidiary did not have formal banking facilities with the said bank.

The bank borrowings of the Group are supported by:-

(a) fixed charges over certain subsidiaries' landed properties;

(b) a corporate guarantee provided by the Company; and

(c) a joint and several guarantee provided by certain directors of the Company.

The repayment terms of the term loans are as follows:-

Term loan 1 at BLR - 2.20% per Annum	Repayable in 84 monthly instalments of RM68,575 each, effective from January 2012.
Term loan 2 at COF + 1.25% per annum	Repayable in 60 monthly instalments of RM8,700 each, effective from August 2012.
Term loan 3 at COF + 1.25% per annum	Repayable in 60 monthly instalments of RM9,000 each, effective from May 2014.
Term loan 4 at COF + 1.50% per Annum	Repayable in 83 monthly instalments of RM5,250 each with a final instalment of RM194,250, effective from July 2014.
Term loan 5 at 13% per annum	Repayable in 36 monthly instalments of RM34,556 each, effective from September 2015.
Term loan 6 at BLR-0.7% per annum	Repayable in 180 monthly instalments of RM16,218 each, effective from March 2017.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

21. HIRE PURCHASE OBLIGATIONS

	The Group 2016 RM	The Group 2015 RM
Minimum hire purchase payments:-		
- not later than 1 year	-	1,708
Less: Future finance charges	-	(127)
Present value of hire purchase obligations	-	1,581
Current		
Not later than 1 year	-	1,581

(a) The hire purchase obligations of the Group are secured by the Group's motor vehicles under hire purchase.

(b) The hire purchase obligations of the Group at the end of the reporting period bore effective interest at rate of Nil (2015: 5.09%). The interest rate is fixed at the inception of the hire purchase arrangements.

22. DEFERRED INCOME

	The Group 2016 RM	The Group 2015 RM
Government grant	65,850	65,850
Less: Accumulated amortisation	(47,035)	(37,628)
	18,815	28,222

23. TRADE PAYABLES

	The Group 2016 RM	The Group 2015 RM
Trade payables:-		
- third parties	28,992,841	27,301,951
- related parties	30,968	980,271
	29,023,809	28,282,222

The normal trade credit terms granted to the Group range from 60 to 90 (2015: 60 to 90) days.

24. PROVISION FOR EMPLOYEE BENEFITS

	The Group	
	2016	2015
	RM	RM
At 1 January	3,243,620	3,001,597
Recognised in Profit or Loss:-		
- addition during the financial year	2,639,607	3,633,107
- reversal during the financial year	(1,994,778)	(272,677)
	644,829	3,360,430
Recognised in Other Comprehensive Income (Note 29):-		
- remeasurement of defined benefit plans	9,295	-
Other		
Exchange differences	21,540	14,080
Utilisation during the financial year	(3,450,934)	(3,132,487)
At 31 December	468,350	3,243,620

(a) The provision for employee benefits consist of the followings:-

	The Group	
	2016	2015
	RM	RM
(i) Short-term employee benefits	-	3,085,150
(ii) Defined benefit plans	468,350	158,470
	468,350	3,243,620

(i) Short-term employee benefits
The short-term employee benefits is the expected cost of bonus which will be payable within one year

(ii) Defined benefit plans
The Group provides benefits for its employees who has reached the retirement age of 55 based in the provision of Labour Law 13/2003 in Indonesia. The defined benefit plan is unfunded.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and investment risk.

The most recent actuarial valuation of the present value of the defined benefit plans were carried out at 2 March 2017 by PT Jasa Aktuaria Praptasentosa Gunajasa, a member of Institute of Actuaries Indonesia.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

24. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) The following table shows a reconciliation from the opening balance to the closing balance for defined benefit plans and its components:-

	The Group	
	2016	**2015**
	RM	RM
At 1 January	158,470	120,597
Recognised in profit or loss		
- current service cost	262,908	23,793
- interest cost	20,304	-
	283,212	23,793
Recognised in other comprehensive income		
Remeasurement of defined benefit plans:-		
- effect of changes in financial assumption	24,146	-
- effect of experience adjustment	(14,851)	-
	9,295	-
Other		
Exchange differences	21,540	14,080
Benefits paid	(4,167)	-
At 31 December	468,350	158,470

(c) Principal actuarial assumptions at the end of the reporting period:-

	The Group	
	2016	**2015**
		RM
Discount rate	8%	9%
Salary growth rate	10%	10%
Normal retirement age	55	55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

(d) Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit plans by the amounts shown below:-

	The Group
	2016
Discount rate	
Increase of 1%	(38,149)
Decrease of 1%	45,240
Salary growth rate	
Increase of 1%	42,329
Decrease of 1%	(36,575)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

At 31 December 2016, the weighted-average duration of the defined benefit plans was 20.83 years.

25. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Dividend income	-	-	13,264,000	85,000,000
Management fee	-	-	366,000	366,000
Trading sales	558,802,603	493,969,545	-	-
Transportation income	246,765	125,298	-	-
	559,049,368	494,094,843	13,630,000	85,366,000

26. FINANCE COSTS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest expense on financial liabilities not at fair value through profit or loss:-				
- bank overdrafts	27,022	20,455	-	-
- bankers' acceptance	654,855	643,498	-	-
- hire purchase obligations	117	1,528	-	-
- revolving credit	2,035,862	2,154,351	2,035,862	2,154,351
- term loans	100,899	197,740	-	-
	2,818,755	3,017,572	2,035,862	2,154,351

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

27. PROFIT BEFORE TAXATION

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on property, plant and equipment	-	1,040,912	-	-
Allowance for impairment losses on receivables	190,561	406,173	-	-
Allowance for impairment losses on receivables no longer required	172,294)	(155,947)	-	-
Amortisation of government grant	(9,407)	(9,407)	-	-
Auditors' remuneration:-				
- audit fee:-				
- current financial year	344,245	338,032	75,000	60,000
- underprovision in the previous financial year	5,000	1,500	-	-
Bad debts recovered	(2,000)	-	-	-
Bad debts written off	264,679	41,357	-	-
Depreciation of investment properties	31,460	31,461	-	-
Depreciation of property, plant and equipment	19,665,778	15,114,753	144,893	16,491
Directors' remuneration (Note 33)	2,920,730	2,941,678	338,836	304,136
Dividend income	-	-	(13,264,000)	(85,000,000)
Finance costs (Note 26)	2,818,755	3,017,572	2,035,862	2,154,351
Gain on disposal of property, plant and equipment	(25,468)	(27,753)	-	-
Gain on foreign exchange:-				
- realised	(164,051)	(130,154)	-	-
- unrealised	(15,131)	(20,990)	-	-
Interest income				
- subsidiaries	-	-	(109,109)	(954,511)
- others	(396,220)	(30,446)	(159)	(3,105)
Hiring of plant and equipment	9,530	-	-	-
Property, plant and equipment written off	199,813	-	-	-
Provision for employee benefits no longer required	(1,994,778)	(272,677)	-	-
Rental income	(377,899)	(222,705)	-	-
Rental expense	4,648,774	4,271,764	-	-
Share of results in associate	(4,406,944)	-	-	-
Staff costs				
- short-term employee benefits	40,834,021	37,559,695	264,660	283,754
- defined contribution plan	3,268,734	3,062,621	37,858	35,621

28. INCOME TAX EXPENSE

	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Income tax:-				
- Malaysian tax	6,918,921	5,676,227	-	-
- foreign tax	619,141	-	-	-
	7,538,062	5,676,227	-	-
Under/(over)provision in the previous financial year:-				
- Malaysian tax	180,843	(1,492,057)	-	-
- foreign tax	6,286	-	-	-
	7,725,191	4,184,170	-	-
Deferred tax (Note 10):-				
- origination and reversal of temporary differences	(449,520)	(1,393,505)	(23,431)	(205,722)
- overprovision in the previous financial year	(769,092)	(285,589)	59,972	-
	(1,218,612)	(1,679,094)	36,541	(205,722)
	6,506,579	2,505,076	36,541	(205,722)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Profit before taxation	25,375,772	16,027,622	9,375,105	83,104,500
Tax at the statutory tax rate of 24% (2015: 25%)	6,090,185	4,006,906	2,250,025	20,776,125
Tax effects of:-				
Share of results in associate	(1,057,666)	-	-	-
Deferred tax recognised at different tax rates	-	58,063	-	8,572
Non-taxable income	(56,770)	(48,307)	(3,183,360)	(21,250,000)
Non-deductible expenses	2,447,912	1,670,491	909,723	497,568
Control transfers	-	33,302	-	-
Utilisation of deferred tax assets previously not recognised	(335,307)	(1,520,542)	-	(222,695)
Overprovision in the previous financial year:-				
- current tax	187,129	(1,492,057)	-	-
- deferred tax	(769,092)	(285,589)	59,972	-
Others	188	82,809	181	(15,292)
Income tax expense for the financial year	6,506,579	2,505,076	36,541	(205,722)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

29. OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 24)	(9,295)	-	-	-
Less: Deferred tax (Note 10)	2,324	-	-	-
	(6,971)	-	-	-
Revaluation of property, plant and equipment (Note 7(c))	82,500	63,874,521	-	7,281,952
Less: Deferred tax (Note 10)	(19,800)	(12,711,021)	-	(1,747,668)
	62,700	51,163,500	-	5,534,284
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation:-				
- changes during the financial year	1,695,835	1,983,750	-	-
	1,751,564	53,147,250	-	5,534,284

30. EARNINGS PER SHARE

	The Group	
	2016	2015
Profit attributable to owners of the Company (RM)	18,854,587	13,510,491
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	155,259,916	155,270,135
Effect of treasury shares held	1,019,511	(10,219)
Effect of bonus issues*	157,679,700	157,679,700
Weighted average number of ordinary shares at 31 December	313,959,127	312,939,616
Basic earnings per share (sen)	6.01	4.32

** Comparatives figures for the weighted average number of ordinary shares in issue for both the basic per ordinary share computations has been restated to reflect the adjustments arising from the bonus Issues, which was completed on 30 June 2016.*

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

31. DIVIDENDS

	The Group/The Company			
	2016		2015	
	Dividend per Share Sen	Amount of Dividend RM	Dividend per Share Sen	Amount of Dividend RM
Dividend paid in respect of the financial year ended 31 December 2016:-				
- first and final single-tier dividend	3.00	4,730,391	-	-
Dividend paid in respect of the financial period ended 31 December 2015:-				
- first and final single-tier dividend	-	-	2.00	3,105,109

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2017.

32. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	23,813,287	27,797,079	92,702	2,946,646
Bank overdrafts	(768,218)	(603,134)	-	-
	23,045,069	27,193,945	92,702	2,946,646

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

33. KEY MANAGEMENT PERSONNEL COMPENSATION (cont'd)

(a) The key management personnel compensation during the financial year are as follows:-

	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:-				
- fees	67,760	50,320	59,000	47,200
- salaries, bonuses and other benefits	1,302,941	1,453,851	-	-
	1,370,701	1,504,171	59,000	47,200
Defined contribution plan	164,327	164,327	-	-
	1,535,028	1,668,498	59,000	47,200
Non-executive Directors				
Short-term employee benefits:-				
- fees	291,980	269,740	273,500	250,600
Defined contribution plan	6,336	6,336	6,336	6,336
	1,833,344	1,944,574	338,836	304,136
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:-				
- fees	1,200	1,920	-	-
- salaries, bonuses and other benefits	1,014,910	930,559	-	-
	1,016,110	932,479	-	-
Defined contribution plan	71,276	64,625	-	-
	1,087,386	997,104	-	-
Total directors' remuneration (Note 27)	2,920,730	2,941,678	338,836	304,136

33. KEY MANAGEMENT PERSONNEL COMPENSATION (cont'd)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Company	
	2016	2015
	Number of Directors	
Executive Directors		
RM150,001 – RM200,000	-	1
RM200,001 – RM250,000	1	1
RM250,001 – RM300,000	2	-
RM300,001 – RM350,000	1	-
RM350,001 – RM400,000	-	1
RM400,001 – RM450,000	-	1
RM450,001 – RM500,000	1	1
RM500,001 – RM550,000	-	-
Non-executive Directors		
Below RM50,000	4	4
RM200,001 – RM250,000	1	1
	10	10

34. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Subsidiaries:-				
- accounting fee	-	-	24,000	24,000
- advisory fee	-	-	54,000	54,000
- dividend income	-	-	8,264,000	85,000,000
- interest income	-	-	1,547,907	954,511
- management income	-	-	366,000	366,000
- service charges	-	-	24,071	-
- service income	-	-	13,561	-
Companies in which the directors and their close family members have substantial financial interests:-				
- purchase of products	420,790	35,957	-	-
- rental of premises	244,426	117,585	-	-
- sale of products	284,828	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

34. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant Related Party Transactions and Balances (cont'd)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

No expense was recognised during the financial year for bad or doubtful debts in respect of the amounts owned by the related parties.

35. OPERATING SEGMENTS

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

35. OPERATING SEGMENTS (cont'd)

BUSINESS SEGMENTS

2016	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	96,410,713	27,018,935	10,917,479	424,702,241	-	559,049,368
Inter-segment revenue	144,106,525	22,796,251	8,569	77,728,435	13,630,000	258,269,780
	240,517,238	49,815,186	10,926,048	502,430,676	13,630,000	817,319,148
Consolidation adjustments						(258,269,780)
Consolidated revenue						559,049,368
Results						
Segment profit before interest and taxation	5,998,437	1,876,712	1,563,470	21,420,918	11,410,967	42,270,504
Finance costs						(2,818,755)
Share of results in an associate						4,406,944
Consolidation adjustments						(18,482,921)
Consolidated profit before taxation						25,375,772
Segment profit before interest and taxation includes the followings:-						
Interest expense	252,369	20,088	-	510,436	2,035,862	2,818,755
Interest income	286,502	7,441	4,681	97,437	159	396,220
Depreciation of property, plant and equipment	6,395,314	1,158,432	53,875	11,913,264	144,893	19,665,778
Other material non-cash items	38,289	41,945	-	442,873	-	523,107
Share of results in an associate	-	-	-	-	4,406,944	4,406,944

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

35. OPERATING SEGMENTS (cont'd)

BUSINESS SEGMENTS (cont'd)

2016	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	87,692,518	24,603,586	11,432,626	205,921,614	8,368,298	338,018,642
Unallocated assets:-						
- investment in an associate						21,073,115
- goodwill						380,224
- deferred tax assets						1,138,574
- current tax assets						3,564,949
Consolidated total assets						364,175,504
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	5,812,677	1,883,897	-	9,256,153	9,074	16,961,801
Liabilities						
Segment liabilities	21,390,544	2,236,127	1,016,540	36,920,410	52,113,409	113,677,030
Unallocated liabilities:-						
- deferred tax liabilities						13,436,508
- current tax liabilities						1,446,204
- consolidated adjustments						1,415,533
Consolidated total liabilities						129,975,275

35. OPERATING SEGMENTS (cont'd)

BUSINESS SEGMENTS (cont'd)

2015	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Revenue						
External revenue	95,696,104	19,872,876	8,716,703	369,809,160	-	494,094,843
Inter-segment revenue	133,759,897	22,538,772	156,109	69,783,701	85,366,000	311,604,479
	229,456,001	42,411,648	8,872,812	439,592,861	85,366,000	805,699,322
Consolidation adjustments						(311,604,479)
Consolidated revenue						494,094,843
Results						
Segment profit before interest and taxation	11,798,236	324,022	1,159,953	38,572,776	85,258,851	137,113,838
Finance costs						(3,017,572)
Consolidation adjustments						(118,068,644)
Consolidated profit before taxation						16,027,622

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

35. OPERATING SEGMENTS (cont'd)

BUSINESS SEGMENTS (cont'd)

2015	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Results (cont'd)						
Segment profit before interest and taxation includes the followings:-						
Interest expenses	256,618	7,821	-	598,782	2,154,351	3,017,572
Interest income	5,390	7,925	3,568	13,563	-	30,446
Bad debts written off	35,357	-	-	6,000	-	41,357
Depreciation and amortisation	4,266,728	1,256,055	77,540	9,529,416	16,491	15,146,230
Other material non-cash items						
Gain on disposal of property, plant and equipment	1,923	20,356	-	5,474	-	27,753
Impairment of property, plant and equipment	-	-	-	1,040,912	-	1,040,912
Impairment of receivables	147,487	85,203	-	173,483	-	406,173
Reversal of impairment of receivables	-	6,791	-	149,156	-	155,947
Unrealised gain on foreign exchange	-	13,869	-	7,121	-	20,990

35. OPERATING SEGMENTS (cont'd)

BUSINESS SEGMENTS (cont'd)

2015	Poultry RM	Prawn RM	Food Service RM	Retail RM	Corporate RM	**Group** RM
Assets						
Segment assets	84,507,550	21,563,700	11,102,426	197,682,465	11,137,407	325,993,548
Unallocated assets:-						
- goodwill						380,224
- deferred tax assets						1,101,267
- current tax assets						4,948,441
Consolidated total assets						332,423,480
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	6,595,640	2,103,080	7,409	10,652,564	7,184	19,365,877
Liabilities						
Segment liabilities	20,776,121	2,039,513	1,254,399	35,939,789	40,593,305	100,603,127
Unallocated liabilities:-						
- deferred tax liabilities						14,589,277
- current tax liabilities						573,800
Consolidated total liabilities						115,766,204

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

35. OPERATING SEGMENTS (cont'd)

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.

	Revenue		Non-current Assets	
	2016	2015	2016	2015
Group	RM	RM	RM	RM
Australia	1,514,912	991,209	-	-
Indonesia	89,845,864	52,146,843	32,457,405	32,383,798
Japan	10,135,556	7,542,764	-	-
People's Republic of China	821,852	-	-	-
Malaysia	456,731,184	433,414,027	189,099,909	168,699,686
	559,049,368	494,094,843	221,557,314	201,083,484

MAJOR CUSTOMERS

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

36. CAPITAL COMMITMENTS

	The Group	
	2016	2015
	RM	RM
Property, plant and equipment:-		
- authorised but not contracted for	1,382,550	2,842,200
- contracted but not provided for	182,000	-

37. CONTINGENT LIABILITIES

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Unsecured				
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	-	24,023,472	26,618,116
Performance guarantee extended by a subsidiary to third parties	2,066,454	1,444,954	-	-
	2,066,454	1,444,954	24,023,472	26,618,116

The performance guarantee is supported by a corporate guarantee provided by the Company.

38. FOREIGN EXCHANGE RATES

	2016 RM	2015 RM
100 Indonesian Rupiah	0.0334	0.0311
1 United States Dollar	4.4860	4.2935

39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

39.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Indonesian Rupiah ("IDR") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Foreign Currency Exposure

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2016				
Financial Assets				
Trade receivables	5,828,920	820,700	29,604,826	36,254,446
Other receivables and deposits	1,231,652	39,267	4,989,398	6,260,317
Cash and bank Balances	2,013,974	4,180	21,795,133	23,813,287
	9,074,546	864,147	56,389,357	66,328,050

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign Currency Exposure (cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (cont'd):-

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2016				
Financial Liabilities				
Trade payables	3,700,818	-	25,322,991	29,023,809
Other payables, deposits and accruals	327,864	-	26,513,592	26,841,456
Bank borrowings:-				
- bank overdrafts	-	-	768,218	768,218
- other borrowings	742,222	-	57,207,829	57,950,051
	4,770,904	-	109,812,630	114,583,534
Net financial assets/(liabilities)	4,303,642	864,147	(53,423,273)	(48,255,484)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(4,303,642)	-	53,423,273	49,119,631
Currency exposure	-	864,147	-	864,147

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) **Market Risk** (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign Currency Exposure (cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (cont'd):-

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	**Total** RM
2015				
Financial Assets				
Trade receivables	5,694,303	376,781	27,684,874	33,755,958
Other receivables and deposits	242,582	35,729	5,054,888	5,333,199
Cash and bank Balances	1,823,729	791,116	25,182,234	27,797,079
	7,760,614	1,203,626	57,921,996	66,886,236
Financial Liabilities				
Trade payables	1,481,847	-	26,800,375	28,282,222
Other payables, deposits and accruals	2,161,654	15,963	5,262,907	7,440,524
Bank borrowings:-				
- bank overdrafts	-	-	603,134	603,134
- other borrowings	1,105,778	-	59,899,627	61,005,405
	4,749,279	15,963	92,566,043	97,331,285
Net financial assets/(liabilities)	3,011,335	1,187,663	(34,644,047)	(30,445,049)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(3,011,335)	-	34,644,047	31,632,712
Currency exposure	-	1,187,663	-	1,187,663

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign Currency Sensitivity Analysis

		The Group	
		2016	**2015**
		RM	RM
Effects on Profit after Taxation			
USD/RM	– strengthened by 10%	+ 66,000	+ 88,000
	– weakened by 10%	- 66,000	- 88,000
Effects on Equity			
IDR/RM	– strengthened by 10%	+ 2,439,000	+ 1,938,000
	– weakened by 10%	- 2,439,000	- 1,938,000
USD/RM	– strengthened by 10%	+ 66,000	+ 88,000
	– weakened by 10%	- 66,000	- 88,000

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's hire purchase obligations are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined FRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	**2015**
	RM	RM
Effects on Profit after Taxation		
Increase of 25 basis points	- 8,000	- 6,000
Decrease of 25 basis points	+ 8,000	+ 6,000
Effects on Equity		
Increase of 25 basis points	- 8,000	- 6,000
Decrease of 25 basis points	+ 8,000	+ 6,000

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from its trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Ageing Analysis

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2016				
Not past due	15,467,980	-	-	15,467,980
Past due:-				
- less than 3 months	6,891,840	-	-	6,891,840
- 3 to 6 months	81,97,201	(167,320)	(130,726)	7,899,155
- over 6 months	7,513,072	(1,459,949)	(57,652)	5,995,471
	38,070,093	(1,627,269)	(188,378)	36,254,446

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Ageing Analysis (cont'd)

The ageing analysis of trade receivables (including amount owing by related parties) is as follows (cont'd):-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2015				
Not past due	17,286,811	-	-	17,286,811
Past due:-				
- less than 3 months	7,312,238	-	-	7,312,238
- 3 to 6 months	3,497,733	-	-	3,497,733
- over 6 months	7,484,574	(1,020,385)	(805,013)	5,659,176
	35,581,356	(1,020,385)	(805,013)	33,755,958

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity Risk (cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	Within 1 – 2 Years RM	Within 2 – 5 Years RM	Over 5 Years RM
2016							
Trade and other payables:-							
- interest-bearing	6.00	15,608,640	18,243,027	3,335,168	3,253,503	9,292,724	2,361,632
- non-interest-bearing	-	40,256,625	40,256,625	40,256,625	-	-	-
Borrowings:-							
- bank overdrafts	8.60	768,218	768,218	768,218	-	-	-
- bankers' acceptance	5.24	17,811,000	17,811,000	17,811,000	-	-	-
- revolving credit	5.17	36,000,000	36,000,000	36,000,000	-	-	-
- term loans	6.05	4,139,051	4,911,307	1,744,858	738,601	964,217	1,463,631
		114,583,534	117,990,177	99,915,869	3,992,104	10,256,941	3,825,263

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(c) **Liquidity Risk** (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	Within 1 – 2 Years RM	Within 2 – 5 Years RM	Over 5 Years RM
2015							
Trade and other payables	-	35,722,746	35,722,746	35,722,746	-	-	-
Borrowings:-							
- bank overdrafts	8.60	603,134	603,134	603,134	-	-	-
- bankers' acceptance	4.29	15,320,000	15,320,000	15,320,000	-	-	-
- hire purchase obligations	5.09	1,581	1,708	1,708	-	-	-
- revolving credit	5.59	42,000,000	42,000,000	42,000,000	-	-	-
- term loans	7.20	3,683,824	4,089,000	1,671,000	1,515,000	677,000	226,000
		97,331,285	97,736,588	95,318,588	1,515,000	677,000	226,000

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	Within 1 – 2 Years RM	Within 2 – 5 Years RM	Over 5 Years RM
2015							
Other payables, deposits and accruals:-							
- interest-bearing	6.00	15,608,640	18,243,027	3,335,168	3,253,503	9,292,724	2,361,632
- non-interest-bearing	-	494,674	494,674	494,674	-	-	-
Amount owing to subsidiaries	-	1,887,559	1,887,559	1,887,559	-	-	-
Borrowings:-							
- revolving credit	5.17	36,000,000	36,000,000	36,000,000	-	-	-
		53,990,873	56,625,260	41,717,401	3,253,503	9,292,724	2,361,632

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

39. FINANCIAL INSTRUMENTS (cont'd)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2015				
Other payables, deposits and accruals	-	548,819	548,819	548,819
Amount owing to subsidiaries	-	2,007,763	2,007,763	2,007,763
Bank borrowings:-				
- revolving credit	5.59	42,000,000	42,000,000	42,000,000
		44,556,582	44,556,582	44,556,582

39.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2016 RM	**2015** RM
Bank borrowings:-		
- bank overdrafts	768,218	603,134
- other borrowings	57,950,051	61,005,405
	58,718,269	61,608,539
Less: Cash and bank balances	(23,813,287)	(27,797,079)
Net debt	34,904,982	33,811,460
Total equity	234,200,229	216,657,276
Debt-to-equity ratio	0.15	0.16

39. FINANCIAL INSTRUMENTS (cont'd)

39.2 CAPITAL RISK MANAGEMENT (cont'd)

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	RM	RM	RM
Financial Assets				
Loans and Receivables Financial Assets				
Trade receivables	36,254,446	33,755,958	-	-
Other receivables and deposits	6,260,317	5,333,199	432,104	228,197
Amount owing by subsidiaries	-	-	120,113,856	121,533,231
Cash and bank balances	23,813,287	27,797,079	92,702	2,946,646
	66,328,050	66,886,236	120,638,662	124,708,074
Financial Liabilities				
Other Financial Liabilities				
Trade payables	29,023,809	28,282,222	-	-
Other payables, deposits and accruals	26,841,456	7,440,524	16,103,314	548,819
Amount owing to subsidiaries	-	-	1,887,559	2,007,763
Bank borrowings:-				
- bank overdrafts	768,218	603,134	-	-
- other borrowings	57,950,051	61,005,405	36,000,000	42,000,000
	114,583,534	97,331,285	53,990,873	44,556,582

39.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The fair values of the term loans approximate their carrying amounts as they bear interest at variable rates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 19 May 2016, the Company entered into a Joint Venture Shareholder Agreement ("JVA") with GCG to acquire 27.2% interest in GCS from GCG for a cash consideration of RM20,672,000. A deposit of RM2,067,200 (being 10% of the purchase price) has been paid and the balance sum of RM18,604,800 via instalments payments within 10 years subject to an interest of 6% per annum on yearly basis.

(b) On 13 April 2016, the Company announced that it would undertake a bonus issue of up to 157,679,700 new ordinary shares of RM0.50 each ("Bonus Shares") on the basis of one (1) Bonus Shares for every one (1) existing ordinary share of RM0.50 each in the Company held to be credited as fully paid-up share capital by way of capitalising from the Company's share premium account and retained profits.

The Bonus Issue was completed on 30 June 2016.

41. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 17 January 2017, the Company announced that CCK-BME Sdn. Bhd., a 60% owned subsidiary of the Company, will be dissolved three months after the announcement date.

42. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries:-				
- realised	57,736,185	108,895,546	13,315,204	84,872,616
- unrealised	(12,360,634)	(776,789)	(1,578,487)	205,722
	45,375,551	108,118,557	11,736,717	85,078,338
Total share of retained profits of associate:-				
- realised	1,142,944	-	-	-
Less: Consolidation adjustments	(18,015,759)	(17,998,847)	-	-
At 31 December	28,502,736	90,119,710	11,736,717	85,078,338

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AUDIT AND NON-AUDIT FEES

The amount of audit fee paid/payable to the Company's external auditors, Messrs. Crowe Horwath ("CH") for the financial year ended 31 December 2016 by the Company and the Group are RM75,000 and RM214,000 respectively. The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2016 by CH and a firm or company affiliated to CH amounted to RM15,000 and RM41,100 respectively.

MATERIAL CONTRACTS

There was no material contract entered into by the Group involving interests of directors and major shareholders, either subsisting at the end of the financial year ended 31 December 2016 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There was no proceeds raised from any corporate proposals during the financial year under review.

DISCLOSURE OF REALISED AND UNREALISED PROFIT

The breakdown of the realised and unrealised profits as at 31 December 2016 are outlined on page 128 of this annual report.

LIST OF TOP 10 PROPERTIES
AS AT 31 DECEMBER 2016

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Jl. Bhumimas I No. 9, Kawasan Industrial Cikupamas, Cikupa Tangerang 15710 Banten – Indonesia	Factory, Office and Warehouse	Leasehold Expiring on 17.06.2028	16.02.2015	16	2.802	12,966,037
H.S.(D.) No. 19776 P.T. No. 22244 Mukim of Batu Daerah Gombak State of Selangor	3 Storey Detached Industrial Factory	Freehold	20.01.2015	16	0.518	12,207,498
Lot 999, Section 66 Jalan Keluli Bintawa Industrial Estate 93450 Kuching, Sarawak	Industrial Land, Corporate Office, Coldroom and Abbattoir	Leasehold Expiring on 06.04.2035	20.01.2015	21	5.671	11,046,686
Country Lease No. 025092602, Papar District of Papar, Sabah	Broiler Farm	Leasehold Expiring on 02.07.2929	20.01.2015	5	12.320	8,047,949
Lot 4147, Block 19 Seduan Land District Upper Lanang Road 96000 Sibu, Sarawak	Corporate Office, Coldroom and Warehouse	Leasehold Expiring on 10.01.2071	20.01.2015	10	3.571	7,707,836
Lot 511, Block 9 Senggi Poak Land District Bau, Sarawak	Layer Farm	Leasehold Expiring on 31.12.2037	20.01.2015	4	17.295	7,459,885
Country Lease No. 025339753 & 025339762 Lok Kawi, District of Papar Sabah	Factory, Office and Warehouse	Leasehold Expiring on 31.12.2042	20.01.2015	19	2.679	6,459,882
Lot 2704, Block 24 Muara Tuang Land District Sarawak	Vacant Land	Leasehold Expiring on 16.05.2073	20.01.2015	-	12.531	5,967,015
Lot 123 Senggi Poak Land District Bau, Sarawak	Broiler Farm	Leasehold Expiring on 26.12.2027	20.01.2015	14	12.390	5,525,564
Lot 124 Senggi Poak Land District Bau, Sarawak	Broiler Farm	Leasehold Expiring on 09.02.2116	20.01.2015	14	33.169	
Lot 202 Senggi Poak Land District Bau, Sarawak	Broiler Farm	Leasehold Expiring on 31.12.2021	20.01.2015	14	2.720	
Lot 203 Senggi Poak Land District Bau, Sarawak	Broiler Farm	Leasehold Expiring on 31.12.2021	20.01.2015	14	4.960	

LIST OF TOP 10 PROPERTIES (cont'd)
AS AT 31 DECEMBER 2016

Location	Description/ Existing Use	Tenure	Date of Acquisition/ Last Revaluation	Age of Building (Year)	Land Area (Acres)	Net Book Value (RM)
Lot 604, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 31.12.2026	20.01.2015	26	15.250	4,765,061
Lot 650, Block 9 Senggi-Poak Land District Bau, Sarawak	Vacant land	Leasehold Expiring on 31.12.2026	20.01.2015	-	5.501	
Lot 1097, Block 9 Senggi-Poak Land District Bau, Sarawak	Breeder Farm	Leasehold Expiring on 31.12.2035	20.01.2015	26	14.443	
Bau Occupation Ticket No. 2596 of 1934 Bau Land District, Sarawak	Breeder Farm	Leasehold Expiring on 31.12.2026	20.01.2015	26	8.520	

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2017

SHARE CAPITAL

Total number of issued shares : 315,359,400
Issued share capital : RM157,679,700
Class of shares : Ordinary shares
Voting rights : One vote per ordinary share

No. of holders	Size of shareholdings	% of holders	No. of shares	% of issued capital#
115	less than 100 shares	5.10	5,354	0.00
443	100 - 1,000 shares	19.66	235,179	0.08
904	1,001 - 10,000 shares	40.12	6,350,261	2.03
651	10,001 - 100,000 shares	28.89	19,827,788	6.33
137	100,001 - less than 5% of issued shares	6.08	143,301,804	45.75
3	5% and above of issued shares	0.13	143,484,614	45.81
2,253	**-**	**100.00**	**313,205,000**	**100.00**

Note:
#: *excluding 2,154,400 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 31 March 2017.*

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 31 March 2017)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	69,085,038	22.06	-	-
2.	S.K. Tiong Enterprise Sdn. Bhd.	51,713,040	16.51	69,085,038(a)	22.06
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	22,686,536	7.24	-	-
4.	Tan Sri Datuk Tiong Su Kouk	20,360,644	6.50	120,798,078(b)	38.57
5.	Lau Liong Kii	13,930,276(c)	4.45	13,521,542(d)	4.32
6.	Puan Sri Datin Wong Bak Hee	1,857,278	0.60	120,798,078(b)	38.57
7.	Tiong Chiong Hiiung	849,812	0.27	120,798,078(e)	38.57
8.	Tiong Chiong Soon	757,680	0.24	120,798,078(e)	38.57
9.	Chong Shaw Fui	-	-	22,686,536(f)	7.24
10.	Chong Min Fui	222,000(g)	0.071	22,686,536(f)	7.24
11.	Chong Kong Fui	-	-	22,686,536(f)	7.24

Notes:
#: *excluding 2,154,400 ordinary shares bought back and retained as treasury shares as at 31 March 2017.*
(a) *Deemed interested through its wholly-owned subsidiary, Central Coldstorage Sarawak Sdn. Bhd.*
(b) *Deemed interested by virtue of their substantial shareholdings in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.*
(c) *1,602,048 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 8,501,348 shares are held through CIMSEC Nominees (Tempatan) Sdn. Bhd.*
(d) *Deemed interested by virtue of his substantial shareholdings in Unione (S) Enterprise Sdn. Bhd.*
(e) *Deemed interested by virtue of their directorships in S.K. Tiong Enterprise Sdn. Bhd. and Central Coldstorage Sarawak Sdn. Bhd.*
(f) *Deemed interested by virtue of their substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.*
(g) *222,000 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.*

ANALYSIS OF SHAREHOLDINGS (cont'd)
AS AT 31 MARCH 2017

DIRECTORS' INTERESTS
(As per the Register of Directors' Shareholdings as at 31 March 2017)

No.	Name	No. of shares held			
		Direct Interest	%#	Indirect Interest	%#
1.	Tan Sri Datuk Tiong Su Kouk	20,360,644	6.50	122,655,356[(a)]	39.16
2.	Chong Shaw Fui	-	-	22,686,536[(b)]	7.24
3.	Tiong Chiong Hiiung	849,812	0.27	122,283,944[(c)]	39.04
4.	Tiong Chiong Soon	757,680	0.24	120,798,078[(d)]	38.57
5.	Kueh Chung Peng	7,201,682[(e)]	2.29	-	-
6.	Lau Liong Kii	13,930,276[(f)]	4.45	17,059,072[(g)]	5.45
7.	Ling Ting Leong @ Ling Chong Seng	593,214[(h)]	0.19	2,159,640[(i)]	0.70
8.	Datuk Pemanca Janggu anak Banyang	99,200	0.03	-	-
9.	Datu Haji Putit bin Matzen	-	-	-	-
10.	Bong Wei Leong	-	-	-	-

The Directors by virtue of their interests in shares in the Company are also deemed to have interests in shares in all of its related corporations to the extent the Company has an interest, pursuant to Section 8 of the Companies Act 2016.

Notes:

#: *excluding 2,154,400 ordinary shares bought back and retained as treasury shares as at 31 March 2017.*

(a) *Deemed interested by virtue of his substantial shareholdings in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interest of his spouse in the Company.*

(b) *Deemed interested by virtue of his substantial shareholdings in Chong Nyuk Kiong Enterprise Sdn. Bhd.*

(c) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd., and the interests of his spouse in the Company.*

(d) *Deemed interested by virtue of his directorship in Central Coldstorage Sarawak Sdn. Bhd. and S.K. Tiong Enterprise Sdn. Bhd.*

(e) *6,464,296 shares are held through CIMSEC Nominees (Tempatan) Sdn. Bhd. and 737,386 shares are held through RHB Nominees (Tempatan) Sdn. Bhd.*

(f) *1,602,048 shares are held through Maybank Nominees (Tempatan) Sdn. Bhd. and 8,501,348 shares are held through CIMSEC Nominees (Tempatan) Sdn. Bhd.*

(g) *Deemed interested by virtue of his substantial shareholdings in Unione Enterprise (S) Sdn. Bhd., and the interests of his spouse and children in the Company.*

(h) *529,066 shares are held through AMSEC Nominees (Tempatan) Sdn. Bhd.*

(i) *Deemed interested by virtue of his substantial shareholdings in Tseng Tseng Enterprise Sdn. Bhd. and De Supreme Sdn. Bhd.*

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of shares	%#
1.	Central Coldstorage Sarawak Sdn. Bhd.	69,085,038	22.06
2.	S.K. Tiong Enterprise Sdn. Bhd.	51,713,040	16.51
3.	Chong Nyuk Kiong Enterprise Sdn. Bhd.	22,686,536	7.24
4.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	14,928,132	4.77
5.	Unione Enterprise (S) Sdn. Bhd.	13,521,542	4.32
6.	Tan Sri Datuk Tiong Su Kouk	12,057,832	3.85
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Lau Liong Kii (MQ0348)	8,501,348	2.71
8.	Tan Sri Datuk Tiong Su Kouk	8,302,812	2.65
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Kueh Chung Peng (MQ0352)	6,464,296	2.06
10.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Pek Kii	4,950,182	1.58
11.	Wong See Khong	3,880,134	1.24
12.	Lau Liong Kii	3,826,880	1.22
13.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Yii Ching Yii	3,562,938	1.14
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Yong Pei Ling (MQ0361)	3,110,226	0.99
15.	Wong Poh Hwa	2,842,794	0.91
16.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Kueh Tiong Ching (E-SRK)	2,367,982	0.76
17.	Tiong Su Sing	2,113,000	0.67
18.	Chen Sien Ngo	2,064,732	0.66
19.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Lau Pek Kii (MQ0507)	1,995,982	0.64
20.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Hii Leh Ming (MQ0333)	1,701,684	0.54
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Lau Liong Kii	1,602,048	0.51
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Ting Yong Ding	1,554,600	0.50
23.	Lim Kian Huat	1,522,970	0.49
24.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Tiong Sie Mew (MQ0172)	1,507,482	0.48
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Ng Ai Choo (MQ0359)	1,504,580	0.48
26.	Puan Sri Datin Wong Bak Hee	1,494,612	0.48
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Goh Sung Hien @ Goh Soon Hien (MQ0136)	1,485,916	0.47
28.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged securities account for Tiong Sie Mew	1,466,000	0.47
29.	De Supreme Sdn. Bhd.	1,451,696	0.46
30.	Wong Kee Hung	1,423,520	0.45

Note:
: *excluding 2,154,400 ordinary shares bought back and retained as treasury shares based on the Record of Depositors as at 31 March 2017.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of CCK Consolidated Holdings Berhad ("the Company") will be held at the Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Thursday, 25 May 2017 at 12.00 noon to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. *(Please refer to Note 1)*

2. To declare and approve the payment of a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2016. Resolution 1

3. To approve the payment of Directors' fees for the financial year ended 31 December 2016. Resolution 2

4. To approve the meeting allowance up to RM36,600 payable to the Directors for the year ending 31 December 2017 until the next annual general meeting of the Company to be held in 2018. Resolution 3

5. To re-elect the following Directors retiring pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election:

   (i) Kueh Chung Peng Resolution 4
   (ii) Lau Liong Kii Resolution 5

6. To re-appoint the following Directors to continue in office as Directors of the Company:

   (i) Tan Sri Datuk Tiong Su Kouk Resolution 6
   (ii) Chong Shaw Fui Resolution 7
   (iii) Datu Haji Putit bin Matzen Resolution 8

7. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. Resolution 9

AS SPECIAL BUSINESS:

8. To consider and, if thought fit, pass the following ordinary resolutions pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012:

   Continuation in office as Independent Non-Executive Directors

   (i) "THAT, approval be and is hereby given to Datuk Pemanca Janggu anak Banyang who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company." Resolution 10

   (ii) "THAT, subject to the passing of Resolution 8, approval be and is hereby given to Datu Haji Putit bin Matzen who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company." Resolution 11

9. To consider and if thought fit, pass the following ordinary resolution:

   Proposed renewal of authority for the Company to purchase its own shares Resolution 12

   "THAT, subject always to the Companies Act 2016 (as may be amended, modified or re-enacted from time to time) ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, where applicable, the Company be hereby unconditionally and generally authorised to purchase and/or hold such an amount of ordinary shares ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of shares purchased and/or held or to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued share of the Company for the time being and an amount of funds not exceeding the Company's total retained profits reserve at the time of purchase be allocated by the Company for the Proposed Share Buy-Back AND THAT such shares purchased are to be retained as treasury shares and distributed as dividends and/or resold on the market of Bursa Securities, or subsequently may be cancelled;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as they may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, as may be required or imposed by any relevant authorities;

AND FURTHER THAT the authority hereby given will commence immediately upon the passing of this resolution and will continue to be in force until:

(a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting.

whichever occurs first, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities."

10. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been given in accordance with the Companies Act 2016 and the Company's Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2016, if approved at the Twenty-First Annual General Meeting, will be payable on 30 June 2017 to depositors whose names appear in the Record of Depositors on 31 May 2017.

A depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 31 May 2017 in respect of transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

Voon Jan Moi *(MAICSA 7021367)*
Yap Hui Yih *(MAICSA 7048748)*
Joint Company Secretaries

Dated: 28 April 2017
Kuching, Sarawak

NOTES:

1. This agenda item is meant for discussion only as under the provisions of Section 340 of the Companies Act 2016 and the Company's Articles of Association, the Audited Financial Statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

2. Re-appointment of Directors
At the Twentieth Annual General Meeting of the Company held on 26 May 2016, the following Directors who are above the age of 70 years were re-appointed pursuant to Section 129(6) of the Companies Act 1965 to hold office until the conclusion of the Twenty-First Annual General Meeting of the Company:

(i) Tan Sri Datuk Tiong Su Kouk
(ii) Chong Shaw Fui
(iii) Datu Haji Putit bin Matzen

Their term of office will end at the conclusion of the Twenty-First Annual General Meeting of the Company. The above Directors have offered themselves for re-appointment. With the enforcement of the first phase of the Companies Act 2016 on 31 January 2017, the Companies Act 1965 is repealed. Pursuant to the Companies Act 2016, there is no maximum age limit for directors.

The Nomination Committee has assessed the above Directors and recommended for their re-appointment which has been duly endorsed by the Board of Directors of the Company.

The proposed Resolutions 6 to 8, if passed, will enable the above Directors to continue in office and they shall subject to retirement by rotation in accordance with the Company's Articles of Association.

3. Continuation in office as Independent Non-Executive Directors pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012
The Nomination Committee and the Board of Directors had assessed the independence of Datuk Pemanca Janggu anak Banyang and Datu Haji Putit bin Matzen who have served as Independent Non-Executive Directors of the Company for a consecutive term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company, based on the following justifications:

(a) They fulfill the criteria as independent director stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore can be entrusted to discharge their duties impartially and constructively.

(b) They have performed and will continue to exercise independent and objective judgement in carrying out their duties as Independent Directors and are actively participated in deliberations at Board and Board Committee's Meetings; and they also provide unbiased and independent views to the Group's strategy in the best interest of the Group and shareholders as a whole.

(c) Their experience, knowledge, and networking have significant contribution to the operation and performance of the Group.

4. **Proposed renewal of authority for purchase of own shares by the Company**
The proposed Resolution 12 if passed, will renew the authority for the Company to purchase and/or hold its own shares up to ten per cent (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. This authority will expire at the conclusion of the next annual general meeting, unless revoked or varied by ordinary resolution passed by shareholders at general meeting.

Please refer to the Statement to Shareholders dated 28 April 2017, for further information.

5. **Proxy**

(a) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(b) To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(c) If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

(d) A Member shall be entitled to appoint more than one (1) proxy to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(e) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(f) Depositors whose names appear in the Record of Depositors as at 18 May 2017 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

CCK CONSOLIDATED HOLDINGS BERHAD
(396692-T)

Number of shares held	
CDS Account No.	

FORM OF PROXY

*I/We, ______________________________ *(full name)*______________________________*(IC/Passport/Company No.)*

of ____ *(full address)*

being a member of CCK Consolidated Holdings Berhad ("the Company") hereby appoint ______________________________

______________________________ *(full name)* ______________________________ *(IC/passport No.)*

of ____ *(full address)*

or failing *him/her, ______________________________ *(full name)* ______________________________ *(IC/passport No.)*

of ____ *(full address)*

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at the Conference Room, CCK Fresh Mart Sdn. Bhd., Lot 4147, Block 19, Seduan Land District, Upper Lanang Road, 96000 Sibu, Sarawak on Thursday, 25 May 2017 at 12.00 noon and any adjournment thereof.

*My/our proxy shall vote as indicated with an "X" below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion:

Resolutions		For	Against
1.	Declaration and payment of a first and final single-tier dividend for the financial year ended 31 December 2016.		
2.	Payment of Directors' fees for the financial year ended 31 December 2016.		
3.	Payment of meeting allowance to the Directors.		
4.	Re-election of Kueh Chung Peng as Director.		
5.	Re-election of Lau Liong Kii as Director.		
6.	Re-appointment of Tan Sri Datuk Tiong Su Kouk as Director of the Company.		
7.	Re-appointment of Chong Shaw Fui as Director of the Company.		
8.	Re-appointment of Datu Haji Putit bin Matzen as Director of the Company.		
9.	Re-appointment of Messrs. Crowe Horwath as auditors.		
10.	Retention of Datuk Pemanca Janggu anak Banyang as an Independent Non-Executive Director.		
11.	Retention of Datu Haji Putit bin Matzen as an Independent Non-Executive Director.		
12.	Proposed renewal of authority for purchase of own shares by the Company.		

**: Strike out whichever is not applicable*

The proportions of *my/our holdings to be presented by *my/our proxy are as follows:

First named proxy	%
Second named proxy	%
	100 %

In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

Dated this _______ day of _______________ 2017

____
Signature / common seal of shareholder(s)

Notes:

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. To be valid, the duly completed proxy form must be deposited at the registered office of the Company at Lot 999, Section 66, Jalan Keluli, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. A Member shall be entitled to appoint more than one (1) proxy to attend and vote at a meeting of the Company. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. Depositors whose names appear in the Record of Depositors as at 18 May 2017 shall be regarded as members of the Company entitled to attend this Annual General Meeting or appoint proxy to attend, speak and vote on their behalf.

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PLEASE
AFFIX STAMP
HERE

The Company Secretary
CCK CONSOLIDATED HOLDINGS BERHAD (396692-T)
Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching
Sarawak, Malaysia

Fold here

CCK CONSOLIDATED HOLDINGS BERHAD (396692-T)
(Incorporated in Malaysia)
Lot 999, Section 66, Jalan Keluli
Bintawa Industrial Estate
93450 Kuching, Sarawak, Malaysia
Tel : 082-336520
Fax : 082-331479