



**JOHORE TIN BERHAD**  
(Company No. 532570-V)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

**(UNAUDITED)**

**This Report is dated 29<sup>th</sup> May 2017.**

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>Current Period Quarter 31-03-2017 RM'000</u>	<u>Preceding Period Corresponding Quarter 31-03-2016 RM'000</u>	<u>Current Year-To-Date 31-03-2017 RM'000</u>	<u>Preceding Year-To-Date 31-03-2016 RM'000</u>
<b>REVENUE</b>		<b>102,567</b>	<b>91,580</b>	<b>102,567</b>	<b>91,580</b>
Cost of Sales		(86,661)	(78,149)	(86,661)	(78,149)
<b>GROSS PROFIT</b>		<b>15,906</b>	<b>13,431</b>	<b>15,906</b>	<b>13,431</b>
Other income		3,586	431	3,586	431
Administrative expenses		(4,093)	(3,765)	(4,093)	(3,765)
Distribution expenses		(2,490)	(3,831)	(2,490)	(3,831)
Gain on foreign exchange		898	239	898	239
Finance costs		(343)	(570)	(343)	(570)
<b>PROFIT BEFORE TAX</b>		<b>13,464</b>	<b>5,935</b>	<b>13,464</b>	<b>5,935</b>
Income tax expense	<b>B6</b>	(2,625)	(769)	(2,625)	(769)
<b>PROFIT FOR THE PERIOD</b>		<b>10,839</b>	<b>5,166</b>	<b>10,839</b>	<b>5,166</b>
Non-controlling interest		(520)	(667)	(520)	(667)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>10,319</b>	<b>4,499</b>	<b>10,319</b>	<b>4,499</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		(2)	(45)	(2)	(45)
<b>Total other comprehensive income for the period</b>		<b>(2)</b>	<b>(45)</b>	<b>(2)</b>	<b>(45)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>B8</b>	<b>10,317</b>	<b>4,454</b>	<b>10,317</b>	<b>4,454</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		10,319	4,499	10,319	4,499
Non-controlling interest		520	667	520	667
		10,839	5,166	10,839	5,166
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		10,317	4,454	10,317	4,454
Non-controlling interest		520	667	520	667
		10,837	5,121	10,837	5,121
Earnings per share (sen):					
- Basic	<b>B9</b>	4.14	4.82	4.14	4.82
- Diluted	<b>B9</b>	4.03	-	4.03	-

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017 (UNAUDITED)**

	NOTE	As at 31 March 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		114,458	102,953
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		125,125	113,620
<b>Current Assets</b>			
Inventories		81,998	80,453
Trade receivables		67,108	81,689
Other receivables		1,285	4,553
Amount owing from related companies		3,235	1,846
Tax recoverable		2,397	3,072
Cash and cash equivalents		65,133	61,596
		221,156	233,209
<b>TOTAL ASSETS</b>		<b>346,281</b>	<b>346,829</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
Share capital		124,560	124,407
Retained earnings		105,763	95,444
Other components of equity		4,749	4,774
<b>Equity Attributable to Owners of the Company</b>		<b>235,072</b>	<b>224,625</b>
Non-controlling interest		155	(365)
<b>TOTAL EQUITY</b>		<b>235,227</b>	<b>224,260</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.



**JOHORE TIN BERHAD** (Co. No. 532570-V)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017 (UNAUDITED) (cont'd)**

	NOTE	As at 31 March 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES (cont'd)</u></b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	B11	3,905	4,426
Retirement benefits		569	544
Deferred tax		8,907	8,860
<b>Total Non-Current Liabilities</b>		<b>13,381</b>	<b>13,830</b>
<b>Current Liabilities</b>			
Trade payables		26,431	25,554
Other payables		18,386	17,960
Amount owing to directors		196	147
Derivative financial liabilities	B10	372	651
Short-term borrowings	B11	49,620	62,316
Income tax		800	1,196
Bank overdraft		1,868	915
<b>Total Current Liabilities</b>		<b>97,673</b>	<b>108,739</b>
<b>TOTAL LIABILITIES</b>		<b>111,054</b>	<b>122,569</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>346,281</b>	<b>346,829</b>
<b>Net Assets (NA) per share attributable to ordinary equity holders of the Company</b>		<b>RM 0.94</b>	<b>RM 0.90</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED)**

	Note	Non-Distributable Reserves			Distributable	Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000	
		Share Capital RM'000	Share Premium Reserve RM'000	Warrants Reserve RM'000	Foreign Translation Reserve RM'000				Retained Earnings RM'000
<b>Balance at 1 January 2017</b>		124,407	-	5,233	(459)	95,444	224,625	(365)	224,260
Total comprehensive income for the period		-	-	-	(2)	10,319	10,317	520	10,837
Issuance of shares upon exercise of warrants		153	-	(23)	-	-	130	-	130
<b>Balance at 31 March 2017</b>		<u>124,407</u>	<u>-</u>	<u>5,210</u>	<u>(461)</u>	<u>105,763</u>	<u>234,942</u>	<u>155</u>	<u>235,227</u>
<b>Balance at 1 January 2016</b>		93,305	5,528	5,233	(601)	91,415	194,880	(2,473)	192,407
Total comprehensive income for the period		-	-	-	(45)	4,499	4,454	667	5,121
<b>Balance at 31 March 2016</b>		<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(646)</u>	<u>95,914</u>	<u>199,334</u>	<u>(1,806)</u>	<u>197,528</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-03-2017 RM'000	Preceding Year-To-Date 31-03-2016 RM'000
Net cash from operating activities	<b>B14</b>	24,207	6,053
Net cash used in investing activities	<b>B14</b>	(10,589)	(1,864)
Net cash used in financing activities	<b>B14</b>	(10,949)	(15,477)
Net increase/(decrease) in cash and cash equivalents		2,669	(11,288)
Adjustment for foreign exchange differentials		(85)	345
Cash and cash equivalents as of beginning of period		60,681	34,246
Cash and cash equivalents as of end of period		63,265	23,303

Cash and cash equivalents at the end of the financial reporting period comprise the following:

	Current Year-To-Date 31-03-2017 RM'000	Preceding Year-To-Date 31-03-2016 RM'000
Cash and bank balances	65,133	26,507
Bank overdraft	(1,868)	(3,204)
	63,265	23,303

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED)**

**PART A**

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134:**  
**INTERIM FINANCIAL REPORTING (“MFRS 134”)**

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the first quarter ended 31 March 2017 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and with IAS 34 *Interim Financial Reporting*, and the applicable disclosure provisions on paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2016.

These condensed consolidated interim financial statements are prepared under historical cost convention, which are in compliance with MFRSs and the requirements of the Companies Act 2016 in Malaysia. These are the Group’s first set of condensed interim financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by International Accounting Standards Board.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2016.

**a) The Group has adopted the following applicable new/revised accounting standards (“MFRSs”) and Issues Committee Interpretations (including consequential amendments) (“IC Int.”):**

- Amendments to MFRS 10, MFRS 12 & MFRS 128 *Investment Entities - Applying Consolidation Exception*
- Amendments to MFRS 101 *Disclosure Initiative*
- Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
- Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of the above MFRSs and IC Int. did not have any material impact on the Group’s financial statements.

**b) The Group has not applied in advance the following applicable new/revised MFRS and IC Int that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:**

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers &amp; Amendments to MFRS 15 Effective Date of MFRS 15</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 15 <i>Effective Date of MFRS 15</i>	1 January 2018
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 12 <i>Clarification of the Scope of Standard</i>	1 January 2017

The above MFRSs and IC Int. is expected to have no material impact on the Group’s financial statements upon their initial application.



**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**A3. Audit Qualification**

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2016.

**A4. Seasonal or Cyclical Factors**

The Group's operations are not significantly affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial reporting period under review.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial reporting period.

**A7. Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting period that have a material effect in the current interim period.

**A8. Dividend Paid**

There was no dividend paid during the financial reporting period under review.

**A9. Subsequent Material Events**

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

**A10. Contingent Liabilities**

	<b>THE COMPANY</b>	
	<b>31-03-2017</b>	<b>31-12-2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	42,350	53,697
Deed guarantee given to a customer for products sold	3,831	9,042
Deed guarantee given to suppliers for products purchased	1,140	2,634

**A11. Changes in the Composition**

There are no changes in the composition of the entity during the current interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations.

**A12. Operating Segments**

**a) Business Segments**

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

- 1) Investment Holding - *Investment holding and provision of management services.*
- 2) Tin Manufacturing - *Manufacturing of various tins, cans and other containers.*
- 3) Food and Beverage - *Manufacturing and selling of milk and related dairy products.*

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**A12. Operating Segments (Cont'd)**

**a) Business Segments (Cont'd)**

<b>THE GROUP</b>	<b>Investment Holding</b>	<b>Tin Manufacturing</b>	<b>Food &amp; Beverage</b>	<b>Group</b>
<b>31 March 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	23,979	78,588	102,567
Inter-segment revenue	-	4,010	-	4,010
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	-	27,989	78,588	106,577
Reportable segment (loss)/profit	(561)	4,620	6,780	10,839
Reportable segment assets	12,653	125,691	207,937	346,281
<b>31 March 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	21,934	69,646	91,580
Inter-segment revenue	-	5,680	583	6,263
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	-	27,614	70,229	97,843
Reportable segment (loss)/profit	(399)	2,875	2,690	5,166
Reportable segment assets	1,500	111,384	233,215	346,099

**b) Geographical Segments**

The Group's principal business activities are manufacturing of various tins, cans and other containers, and are primarily carried out in Malaysia and Indonesia.

<b>THE GROUP</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>31 March 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External revenue	102,567	-	-	102,567
Inter-segment revenue	4,010	-	(4,010)	-
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	106,577	-	(4,010)	102,567
Segment results	13,846	-	(39)	13,807
Finance costs	(343)	-	-	(343)
Profit before tax	13,503	-	(39)	13,464
Tax expense	(2,625)	-	-	(2,625)
Net profit for the period	10,878	-	(39)	10,839
<b>Other Information:</b>				
Capital expenditure	13,773	-	-	13,773
Depreciation and amortisation	2,279	-	(11)	2,268
Segment assets	528,487	318	(182,524)	346,281
Segment liabilities	166,188	-	(55,134)	111,054

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**A12. Segmental Reporting (Cont'd)**

**b) Geographical Segments (Cont'd)**

<b>THE GROUP 31 March 2016</b>	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External revenue	91,580	-	-	91,580
Inter-segment revenue	6,263	-	(6,263)	-
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	97,843	-	(6,263)	91,580
Segment results	6,499	5	1	6,505
Finance costs	(570)	-	-	(570)
Profit before tax	5,929	5	1	5,935
Tax expense	(769)	-	-	(769)
Net profit for the period	5,160	5	1	5,166
<b>Other Information:</b>				
Capital expenditure	1,996	-	-	1,996
Depreciation and amortisation	1,844	-	(1)	1,843
Segment assets	557,126	806	(211,833)	346,099
Segment liabilities	237,533	-	(88,962)	148,571

**A13. Related Party Transactions**

The amount owing to directors are unsecured, interest free advances and repayable on demand. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions. The related parties and their relationship with the Company are as follows:

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 31-03-2017</b>	<b>Preceding Year-To-Date 31-03-2016</b>
	<b>RM</b>	<b>RM</b>
<b>Directors of the Company</b>		
- Rental of factory	4,200	4,200
- Rental of hostel	3,000	3,000
<b>Related Company</b>	<b>RM</b>	<b>RM</b>
- Sales of goods	990,347	2,095,886
- Purchases/(Returned) of goods	-	(4,734)

A Director of a subsidiary has entered into a tenancy agreement with the Group's subsidiary. Both parties had mutually agreed to renew in every two (2) years at a renewed monthly rental of RM1,400 and shall expire on 14 November 2017. Another Director of the Group had entered into a hostel tenancy agreement with the Group's subsidiary and both parties had mutually agreed to renewed in every two (2) years at a renewed monthly rental of RM1,000 and shall expire on 31 March 2017.

The directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not less favourable than those arranged with independent third parties.

[End of Part A]

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

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**PART B  
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE  
BURSA SECURITIES**

**B1. Review of Group Performance**

***a) Current Year Quarter compared with Preceding Year Corresponding Quarter***

The Group recorded a revenue of RM102.57 million and profit before tax of RM13.46 million for the first quarter as compared to preceding year corresponding quarter of RM91.58 million and profit before tax of RM5.94 million respectively. The revenue increased by RM10.99 million and the profit before tax increased by RM7.52 million respectively as compared to the first quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM2.05 million from RM21.93 million to RM23.98 million mainly due to higher sales in the edible oil tin industry. Profit before tax increased by RM2.54 million to RM6.27 million for the current quarter as compared to RM3.73 million in the preceding year corresponding quarter, mainly due to one-time gain on disposal of machinery in the current quarter.

For the F&B segment, revenue increased by RM8.94 million from RM69.65 million to RM78.59 million due to higher sales from milk powder segment. The profit before tax increased by RM5.15 million from RM2.61 million in the preceding year corresponding quarter as compared to RM7.76 million for the current quarter under review mainly due to higher sales from milk powder segment and lower costs of distribution.

***b) Current Year-To-Date compared with Preceding Year-To-Date***

The Group has recorded a revenue of RM102.57 million and profit before tax of RM13.46 million for the 3 months' ended 31 March 2017 as compared to preceding year-to-date of RM91.58 million and RM5.94 million respectively. The Group's revenue increased by RM10.99 million and the profit before tax increased by RM7.52 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM2.05 million from RM21.93 million to RM23.98 million mainly due to higher sales in the edible oil tin industry. Profit before tax increased by RM2.54 million from RM3.73 million to RM6.27 million mainly due to one-time gain on disposal of machinery in the current year under review.

For the F&B segment, revenue increased by RM8.94 million from RM69.65 million to RM78.59 million due to higher sales from milk powder segment. The profit before tax increased by RM5.15 million from RM2.61 million to RM7.76 million mainly due to higher sales from milk powder segment and lower costs of distribution in the current year under review.

**B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's profits before tax decreased slightly by RM0.75 million to RM13.46 million as compared to profit before tax of RM14.21 million in the preceding quarter ended 31 December 2016.

***a) Tin Manufacturing Industry***

Profit before tax decreased slightly by RM0.76 million from RM7.03 million in the previous quarter as compared to the current quarter's profit before tax of RM6.27 million. The decrease in profit is mainly due to lower sales revenue in the current quarter.

***b) F&B Industry***

Profit before tax increased slightly by RM10 thousand from RM7.74 million in the previous quarter as compared to the current quarter's profit before tax of RM7.75 million.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material prices have remained relatively stable in the short term and this will be helpful to the industry. This segment will continue to be profitable.

**b) F&B Industry**

Demand is expected to remain strong although we foresee a very competitive market. This segment will continue to be profitable despite volatility in raw materials prices and uncertainties in global economies.

On the other hand, there is a proposed joint venture to be formed in Mexico for penetrating the market in the American Continent with an initial investment cost of USD2 million, being 40% interest in shares of the total investment cost of USD5 million. We expect this joint venture to be contributing additional revenue and profits in the 2<sup>nd</sup> half of 2018.

**B4. Revenue or Profit Estimates**

This is not applicable to the Group for the current financial reporting period under review.

**B5. Profit Forecast or Profit Guarantee**

The profit forecast is not applicable to the Group for the current financial reporting period.

**B6. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	RM'000	RM'000	RM'000	RM'000
Current period:				
- Income tax	2,578	1,840	2,578	1,840
- Deferred tax	47	(1,071)	47	(1,071)
	<u>2,625</u>	<u>769</u>	<u>2,625</u>	<u>769</u>

**B7. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

The Company has increased its share capital by 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share, amounting to RM29,857,706.24 from the Rights Issue on 27 November 2012.

The status of the utilisation of proceeds from the rights issue as at 31 March 2017 are summarised as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation	Utilisation	Timeframe	RM'000	%
	RM'000	RM'000	(Within)		
i) Purchase of land and construction of new warehouse and factory	15,000	15,000	18 months	-	-
ii) Purchase of machineries and equipment	8,000	8,000	18 months	-	-
iii) Upgrading works	1,500	1,500	18 months	-	-
iv) Working capital	4,857	4,857	12 months	-	-
v) Rights issue expenses	500	500	1 month	-	-
	<u>29,857</u>	<u>29,857</u>		<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**B8. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	RM'000	RM'000	RM'000	RM'000
Interest income	157	78	157	78
Other income	3,429	353	3,429	353
Interest expense	(343)	(570)	(343)	(570)
Depreciation and amortisation	(2,268)	(1,843)	(2,268)	(1,843)
Gain/(Loss) on disposal of property, plant and equipment	3,026	(54)	3,026	(54)
Realised foreign exchange (loss)/gain	(399)	809	(399)	809
Unrealised foreign exchange gain/(loss)	1,017	(681)	1,017	(681)
Gain on derivatives financial instruments	280	111	280	111
Exceptional items	-	-	-	-

**B9. Earnings Per Share**

The basic earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares in issues during the financial reporting period which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Profit for the period (RM'000)	10,319	4,499	10,319	4,499
Weighted average number of ordinary shares ('000 shares)	249,119	93,305	249,119	93,305
<b>Basic Earnings per Share (Sen)</b>	<b>4.14</b>	<b>4.82</b>	<b>4.14</b>	<b>4.82</b>

The diluted earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares deemed to be issued for no consideration during the financial reporting period which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Profit for the period (RM'000)	10,319	4,499	10,319	4,499
Weighted average number of ordinary shares for basic earnings per share ('000 shares)	249,119	-	249,119	-
Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares)	7,085	-	7,085	-
Weighted average number of ordinary shares ('000 shares)	256,204	-	256,204	-
<b>Diluted Earnings per Share (Sen)</b>	<b>4.03</b>	<b>-</b>	<b>4.03</b>	<b>-</b>

In the previous financial year's corresponding quarter, the potential conversions of warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares. Accordingly, the exercises of warrants have been ignored in the calculation of dilutive earnings per share.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**B10. Derivative Financial Instruments**

As at 31 March 2017, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates. The details of the foreign currency forward contracts are as follows:

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 31-03-2017 RM'000</b>	<b>As at 31-12-2016 RM'000</b>
<b>Forward Contracts (US Dollar)</b>		
Fair Value	30,224	57,572
Less: Contract/Notional Value	29,852	56,921
Loss on Fair Value Changes	<u>372</u>	<u>651</u>

All contracts entered by the Group are executed with creditworthy financial institutions in Malaysia. As a result, the credit risk or the risk of counterparties defaulting is minimal. The Group also has a low liquidity risk as it maintains sufficient fund to settle the entire derivative financial instruments when they fall due.

However, the Group is subject to market risk in term of foreign currency, on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

**B11. Loan and Borrowings**

The Group's bank loan and borrowings as at the end of the financial reporting period are as follows:

	<b>THE GROUP</b>	
	<b>As at 31-03-2017 RM'000</b>	<b>As at 31-12-2016 RM'000</b>
<b>Current portion (secured):</b>		
Term loans	1,987	1,978
Short-term banking facilities	38,181	50,876
Revolving credit	9,350	9,350
Hire purchase payables (see Note B12 below)	102	112
	<u>49,620</u>	<u>62,316</u>
<b>Non-current portion (secured):</b>		
Term loans	3,843	4,345
Hire purchase payables (see Note B12 below)	62	81
	<u>3,905</u>	<u>4,426</u>
<b>Total loan and borrowings</b>	<u>53,525</u>	<u>66,742</u>

Except for the term loans and hire purchase facilities, the Group's other banking facilities (all pertaining to certain subsidiary companies) are secured by way of corporate guarantee issued by the Company.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**B12. Hire Purchase Payables**

The Group's hire purchase payables as at the end of the financial reporting period are as follows:

	<b>THE GROUP</b>	
	<b>As at 31-03-2017 RM'000</b>	<b>As at 31-12-2016 RM'000</b>
Minimum hire purchase payments	174	205
Less: Future finance charges	(10)	(12)
Present value of hire purchase payables	164	193
Less: Current portion (see Note B11 above)	(102)	(112)
Non-current portion (see Note B11 above)	62	81

**B13. Warrants Reserve**

The movements in the warrants reserve of the Company are as follows:

	<b>THE GROUP</b>	
	<b>As at 31-03-2017 RM'000</b>	<b>As at 31-03-2016 RM'000</b>
Balance at the beginning of period	5,233	5,233
Exercise of warrants	(23)	-
Balance at the end of period	5,210	5,233

**B14. Notes to the Condensed Consolidated Statement of Cash Flows**

The details of major components in the Statement of Cash Flows comprises as follows:

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 31-03-2017 RM'000</b>	<b>Preceding Year-To-Date 31-03-2016 RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
(Increase)/Decrease in inventories	(1,545)	8,763
Decrease in trade and other receivables	16,517	6,167
Increase/(Decrease) in trade and other payables	1,642	(11,657)
Income tax paid	(2,365)	(2,643)
Income tax refund	66	304
<b>b) Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	3,026	3,012
Purchase of property, plant and equipment	(13,773)	(1,996)
<b>c) Cash Flows from Financing Activities</b>		
Repayment of short-term borrowings	(10,557)	(14,619)
Repayment of term loan	(493)	(485)
Repayment of hire purchase payables	(29)	(802)
Net drawdown of revolving credit	-	1,000
Proceeds from issuance of shares upon exercise of warrants	130	-



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (UNAUDITED) (cont'd)**

**B15. Disclosure of Realised and Unrealised Profits**

The breakdown of the realised and unrealised profits or losses as at the end of the financial reporting period is as follows:

	<b>THE GROUP</b>	
	<b>As at 31-03-2017 RM'000</b>	<b>As at 31-03-2016 RM'000</b>
Total retained earnings (Company and its subsidiaries)		
- realised	193,053	178,725
- unrealised	(7,609)	(5,356)
	185,444	173,369
Less: Consolidation adjustments	(79,681)	(77,455)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	105,763	95,914

**B16. Proposed Dividend**

During the financial reporting period under review, the Board of Directors is pleased to declare an interim dividend of 1.5 sen per ordinary share in respect of the financial year ending 31 December 2017. The said interim dividend will be payable on 27 June 2017 to the depositors registered in the Record of Depositors at the close of business on 15 June 2017.

The Board of Directors had recommended a proposed final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2016, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company on 29 May 2017. The said proposed dividend, if approved, will be payable on 27 June 2017 to the depositors registered in the Record of Depositors at the close of business on 15 June 2017.

**B17. Material Litigations**

There were no pending material litigations since the date of last audited annual statement of financial position.

**B18. Authorisation for Issue**

The first quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 29 May 2017.

*[End of Report]*