



JOHORE TIN BERHAD

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

**QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

**(UNAUDITED)**

**This Report is dated 29<sup>th</sup> May 2019.**

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

---

<b>CONTENTS</b>	<b>PAGES</b>
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Financial Information	6 - 14

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>Current Period</u> <u>Quarter</u> <u>31-03-2019</u> <u>RM'000</u>	<u>Preceding Period</u> <u>Corresponding</u> <u>Quarter</u> <u>31-03-2018</u> <u>RM'000</u>	<u>Current</u> <u>Year-</u> <u>To-Date</u> <u>31-03-2019</u> <u>RM'000</u>	<u>Preceding</u> <u>Year-</u> <u>To-Date</u> <u>31-03-2018</u> <u>RM'000</u>
<b>REVENUE</b>		<b>141,031</b>	<b>103,958</b>	<b>141,031</b>	<b>103,958</b>
Cost of sales		(117,155)	(89,880)	(117,155)	(89,880)
<b>GROSS PROFIT</b>		<b>23,876</b>	<b>14,078</b>	<b>23,876</b>	<b>14,078</b>
Net other incomes/(expenses)		1,205	884	1,205	884
Administrative expenses		(5,826)	(5,168)	(5,826)	(5,168)
Selling and distribution expenses		(6,003)	(3,716)	(6,003)	(3,716)
Net gains on foreign exchange and financial instruments		78	2,105	78	2,105
Finance costs		(354)	(248)	(354)	(248)
<b>PROFIT BEFORE TAX</b>		<b>12,976</b>	<b>7,935</b>	<b>12,976</b>	<b>7,935</b>
Income tax expense	<b>B6</b>	(1,242)	(141)	(1,242)	(141)
<b>PROFIT FOR THE PERIOD</b>		<b>11,734</b>	<b>7,794</b>	<b>11,734</b>	<b>7,794</b>
Non-controlling interest		(625)	(177)	(625)	(177)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>11,109</b>	<b>7,617</b>	<b>11,109</b>	<b>7,617</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		-	(18)	-	(18)
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>(18)</b>	<b>-</b>	<b>(18)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>B7</b>	<b>11,109</b>	<b>7,599</b>	<b>11,109</b>	<b>7,599</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		11,109	7,617	11,109	7,617
Non-controlling interest		625	177	625	177
		11,734	7,794	11,734	7,794
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		11,109	7,599	11,109	7,599
Non-controlling interest		625	177	625	177
		11,734	7,776	11,734	7,776
<b>Earnings per share (sen):</b>					
- Basic	<b>B9</b>	3.58	2.45	3.58	2.45

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 2018 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019 (UNAUDITED)**

	NOTE	As at 31 March 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
<b><u>ASSETS</u></b>			
<b><i>Non-Current Assets</i></b>			
Property, plant and equipment		126,527	125,139
Investment in an associate		12,376	8,275
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		149,570	144,081
<b><i>Current Assets</i></b>			
Inventories		127,999	118,743
Trade receivables		125,432	99,135
Other receivables		2,948	4,071
Amount owing by an associate		-	23
Amount owing by a related company		3,716	4,225
Derivative financial assets	B12	-	-
Tax recoverable		3,911	3,474
Cash and cash equivalents		58,328	70,090
		322,334	299,761
<b><i>TOTAL ASSETS</i></b>		<b>471,904</b>	<b>443,842</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><i>Share Capital and Reserves</i></b>			
Share capital		176,816	176,816
Cumulative retained earnings		142,439	137,539
<b><i>Equity Attributable to Owners of the Company</i></b>		<b>319,255</b>	<b>314,355</b>
Non-controlling interest		2,296	640
<b><i>TOTAL EQUITY</i></b>		<b>321,551</b>	<b>314,995</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019 (UNAUDITED) (cont'd)**

		As at 31 March 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
<b><i>EQUITY AND LIABILITIES (cont'd)</i></b>			
<b><i>Non-Current Liabilities</i></b>			
Long-term borrowings	B10	1,828	1,987
Retirement benefits		355	383
Deferred tax		7,364	7,347
<b><i>Total Non-Current Liabilities</i></b>		<b>9,547</b>	<b>9,717</b>
<b><i>Current Liabilities</i></b>			
Trade payables		53,130	64,434
Other payables		12,214	18,160
Amount owing to directors		100	180
Short-term borrowings	B10	71,074	30,424
Retirement benefits		-	300
Derivative financial assets	B12	38	901
Income tax		4,250	4,731
<b><i>Total Current Liabilities</i></b>		<b>140,806</b>	<b>119,130</b>
<b><i>TOTAL LIABILITIES</i></b>		<b>150,353</b>	<b>128,847</b>
<b><i>TOTAL EQUITY AND LIABILITIES</i></b>		<b>471,904</b>	<b>443,842</b>
		RM	RM
<b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b>		<b>1.03</b>	<b>1.01</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED)**

	<u>Share Capital</u> RM'000	<u>Non- Distributable Reserves</u> Foreign Translation Reserve RM'000	<u>Distributable</u> Retained Earnings RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>Balance at 1 January 2019</b>	176,816	-	137,539	314,355	640	314,995
Total comprehensive income for the period	-	-	11,109	11,109	625	11,734
Acquisition of subsidiary by NCI	-	-	-	-	1,031	1,031
Dividend paid	-	-	(6,209)	(6,209)	-	(6,209)
<b>Balance at 31 March 2019</b>	176,816	-	142,439	319,255	2,296	321,551
<b>Balance at 1 January 2018</b>	176,816	(491)	113,734	290,059	54	290,113
Total comprehensive income for the period	-	(18)	7,617	7,599	177	7,776
Acquisition of subsidiary by NCI	-	-	-	-	245	245
Dividend paid	-	-	(3,105)	(3,105)	-	(3,105)
<b>Balance at 31 March 2018</b>	176,816	(509)	118,246	294,553	476	295,029

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED)**

	NOTE	Current Period-To-Date 31-03-2019 RM'000	Preceding Period-To-Date 31-03-2018 RM'000
Net cash used in operating activities	<b>B14</b>	(39,365)	(9,630)
Net cash used in investing activities	<b>B14</b>	(6,791)	(4,566)
Net cash from financing activities	<b>B14</b>	34,290	3,902
Net decrease in cash and cash equivalents		(11,866)	(10,294)
Adjustment for foreign exchange differentials		105	(3)
Cash and cash equivalents as of beginning of period		70,080	85,450
Cash and cash equivalents as of end of period		58,319	75,153

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

	Current Period-To-Date 31-03-2019 RM'000	Preceding Period-To-Date 31-03-2018 RM'000
Cash and bank balances	58,328	76,432
Bank overdraft	-	(1,270)
Earmarked bank balance	(9)	(9)
	58,319	75,153

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (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 2019 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 2018.

These condensed consolidated interim financial statements are prepared under the historical cost convention and modified to include other bases of valuation as disclosed under significant accounting policies, and in compliance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**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 2018.

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

- MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)
- MFRS 15 *Revenue from Contracts with Customers & Amendments to MFRS 15*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 15 *Effective Date of MFRS 15*
- Amendments to MFRS 15 *Clarification to MFRS 15 Revenue from Contracts with Customers*
- Amendments to MFRS 140 *Transfer of Investment Property*
- Annual Improvements to MFRSs 2014 – 2016 Cycles:
  - Amendments to MFRS 1 *Deletion of Short-term Exemptions for First-time Adopters*
  - Amendments to MFRS 128 *Measuring an Associate or Joint Venture at Fair Value*

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 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2019 (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 2018.

**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**

The fourth interim dividends of 2 sen in respect of the financial year ended 31 December 2018, amounting to RM6,209,420, had been paid on 29 March 2019 to the depositors registered in the Record of Depositors at the close of business on 15 March 2019.

**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>31-03-2019</b>	<b>31-12-2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	79,794	19,106
Deed guarantee given to a customer for products sold	-	29
Deed guarantee given to suppliers for products purchased	2,321	5,917
	<u>2,321</u>	<u>5,917</u>

**A11. Changes in the Composition**

There are no changes in the composition of the Group for the current financial reporting period under review.

**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 2019 (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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>31 March 2019</u></b>				
External revenue	-	33,389	107,642	141,031
Inter-segment revenue	-	4,321	11,203	15,524
Dividend and management fees	6,001	-	-	6,001
Total revenues	6,001	37,710	118,845	162,556
Segments (loss)/profit before tax	(330)	1,502	11,804	12,976
Segment assets	10,972	135,562	325,370	471,904
<b><u>31 March 2018</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	29,659	74,299	103,958
Inter-segment revenue	-	4,160	8,316	12,476
Dividend and management fees	-	-	-	-
Total revenues	-	33,819	82,615	116,434
Segments (loss)/profit before tax	(456)	3,189	5,202	7,935
Segment assets	40,208	128,067	219,143	387,418

**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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>31 March 2019</u></b>				
<b><u>Revenue</u></b>				
External revenue	141,031	-	-	141,031
Inter-segment revenue	15,524	-	(15,524)	-
Dividend and management fees	6,001	-	(6,001)	-
Total revenues	162,556	-	(21,525)	141,031
Segments profit/(loss)	19,148	-	(5,818)	13,330
Finance costs	(354)	-	-	(354)
Profit/(Loss) before tax	18,794	-	(5,818)	12,976
Tax expense	(1,242)	-	-	(1,242)
Net profit/(loss) for the period	17,552	-	(5,818)	11,734
<b><u>Other Information:</u></b>				
Capital expenditure	3,742	-	-	3,742
Depreciation and amortisation	2,336	-	(7)	2,329
Segment assets	687,392	-	(215,488)	471,904
Segment liabilities	211,229	-	(60,876)	150,353



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED) (cont'd)**

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

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

<b>THE GROUP</b> <b>31 March 2018</b>	<b>Malaysia</b> <b>RM'000</b>	<b>Indonesia</b> <b>RM'000</b>	<b>Elimination</b> <b>RM'000</b>	<b>Consolidated</b> <b>RM'000</b>
<b>Revenue</b>				
External revenue	103,958	-	-	103,958
Inter-segment revenue	12,476	-	(12,476)	-
Dividend and management fees	-	-	-	-
Total revenues	116,434	-	(12,476)	103,958
Segments profit	8,061	(4)	126	8,183
Finance costs	(248)	-	-	(248)
Profit before tax	7,813	(4)	126	7,935
Tax expense	(141)	-	-	(141)
Net profit for the period	7,672	(4)	126	7,794
<b>Other Information:</b>				
Capital expenditure	1,134	-	-	1,134
Depreciation and amortisation	2,515	-	(11)	2,054
Segment assets	584,362	769	(197,713)	387,418
Segment liabilities	161,184	-	(68,795)	92,389

**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>31-03-2019</b>	<b>31-03-2018</b>
	<b>RM</b>	<b>RM</b>
<b>Directors of the Companies</b>		
- Rental of factory	163,200	160,200
- Rental of hostel	3,000	3,000
<b>Related Companies</b>		
- Sales of goods	7,478,776	1,730,375
- Purchases of goods	385,288	-

A Director of a subsidiary had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM1,800, and shall expire on 14 November 2019.

A related party of a Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM51,600, and shall expire on 31 December 2019.

Another Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly hostel rental of RM1,000 and which had expired on 31 March 2019.

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 2019 (UNAUDITED) (cont'd)**

**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 RM141.03 million and profit before tax of RM12.98 million for the first quarter as compared to preceding year corresponding quarter of RM103.96 million and profit before tax of RM7.93 million respectively. The revenue increased by RM37.07 million and the profit before tax increased by RM5.05 million respectively as compared to the first quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM3.73 million from RM29.66 million to RM33.39 million mainly due to higher sales in the printing of tinplates services. Profit before tax decreased by RM1.69 million from RM3.19 million in the preceding year corresponding quarter to RM1.50 million. This is mainly due to relocation costs incurred by one of the subsidiary, Kluang Tin & Can Factory Sdn Bhd (“KTCF”). KTCF is relocating to the Seelong factory joining other subsidiaries, namely Johore Tin Factory Sdn Bhd and Unican Industries Sdn Bhd as part of a streamlining exercise to reduce operational costs in the long run.

For the F&B segment, revenue increased by RM33.34 million from RM74.30 million to RM107.64 million mainly due to higher sales from dairy products. The profit before tax increased by RM6.60 million from RM5.20 million to RM11.80 million for the current quarter, mainly due to higher sales and better margin in the current quarter as compared to the preceding year corresponding quarter.

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

The Group has recorded a revenue of RM141.03 million and profit before tax of RM12.98 million for the 3 months’ ended 31 March 2019 as compared to preceding year-to-date of RM103.96 million and RM7.93 million respectively. The Group’s revenue increased by RM37.07 million and the profit before tax increased by RM5.05 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM3.73 million from RM29.66 million to RM33.39 million mainly due to higher sales in the printing of tinplates services. Profit before tax decreased by RM1.69 million from RM3.19 million to RM1.5 million. This is mainly due to relocation costs incurred by one of the subsidiary, Kluang Tin & Can Factory Sdn Bhd (“KTCF”). KTCF is relocating to the Seelong factory joining other subsidiaries, namely Johore Tin Factory Sdn Bhd and Unican Industries Sdn Bhd as part of a streamlining exercise to reduce operational costs in the long run.

For the F&B segment, revenue increased by RM33.34 million from RM74.30 million to RM107.64 million mainly due to higher sales from dairy products. The profit before tax increased by RM6.60 million from RM5.20 million to RM11.80 million, mainly due to higher sales and better margin in the current year under review as compared to the preceding year-to-date.

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

For the current quarter under review, the Group’s profits before tax decreased by RM5.18 million to RM12.98 million as compared to profit before tax of RM18.16 million in the preceding quarter ended 31 December 2018.

***a) Tin Manufacturing Industry***

Profit before tax decreased by RM1.63 million from RM3.13 million to RM1.50 million mainly due to relocation costs incurred by one of the subsidiary, Kluang Tin & Can Factory Sdn Bhd (“KTCF”). KTCF is relocating to the Seelong factory joining other subsidiaries, namely Johore Tin Factory Sdn Bhd and Unican Industries Sdn Bhd as part of a streamlining exercise to reduce operational costs in the long run.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED) (cont'd)**

**B2. Variation of Results against Preceding Quarter (Cont'd)**

**b) F&B Industry**

Profit before tax decreased by RM4.34 million from RM16.14 million in the previous quarter as compared to the current quarter's profit before tax of RM11.80 million, mainly due to lower in sales in the current quarter under review.

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material prices are currently less volatile and this will help to maintain the stability in the market in the near future.

**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.

**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	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Current period:	RM'000	RM'000	RM'000	RM'000
- Income tax	1,224	785	1,224	785
- Deferred tax	18	(644)	18	(644)
	<u>1,242</u>	<u>141</u>	<u>1,242</u>	<u>141</u>

**B7. 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	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	RM'000	RM'000	RM'000	RM'000
Interest income	286	128	286	128
Other income	913	747	913	747
Interest expense	(354)	(248)	(354)	(248)
Depreciation and amortisation	(2,329)	(2,504)	(2,329)	(2,504)
Gain on disposal of property, plant and equipment	6	9	6	9
Realised foreign exchange (loss)/gain	(840)	1,867	(840)	1,867
Unrealised foreign exchange gain/(loss)	55	(244)	55	(244)
Gain on derivatives financial instruments	863	482	863	482
Exceptional items	-	-	-	-

**B8. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

There are no corporate proposals and utilisation of proceeds raised from rights issue announced for the current financial reporting period.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED) (cont'd)**

**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	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Profit for the period (RM'000)	11,109	7,617	11,109	7,617
Weighted average number of ordinary shares ('000 shares)	310,473	310,473	310,473	310,473
<b>Basic Earnings per Share (Sen)</b>	<b>3.58</b>	<b>2.45</b>	<b>3.58</b>	<b>2.45</b>

The diluted earnings per share is not applicable to the Group as there are no dilutive potential ordinary shares during the financial reporting period under review.

**B10. Loan and Borrowings**

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

	THE GROUP	
	31-03-2019 RM'000	31-12-2018 RM'000
<b>Current portion (secured):</b>		
Term loans	605	605
Short-term banking facilities	63,831	19,947
Revolving credit	6,600	9,800
Hire purchase payables (see Note B11 below)	38	72
	<b>71,074</b>	<b>30,424</b>
<b>Non-current portion (secured):</b>		
Term loans	1,704	1,851
Hire purchase payables (see Note B11 below)	124	136
	<b>1,828</b>	<b>1,987</b>
<b>Total Loan and Borrowings</b>	<b>72,902</b>	<b>32,411</b>

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.

**B11. Hire Purchase Payables**

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

	THE GROUP	
	31-03-2019 RM'000	31-12-2018 RM'000
Minimum hire purchase payments	177	226
Less: Future finance charges	(15)	(18)
Present value of hire purchase payables	162	208
Less: <b>Current portion</b> (see Note B10 above)	(38)	(72)
<b>Non-current portion</b> (see Note B10 above)	<b>124</b>	<b>136</b>

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED) (cont'd)**

**B12. Derivative Financial Instruments**

As at 31 March 2019, 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>31-03-2019</b>	<b>31-12-2018</b>
<i>Forward Contracts (US Dollar)</i>	<b>RM'000</b>	<b>RM'000</b>
Contract/Notional Value	4,085	28,538
Less: Fair Value	(4,047)	(27,637)
Loss on Fair Value Changes	38	901

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.

**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>31-03-2019</b>	<b>31-03-2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
(Increase)/Decrease in inventories	(9,256)	4,962
Increase in trade and other receivables	(24,893)	(3,231)
Decrease in trade and other payables	(17,388)	(19,646)
Income tax paid	(2,213)	(2,116)
Income tax refund	-	98
<b>b) Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	31	9
Purchase of property, plant and equipment	(3,742)	(1,134)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(6,209)	(4,657)
Net drawdown of short-term borrowings	43,892	16,290
Repayment of term loan	(147)	(498)
Net (repayment)/drawdown of hire purchase payables	(46)	183
Net repayment of revolving credit	(3,200)	(7,667)



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (UNAUDITED) (cont'd)**

---

**B15. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a first interim dividend of 1.5 sen per ordinary share in respect of the financial year ending 31 December 2019. The date of payment and book closure of the said interim dividend will be determined at a later date.

**B16. Material Litigations**

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

**B17. 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 2019.

*[End of Report]*