



JOHORE TIN BERHAD

**JOHORE TIN BERHAD**  
(Registration No. 200001029963 (532570-V))  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**(UNAUDITED)**

**This Report is dated 16<sup>th</sup> June 2020.**



**JOHORE TIN BERHAD** (Reg. No. 200001029963 (532570-V))  
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**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Period Quarter 31-03-2020 RM'000	Preceding Period Corresponding Quarter 31-03-2019 RM'000	Current Year- To-Date 31-03-2020 RM'000	Preceding Year- To-Date 31-03-2019 RM'000
<b>REVENUE</b>		<b>108,192</b>	<b>141,031</b>	<b>108,192</b>	<b>141,031</b>
Cost of sales		(86,990)	(117,155)	(86,990)	(117,155)
<b>GROSS PROFIT</b>		<b>21,202</b>	<b>23,876</b>	<b>21,202</b>	<b>23,876</b>
Net other incomes		704	1,205	704	1,205
Administrative expenses		(6,102)	(5,826)	(6,102)	(5,826)
Selling and distribution expenses		(6,535)	(6,003)	(6,535)	(6,003)
Net (loss)/gain on foreign exchange and financial instruments		(1,946)	78	(1,946)	78
Finance costs		(544)	(354)	(544)	(354)
<b>PROFIT BEFORE TAX</b>		<b>6,779</b>	<b>12,976</b>	<b>6,779</b>	<b>12,976</b>
Income tax expense	<b>B6</b>	(1,801)	(1,242)	(1,801)	(1,242)
<b>PROFIT FOR THE PERIO</b>		<b>4,978</b>	<b>11,734</b>	<b>4,978</b>	<b>11,734</b>
Non-controlling interest		(437)	(625)	(437)	(625)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>4,541</b>	<b>11,109</b>	<b>4,541</b>	<b>11,109</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		-	-	-	-
<b>Total other comprehensive income for the perio</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIO</b>	<b>B7</b>	<b>4,541</b>	<b>11,109</b>	<b>4,541</b>	<b>11,109</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		4,541	11,109	4,541	11,109
Non-controlling interest		437	625	437	625
		4,978	11,734	4,978	11,734
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		4,541	11,109	4,541	11,109
Non-controlling interest		437	625	437	625
		4,978	11,734	4,978	11,734
<b>Earnings per share (sen):</b>					
- Basic	<b>B9</b>	1.46	3.58	1.46	3.58

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 2019 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020 (UNAUDITED)**

		As at 31 March 2020 (Unaudited) RM'000	As at 31 December 2019 (Audited) RM'000
	NOTE		
<b><u>ASSETS</u></b>			
<b><i>Non-Current Assets</i></b>			
Property, plant and equipment		125,874	127,417
Investment properties		1,154	1,154
Investment in joint ventures		26,492	26,492
Goodwill on consolidation		10,650	10,650
Rights to use assets		1,817	2,111
Other investment		17	17
		166,004	167,841
<b><i>Current Assets</i></b>			
Inventories		107,546	102,874
Trade receivables		90,394	97,784
Other receivables		1,334	3,073
Amount owing by joint ventures		2,565	2,507
Amount owing by related companies		1,951	2,279
Derivative financial assets	B12	-	312
Tax recoverable		2,315	838
Cash and cash equivalents		49,858	75,968
		255,963	285,635
		421,967	453,476
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><i>Share Capital and Reserves</i></b>			
Share capital		176,816	176,816
Cumulative retained earnings		163,483	163,289
Other components of equity		256	256
<b><i>Equity Attributable to Owners of the Company</i></b>		<b>340,555</b>	<b>340,361</b>
Non-controlling interest		1,543	1,106
<b>TOTAL EQUITY</b>		<b>342,098</b>	<b>341,467</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020 (UNAUDITED) (cont'd)**

	NOTE	As at 31 March 2020 (Unaudited) RM'000	As at 31 December 2019 (Audited) RM'000
<b><i>EQUITY AND LIABILITIES (cont'd)</i></b>			
<b><i>Non-Current Liabilities</i></b>			
Long-term borrowings	B10	2,170	2,341
Retirement benefits		366	366
Deferred tax		6,675	6,886
<b><i>Total Non-Current Liabilities</i></b>		<b>9,211</b>	<b>9,593</b>
<b><i>Current Liabilities</i></b>			
Trade payables		25,040	35,656
Other payables		8,127	17,736
Amount owing to directors		66	85
Short-term borrowings	B10	33,386	46,319
Retirement benefits		300	300
Derivative financial assets	B12	2,501	-
Income tax		592	1,512
Bank overdraft		646	808
<b><i>Total Current Liabilities</i></b>		<b>70,658</b>	<b>102,416</b>
<b><i>TOTAL LIABILITIES</i></b>		<b>79,869</b>	<b>112,009</b>
<b><i>TOTAL EQUITY AND LIABILITIES</i></b>		<b>421,967</b>	<b>453,476</b>
		RM	RM
<b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b>		<b>1.10</b>	<b>1.10</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)**

	<u>Non-Distributable Reserves</u>		<u>Distributable</u>	Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
	Share Capital	Foreign Translation	Retained Earnings	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at 1 January 2020</b>	176,816	256	163,289	340,361	1,106	341,467
Total comprehensive income for the period	-	-	4,541	4,541	437	4,978
Dividend paid	-	-	(4,347)	(4,347)	-	(4,347)
<b>Balance at 31 March 2020</b>	176,816	256	163,483	340,555	1,543	342,098
<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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**JOHORE TIN BERHAD** (Reg. No. 200001029963 (532570-V))

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)**

	<b>NOTE</b>	<b>Current Period-To-Date 31-03-2020 RM'000</b>	<b>Preceding Period-To-Date 31-03-2019 RM'000</b>
Net cash used in operating activities	<b>B14</b>	(7,685)	(39,365)
Net cash used in investing activities	<b>B14</b>	(1,105)	(6,791)
Net cash (used in)/from financing activities	<b>B14</b>	(16,462)	34,290
Net decrease in cash and cash equivalents		(25,252)	(11,866)
Adjustment for foreign exchange differentials		(697)	105
Cash and cash equivalents as of beginning of period		75,152	70,080
Cash and cash equivalents as of end of period		49,203	58,319

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

	<b>Current Period-To-Date 31-03-2020 RM'000</b>	<b>Preceding Period-To-Date 31-03-2019 RM'000</b>
Cash and bank balances	49,858	58,328
Bank overdraft	(646)	-
Earmarked bank balance	(9)	(9)
	49,203	58,319

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (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 2020 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 2019.

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 2019.

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

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty Over Income Tax Treatments*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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:**

**MFRS and IC Interpretations**

MFRS 17 *Insurance Contracts*

Amendments to MFRS 3 *Definition of a Business*

Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an  
Investor and its Associate or Joint Venture*

Amendments to MFRS 101 and MFRS 108 *Definition of Material*

Amendments to References to the Conceptual Framework in MFRS Standards

**Effective Date**

1 January 2021

1 January 2020

1 January 2020

Deferred

1 January 2020

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 2020 (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 2019.

**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 1.4 sen in respect of the financial year ended 31 December 2019, amounting to RM4,346,591, had been paid on 31 March 2020 to the depositors registered in the Record of Depositors at the close of business on 13 March 2020 respectively.

**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**

	THE COMPANY	
	31-03-2020	31-12-2019
	RM'000	RM'000
Corporate guarantee given to licensed banks for banking facilities	36,542	46,874
Deed guarantee given to a customer for products sold	-	-
Deed guarantee given to suppliers for products purchased	369	2,321

**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 2020 (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 2020</u></b>				
External revenue	-	24,864	83,328	108,192
Inter-segment revenue	-	5,575	13,285	18,860
Dividend and management fees	7,853	-	-	7,853
Total revenues	7,853	30,439	96,613	134,905
Segments (loss)/profit before tax	(271)	892	6,158	6,779
Segment assets	11,544	134,341	276,082	421,967
<b><u>31 March 2019</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</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

**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>31-03-2020</b>	<b>31-03-2019</b>
	<b>RM</b>	<b>RM</b>
<b><i>Directors of the Companies</i></b>		
- Rental of factory	170,280	163,200
- Rental of hostel	-	3,000
<b><i>Related Companies</i></b>	<b>RM</b>	<b>RM</b>
- Sales of goods	1,822,965	7,478,776
- Purchases of goods	112,782	385,288

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 RM56,760, and shall expire on 31 December 2021.

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 2020 (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 RM108.19 million and profit before tax of RM6.78 million for the first quarter as compared to preceding year corresponding quarter of RM141.03 million and profit before tax of RM12.98 million respectively. The revenue decreased by RM32.84 million and the profit before tax decreased by RM6.20 million respectively as compared to the first quarter of the preceding year.

For the tin cans manufacturing segment, revenue decreased by RM8.53 million from RM33.39 million to RM24.86 million mainly due to lower sales resulted from the world pandemic disease of Corona Virus ("COVID-19") and coupled with the implementation of the Movement Control Order ("MCO"). Exports by our customers began to slow down upon the declaration of the COVID-19 and with the announcement of the MCO, our production output lowered even more as the workforce is limited to 50%. Also, customers whose operations were not under essentials sector were not able to operate during the MCO which caused a drop in our sales. Profit before tax decreased by RM0.61 million from RM1.50 million in the preceding year corresponding quarter to RM0.89 million. This is mainly due to lower revenue in the current quarter.

For the F&B segment, revenue decreased by RM24.31 million from RM107.64 million to RM83.33 million mainly due to the reaction of customers from the effect of the COVID-19 pandemic globally and also to the production output reduction from the MCO limitation of 50% workforce. The profit before tax decreased by RM5.65 million from RM11.80 million to RM6.15 million for the current quarter, mainly due to lower revenue 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 RM108.19 million and profit before tax of RM6.78 million for the 3 months' ended 31 March 2020 as compared to preceding year-to-date of RM141.03 million and RM12.98 million respectively. The Group's revenue decreased by RM32.84 million and the profit before tax decreased by RM6.20 million respectively as compared to preceding year-to-date.

For the tin cans manufacturing segment, revenue decreased by RM8.53 million from RM33.39 million to RM24.86 million mainly due to lower sales resulted from the world pandemic disease of Corona Virus ("COVID-19") and coupled with the implementation of the Movement Control Order ("MCO"). Exports by our customers began to slow down upon the declaration of the COVID-19 and with the announcement of the MCO, our production output lowered even more as the workforce is limited to 50%. Also, customers whose operations were not under essentials sector were not able to operate during the MCO which caused a drop in our sales. Profit before tax decreased by RM0.61 million from RM1.50 million to RM0.89 million. This is mainly due to lower revenue during the year.

For the F&B segment, revenue decreased by RM24.31 million from RM107.64 million to RM83.33 million mainly due to the reaction of customers from the effect of the COVID-19 pandemic globally and also to the production output reduction from the MCO limitation of 50% workforce. The profit before tax decreased by RM5.65 million from RM11.80 million to RM6.15 million, mainly due to lower revenue 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 RM8.57 million to RM6.78 million as compared to profit before tax of RM15.35 million in the preceding quarter ended 31 December 2019.

***a) Tin Cans Manufacturing Segment***

Profit before tax decreased by RM5.57 million from RM6.46 million to RM0.89 million mainly due to lower revenue.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED) (cont'd)**

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

**b) F&B Segment**

Profit before tax decreased by RM3.51 million from RM9.66 million in the previous quarter as compared to the current quarter's profit before tax of RM6.15 million, mainly due to lower revenue and unrealised foreign exchange losses in financial instruments 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. The Group foresee a gradual recovery provided that the local and world economic situation improves and all operations are allowed to operate as before the pandemic period.

**b) F&B Industry**

This segment will continue to be profitable despite volatility in raw materials prices, uncertainties in global economies and the recent impact on the COVID-19 pandemic.

**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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Current period:	RM'000	RM'000	RM'000	RM'000
- Income tax	2,012	1,224	2,012	1,224
- Deferred tax	(211)	18	(211)	18
	<u>1,801</u>	<u>1,242</u>	<u>1,801</u>	<u>1,242</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	
	31-30-2020	31-03-2019	31-03-2020	31-03-2019
	RM'000	RM'000	RM'000	RM'000
Interest income	272	286	272	286
Other income	432	913	432	913
Interest expense	(544)	(354)	(544)	(354)
Depreciation and amortisation	(2,649)	(2,329)	(2,649)	(2,329)
Gain on disposal of property, plant and equipment	-	6	-	6
Realised foreign exchange loss	(254)	(840)	(254)	(840)
Unrealised foreign exchange gain	1,120	55	1,120	55
(Loss)/Gain on derivatives financial instruments	(2,812)	863	(2,812)	863
Exceptional items	-	-	-	-

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED) (cont'd)**

**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.

**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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Profit for the period (RM'000)	4,541	11,109	4,541	11,109
Weighted average number of ordinary shares ('000 shares)	310,473	310,473	310,473	310,473
<b>Basic Earnings per Share (Sen)</b>	<b>1.46</b>	<b>3.58</b>	<b>1.46</b>	<b>3.58</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	
	31-03-2020 RM'000	31-12-2019 RM'000
<b>Current portion:</b>		
Term loans	644	630
Short-term banking facilities	27,434	63,831
Revolving credit	4,600	17,481
Lease liabilities (under MFRS 16)	708	1,004
	<b>33,386</b>	<b>46,319</b>
<b>Non-current portion:</b>		
Term loans	1,054	1,225
Lease liabilities (under MFRS 16)	1,116	1,116
	<b>2,170</b>	<b>2,341</b>
<b>Total Loan and Borrowings</b>	<b>35,556</b>	<b>48,660</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. Derivative Financial Instruments**

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:

Type of Derivatives	THE GROUP	
	31-03-2020 RM'000	31-03-2019 RM'000
<b>Forward Contracts (US Dollar)</b>		
Contract/Notional Value	63,341	4,085
Less: Fair Value	(60,840)	(4,047)
Loss on Fair Value Changes	<b>2,501</b>	<b>38</b>



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED) (cont'd)**

**B11. Derivative Financial Instruments (cont'd)**

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.

**B12. 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>31-03-2020</b>	<b>31-03-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Decrease in inventories	(4,671)	(9,256)
Increase/(Decrease) in trade and other receivables	11,142	(24,893)
Increase in trade and other payables	(20,866)	(17,388)
Income tax paid	(4,409)	(2,213)
	<b>(8,704)</b>	<b>(43,740)</b>
<b>b) Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	31
Purchase of property, plant and equipment	(1,105)	(3,742)
	<b>(1,105)</b>	<b>(3,711)</b>
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(4,347)	(6,209)
Net drawdown of short-term borrowings	922	43,892
Repayment of term loan	(157)	(147)
Repayment of hire purchase payables	-	(46)
Net repayment of revolving credit	(12,881)	(3,200)
	<b>(16,363)</b>	<b>(6,660)</b>

**B13. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a first interim dividend of 0.7 sen per ordinary share in respect of the financial year ending 31 December 2020. The date of payment and book closure of the said interim dividend will be determined at a later date.

**B14. Material Litigations**

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

**B15. 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 16 June 2020.

[End of Report]