



JOHORE TIN BERHAD

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

QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

(UNAUDITED)

This Report is dated 28th November 2017.

**QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Period Quarter 30-09-2017 RM'000	Preceding Period Corresponding Quarter 30-09-2016 RM'000	Current Year- To-Date 30-09-2017 RM'000	Preceding Year- To-Date 30-09-2016 RM'000
REVENUE		132,922	115,866	358,897	322,802
Cost of Sales		(114,157)	(94,190)	(305,985)	(275,058)
GROSS PROFIT		18,765	21,676	52,912	51,744
Other income		738	326	5,265	1,174
Administrative expenses		(8,444)	(3,858)	(19,429)	(11,419)
Distribution expenses		(3,408)	(3,530)	(9,098)	(10,342)
Gain on foreign exchange		1,269	157	2,303	3,445
Finance costs		(472)	(661)	(1,302)	(2,027)
PROFIT BEFORE TAX		8,448	14,110	30,651	32,575
Income tax expense	B6	(337)	(3,180)	(4,839)	(6,512)
PROFIT FOR THE PERIOD		8,111	10,930	25,812	26,063
Non-controlling interest		(32)	(145)	(530)	(1,413)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		8,079	10,785	25,282	24,650
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		(8)	(18)	(19)	(36)
Total other comprehensive income for the period		(8)	(18)	(19)	(36)
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B8	8,071	10,767	25,263	24,614
Profit after tax attributable to:					
Owners of the Company		8,079	10,785	25,282	24,650
Non-controlling interest		32	145	530	1,413
		8,111	10,930	25,812	26,063
Total comprehensive income attributable to:					
Owners of the Company		8,071	10,767	25,263	24,614
Non-controlling interest		32	145	530	1,413
		8,103	10,912	25,793	26,027
Earnings per share (sen):					
- Basic	B9	2.84	7.85	8.88	22.82
- Diluted	B9	2.80	-	8.39	-

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 30 SEPTEMBER 2017 (UNAUDITED)**

		As at 30 September 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
	NOTE		
ASSETS			
Non-Current Assets			
Property, plant and equipment		112,671	102,953
Investment on associate company		171	-
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		123,509	113,620
Current Assets			
Inventories		92,208	80,453
Trade receivables		82,740	81,689
Other receivables		2,741	4,553
Amount owing from related companies		4,198	1,846
Derivative financial assets	B10	1,539	-
Tax recoverable		2,651	3,072
Cash and cash equivalents		57,602	61,596
		243,679	233,209
TOTAL ASSETS		367,188	346,829
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		154,913	124,407
Retained earnings		112,527	95,444
Other components of equity		4,755	4,774
Equity Attributable to Owners of the Company		272,195	224,625
Non-controlling interest		410	(365)
TOTAL EQUITY		272,605	224,260

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 FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 (UNAUDITED) (cont'd)

		As at 30 September 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
<u>EQUITY AND LIABILITIES (cont'd)</u>			
Non-Current Liabilities			
Long-term borrowings	B11	2,880	4,426
Retirement benefits		619	544
Deferred tax		6,519	8,860
Total Non-Current Liabilities		10,018	13,830
Current Liabilities			
Trade payables		26,511	25,554
Other payables		12,146	17,960
Amount owing to directors		140	147
Derivative financial liabilities	B10	-	651
Short-term borrowings	B11	43,507	62,316
Income tax		1,205	1,196
Bank overdraft		1,056	915
Total Current Liabilities		84,565	108,739
TOTAL LIABILITIES		94,583	122,569
TOTAL EQUITY AND LIABILITIES		367,188	346,829
Net Assets (NA) per share attributable to ordinary equity holders of the Company		RM 0.96	RM 0.90

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	<u>Non-Distributable Reserves</u>				<u>Distributable</u>	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			
Balance at 1 January 2017	124,407	-	5,233	(459)	95,444	224,625	(365)	224,260
Total comprehensive income for the period	-	-	-	(19)	25,282	25,263	530	25,793
Acquisition of subsidiary	-	-	-	-	-	-	245	245
Issuance of shares upon exercise of warrants	30,506	-	-	-	-	30,506	-	30,506
Dividend paid	-	-	-	-	(8,199)	(8,199)	-	(8,199)
Balance at 30 September 2017	154,913	-	5,233	(478)	112,527	272,195	410	272,605
Balance at 1 January 2016	93,305	5,528	5,233	(601)	91,415	194,880	(2,473)	192,407
Total comprehensive income for the period	-	-	-	(36)	24,650	24,614	1,413	26,027
Dividend paid	-	-	-	-	(3,732)	(3,732)	-	(3,732)
Bonus Issue	31,102	(5,528)	-	-	(25,574)	-	-	-
Balance at 30 September 2016	124,407	-	5,233	(637)	86,759	215,762	(1,060)	214,702

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-09-2017 RM'000	Preceding Year-To-Date 30-09-2016 RM'000
Net cash from operating activities	B14	5,333	69,431
Net cash used in investing activities	B14	(13,540)	(5,010)
Net cash from/(used in) financing activities	B14	4,090	(55,266)
Net (decrease)/increase in cash and cash equivalents		(4,117)	9,155
Adjustment for foreign exchange differentials		(17)	353
Cash and cash equivalents as of beginning of period		60,681	34,246
Cash and cash equivalents as of end of period		56,547	43,754

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

	Current Year-To-Date 30-09-2017 RM'000	Preceding Year-To-Date 30-09-2016 RM'000
Cash and bank balances	57,602	47,285
Bank overdraft	(1,055)	(3,531)
	56,547	43,754

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 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 second 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:

MFRS and IC Interpretations	Effective Date
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 & 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 THIRD QUARTER ENDED 30 SEPTEMBER 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

	THE COMPANY	
	30-09-2017	31-12-2016
	RM'000	RM'000
Corporate guarantee given to licensed banks for banking facilities	29,345	53,697
Deed guarantee given to a customer for products sold	10,065	9,042
Deed guarantee given to suppliers for products purchased	3,616	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 THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED) (cont'd)

A12. Operating Segments (Cont'd)

a) Business Segments (Cont'd)

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Group
	RM'000	RM'000	RM'000	RM'000
<u>30 September 2017</u>				
External revenue	-	75,143	283,754	358,897
Inter-segment revenue	-	14,445	5,684	20,129
Dividend income	7,152	-	-	7,152
Management income	-	-	-	-
Total revenue	7,152	89,588	289,438	386,178
Reportable segment (loss)/profit	(1,271)	10,415	16,668	25,812
Reportable segment assets	24,717	132,151	210,320	367,188
<u>30 September 2016</u>	RM'000	RM'000	RM'000	RM'000
External revenue	-	68,474	254,328	322,802
Inter-segment revenue	-	17,882	583	18,465
Dividend income	10,001	-	-	10,001
Management income	-	-	-	-
Total revenue	10,001	86,356	254,911	351,268
Reportable segment (loss)/profit	(1,535)	8,686	18,912	26,063
Reportable segment assets	3,252	120,165	201,797	325,214

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.

THE GROUP	Malaysia	Indonesia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>30 September 2017</u>				
Revenue				
External revenue	358,897	-	-	358,897
Inter-segment revenue	20,129	-	(20,129)	-
Dividend income	7,152	-	(7,152)	-
Management income	-	-	-	-
Total revenue	386,178	-	(27,281)	358,897
Segment results	39,061	(3)	(7,105)	31,953
Finance costs	(1,302)	-	-	(1,302)
Profit before tax	37,759	(3)	(7,105)	30,651
Tax expense	(4,839)	-	-	(4,839)
Net profit for the period	32,920	(3)	(7,105)	25,812
Other Information:				
Capital expenditure	17,427	-	-	17,427
Depreciation and amortisation	7,164	-	(11)	7,153
Segment assets	550,606	297	(183,715)	367,188
Segment liabilities	150,756	-	(56,173)	94,583

NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED) (cont'd)

A12. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

THE GROUP	Malaysia	Indonesia	Elimination	Consolidated
30 September 2016	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	322,802	-	-	322,802
Inter-segment revenue	18,465	-	(18,465)	-
Dividend income	10,001	-	(10,001)	-
Management income	-	-	-	-
Total revenue	351,268	-	(28,466)	322,802
Segment results	44,589	10	(9,997)	34,602
Finance costs	(2,027)	-	-	(2,027)
Profit before tax	42,562	10	(9,997)	32,575
Tax expense	(6,512)	-	-	(6,512)
Net profit for the period	36,050	10	(9,997)	26,063
Other Information:				
Capital expenditure	5,276	-	-	5,336
Depreciation and amortisation	5,454	-	(3)	5,451
Segment assets	545,906	878	(221,570)	325,214
Segment liabilities	209,157	-	(98,645)	110,512

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:

	THE GROUP	
	Current	Preceding
	Year-To-Date	Year-To-Date
	30-09-2017	30-09-2016
	RM	RM
Directors of the Company		
- Rental of factory	12,600	12,600
- Rental of hostel	9,000	9,000
Related Company		
- Sales of goods	6,124,217	5,099,316
- Purchases of goods	-	314,991

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 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017 (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 RM132.92 million and profit before tax of RM8.45 million for the third quarter as compared to preceding year corresponding quarter of RM115.87 million and profit before tax of RM14.11 million respectively. The revenue increased by RM17.05 million and the profit before tax decreased by RM5.66 million respectively as compared to the third quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM3.42 million from RM22.97 million to RM26.39 million mainly due to higher sales in the edible oil and biscuit tin industries. Profit before tax decreased by RM1.06 million to RM3.8 million for the current quarter as compared to RM4.86 million in the preceding year corresponding quarter, mainly due to higher operating costs in the current quarter.

For the F&B segment, revenue increased by RM13.64 million from RM92.9 million to RM106.54 million mainly due to higher sales from dairy products. The profit before tax decreased by RM5.1 million from RM10.05 million to RM4.95 million for the current quarter under review mainly due to allowance for doubtful debts in the current quarter.

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

The Group has recorded a revenue of RM358.9 million and profit before tax of RM30.65 million for the 9 months' ended 30 September 2017 as compared to preceding year-to-date of RM322.8 million and RM32.58 million respectively. The Group's revenue increased by RM36.1 million and the profit before tax decreased by RM1.93 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM6.67 million from RM68.47 million to RM75.14 million mainly due to higher sales in the edible oil tin industry. Profit before tax increased by RM2.98 million from RM11.13 million to RM14.11 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 RM29.43 million from RM254.33 million to RM283.76 million mainly due to higher sales from dairy products. The profit before tax decreased by RM5.14 million from RM22.98 million to RM17.84 million mainly due to allowance for doubtful debts 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 by RM29 thousand to RM8.45 million as compared to profit before tax of RM8.74 million in the preceding quarter ended 30 June 2017.

a) Tin Manufacturing Industry

Profit before tax decreased by RM330,000 from RM4.13 million in the previous quarter as compared to the current quarter's profit before tax of RM3.8 million. The profit before tax decreased is mainly due to higher raw material costs in the current quarter under review.

b) F&B Industry

Profit before tax decreased by RM150,000 from RM5.1 million in the previous quarter as compared to the current quarter's profit before tax of RM4.95 million mainly due to higher allowance for doubtful debts in the current quarter review.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 price is on the upward trend in the near future and this will put additional pressure on the margin. 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.

A new subsidiary, namely Able Dairies Marketing Sdn Bhd, has started operations in 3rd quarter of this year.

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	
	30-09-2017	30-09-2016	30-09-2017	30-09-2016
Current period:	RM'000	RM'000	RM'000	RM'000
- Income tax	2,216	3,368	7,180	7,834
- Deferred tax	(1,879)	(188)	(2,341)	(1,322)
	337	3,180	4,839	6,512

B7. 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.

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	
	30-09-2017	30-09-2016	30-09-2017	30-09-2016
	RM'000	RM'000	RM'000	RM'000
Interest income	165	51	481	216
Other income	573	275	4,784	958
Interest expense	(472)	(661)	(1,302)	(2,027)
Depreciation and amortisation	(2,541)	(1,822)	(7,153)	(3,663)
Gain on disposal of property, plant and equipment	11	-	3,279	110
Realised foreign exchange (loss)/gain	(121)	260	(1,036)	4,193
Unrealised foreign exchange gain/(loss)	-	-	1,149	(681)
Gain/(Loss) on derivatives financial instruments	1,390	(103)	2,190	(66)
Exceptional items	-	-	-	-

NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (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	
	30-09-2017	30-09-2016	30-09-2017	30-09-2016
Profit for the period (RM'000)	8,079	10,785	25,282	24,650
Weighted average number of ordinary shares ('000 shares)	284,704	137,450	284,704	108,020
Basic Earnings per Share (Sen)	2.84	7.85	8.88	22.82

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	
	30-09-2017	30-09-2016	30-09-2017	30-09-2016
Profit for the period (RM'000)	8,079	10,785	25,282	24,650
Weighted average number of ordinary shares for basic earnings per share ('000 shares)	284,704	-	284,704	-
Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares)	3,598	-	16,803	-
Weighted average number of ordinary shares ('000 shares)	288,302	-	301,507	-
Diluted Earnings per Share (Sen)	2.80	-	8.39	-

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.

B10. Derivative Financial Instruments

As at 30 September 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:

Type of Derivatives	THE GROUP	
	As at 30-09-2017 RM'000	As at 31-12-2016 RM'000
Forward Contracts (US Dollar)		
Contract/Notional Value	92,470	56,921
Less: Fair Value	92,321	57,572
Gain/(Loss) on Fair Value Changes	1,539	(651)

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.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED) (cont'd)**

B10. Derivative Financial Instruments (Cont'd)

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:

	THE GROUP	
	As at 30-09-2017 RM'000	As at 31-12-2016 RM'000
Current portion (secured):		
Term loans	2,000	1,978
Short-term banking facilities	37,104	50,876
Revolving credit	4,350	9,350
Hire purchase payables (see Note B12 below)	53	112
	43,507	62,316
Non-current portion (secured):		
Term loans	2,840	4,345
Hire purchase payables (see Note B12 below)	40	81
	2,880	4,426
Total loan and borrowings	46,387	66,742

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.

B12. Hire Purchase Payables

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

	THE GROUP	
	As at 30-09-2017 RM'000	As at 31-12-2016 RM'000
Minimum hire purchase payments	98	205
Less: Future finance charges	(5)	(12)
Present value of hire purchase payables	93	193
Less: Current portion (see Note B11 above)	(53)	(112)
Non-current portion (see Note B11 above)	40	81

B13. Warrants Reserve

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

	THE GROUP	
	As at 30-09-2017 RM'000	As at 30-09-2016 RM'000
Balance at the beginning of period	5,233	5,233
Exercise of warrants	-	-
Balance at the end of period	5,233	5,233

NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED) (cont'd)

B14. Notes to the Condensed Consolidated Statement of Cash Flows

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

	THE GROUP	
	Current Year-To-Date 30-09-2017 RM'000	Preceding Year-To-Date 30-09-2016 RM'000
a) Cash Flows from Operating Activities		
(Increase)/Decrease in inventories	(11,754)	50,440
(Increase)/Decrease in trade and other receivables	(6,885)	70
Decrease in trade and other payables	(4,518)	(16,465)
Income tax paid	(8,515)	(6,462)
Income tax refund	1,766	304
b) Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	3,332	-
Purchase of property, plant and equipment	(17,427)	(5,336)
c) Cash Flows from Financing Activities		
Dividend paid	(8,199)	(3,732)
Net repayment of short-term borrowings	(11,633)	(49,909)
Repayment of term loan	(1,483)	(1,076)
Repayment of hire purchase payables	(101)	(1,886)
Net (repayment)/drawdown of revolving credit	(5,000)	3,749
Proceeds from issuance of shares upon exercise of warrants	30,506	-

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:

	THE GROUP	
	As at 30-09-2017 RM'000	As at 30-09-2016 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	195,312	170,241
- unrealised	(3,180)	(5,283)
	192,132	164,958
Less: Consolidation adjustments	(79,605)	(78,199)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	112,527	86,759

B16. Proposed Dividend

During the current quarter under review, the Board of Directors is pleased to declare a 3rd interim dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 December 2017. The date of payment and book closure of the said interim dividend will be determined at a later date.

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 second quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 28 November 2017.

[End of Report]