

Company No. 532570-V



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

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**

**(UNAUDITED)**

This Report is dated 23<sup>rd</sup> February 2011.

Company No. 532570-V



## QUARTERLY REPORT

<b>CONTENTS</b>	<b>PAGES</b>
Condensed Consolidated Statement of 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 COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 31-12-2010 RM'000	Preceding Year Corresponding Quarter 31-12-2009 RM'000	Current Year- To-Date 31-12-2010 RM'000	Preceding Year Corresponding Period 31-12-2009 RM'000
<b>Revenue</b>		<b>25,323</b>	<b>25,217</b>	<b>95,563</b>	<b>107,312</b>
Cost of Sales		(18,836)	(20,796)	(76,688)	(90,578)
Gross profit		6,487	4,421	18,875	16,734
Other operating income		469	69	1,102	833
Other operating expenses		(4,445)	(2,336)	(10,588)	(8,810)
Finance costs		(217)	(143)	(734)	(724)
<b>Profit before tax</b>		<b>2,294</b>	<b>2,011</b>	<b>8,655</b>	<b>8,033</b>
Income tax expense	<b>B6</b>	(948)	(576)	(2,788)	(3,068)
<b>PROFIT FOR THE PERIOD</b>		<b>1,346</b>	<b>1,435</b>	<b>5,867</b>	<b>4,965</b>
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations		(9)	(53)	(62)	(40)
<b>Other comprehensive income for the period, net of tax</b>		<b>(9)</b>	<b>(53)</b>	<b>(62)</b>	<b>(40)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,337</b>	<b>1,382</b>	<b>5,805</b>	<b>4,925</b>
Profit attributable to owners of the Company		1,346	1,435	5,867	4,965
Total comprehensive income attributable to owners of the Company		1,337	1,382	5,805	4,925
Earnings per share (Sen):					
- Basic and diluted	<b>B7</b>	2.04	2.18	8.89	7.53

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2010 (UNAUDITED)**

	NOTE	As at 31 December 2010 (Unaudited) RM'000	As at 31 December 2009 (Audited) RM'000 Restated
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		41,236	43,570
Assets in progress		116	1,507
Other investment	<b>B8</b>	17	17
		41,369	45,094
<b>Current Assets</b>			
Inventories		33,477	26,912
Trade receivables		34,453	32,080
Other receivables		1,362	1,126
Tax recoverable		103	1,458
Cash and cash equivalents		12,781	7,937
		82,176	69,513
<b>Total Assets</b>		<b>123,545</b>	<b>114,607</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		65,979	65,979
Retained earnings	<b>B9</b>	23,025	18,807
Other components of equity		4,998	5,060
<b>Total Equity</b>		<b>94,002</b>	<b>89,846</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

	NOTE	As at 31 December 2010 (Unaudited) RM'000	As at 31 December 2009 (Audited) RM'000 Restated
<b>EQUITY AND LIABILITIES</b>			
<b>(cont'd)</b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	<b>B12</b>	7,884	10,018
Retirement benefits		334	277
Deferred tax		1,258	1,023
<b>Total Non-Current Liabilities</b>		<b>9,476</b>	<b>11,318</b>
<b>Current Liabilities</b>			
Trade payables		3,948	2,952
Other payables		2,510	3,051
Amount owing to directors		538	476
Short-term borrowings	<b>B12</b>	10,298	6,391
Derivative financial liabilities	<b>B14</b>	28	-
Income tax		372	-
Bank overdraft		2,373	573
<b>Total Current Liabilities</b>		<b>20,067</b>	<b>13,443</b>
<b>Total Liabilities</b>		<b>29,543</b>	<b>24,761</b>
<b>Total Equity and Liabilities</b>		<b>123,545</b>	<b>114,607</b>
Net Assets (NA) per share attributable to ordinary equity holders (RM)		1.42	1.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED)**

	<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
	<b>Non-Distributable Reserves</b>			<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Foreign Translation Reserve RM'000</b>		
<b>Balance at 1 January 2010</b>	65,979	5,520	(460)	18,807	89,846
Total comprehensive income for the period	-	-	(62)	5,867	5,805
Dividend	-	-	-	(1,649)	(1,649)
<b>Balance at 31 December 2010</b>	<b>65,979</b>	<b>5,520</b>	<b>(522)</b>	<b>23,025</b>	<b>94,002</b>
<b>Balance at 1 January 2009</b>	65,979	5,520	(420)	14,461	85,540
Total comprehensive income for the period	-	-	(40)	4,965	4,925
Dividend	-	-	-	(619)	(619)
<b>Balance at 31 December 2009</b>	<b>65,979</b>	<b>5,520</b>	<b>(460)</b>	<b>18,807</b>	<b>89,846</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED)**

	<b>Current Year-To-Date 31-12-2010 RM'000</b>	<b>Preceding Year-To-Date 31-12-2009 RM'000</b>
Net cash from operating activities	4,073	22,380
Net cash from/(used in) investing activities	40	(729)
Net cash used in financing activities	(1,010)	(15,559)
Net increase in cash and cash equivalents	3,103	6,092
Adjustment for foreign exchange differentials	(59)	(149)
Cash and cash equivalents as of beginning of period	7,364	1,421
Cash and cash equivalents as of end of period	10,408	7,364

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

	<b>Current Year-To-Date 31-12-2010 RM'000</b>	<b>Preceding Year-To-Date 31-12-2009 RM'000</b>
Cash and bank balances	12,781	7,937
Bank overdraft	(2,373)	(573)
	10,408	7,364

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes to the quarterly report.**



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED)**

---

**PART A**

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

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the fourth quarter ended 31 December 2010 have been prepared in accordance with FRS 134 *Interim Financial Reporting* and 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 2009.

**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 2009.

List below are the new/revised FRSs, Issues Committee (“IC”) Interpretations (“Int.”) and amendments to FRSs and IC Int. which are effective for financial periods beginning on or after 1 January 2010:

FRS 4	<i>Insurance Contracts</i>
FRS 7	<i>Financial Instruments: Disclosures</i>
FRS 101	<i>Presentation of Financial Statements</i>
FRS 123	<i>Borrowing Costs</i>
FRS 139	<i>Financial Instruments: Recognition and Measurement</i>
Amendments to FRS 1 and FRS 127	<i>First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
Amendments to FRS 2	<i>Share-based Payment Vesting Conditions and Cancellations</i>
Amendments to FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
Amendments to FRS 7, FRS 139 and IC Int. 9	<i>Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures and Reassessment of Embedded Derivatives</i>
Amendments to FRS 8	<i>Operating Segments</i>
Amendments to FRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
Amendments to FRS 117	<i>Leases</i>
Amendments to FRS 118	<i>Revenue</i>
Amendments to FRS 119	<i>Employee Benefits</i>
Amendments to FRS 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>
Amendments to FRS 123	<i>Borrowing Costs</i>
Amendments to FRS 127	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 128	<i>Investments in Associates</i>
Amendments to FRS 129	<i>Financial Reporting in Hyperinflationary Economies</i>
Amendments to FRS 131	<i>Interests in Joint Ventures</i>
Amendments to FRS 132	<i>Financial Instruments: Presentation</i>
Amendments to FRS 134	<i>Interim Financial Reporting</i>
Amendments to FRS 136	<i>Impairment of Assets</i>
Amendments to FRS 138	<i>Intangible Assets</i>
Amendments to FRS 140	<i>Investment Property</i>





**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

**A2. Changes in Accounting Policies (cont'd)**

IC Int. 9	<i>Reassessment of Embedded Derivatives</i>
IC Int. 10	<i>Interim Financial Reporting and Impairment</i>
IC Int. 11	<i>FRS 2: Group and Treasury Share Transactions</i>
IC Int. 13	<i>Customer Loyalty Programmes</i>
IC Int. 14	<i>FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

Except as disclosed below, the adoption of the above applicable standards, amendments and interpretations by the Group, do not have a material impact on these unaudited condensed consolidated interim financial statements:

a) **FRS 101 Presentation of Financial Statements**

With the adoption of the revised FRS 101, it requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie comprehensive income) are required to be presented in one statement of comprehensive income. Components of comprehensive income are not permitted to be presented in the statement of changes in equity. Comparative information has been re-presented to conform with the revised standard as follows:

	<b>Previous FRS 101 reported 31-12-2009 RM'000</b>	<b>Effects on adoption of revised FRS 101 RM'000</b>	<b>Revised FRS 101 01-01-2010 RM'000</b>
<b>Profit for the period</b>	1,435	-	1,435
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations	-	(53)	(53)
<b>Total comprehensive income for the period</b>			<u><u>1,382</u></u>

b) **FRS 117 Leases**

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods. The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	<b>THE GROUP</b>	
	<b>As restated 31-12-2009 RM'000</b>	<b>As previously reported 31-12-2009 RM'000</b>
<b>Carrying amount</b>		
Property, plant and equipment	43,570	43,289
Prepaid lease payments	-	281
	<u><u>-</u></u>	<u><u>281</u></u>



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

---

**A2. Changes in Accounting Policies (cont'd)**

**c) FRS 139 *Financial Instruments: Recognition and Measurement***

Prior to the adoption of FRS 139, all foreign exchange gain/(loss) arising from foreign currency forward contracts are only recognised on their settlement date. With the adoption of FRS 139, all foreign currency forward contracts are required to be recognised at fair value on the date of contract entered and subsequently at the end of each financial reporting period. Any gains or losses arising from the changes in fair value are recognised in profit or loss.

In accordance with the transitional provisions for first-time adoption of FRS 139, this standard has been applied prospectively and comparative information is not restated. However, opening balance adjustments of retained earnings are required to reflect the changes.

**Financial Assets**

**i) Financial assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are classified as at FVTPL when the financial asset is either held for trading (i.e. acquired principally for the purpose of selling in the short-term) or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. Dividend income from financial assets at FVTPL is recognised in profit or loss as part of the other income when the Group's right to receive payment is established.

**ii) Loans and receivables**

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

**Financial Liabilities**

**i) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading (acquired principally for the purpose of repurchasing it in the near term) or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Liabilities in this category are classified as current assets.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of comprehensive income.



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

---

**A2. Changes in Accounting Policies (cont'd)**

**c) FRS 139 *Financial Instruments: Recognition and Measurement* (cont'd)**

**ii) Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

**A3. Audit Qualification**

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2009.

**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. Changes in Estimates**

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

**A7. Debts and Equity Securities**

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

**A8. Dividend Paid**

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

**A9. Valuation of Property, Plant and Equipment**

No valuation of property, plant and equipment has been carried out for the current financial reporting period under review.

**A10. Material Events**

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

**A11. Changes in the Composition of the Group**

There are no changes in the composition of the Group for the fourth quarter ended 31 December 2010.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**
**A12. Segmental Reporting**

The Group's principal business activities are manufacturing of various tins, cans and other containers, and are primarily carried out in Malaysia and Indonesia. As such, segmental analysis on business segment is currently not applicable.

<b>THE GROUP 31 December 2010</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 sales	95,433	130	-	95,563
Inter-segment sales	2,696	-	(2,696)	-
Total revenue	98,129	130	(2,696)	95,563
Segment results	9,607	(228)	10	9,389
Finance costs	(734)	-	-	(734)
Profit before tax	8,873	(228)	10	8,655
Income tax expense				(2,788)
Net profit for the period				5,867
<b>Other Information:</b>				
Capital expenditure	1,340	-	-	1,340
Depreciation and amortisation	3,068	41	(16)	3,093
Segment assets	205,919	981	(83,355)	123,545
Segment liabilities	42,449	1	(12,907)	29,543

**A13. Contingent Liabilities**

	<b>THE COMPANY</b>	
	<b>31-12-2010</b>	<b>31-12-2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	22,800	16,890

**A14. Related Party Transactions**

The amount owing to a director is 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</b>	<b>Preceding</b>
	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>31-12-2010</b>	<b>31-12-2009</b>
	<b>RM</b>	<b>RM</b>
<b>Director of the Company</b>		
Rental of factory	16,800	16,800

The directors of the Group and the Company are of the opinion that the above transaction has been entered into in the normal course of business and has been established under terms that are not less favourable than those arranged with independent third parties. The tenancy period was mutually agreed by both parties for a period of two years and expiring on 14 November 2011.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**
**PART B****EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA SECURITIES****B1. Review of Performance**

The Group has recorded a profit before tax of RM2.294 million on the back of turnover of RM25.323 million for the fourth quarter ended 31 December 2010 as compared to preceding year corresponding quarter of RM2.011 million and RM25.217 million respectively. The Group achieved a total revenue of RM95.563 million (31.12.2009: RM107.312 million) and profit before tax of RM8.655 million (31.12.2009: RM8.033 million) for the 12 months period ended 31 December 2010. Overall, the decrease in revenue was mainly due to lower demand from the palm oil industries and the increase in profit before tax were due to higher efficiency in the manufacturing process lead to lower manufacturing costs.

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

The Group's profit before tax for the current quarter ended 31 December 2010 was RM2.294 million as compared to RM1.747 million in the preceding quarter ended 30 September 2010. The increases in profit before tax were due to increase in revenue and lower operating costs for the current quarter.

**B3. Prospects of the Group**

The Board expects 1<sup>st</sup> quarter of 2011 to remain a challenging quarter. However, the Board expects the performance of the Group for year 2011 to be profitable.

**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**

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

**B6. Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	31-12-2010 RM'000	31-12-2009 RM'000	31-12-2010 RM'000	31-12-2009 RM'000
Current year:				
- Income tax	794	104	2,554	1,520
- Deferred tax	261	355	288	715
	1,055	459	2,842	2,235
Under/(Over) provision in previous year:				
- Income tax	(54)	-	(1)	121
- Deferred tax	(53)	117	(53)	712
	948	576	2,788	3,068

The effective tax rate of the Group for the current financial reporting period and year-to-date is higher than the statutory tax rate, mainly due to certain expenses that are not deductible for tax purposes.



**JOHORE TIN BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

**B7. Earnings Per Share (EPS)**

The basic EPS 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	
	31-12-2010	31-12-2009	31-12-2010	31-12-2009
Profit attributable to owners of the Company (RM'000)	1,346	1,435	5,867	4,965
Weighted average number of ordinary shares in issue ('000)	65,979	65,979	65,979	65,979
<b>Basic EPS (Sen)</b>	<b>2.04</b>	<b>2.18</b>	<b>8.89</b>	<b>7.53</b>

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

**B8. Unquoted Investment and/or Properties**

There were no profits on sale of unquoted investments or properties in the current financial reporting period. The unquoted investment of the Group is as follows:

	<b>RM'000</b>
At cost/book value	<u>17</u>

**B9. Retained Earnings**

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 31-12-2010 RM'000</b>	<b>As at 30-09-2010 RM'000</b>
Total retained earnings (Company and subsidiaries)		
- realised	80,993	79,513
- unrealised	<u>(1,213)</u>	<u>(1,075)</u>
	79,780	78,438
Less: Consolidation adjustments	(56,755)	(56,758)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	<u>23,025</u>	<u>21,680</u>

**B10. Quoted Securities**

There were no purchases or sales of quoted securities by the Group during the financial reporting period under review.

**B11. Status of Corporate Proposals**

There are no corporate proposals announced for the current financial reporting period.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**
**B12. Group Borrowings and Debts Securities**

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

	<b>THE GROUP</b>	
	<b>As at 31-12-2010 RM'000</b>	<b>As at 31-12-2009 RM'000</b>
<b>Current portion (secured):</b>		
Term loans	2,400	2,454
Bankers' acceptance	7,751	3,917
Hire purchase (see Note B13 below)	147	20
	10,298	6,391
<b>Non-current portion (secured):</b>		
Term loans	7,566	9,946
Bankers' acceptance	-	-
Hire purchase (see Note B13 below)	318	72
	7,884	10,018
<b>Total borrowings</b>	18,182	16,409

The Group's banking facilities are obtained from local financial institutions.

The term loans (pertaining to the subsidiary companies) are to finance building cost of Seelong factory, purchase of land and factory at Teluk Panglima Garang as well as purchase of plant and machineries. The loans are secured by a charge created over the asset in favour of the financial institutions and a corporate guarantee issued by the Company.

Other Group's banking facilities (all pertaining to certain subsidiary companies) are secured by way of corporate guarantee issued by the Company.

**B13. 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 31-12-2010 RM'000</b>	<b>As at 31-12-2009 RM'000</b>
Minimum hire purchase payment	502	107
Less: Future finance charges	(37)	(15)
Present value of hire purchase payables	465	92
Less: Current portion (see Note B12 above)	(147)	(20)
Non-current portion (see Note B12 above)	318	72

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010 (UNAUDITED) (cont'd)**

**B14. Derivative Financial Instruments**

As at 31 December 2010, 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	Contract/ Notional Value RM'000	Fair Value RM'000	Gain/(Loss) on Fair Value Changes RM'000
<b>Forward Contracts (US Dollar)</b>			
- Less than 1 year	2,709	2,681	(28)

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 nature 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.

**B15. Material Litigations**

There was no pending material litigation since the date of last annual statement of financial position.

**B16. Proposed Dividend**

During the financial reporting period under review, the Directors do not recommend any interim dividend for the financial period ended 31 December 2010.

The Board has yet to decide on a first and final dividend in respect of the financial year ended 31 December 2010. The announcement on the decision will be made at a later date.

**B17. Authorisation for Issue**

The interim financial statements were authorised for issued by the Board of Directors in accordance with a directors' resolution passed on 23 February 2011.