



JOHORE TIN BERHAD

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

**QUARTERLY REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**(UNAUDITED)**

**This Report is dated 26<sup>th</sup> February 2019.**



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**QUARTERLY REPORT  
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<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 FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED)**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Period Quarter 31-12-2018 RM'000	Preceding Period Corresponding Quarter 31-12-2017 RM'000	Current Year- To-Date 31-12-2018 RM'000	Preceding Year- To-Date 31-12-2017 RM'000
<b>REVENUE</b>		<b>157,146</b>	<b>116,590</b>	<b>501,123</b>	<b>475,488</b>
Cost of Sales		(130,096)	(100,522)	(415,800)	(406,507)
<b>GROSS PROFIT</b>		<b>27,050</b>	<b>16,068</b>	<b>85,323</b>	<b>68,981</b>
Net other incomes/(expenses)		1,188	(2,290)	3,554	2,974
Administrative expenses		(5,700)	(6,365)	(20,570)	(25,794)
Selling and Distribution expenses		(4,408)	(6,687)	(19,174)	(15,784)
Net gains on foreign exchange and financial instruments		1,163	2,492	689	4,795
Finance costs		(472)	(287)	(1,327)	(1,590)
<b>PROFIT BEFORE TAX</b>		<b>18,821</b>	<b>2,931</b>	<b>48,495</b>	<b>33,582</b>
Income tax expense	B6	(3,656)	(2,913)	(9,601)	(7,753)
<b>PROFIT FOR THE PERIOD/YEAR</b>		<b>15,165</b>	<b>18</b>	<b>38,894</b>	<b>25,829</b>
Non-controlling interest		168	356	(357)	(174)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>15,333</b>	<b>374</b>	<b>38,537</b>	<b>25,655</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		-	(13)	491	(32)
<b>Total other comprehensive income for the period/year</b>		<b>-</b>	<b>(13)</b>	<b>491</b>	<b>(32)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>	B7	<b>15,333</b>	<b>361</b>	<b>39,028</b>	<b>25,623</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		15,333	374	38,537	25,655
Non-controlling interest		(168)	(356)	357	174
		15,165	18	38,894	25,829
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		15,333	361	39,028	25,623
Non-controlling interest		(168)	(356)	357	174
		15,165	5	39,385	25,797
<b>Earnings per share (sen):</b>					
- Basic	B9	4.94	0.12	12.41	8.26

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 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 1 DECEMBER 2018 (UNAUDITED)**

		As at 31 December 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
	NOTE		
<b><u>ASSETS</u></b>			
<b><i>Non-Current Assets</i></b>			
Property, plant and equipment		125,149	110,934
Investment on associate company		8,271	171
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		144,087	121,772
<b><i>Current Assets</i></b>			
Inventories		118,742	96,673
Trade receivables		100,795	76,666
Other receivables		940	3,554
Amount owing from a related company		4,208	2,682
Derivative financial assets	B12	-	3,836
Tax recoverable		3,474	3,437
Cash and cash equivalents		70,090	85,459
		298,249	272,307
<b>TOTAL ASSETS</b>		<b>442,336</b>	<b>394,079</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><i>Share Capital and Reserves</i></b>			
Share capital		176,816	176,816
Retained earnings		139,852	113,734
Other components of equity		-	(491)
<b>Equity Attributable to Owners of the Company</b>		<b>316,668</b>	<b>290,059</b>
Non-controlling interest		656	54
<b>TOTAL EQUITY</b>		<b>317,324</b>	<b>290,113</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

		As at 31 December 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
<b><i>EQUITY AND LIABILITIES (cont'd)</i></b>			
<b><i>Non-Current Liabilities</i></b>			
Long-term borrowings	B10	1,987	2,489
Retirement benefits		383	377
Deferred tax		5,199	8,227
<b><i>Total Non-Current Liabilities</i></b>		<b>7,569</b>	<b>11,093</b>
<b><i>Current Liabilities</i></b>			
Trade payables		65,047	30,427
Other payables		15,854	19,894
Amount owing to directors		179	162
Short-term borrowings	B10	30,468	41,399
Retirement benefits		300	300
Derivative financial assets	B12	901	-
Income tax		4,694	691
<b><i>Total Current Liabilities</i></b>		<b>117,443</b>	<b>92,873</b>
<b><i>TOTAL LIABILITIES</i></b>		<b>125,012</b>	<b>103,966</b>
<b><i>TOTAL EQUITY AND LIABILITIES</i></b>		<b>442,336</b>	<b>394,079</b>
		RM	RM
<b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b>		<b>1.02</b>	<b>0.93</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED)**

	<u>Non-Distributable Reserves</u>		<u>Distributable</u>				
	Share Capital RM'000	Warrants Reserve RM'000	Foreign Translation Reserve RM'000	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 2018</b>	176,816	-	(491)	113,734	290,059	54	290,113
Total comprehensive income for the year	-	-	491	38,537	39,028	357	39,385
Acquisition of subsidiary	-	-	-	-	-	245	245
Dividend paid	-	-	-	(12,419)	(12,419)	-	(12,419)
<b>Balance at 31 December 2018</b>	<b>176,816</b>	<b>-</b>	<b>-</b>	<b>139,852</b>	<b>316,668</b>	<b>656</b>	<b>317,324</b>
<b>Balance at 1 January 2017</b>	124,407	5,233	(459)	95,444	224,625	(365)	224,260
Total comprehensive income for the year	-	-	(32)	25,655	25,623	174	25,797
Acquisition of subsidiary	-	-	-	-	-	245	245
Issuance of shares upon exercise of warrants	52,409	-	-	-	52,409	-	52,409
Transfer of reserves upon expiry of warrants	-	(5,233)	-	5,233	-	-	-
Dividend paid	-	-	-	(12,598)	(12,598)	-	(12,598)
<b>Balance at 31 December 2017</b>	<b>176,816</b>	<b>-</b>	<b>(491)</b>	<b>113,734</b>	<b>290,059</b>	<b>54</b>	<b>290,113</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 2017 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-12-2018 RM'000	Preceding Year-To-Date 31-12-2017 RM'000
Net cash from operating activities	<b>B14</b>	43,829	20,342
Net cash used in investing activities	<b>B14</b>	(32,636)	(17,009)
Net cash (used in)/from financing activities	<b>B14</b>	(26,572)	21,478
Net (decrease)/increase in cash and cash equivalents		(15,379)	24,811
Adjustment for foreign exchange differentials		10	(32)
Cash and cash equivalents as of beginning of year		85,450	60,671
Cash and cash equivalents as of end of year		70,081	85,450

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

	Current Year-To-Date 31-12-2018 RM'000	Preceding Year-To-Date 31-12-2017 RM'000
Cash and bank balances	70,090	85,459
Bank overdraft	-	-
Earmarked bank balance	(9)	(9)
	70,081	85,450

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (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 fourth quarter ended 31 December 2018 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 2017.

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 2017.

**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/year:**

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 23 <i>Uncertainties over Income Tax Treatment</i>	1 January 2019
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
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 FOURTH QUARTER ENDED 31 DECEMBER 2018 (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 2017.

**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/year 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/year.

**A7. Changes in Estimates**

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

**A8. Dividend Paid**

The third interim dividends of 1.5 sen in respect of the financial year ended 31 December 2018, amounting to RM4,657,063, had been paid on 26 December 2018 to the depositors registered in the Record of Depositors at the close of business on 17 December 2018.

**A9. Subsequent Material Events**

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

**A10. Contingent Liabilities**

	<b>THE COMPANY</b>	
	<b>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	19,107	26,062
Deed guarantee given to a customer for products sold	29	1,702
Deed guarantee given to suppliers for products purchased	5,917	7,233

**A11. Changes in the Composition**

There are no changes in the composition of the entity during the current interim period, except for the cessation and deregistration of PT. Medan Johor Tin, a subsidiary of the Company's wholly-owned subsidiary, under the Legislation of Indonesia on 29 November 2018.

**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 FOURTH QUARTER ENDED 31 DECEMBER 2018 (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 December 2018</u></b>				
External revenue	-	117,022	384,101	501,123
Inter-segment revenue	-	22,661	42,414	65,075
Dividend and management fees	15,088	-	-	15,088
<b>Total revenues</b>	<b>15,088</b>	<b>139,683</b>	<b>426,515</b>	<b>581,286</b>
Segments (loss)/profit before tax	(1,675)	14,491	35,679	48,495
Segment assets	25,690	142,101	274,545	442,336
<b><u>31 December 2017</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	102,402	373,086	475,488
Inter-segment revenue	-	18,916	13,762	32,678
Dividend and management fees	11,381	-	-	11,381
<b>Total revenues</b>	<b>11,381</b>	<b>121,318</b>	<b>386,848</b>	<b>519,547</b>
Segments (loss)/profit before tax	(1,961)	13,774	21,769	33,582
Segment assets	49,728	128,498	215,853	394,079

**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 December 2018</u></b>				
<b><i>Revenue</i></b>				
External revenue	501,123	-	-	501,123
Inter-segment revenue	65,075	-	(65,075)	-
Dividend and management fees	15,088	-	(15,088)	-
<b>Total revenues</b>	<b>581,286</b>	<b>-</b>	<b>(80,163)</b>	<b>501,123</b>
Segments profit/(loss)	65,314	(8)	(15,484)	49,822
Finance costs	(1,327)	-	-	(1,327)
Profit/(Loss) before tax	63,987	(8)	(15,484)	48,495
Tax expense	(9,525)	(76)	-	(9,601)
<b>Net profit/(loss) for the year</b>	<b>54,462</b>	<b>(84)</b>	<b>(15,484)</b>	<b>38,894</b>
<b><i>Other Information:</i></b>				
Capital expenditure	24,307	-	-	24,307
Depreciation and amortisation	10,033	-	(11)	10,022
Segment assets	647,338	-	(205,002)	442,336
Segment liabilities	176,292	-	(51,280)	125,012

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

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

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

<b>THE GROUP</b> <b>31 December 2017</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	475,488	-	-	475,488
Inter-segment revenue	32,678	-	(32,678)	-
Dividend and management fees	11,381	-	(11,381)	-
<b>Total revenues</b>	<b>519,547</b>	<b>-</b>	<b>(44,059)</b>	<b>475,488</b>
Segments profit	46,239	(2)	(11,065)	35,172
Finance costs	(1,590)	-	-	(1,590)
Profit before tax	44,649	(2)	(11,065)	33,582
Tax expense	(7,753)	-	-	(7,753)
<b>Net profit for the year</b>	<b>36,896</b>	<b>(2)</b>	<b>(11,065)</b>	<b>25,829</b>
<b>Other Information:</b>				
Capital expenditure	17,695	-	-	17,695
Depreciation and amortisation	9,169	-	(11)	9,158
Segment assets	592,948	285	(199,154)	394,079
Segment liabilities	175,477	-	(71,511)	103,966

**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>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM</b>	<b>RM</b>
<b>Directors of the Companies</b>		
- Rental of factory	640,800	17,200
- Rental of hostel	12,000	12,000
<b>Related Companies</b>		
- Sales of goods	7,478,776	6,780,625
- 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 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 FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

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

**B1. Review of Group Performance**

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

The Group recorded a revenue of RM157.15 million and profit before tax of RM18.82 million for the fourth quarter as compared to preceding year corresponding quarter of RM116.59 million and profit before tax of RM2.93 million respectively. The revenue increased by RM40.56 million and the profit before tax increased by RM15.89 million respectively as compared to the fourth quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM6.04 million from RM27.26 million to RM33.30 million mainly due to higher sales in the edible oil industry and the printing of tins services. Profit before tax increased by RM3.47 million from loss before tax of RM0.34 million in the preceding year corresponding quarter to a profit before tax of RM3.13 million. This is due to higher sales in the current quarter.

For the F&B segment, revenue increased by RM34.52 million from RM89.33 million to RM123.85 million mainly due to higher sales from dairy products. The profit before tax increased by RM12.18 million from RM3.96 million to RM16.14 million for the current quarter, mainly due to higher sales and lesser marketing and distribution expenses 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 RM501.12 million and profit before tax of RM48.50 million for the 12 months' ended 31 December 2018 as compared to preceding year-to-date of RM475.49 million and RM33.58 million respectively. The Group's revenue increased by RM25.63 million and the profit before tax increased by RM14.92 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM14.62 million from RM102.40 million to RM117.02 million mainly due to higher sales in the edible oil industry and the printing of tins services. Profit before tax increased by RM0.72 million from RM13.77 million to RM14.49 million. This is due to higher sales in the current year under review.

For the F&B segment, revenue increased by RM11.01 million from RM373.09 million to RM384.10 million mainly due to higher sales from dairy products. The profit before tax increased by RM14.34 million from RM21.80 million to RM36.14 million, mainly due to higher sales and no allowance for doubtful debts in the current year under review as compared to RM8.15 million in the preceding year-to-date.

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

For the current quarter under review, the Group's profits before tax increased by RM2.31 million to RM18.82 million as compared to profit before tax of RM16.51 million in the preceding quarter ended 30 September 2018.

***a) Tin Manufacturing Industry***

Profit before tax decreased by RM0.95 million from RM4.08 million to RM3.13 million were due to higher operating costs in the current quarter under review.

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

Profit before tax increased by RM3.50 million from RM12.64 million in the previous quarter as compared to the current quarter's profit before tax of RM16.14 million, mainly due to increase in sales and favourable foreign exchange rates in the current quarter under review.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material prices 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/year under review.

**B5. Profit Forecast or Profit Guarantee**

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

**B6. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Current period/year:	RM'000	RM'000	RM'000	RM'000
- Income tax	6,775	(382)	12,777	6,798
- Income tax (under-provision)	(152)	1,587	(148)	1,587
- Deferred tax	(650)	2,823	(711)	483
- Deferred tax (over-provision)	(2,317)	(1,115)	(2,317)	(1,115)
	<u>3,656</u>	<u>2,913</u>	<u>9,601</u>	<u>7,753</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	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	341	139	960	620
Other income	847	2,151	2,594	2,086
Interest expense	(472)	(287)	(1,327)	(1,590)
Depreciation and amortisation	(2,412)	(2,005)	(10,022)	(9,158)
(Loss)/Gain on disposal of property, plant and equipment	(52)	(3,010)	(43)	268
Realised foreign exchange (loss)/gain	(383)	621	4,897	(415)
Unrealised foreign exchange gain/(loss)	748	(426)	529	723
Gain/(Loss) on derivatives financial instruments	798	2,297	(4,737)	4,487
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/year.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (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/year which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Profit for the period/year (RM'000)	15,333	374	38,537	25,655
Weighted average number of ordinary shares ('000 shares)	310,473	310,473	310,473	310,473
<b>Basic Earnings per Share (Sen)</b>	<b>4.94</b>	<b>0.12</b>	<b>12.41</b>	<b>8.26</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/year under review.

**B10. Loan and Borrowings**

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

	THE GROUP	
	31-12-2018 RM'000	31-12-2017 RM'000
<b>Current portion (secured):</b>		
Term loans	605	1,890
Short-term banking facilities	19,991	23,703
Revolving credit	9,800	15,767
Hire purchase payables (see Note B11 below)	72	39
	<b>30,468</b>	<b>41,399</b>
<b>Non-current portion (secured):</b>		
Term loans	1,851	2,452
Hire purchase payables (see Note B11 below)	136	37
	<b>1,987</b>	<b>2,489</b>
<b>Total Loan and Borrowings</b>	<b>32,455</b>	<b>43,888</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 year are as follows:

	THE GROUP	
	31-12-2018 RM'000	31-12-2017 RM'000
Minimum hire purchase payments	227	80
Less: Future finance charges	(19)	(4)
Present value of hire purchase payables	208	76
Less: <b>Current portion</b> (see Note B10 above)	(72)	(39)
<b>Non-current portion</b> (see Note B10 above)	<b>136</b>	<b>37</b>

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

**B12. Derivative Financial Instruments**

As at 31 December 2018, 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>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Forward Contracts (US Dollar)</i>		
Contract/Notional Value	28,538	77,965
Less: Fair Value	(27,637)	(81,801)
Loss/(Gain) on Fair Value Changes	901	(3,836)

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.

**B13. Warrants Reserve**

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

	<b>THE GROUP</b>	
	<b>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at the beginning of year	-	5,233
Transfer of reserves upon expiry of warrants	-	(5,233)
Balance at the end of year	-	-

**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>31-12-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Increase in inventories	(22,070)	(17,412)
Increase in trade and other receivables	(22,280)	(5,506)
Decrease in trade and other payables	32,138	5,617
Income tax paid	(8,774)	(11,021)
Income tax refund	111	1,766
<b>b) Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	26	322
Purchase of property, plant and equipment	(24,307)	(17,160)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(13,971)	(11,046)
Net repayment of short-term borrowings	(4,053)	(5,407)
Repayment of term loan	(1,886)	(1,980)
Net drawdown/(repayment) of hire purchase payables	132	(118)
Net repayment of revolving credit	(5,967)	(12,869)
Proceeds from issuance of shares upon exercise of warrants	-	30,506

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 (UNAUDITED) (cont'd)**

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**B15. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a fourth interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2018. 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 fourth quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 26 February 2019.

*[End of Report]*