



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

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

**(UNAUDITED)**

**This Report is dated 22<sup>nd</sup> February 2017.**

**QUARTERLY REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 31-12-2016 RM'000	Preceding Year Corresponding Quarter 31-12-2015 RM'000	Current Year-To-Date 31-12-2016 RM'000	Preceding Year-To-Date 31-12-2015 RM'000
<b>REVENUE</b>		<b>118,759</b>	<b>115,086</b>	<b>441,561</b>	<b>417,410</b>
Cost of Sales		(96,544)	(104,904)	(367,602)	(362,097)
<b>GROSS PROFIT</b>		<b>22,215</b>	<b>10,182</b>	<b>73,959</b>	<b>55,313</b>
Other income		723	4,207	1,898	5,374
Administrative expenses		(4,315)	(5,950)	(15,739)	(15,910)
Distribution expenses		(3,210)	(1,968)	(13,548)	(13,291)
Gain/(Loss) on foreign exchange		97	(1,979)	3,543	(5,672)
Finance costs		(733)	(1,200)	(2,760)	(2,767)
<b>PROFIT BEFORE TAX</b>		<b>14,777</b>	<b>3,292</b>	<b>47,353</b>	<b>23,047</b>
Income tax expense	<b>B6</b>	(4,829)	(1,889)	(11,341)	(7,386)
<b>PROFIT FOR THE PERIOD/YEAR</b>		<b>9,948</b>	<b>1,403</b>	<b>36,012</b>	<b>15,661</b>
Non-controlling interest		1,487	1,946	74	1,641
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>11,435</b>	<b>3,349</b>	<b>36,086</b>	<b>17,302</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		178	21	142	81
<b>Total other comprehensive income for the period/year</b>		<b>178</b>	<b>21</b>	<b>142</b>	<b>81</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>	<b>B8</b>	<b>11,613</b>	<b>3,370</b>	<b>36,228</b>	<b>17,383</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		11,435	3,349	36,086	17,302
Non-controlling interest		(1,487)	(1,946)	(74)	(1,641)
		9,948	1,403	36,012	15,661
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		11,613	3,370	36,228	17,383
Non-controlling interest		(1,487)	(1,946)	(74)	(1,641)
		10,126	1,424	36,154	15,742
Earnings per share (sen):					
- Basic and Diluted	<b>B9</b>	4.60	3.59	14.50	18.54

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 2015 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016 (UNAUDITED)**

		As at 31 December 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
	NOTE		
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		103,022	100,226
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		<b>113,689</b>	<b>110,893</b>
<b>Current Assets</b>			
Inventories		80,453	130,631
Trade receivables		82,101	81,873
Other receivables		4,483	3,295
Amount owing from related companies		1,846	-
Tax recoverable		3,086	3,315
Derivative financial assets	B11	-	21
Cash and cash equivalents		63,037	36,919
		<b>235,006</b>	<b>256,054</b>
<b>TOTAL ASSETS</b>		<b>348,695</b>	<b>366,947</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		124,407	93,305
Retained earnings	B10	95,997	91,415
Other components of equity		4,774	10,159
<b>Equity Attributable to Owners of the Company</b>		<b>225,178</b>	<b>194,879</b>
Non-controlling interest		(349)	(2,473)
<b>TOTAL EQUITY</b>		<b>224,829</b>	<b>192,406</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

	NOTE	As at 31 December 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES (cont'd)</u></b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	B12	4,443	6,537
Retirement benefits		544	456
Deferred tax		8,859	5,857
<b>Total Non-Current Liabilities</b>		<b>13,846</b>	<b>12,850</b>
<b>Current Liabilities</b>			
Trade payables		25,861	38,087
Other payables		17,810	16,221
Amount owing to directors		147	1,187
Derivative financial liabilities	B11	651	-
Short-term borrowings	B12	61,992	100,989
Income tax		1,203	2,542
Bank overdraft		2,356	2,665
<b>Total Current Liabilities</b>		<b>110,020</b>	<b>161,691</b>
<b>TOTAL LIABILITIES</b>		<b>123,866</b>	<b>174,541</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>348,695</b>	<b>366,947</b>
<b>Net Assets (NA) per share attributable to ordinary equity holders of the Company</b>		<b>RM 1.83</b>	<b>RM 2.09</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED)**

	Note	<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			
<b>Balance at 1 January 2016</b>		93,305	5,528	5,233	(601)	91,415	194,880	(2,473)	192,407
Total comprehensive income for the year		-	-	-	142	36,086	36,228	(74)	36,154
Dividend		-	-	-	-	(3,732)	(3,732)	-	(3,732)
Bonus Issue		31,102	(5,528)	-	-	(25,574)	-	-	-
Additional acquisition interest of a subsidiary		-	-	-	-	(2,198)	(2,198)	2,198	-
<b>Balance at 31 December 2016</b>		<u>124,407</u>	<u>-</u>	<u>5,233</u>	<u>(459)</u>	<u>95,997</u>	<u>225,178</u>	<u>(349)</u>	<u>224,829</u>
<b>Balance at 1 January 2015</b>		93,305	5,528	5,233	(683)	77,379	180,762	(832)	179,930
Total comprehensive income for the year		-	-	-	81	17,302	17,383	(1,641)	15,742
Dividend		-	-	-	-	(3,266)	(3,266)	-	(3,266)
<b>Balance at 31 December 2015</b>		<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(602)</u>	<u>91,415</u>	<u>194,879</u>	<u>(2,473)</u>	<u>192,406</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-12-2016 RM'000	Preceding Year-To-Date 31-12-2015 RM'000
Net cash from/(used in) operating activities	<b>B15</b>	81,908	(6,817)
Net cash used in investing activities	<b>B15</b>	(9,737)	(20,145)
Net cash (used in)/from financing activities	<b>B15</b>	(46,267)	35,633
Net increase in cash and cash equivalents		25,904	8,671
Adjustment for foreign exchange differentials		531	81
Cash and cash equivalents as of beginning of year		34,246	25,494
Cash and cash equivalents as of end of year		60,681	34,246

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

	Current Year-To-Date 31-12-2016 RM'000	Preceding Year-To-Date 31-12-2015 RM'000
Cash and bank balances	63,037	36,919
Bank overdraft	(2,356)	(2,665)
Bank balance in ESCROW Account	-	(8)
	60,681	34,246

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (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 2016 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 2015.

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 1965 in Malaysia. These are the Group’s first 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 2015.

**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:**

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
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 &amp; 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 FOURTH QUARTER ENDED 31 DECEMBER 2016 (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 2015.

**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 year 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**

	<b>THE COMPANY</b>	
	<b>31-12-2016</b>	<b>31-12-2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	72,330	107,771
Deed guarantee given to a customer for products sold	9,042	8,858
Deed guarantee given to suppliers for products purchased	2,634	1,224

**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 FOURTH QUARTER ENDED 31 DECEMBER 2016 (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>31 December 2016</b>				
External revenue	-	98,156	343,405	441,561
Inter-segment revenue	-	22,958	820	23,778
Dividend income	14,001	-	-	14,001
Management income	380	-	-	380
Total revenue	14,381	121,114	344,225	479,720
Reportable segment (loss)/profit	(2,164)	13,819	24,357	36,012
Reportable segment assets	3,024	140,570	205,101	348,695
<b>31 December 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	86,643	330,767	417,410
Inter-segment revenue	-	16,008	7,534	23,542
Dividend income	10,259	-	-	10,259
Management income	380	-	-	380
Total revenue	10,639	102,651	338,301	451,591
Reportable segment (loss)/profit	(2,206)	6,711	11,156	15,661
Reportable segment assets	892	130,216	235,839	366,947

**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>31 December 2016</b>				
<b>Revenue</b>				
External revenue	441,561	-	-	441,561
Inter-segment revenue	23,778	-	(23,778)	-
Dividend income	14,001	-	(14,001)	-
Management income	380	-	(380)	-
Total revenue	479,720	-	(38,159)	441,561
Segment results	64,2569	13	(14,156)	50,113
Finance costs	(2,760)	-	-	(2,760)
Profit before tax	61,496	13	(14,156)	47,353
Tax expense	(11,341)	-	-	(11,341)
Net profit for the period	50,155	13	(14,156)	36,012
<b>Other Information:</b>				
Capital expenditure	10,472	-	-	10,472
Depreciation and amortisation	7,579	-	(4)	7,575
Segment assets	543,065	921	(195,291)	348,695
Segment liabilities	192,210	-	(68,344)	123,866

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

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

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

<b>THE GROUP 31 December 2015</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 revenue	417,410	-	-	417,410
Inter-segment revenue	23,542	-	(23,542)	-
Dividend income	10,259	-	(10,259)	-
Management income	380	-	(380)	-
<b>Total revenue</b>	<b>451,591</b>	<b>-</b>	<b>(34,181)</b>	<b>417,410</b>
Segment results	36,242	36	(10,464)	25,814
Finance costs	(2,767)	-	-	(2,767)
Profit before tax	33,475	36	(10,464)	23,047
Tax expense	(7,386)	-	-	(7,386)
<b>Net profit for the period</b>	<b>26,089</b>	<b>36</b>	<b>(10,464)</b>	<b>15,661</b>
<b>Other Information:</b>				
Capital expenditure	25,795	-	-	25,795
Depreciation and amortisation	7,591	-	(4)	7,587
Segment assets	542,679	845	(176,577)	366,947
Segment liabilities	228,246	-	(53,705)	174,541

**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>Current Year-To-Date 31-12-2016 RM</b>	<b>Preceding Year-To-Date 31-12-2015 RM</b>
<b>Directors of the Company</b>		
- Rental of factory	16,800	16,800
- Rental of hostel	12,000	9,000
<b>Related Company</b>		
- Sales of goods	7,543,799	9,934,602
- Purchases of goods	145,151	518,481

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 2017.

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 2016 (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 RM118.76 million and profit before tax of RM14.78 million for the fourth quarter as compared to preceding year corresponding quarter of RM115.09 million and profit before tax of RM3.29 million respectively. The revenue increased by RM3.67 million and the profit before tax increased by RM11.49 million respectively as compared to the fourth quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM5.79 million from RM23.89 million to RM29.68 million mainly due to higher sales in the printing services. Profit before tax increased by RM3.91 million to RM7.04 million for the current quarter as compared to RM3.13 million in the preceding year corresponding quarter, mainly due to higher sales revenue and better margin from the printing services.

For the F&B segment, revenue decreased slightly by RM1.4 million from RM90.48 million to RM89.08 million due to lower sales from dairy products. The profit before tax increased by RM7.6 million from RM0.55 million in the preceding year corresponding quarter as compared to RM8.15 million for the current quarter under review mainly due to higher margin from the milk powder segment.

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

The Group has recorded a revenue of RM441.56 million and profit before tax of RM36.09 million for the 12 months' ended 31 December 2016 as compared to preceding year-to-date of RM417.41 million and RM17.3 million respectively. The Group's revenue increased by RM24.15 million and the profit before tax increased by RM18.79 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM12.23 million from RM85.93 million to RM98.16 million mainly due to higher demand in the edible oil industry and printing services. Profit before tax increased by RM10.8 million from RM7.64 million to RM18.44 million mainly due to higher sales revenue and better margin from the printing services.

For the F&B segment, revenue increased by RM12.64 million from RM330.77 million to RM343.41 million due to higher sales from dairy products. The profit before tax was increased by RM13.42 million from RM17.44 million to RM30.86 million mainly due to higher sales revenue and foreign exchange gain in the current year.

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

For the current quarter under review, the Group's profits before tax increased by RM0.67 million to RM14.78 million as compared to profit before tax of RM14.11 million in the preceding quarter ended 30 September 2016.

***a) Tin Manufacturing Industry***

Profit before tax for tin manufacturing segment increased by RM2.09 million from RM4.95 million in the previous quarter as compared to the current quarter of profit before tax of RM7.04 million. The increase in profit is mainly due to higher sales revenue and better margin from the printing services in the current quarter.

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

Profit before tax for F&B segment decreased by RM1.63 million from RM9.78 million in the previous quarter as compared to the current quarter of profit before tax of RM8.15 million. The decreased in profit before tax was mainly due to lower sales in the current quarter as compared to the previous quarter.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to higher material costs. If the material costs remain unfavourable in the near term, the Group may have to adjust the selling prices accordingly. 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.

**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	
	31-12-2016 RM'000	31-12-2015 RM'000	31-12-2016 RM'000	31-12-2015 RM'000
Current period/year:				
- Income tax	1,753	1,589	9,587	7,544
- Deferred tax	4,041	392	2,719	219
	<u>5,794</u>	<u>1,981</u>	<u>12,306</u>	<u>7,763</u>
Over-provision in previous year:				
- Income tax	(1,249)	(10)	(1,249)	(294)
- Deferred tax	284	(82)	284	(83)
	<u>4,829</u>	<u>1,889</u>	<u>11,341</u>	<u>7,386</u>

**B7. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

The Company has increased its share capital by 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share, amounting to RM29,857,706.24 from the Rights Issue on 27 November 2012.

The status of the utilisation of proceeds from the rights issue as at 31 December 2016 are summarised as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe (Within)	Deviation	
				RM'000	%
i) Purchase of land and construction of new warehouse and factory	15,000	15,000	18 months	-	-
ii) Purchase of machineries and equipment	8,000	8,000	18 months	-	-
iii) Upgrading works	1,500	1,161	18 months *	339	1.14
iv) Working capital	4,857	4,857	12 months	-	-
v) Rights issue expenses	500	500	1 month	-	-
	<u>29,857</u>	<u>29,518</u>		<u>339</u>	<u>1.14</u>

\* The utilisation of upgrading works will be utilised in the first quarter of year 2017.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

**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	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(130)	(59)	(346)	(267)
Other income	(593)	(4,148)	(1,552)	(5,107)
Interest expense	733	1,200	2,760	2,767
Depreciation and amortisation	2,123	1,886	7,575	7,587
Gain on disposal of property, plant and equipment	(171)	-	(281)	-
Realised foreign exchange (gain)/loss	(1,746)	2,311	(5,939)	7,390
Unrealised foreign exchange loss/(gain)	1,043	(733)	1,724	(1,660)
Loss/(Gain) on derivatives	606	(231)	672	(737)
Exceptional items	-	-	-	-

**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	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
Profit for the period/year (RM'000)	11,435	3,349	36,086	17,302
Weighted average number of ordinary shares ('000 shares)	248,814	93,305	248,814	93,305
<b>Basic and Diluted Earnings per Share (Sen)</b>	<b>4.60</b>	<b>3.59</b>	<b>14.50</b>	<b>18.54</b>

For the financial reporting period under review, the outstanding warrants does not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

**B10. Disclosure of Realised and Unrealised Profits**

The breakdown of the realised and unrealised profits or losses as at the end of the financial reporting year is as follows:

	THE GROUP	
	As at 31-12-2016	As at 31-12-2015
	RM'000	RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	186,321	171,716
- unrealised	(11,256)	(3,512)
	175,065	168,204
Less: Consolidation adjustments	(79,068)	(76,789)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	95,997	91,415

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

**B11. Derivative Financial Instruments**

As at 31 December 2016, 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>As at 31-12-2016 RM'000</b>	<b>As at 31-12-2015 RM'000</b>
<b>Forward Contracts (US Dollar)</b>		
Fair Value	57,572	3,434
Less: Contract/Notional Value	56,921	3,455
Loss/(Gain) on Fair Value Changes	651	(21)

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. Loan and Borrowings**

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

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 31-12-2016 RM'000</b>	<b>As at 31-12-2015 RM'000</b>
<b>Current portion (secured):</b>		
Term loans	1,961	1,929
Short-term banking facilities	50,569	92,552
Revolving credit	9,350	4,001
Hire purchase payables (see Note B13 below)	112	2,507
	61,992	100,989
<b>Non-current portion (secured):</b>		
Term loans	4,362	6,344
Hire purchase payables (see Note B13 below)	81	193
	4,443	6,537
<b>Total loan and borrowings</b>	<b>66,435</b>	<b>107,526</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.



**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

**B13. Hire Purchase Payables**

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

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 31-12-2016 RM'000</b>	<b>As at 31-12-2015 RM'000</b>
Minimum hire purchase payments	205	2,791
Less: Future finance charges	(12)	(91)
Present value of hire purchase payables	193	2,700
Less: Current portion (see Note B12 above)	(112)	(2,507)
Non-current portion (see Note B12 above)	81	193

**B14. Warrants Reserve**

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

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 31-12-2016 RM'000</b>	<b>As at 31-12-2015 RM'000</b>
Balance at the end of year	5,233	5,233

As at the end of the reporting year under review, no warrants have been exercised.

**B15. 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>Current Year-To-Date 31-12-2016 RM'000</b>	<b>Preceding Year-To-Date 31-12-2015 RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Decrease in inventories	50,178	119
Increase in trade and other receivables	(1,068)	(8,535)
Decrease in trade and other payables	(15,932)	(16,048)
Income tax paid	(9,752)	(8,283)
Income tax refund	304	77
<b>b) Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(10,472)	(25,331)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(3,732)	(3,266)
Net (repayment)/drawdown of short-term borrowings	(44,023)	44,022
Repayment of term loan	(1,951)	(1,924)
Net drawdown of revolving credit	5,349	1
Repayment of hire purchase payables	(1,910)	(3,200)

**B16. Proposed Dividend**

During the financial reporting period under review, the Directors did not recommend any interim dividend for the financial year ended 31 December 2016.



**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 (UNAUDITED) (cont'd)**

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**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 22 February 2017.

*[End of Report]*