JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

FINANCIAL REPORT

for the financial year ended 31 December 2012

CONTENTS

DIRECTORS' REPORT

The directors of Johore Tin Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after tax for the financial year	22,891,303	5,881,910
Attributable to:-		
Owners of the Company	22,891,303	5,881,910

DIVIDEND

Since the end of the previous financial year the Company, on 26 July 2012, paid a single tier final tax-exempt dividend of 3.80 sen per ordinary share, amounting to RM2,659,202 in respect of the previous financial year.

The directors now recommend the payment of a single tier final tax-exempt dividend of 4.20 sen per ordinary share amounting to RM3,918,824 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its authorised share capital from RM100,000,000 to RM200,000,000 by the creation of 100,000,000 new ordinary shares of RM1.00 each;

(b) the Company increased its issued and paid-up share capital by way of a renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each ("Rights Share(s)") together with 23,326,333 free detachable warrants ("Warrant(s)") at an issue price of RM1.28 per Rights Share on the basis of one Rights Share and one Warrant for every three existing ordinary shares of RM1.00 each held in the Company. The new shares were issued for purchase of land, capital expenditure and working capital purposes. The new shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company apart from the issuance of 23,326,333 Warrants pursuant to the Rights Shares.

Warrants

The Company had issued 23,326,333 Warrants which were listed on Bursa Malaysia Securities Berhad on 27 November 2012 pursuant to the rights issue on the basis of one Rights Share and one Warrants for every three existing ordinary shares held in the Company.

The Warrants are constituted by a Deed Poll dated 10 October 2012 executed by the Company. Each Warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM2.28 per Warrant, subject to adjustment in accordance with the provisions of the Deed Poll. The Warrants not exercised at the date of the maturity will thereafter lapse and cease to be valid for any purpose.

As at 31 December 2012, the entire 23,326,333 Warrants remained unexercised. The summary of the movements of Warrants is as follows:

		Number of Warrants			
Issue Date	Expiry date	Balance as of 1.1.2012	Granted	Exercised	Balance as of 31.12.2012
27.11.2012	24.11.2017	-	23,326,333	-	23,326,333

The ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution declared, made or paid prior to the relevant date of allotment and issuance of the new shares arising from the exercise of Warrants. Further details on the Warrants are detailed in Note 16 to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

DATUK KAMALUDIN BIN YUSOFF
EDWARD GOH SWEE WANG
LIM CHIN KAI
LIM HUN SWEE
MUHAMAD FEASAL BIN YUSOFF
YEOW AH SENG @ YOW AH SENG

Pursuant to Article 120 of the Articles of Association of the Company, Lim Chin Kai and Yeow Ah Seng @ Yow Ah Seng retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2012	BOUGHT	SOLD	AT 31.12.2012
Direct Interest				
DATUK KAMALUDIN BIN YUSOFF	58,000	20,300	-	78,300
EDWARD GOH SWEE WANG	3,538,407	1,679,469	-	5,217,876
LIM CHIN KAI	24,000	16,000	-	40,000
LIM HUN SWEE	7,402,300	3,639,700	-	11,042,000
YEOW AH SENG @ YOW AH SENG	1,484,000	494,666	-	1,978,666

DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows (cont'd):-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2012	BOUGHT	SOLD	AT 31.12.2012
Indirect Interest				
DATUK KAMALUDIN BIN YUSOFF	3,809,380	1,243,760	325,900	4,727,240
EDWARD GOH SWEE WANG	11,085,739	3,570,246	385,000	14,270,985

By virtue of the directors' shareholdings in the shares of the Company, except for Lim Chin Kai and Yeow Ah Seng @ Yow Ah Seng, the abovementioned directors are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 38 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 45 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 26 APR 2013

Edward Goh Swee Wang

Yeow Ah Seng @ Yow Ah Seng

STATEMENT BY DIRECTORS

We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 96 are drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2012 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 48, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 26 APR 2013

Edward Goh Swee Wang

Yeow Ah Seng @ Yow Ah Seng

STATUTORY DECLARATION

I, Edward Goh Swee Wang, I/C No.: 631221-01-5769, being the director primarily responsible for the financial management of Johore Tin Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 96 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Edward Goh Swee Wang, I/C No.: 631221-01-5769,
at Johor Bahru in the state of Johor
on this 26 APR 2013

Before me

PESURUHJAYA SUMPAH
No. J204
MOHDZAR BIN KHALID
P.L.P., P.I.S.,
MALAYSIA

Edward Goh Swee Wang

No. 89, Jalan Trus,
80000 Johor Bahru

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Johor Bahru Office
30-04 Level 30, Menara Landmark
Mail Box 171, 12 Jalan Ngee Heng
80000 Johor Bahru, Malaysia
Main +6 07 2781 268
Fax +6 07 2781 238
www.crowehorwath.com.my
info.jb@crowehorwath.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No. : 532570-V

Report on the Financial Statements

We have audited the financial statements of Johore Tin Berhad, which comprise statements of financial position as at 31 December 2012 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 96.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No. : 532570-V

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which is indicated in Note 5 to the financial statements;

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes;

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 48 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No. : 532570-V

Other Matters

1. As stated in Note 46 to the financial statements, Johore Tin Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowell

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Tan Lin Chun
Approval No: 2839/10/13 (J)
Chartered Accountant

2 6 APR 2013

Johor Bahru

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012

		THE GROUP			THE COMPANY		
	NOTE	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	113,352,551	108,352,551	78,709,758
Property, plant and equipment	6	58,094,939	54,198,914	41,352,049	113,173	3,969	5,429
Goodwill	7	10,650,327	10,650,327	-	-	-	-
Other investment	8	16,500	16,500	16,500	-	-	-
		68,761,766	64,865,741	41,368,549	113,465,724	108,356,520	78,715,187
CURRENT ASSETS							
Inventories	9	49,719,662	54,632,567	33,477,169	-	-	-
Trade receivables	10	44,453,816	38,813,570	34,524,231	-	-	-
Other receivables, deposits and prepayments	11	3,529,197	772,291	1,456,293	-	-	-
Amount owing by subsidiaries	12	-	-	-	850,000	850,000	500,000
Tax recoverable		2,219,800	606,658	103,658	138,158	76,658	103,658
Derivative assets	13	24,800	464,630	-	-	-	-
Fixed deposits in licensed banks	14	26,104,837	14,854,545	-	20,821,858	-	-
Cash and bank balances		23,678,850	17,252,920	12,780,837	1,119,862	552,549	172,291
		149,730,962	127,397,181	82,342,188	22,929,878	1,479,207	775,949
TOTAL ASSETS		218,492,728	192,262,922	123,710,737	136,395,602	109,835,727	79,491,136

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012 (CONT'D)

		The Group			The Company		
	NOTE	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.11.2011 RM	1.1.2011 RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital	15	93,305,333	69,979,000	65,979,000	93,305,333	69,979,000	65,979,000
Reserves	16	62,565,505	36,246,699	28,428,381	22,214,639	12,831,250	13,170,412
SHAREHOLDERS' EQUITY		155,870,838	106,225,699	94,407,381	115,519,972	82,810,250	79,149,412
NON-CURRENT LIABILITIES							
Long term borrowings	17	12,828,359	14,791,753	7,897,010	7,058,692	8,533,741	-
Contingent consideration	18	-	4,647,143	-	-	4,647,143	-
Retirement benefits	19	335,000	359,000	334,000	-	-	-
Deferred tax liabilities	20	4,006,600	3,660,000	704,000	28,300	-	-
							-
		17,169,959	23,457,896	8,935,010	7,086,992	13,180,884	-
CURRENT LIABILITIES							
Trade payables	21	10,083,310	7,009,418	4,042,520	-	-	-
Other payables and accruals	22	7,021,701	18,291,789	2,835,216	784,893	495,943	341,724
Amount owing to subsidiaries	12	-	-	-	1,928,602	3,505,000	-
Amount owing to directors	23	764,206	1,035,289	388,199	-	-	-
Tax payable		1,163,439	488,147	416,161	-	-	-
Short term borrowings	24	21,614,113	29,749,629	10,284,927	6,428,000	6,428,000	-
Bank overdrafts	27	158,019	2,589,405	2,373,281	-	-	-
Contingent consideration	18	4,647,143	3,415,650	-	4,647,143	3,415,650	-
Derivative liabilities		-	-	28,042	-	-	-
		45,451,931	62,579,327	20,368,346	13,788,638	13,844,593	341,724
TOTAL LIABILITIES		62,621,890	86,037,223	29,303,356	20,875,630	27,025,477	341,724
TOTAL EQUITY AND LIABILITIES		218,492,728	192,262,922	123,710,737	136,395,602	109,835,727	79,491,136

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		THE GROUP		THE COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
REVENUE	28	246,361,334	134,215,445	9,519,333	5,582,372
OTHER OPERATING INCOME		3,621,246	1,325,576	26,030	-
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(1,490,697)	2,096,361	-	-
RAW MATERIALS AND CONSUMABLES USED		(170,636,137)	(87,098,627)	-	-
EMPLOYEE BENEFITS	29	(18,632,972)	(15,153,454)	(816,922)	(463,877)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	6	(5,408,621)	(3,363,193)	(7,284)	(1,460)
FINANCE COSTS		(1,982,510)	(1,162,623)	(961,569)	(154,442)
OTHER OPERATING EXPENSES		(24,276,814)	(16,508,979)	(394,690)	(844,397)
PROFIT BEFORE TAX	30	27,554,829	14,350,506	7,364,898	4,118,196
TAX EXPENSE	31	(4,663,526)	(3,312,048)	(1,482,988)	(1,228,093)
PROFIT AFTER TAX		22,891,303	11,038,458	5,881,910	2,890,103
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Foreign currency translation		(73,976)	9,125	-	-
		(73,976)	9,125	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		22,817,327	11,047,583	5,881,910	2,890,103

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

		THE GROUP		THE COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
PROFIT AFTER TAX ATTRIBUTABLE TO :-					
Owners of the Company		22,891,303	11,038,458	5,881,910	2,890,103
TOTAL COMPREHENSIVE INCOME :-					
Owners of the Company		22,817,327	11,047,583	5,881,910	2,890,103
Earnings per share					
- basic (sen)	32	30.86	16.56		
- diluted (sen)	32	N/A	N/A		

JOHORE TIN BERHAD
(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

			← NON-DISTRIBUTABLE →		DISTRIBUTABLE	
THE GROUP	NOTE	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	Total RM
Balance at 1.1.2011		65,979,000	5,520,212	(522,528)	23,430,697	94,407,381
Issuance of shares		4,000,000	(920,000)	-	-	3,080,000
Profit after tax for the financial year		-	-	-	11,038,458	11,038,458
Other comprehensive income for the financial year, net of tax:						
- Foreign currency translation		-	-	9,125	-	9,125
Total comprehensive income for the financial year		-	-	9,125	11,038,458	11,047,583
Distribution to owners of the Company						
- Dividend	33	-	-	-	(2,309,265)	(2,309,265)
Balance at 31.12.2011		69,979,000	4,600,212	(513,403)	32,159,890	106,225,699

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

			← NON-DISTRIBUTABLE		→	DISTRIBUTABLE	
THE GROUP	NOTE	Share Capital RM	Share Premium RM	Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Total RM
Balance at 31.12.2011/1.1.2012		69,979,000	4,600,212	(513,403)	-	32,159,890	106,225,699
Issuance of shares	15 &16	23,326,333	927,924	-	5,232,757	-	29,487,014
Profit after tax for the financial year		-	-	-	-	22,891,303	22,891,303
Other comprehensive income for the financial year, net of tax:							
- Foreign currency translation		-	-	(73,976)	-	-	(73,976)
Total comprehensive income for the financial year		-	-	(73,976)	-	22,891,303	22,817,327
Distribution to owners of the Company							
- Dividend	33	-	-	-	-	(2,659,202)	(2,659,202)
Balance at 31.12.2012		93,305,333	5,528,136	(587,379)	5,232,757	52,391,991	155,870,838

JOHORE TIN BERHAD
(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

			← NON-DISTRIBUTABLE →		DISTRIBUTABLE	
THE COMPANY	NOTE	Share Capital RM	Share Premium RM	Fair Value Reserve RM	Retained Profits RM	Total RM
Balance at 1.1.2011		65,979,000	5,520,212	5,961,641	1,688,559	79,149,412
Issuance of shares		4,000,000	(920,000)	-	-	3,080,000
MFRS transition effect	46	-	-	(5,961,641)	5,961,641	-
Restated balance at 1.1.2011		69,979,000	4,600,212	-	7,650,200	82,229,412
Total comprehensive income for the financial year		-	-	-	2,890,103	2,890,103
Distribution to owners of the Company - Dividend	33	-	-	-	(2,309,265)	(2,309,265)
Balance at 31.12.2011		69,979,000	4,600,212	-	8,231,038	82,810,250

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

			← NON-DISTRIBUTABLE	→	DISTRIBUTABLE	
THE COMPANY	NOTE	Share Capital RM	Share Premium RM	Warrants Reserve RM	Retained Profits RM	Total RM
Balance at 31.12.2011/1.1.2012		69,979,000	4,600,212	-	8,231,038	82,810,250
Issuance of shares	15 & 16	23,326,333	927,924	5,232,757	-	29,487,014
Total comprehensive income for the financial year		-	-	-	5,881,910	5,881,910
Distribution to owners of the Company - Dividend	33	-	-	-	(2,659,202)	(2,659,202)
Balance at 31.12.2012		93,305,333	5,528,136	5,232,757	11,453,746	115,519,972

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		THE GROUP		THE COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		27,554,829	14,350,506	7,364,898	4,118,196
Adjustments for:-					
Allowance for impairment losses on receivables		101,070	591,060	-	-
Dividend income		-	-	(8,669,333)	(4,732,372)
Depreciation of property, plant and equipment		5,408,621	3,363,193	7,284	1,460
Gain on disposal of property, plant and equipment		(925,811)	(158,999)	-	-
Gain on foreign exchange - unrealised (non-trade)		-	(54,729)	-	-
Loss/(Gain) on foreign exchange - unrealised (trade)		201,409	(150,422)	-	-
Interest expenses					
- bank borrowings		1,508,940	1,059,695	673,327	87,252
- contingent consideration		288,242	67,190	288,242	67,190
Interest income		(321,226)	(221,360)	(26,030)	-
Loss/(Gain) on fair values changes in financial instruments		439,830	(492,672)	-	-
Provision for retirement benefits		-	25,000	-	-
Plant and equipment written off		-	56,229	-	-
Reversal of allowance for impairment losses on trade receivables		(434,816)	(101,652)	-	-
Reversal of provision for retirement benefits		(24,000)	-	-	-
Operating profit/(loss) before working capital changes		33,797,088	18,333,039	(361,612)	(458,274)
Decrease in inventories		3,123,188	4,499,164	-	-
(Increase)/Decrease in trade and other receivables		(6,456,651)	7,401,780	-	-
Net (increase)/decrease in amount owing by subsidiaries		-	-	(1,576,398)	3,155,000
(Decrease)/Increase in trade and other payables		(8,413,039)	(16,094,717)	85,058	87,029
Increase in amount owing to directors		78,917	297,090	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		22,129,503	14,436,356	(1,852,952)	2,783,755

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	NOTE	THE GROUP 2012 RM	THE GROUP 2011 RM	THE COMPANY 2012 RM	THE COMPANY 2011 RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		22,129,503	14,436,356	(1,852,952)	2,783,755
Tax paid		(5,573,880)	(3,803,794)	(59,792)	(18,000)
Tax refund		319,105	675,400	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		16,874,728	11,307,962	(1,912,744)	2,765,755
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received		-	-	7,212,937	3,549,279
Interest received		321,226	221,360	26,030	-
Payment of contingent consideration		(3,500,000)	-	(3,500,000)	-
Withdrawal/(Placement) of fixed deposits		9,500,000	(9,500,000)	-	-
Proceeds from disposal of property, plant and equipment		1,403,152	161,022	-	-
Quasi loan granted to a subsidiary		-	-	(5,000,000)	-
Acquisition of a subsidiary	34	-	(7,119,081)	-	(18,500,000)
Purchase of property, plant and equipment	35	(8,973,130)	(1,675,644)	(116,488)	-
NET CASH FOR INVESTING ACTIVITIES		(1,248,752)	(17,912,343)	(1,377,521)	(14,950,721)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(2,659,202)	(2,309,265)	(2,659,202)	(2,309,265)
Interest expenses		(1,508,940)	(1,059,695)	(673,327)	(87,252)
Drawdown of revolving credit		-	5,000,000	-	5,000,000
Drawdown of term loan		-	10,000,000	-	10,000,000
Drawdown of bankers' acceptances		4,205,885	22,946,000	-	-
Drawdown of bills payable		1,104,681	7,205,163	-	-
Proceeds from issuance of shares	15 & 16	29,857,706	-	29,857,706	-
Rights issue exercise expenses paid	16	(370,692)	-	(370,692)	-
Repayment of advances to directors		(350,000)	-	-	-
Repayment of bankers' acceptances		(12,536,456)	(23,022,000)	-	-
Repayment of hire purchase obligation		(362,242)	(214,221)	-	-
Repayment of term loans		(3,290,085)	(2,427,159)	(1,475,049)	(38,259)
NET CASH FROM FINANCING ACTIVITIES		14,090,655	16,118,823	24,679,436	12,565,224

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

		THE GROUP		THE COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		29,716,631	9,514,442	21,389,171	380,258
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		20,018,060	10,407,556	552,549	172,291
Effects of exchange differences		(109,023)	96,062	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	49,625,668	20,018,060	21,941,720	552,549

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 1301, 13th Floor, City Plaza Jalan Tebrau 80300 Johor Bahru Johor
Principal place of business	:	PTD 124298, Jalan Kempas Lama Kampung Seelong Jaya 81300 Skudai Johor

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 April 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and the requirements of the Companies Act 1965 in Malaysia.

(a) These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts on the transition from FRSs to MFRSs are disclosed in Note 46 to the financial statements.

3. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

The above mentioned accounting standards and interpretations (including the consequential amendments) do not have any financial impact on the Group and the Company's financial statements upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(iv) Write down/off of inventories

Reviews are made periodically by management on damaged and obsolete inventories. These reviews require management to consider the future demand for the products, technical assessment and subsequent events. The Group also adopts the write down policy by marking down the carrying amount of those slow-moving inventories using certain percentages on inventories which are aged more than 2 years (food and beverage segment) and 3 years (tin manufacturing segment) respectively. The percentages are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

Where necessary, write off is made for all damaged and obsolete items. The Group writes off its damaged and obsolete inventories based on assessment of the condition and the future demand for the inventories. These inventories are written off when events or changes in circumstances indicate that the carrying amounts may not be recovered.

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2012.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iv) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

As part of the transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition (1 January 2011). Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Functional and Foreign Currencies (Cont'd)

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 Janaury 2011) which are treated as assets and liabilities of the Company and are not retranslated.

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading 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.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

  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 financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are 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.

(iii) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at deemed cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(ii) Transferable Golf Club Membership

Transferable golf club membership is stated at cost less impairment losses, if any.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	over the remaining lease period
Factory buildings	2%
Plant and machinery	10 - 12.5%
Mould, tools and factory equipment	10%
Electrical installations and substation	10%
Motor vehicles	20%
Office equipment, furniture and fittings	10 - 25%
Renovation	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in the profit or loss.

(h) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(i) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(n) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(o) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Defined Benefit Plans

The Group has a non-contributory unfunded retirement benefits scheme for the unionised workers. The retirement benefit provided is based on the terms, which are stated in the agreement signed between the Group and the unionised workers, discounted at the appropriate rate without the application of any actuarial valuation methods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Capitalisation of Borrowing Costs

Interest incurred on borrowings to property, plant and equipment is capitalised during the period activities to plan, develop and construct the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

(s) Revenue Recognition And Other Income

(i) *Sales of Goods*
Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) *Dividend Income*
Dividend income from investment is recognised when the right to receive dividend payment is established.

(iii) *Management Fee*
Management fee is recognised on an accrual basis.

(iv) *Interest Income*
Interest income is recognised on an accrual basis using the effective interest method.

(v) *Rental Income*
Rental income is recognised on an accrual basis.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2012 RM	2011 RM
Unquoted shares, at deemed cost	98,717,850	69,075,057
Addition during the year	-	29,642,793
	98,717,850	98,717,850
Quasi loans	9,634,701	9,634,701
Addition during the year	5,000,000	-
	113,352,551	108,352,551

Quasi loans represent advances of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts, in substance, form part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

Details of the subsidiaries are as follows:-

Name of Company	**Effective Equity Interest (%)** 2012	2011	**Country of Incorporation**	**Principal Activities**
Johore Tin Factory Sendirian Berhad ("JTFSB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd.("UISB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd.	100	100	Malaysia	Manufacturing and selling of milk and other related dairy products
Subsidiary of JTFSB				
PT Medan Johor Tin *	100	100	Indonesia	Dormant
(held through JTFSB-90% & UISB-10%)				

***** This subsidiary is audited by other firm of chartered accountants.

6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

Net book value	At 1.1.2012 RM	Additions RM	Disposals RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2012 RM
Freehold land	9,188,888	5,794,760	(469,628)	-	-	14,514,020
Leasehold land	252,848	-	-	-	(14,303)	238,545
Factory buildings	19,562,600	-	-	-	(460,026)	19,102,574
Plant and machinery	18,933,391	1,984,025	(3,082)	(1,027)	(3,791,132)	17,122,175
Mould, tools and factory equipment	2,455,579	38,473	-	-	(323,513)	2,170,539
Electrical installations and substation	1,291,478	35,061	-	-	(184,639)	1,141,900
Motor vehicles	1,065,296	1,127,501	-	-	(372,743)	1,820,054
Office equipment, furniture and fittings	583,832	545,245	(4,631)	(116)	(138,974)	985,356
Renovation	865,002	258,065	-	-	(123,291)	999,776
	54,198,914	9,783,130	(477,341)	(1,143)	(5,408,621)	58,094,939

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP

Net book value	At 1.1.2011 RM	Acquisition of a subsidiary RM	Additions RM	Reclassification RM	Disposals RM	Written off RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2011 RM
Freehold land	9,188,888	-	-	-	-	-	-	-	9,188,888
Leasehold land	267,150	-	-	-	-	-	-	(14,302)	252,848
Factory buildings	20,022,627	-	-	-	-	-	-	(460,027)	19,562,600
Plant and machinery	8,809,831	10,560,300	1,657,043	120,758	(2,022)	(56,229)	474	(2,156,764)	18,933,391
Mould, tools and factory equipment	458,847	2,076,208	52,500	-	-	-	-	(131,976)	2,455,579
Electrical installations and substation	647,039	757,811	402	-	-	-	-	(113,774)	1,291,478
Motor vehicles	842,264	97,532	449,158	-	(1)	-	-	(323,657)	1,065,296
Office equipment, furniture and fittings	546,909	116,890	19,981	-	-	-	20	(99,968)	583,832
Renovation	451,994	479,991	-	(4,258)	-	-	-	(62,725)	865,002
Capital work-in-progress	116,500	-	-	(116,500)	-	-	-	-	-
	41,352,049	14,088,732	2,179,084	-	(2,023)	(56,229)	494	(3,363,193)	54,198,914

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP

At 31.12.2012	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	14,514,020	-	-	14,514,020
Leasehold land	639,585	(401,040)	-	238,545
Factory buildings	22,595,259	(3,492,685)	-	19,102,574
Plant and machinery	59,340,411	(40,800,481)	(1,417,755)	17,122,175
Mould, tools and factory equipment	5,566,531	(3,395,992)	-	2,170,539
Electrical installations and substation	2,115,280	(973,380)	-	1,141,900
Motor vehicles	4,350,070	(2,530,016)	-	1,820,054
Office equipment, furniture and fittings	2,274,852	(1,289,496)	-	985,356
Renovation	1,908,402	(908,626)	-	999,776
	113,304,410	(53,791,716)	(1,417,755)	58,094,939

At 31.12.2011	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	9,188,888	-	-	9,188,888
Leasehold land	639,585	(386,737)	-	252,848
Factory buildings	22,595,259	(3,032,659)	-	19,562,600
Plant and machinery	57,387,046	(37,035,900)	(1,417,755)	18,933,391
Mould, tools and factory equipment	5,528,058	(3,072,479)	-	2,455,579
Electrical installations and substation	2,080,219	(788,741)	-	1,291,478
Motor vehicles	3,222,569	(2,157,273)	-	1,065,296
Office equipment, furniture and fittings	1,737,715	(1,153,883)	-	583,832
Renovation	1,650,337	(785,335)	-	865,002
	104,029,676	(48,413,007)	(1,417,755)	54,198,914

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY

Net book value	At 1.1.2012 RM	Additions RM	Depreciation Charge RM	At 31.12.2012 RM
Office equipment, furniture and fittings	3,969	116,488	(7,284)	113,173

Net book value	At 1.1.2011 RM	Additions RM	Depreciation Charge RM	At 31.12.2011 RM
Office equipment, furniture and fittings	5,429	-	(1,460)	3,969

At 31.12.2012	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	232,274	(119,101)	113,173

At 31.12.2011	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	115,786	(111,817)	3,969

Included in the net book value of the property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	THE GROUP 2012 RM	2011 RM
Motor vehicles	1,445,341	626,849
Plant and machinery	509,386	569,970
	1,954,727	1,196,819

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The following assets of the Group at net book value have been pledged to financial institutions for banking facilities as disclosed in Notes 24, 26 and 27 to the financial statements are as follows:-

	THE GROUP 2012 RM	2011 RM
Freehold land and buildings	26,527,974	26,938,444

7. GOODWILL

	THE GROUP 2012 RM	2011 RM
At 1 January	10,650,327	-
Acquisition of a new subsidiary (Note 34)	-	10,650,327
At 31 December	10,650,327	10,650,327

(a) The carrying amount of goodwill is allocated to the following cash-generating unit:-

	THE GROUP 2012 RM	2011 RM
Foods and beverage	10,650,327	10,650,327

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	GROSS MARGIN 2012	2011	GROWTH RATE 2012	2011	DISCOUNT RATE 2012	2011
FOODS AND BEVERAGE	10%	14%	5%	0%	10%	12%

7. GOODWILL (Cont'd)

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows (Cont'd):-

(I) BUDGETED GROSS MARGIN	The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the 2 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(II) GROWTH RATE	Assume 5 percent growth for the subsequent 5 years.
(III) DISCOUNT RATE	The discount rate used is pre-tax and reflect specific risk relating to that operating segment.

8. OTHER INVESTMENT

	THE GROUP	
	2012	2011
	RM	RM
Transferable golf club membership, at cost	16,500	16,500

9. INVENTORIES

	THE GROUP	
	2012	2011
	RM	RM
At cost:-		
Raw materials	29,835,055	37,671,358
Work-in-progress	11,115,276	10,738,136
Finished goods	3,340,711	4,463,377
Goods-in-transit	5,224,150	1,656,423
	49,515,192	54,529,294
At net realisable value:-		
Raw materials	170,570	69,028
Work-in-progress	33,900	29,011
Finished goods	-	5,234
	49,719,662	54,632,567

10. TRADE RECEIVABLES

	THE GROUP 2012 RM	2011 RM
Trade receivables	45,879,486	40,572,986
Allowance for impairment losses	(1,425,670)	(1,759,416)
	44,453,816	38,813,570
Allowance for impairment losses at 1 January	1,759,416	1,490,992
Addition during the financial year	101,070	591,060
Reversal of allowance for impairment losses during the financial year	(434,816)	(101,652)
Written off during the financial year	-	(220,984)
Allowance for impairment losses at 31 December	1,425,670	1,759,416

The Group's normal trade credit terms range from 30 to 120 days (2011: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables is an amount of RM1,504,649 (2011: RM706,973) owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP 2012 RM	2011 RM
Other receivables	172,206	93,028
Deposits	3,183,559	216,109
Prepayments	173,432	463,154
	3,529,197	772,291

Included in the other receivables is an amount of RM27,123 (2011: Nil) owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

12. AMOUNT OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2012 RM	2011 RM
Current		
Trade related balances		
Subsidiaries	850,000	850,000
Current		
Non-trade related balance		
A subsidiary	(1,928,602)	(3,505,000)

Trade balance arises from trade transactions, while non-trade balance represents advances, both of which are unsecured, interest-free and repayable on demand.

13. DERIVATIVE ASSETS

	THE GROUP			
	CONTRACT/ NOTIONAL AMOUNT		ASSETS	ASSETS
	2012 RM	2011 RM	2012 RM	2011 RM
Forward foreign currency contracts	7,973,000	19,025,950	24,800	464,630

The Group does not apply hedge accounting.

(a) Forward foreign currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 1 to 6 months after the end of the reporting period.

(b) In current financial year, the Group recognised a gain of RM24,800 arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair value of derivative are disclosed in Note 43(d) to the financial statements.

14. FIXED DEPOSITS IN LICENSED BANKS

The fixed deposits in licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.17% to 3.45% (2011: 2.19% to 3.15%) per annum. The deposits have maturity period ranging from 1 to 12 months.

In previous financial year, included in deposits in licensed banks of the Group at the end of the reporting period was an amount of RM9,500,000 which had been pledged to licensed banks as security for banking facilities granted to the Group.

15. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2012 No. of shares	2011 No. of shares	2012 RM	2011 RM
ORDINARY SHARES OF RM1.00 EACH:-				
AUTHORISED				
At 1 January	100,000,000	100,000,000	100,000,000	100,000,000
Creation of shares	100,000,000	-	100,000,000	-
At 31 December	200,000,000	100,000,000	200,000,000	100,000,000
ISSUED AND FULLY PAID-UP				
At 1 January	69,979,000	65,979,000	69,979,000	65,979,000
Issuance of shares	23,326,333	4,000,000	23,326,333	4,000,000
At 31 December	93,305,333	69,979,000	93,305,333	69,979,000

During the year, the Company increased its:-

(i) authorised share capital from RM100,000,000 to RM200,000,000 through the creation of 100,000,000 shares of RM1.00 each; and

(ii) issued and paid-up share capital by way of a renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each (“Rights Share(s)”) together with 23,326,333 free detachable warrants (“Warrant(s)”) at an issue price of RM1.28 per Rights Share on the basis of one Rights Share and one Warrant for every three existing ordinary shares of RM1.00 each held in the Company.

16. RESERVES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Non-distributable reserves:-				
- Share premium	5,528,136	4,600,212	5,528,136	4,600,212
- Translation reserve	(587,379)	(513,403)	-	-
- Warrants reserve	5,232,757	-	5,232,757	-
	10,173,514	4,086,809	10,760,893	4,600,212
Distributable reserve:-				
- Retained profits	52,391,991	32,159,890	11,453,746	8,231,038
	62,565,505	36,246,699	22,214,639	12,831,250

Share premium

The share premium arose from the issuance of shares by way of private placement and public offer net of share issue expenses. The share premium reserve is not distributable by way of dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

The movements of the share premium are as follows:-

	THE GROUP AND THE COMPANY	
	2012	2011
	RM	RM
At 1 January	4,600,212	4,600,212
Arising from Rights Issue with Warrants	6,531,373	-
Allocation to warrants reserve	(5,298,540)	-
Applied for share issue expenses pursuant to Rights Shares	(304,909)	-
At 31 December	5,528,136	4,600,212

Translation reserve

Translation reserve represents the exchange differences arising from the translation of the financial statements of a foreign subsidiary and is not distributable by way of dividends.

Warrants reserve

The warrants reserves arose from the allocation of the proceeds from the issuance of the warrants by reference to the fair value of the warrants and net of expenses incurred in relation to the rights issue during the financial year.

16. RESERVES (CONT'D)

Warrants reserve (Cont'd)

During the financial year, 23,326,333 Warrants were issued pursuant to the rights issue of new ordinary shares. The movements in the warrants reserve are as follows:-

	THE GROUP AND THE COMPANY	
	2012	2011
	RM	RM
At 1 January	-	-
Arising from Rights Issue with Warrants	5,298,540	-
Applied for warrant issue expenses	(65,783)	-
At 31 December	5,232,757	-

The main features of the Warrants are as follows:-

(a) Each Warrant will entitle its registered holder during the exercise period to subscribe for one new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll as disclosed in the Director's Report.

(b) The exercise price of each Warrant has been fixed at RM2.28, subject to adjustments under circumstances in accordance with the provision of the Deed Poll.

(c) The exercise period shall commence from the date of issue of the Warrants and will expire on 24 November 2017, 5.00pm. Any Warrant which has not been exercised will lapse and cease thereafter to be valid for any purpose.

(d) The new ordinary shares of RM2.28 each pursuant to the exercise of the Warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company.

No warrants were exercised during the financial year ended 31 December 2012. As at the end of the reporting date, 23,326,333 Warrants remain unexercised.

Retained profits

The Company has elected for the irrevocable option for the single tier tax system. Therefore, at the end of the reporting period, the Company will be able to distribute dividends out of its entire retained profits under the single tier tax system.

17. LONG TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Hire purchase payables (Note 25)	707,356	484,593	-	-
Term loans (Note 26)	12,121,003	14,307,160	7,058,692	8,533,741
	12,828,359	14,791,753	7,058,692	8,533,741

18. CONTINGENT CONSIDERATION

	THE GROUP AND THE COMPANY	
	2012 RM	2011 RM
Non-current portion	-	4,647,143
Current portion	4,647,143	3,415,650
	4,647,143	8,062,793

The contingent consideration represents the fair value of the outstanding purchase consideration payable to the vendors of a subsidiary which had been acquired in the financial year ended 31 December 2011. Payment of the outstanding contingent consideration is expected to be completed within 14 days upon receipt of the signed audited financial statements of the subsidiary which reported a profit after tax amount surpasses the required profit guarantee for the financial year ended 31 December 2012.

Key assumption used for computing the fair value of the outstanding purchase consideration:

	THE GROUP	
	2012	2011
Discount rate	5%	5%
Outstanding purchase consideration - at cost	RM5,000,000	RM8,500,000

19. RETIREMENT BENEFITS

	THE GROUP	
	2012	2011
	RM	RM
At 1 January	359,000	334,000
Addition for the financial year	-	25,000
Reversal during the financial year	(24,000)	-
At 31 December	335,000	359,000

Retirement benefits represent the Group's obligation in respect of a non-contributory unfunded retirement benefit plan to unionised workers. The amount as at the end of the reporting period approximates the present value of the unfunded obligation.

Key assumptions used for computing the addition for the year.

	THE GROUP	
	2012	2011
Discount rate	4.61%	4.47%
Annual salary increment per worker	RM65.00	RM65.00

20. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
At 1 January	3,660,000	704,000	-	-
Recognised in profit or loss (Note 31)	346,600	706,000	28,300	-
Acquisition of a subsidiary (Note 34)	-	2,250,000	-	-
At 31 December	4,006,600	3,660,000	28,300	-

20. DEFERRED TAX LIABILITIES (CONT'D)

(a) Deferred tax liabilities are attributable to the following items:-

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Deferred tax liabilities:-				
- Accelerated capital allowances	4,544,100	4,548,100	28,300	-
- Other temporary differences	-	13,700	-	-
Gross deferred tax liabilities	4,544,100	4,561,800	28,300	-
Deferred tax assets:-				
- Unabsorbed tax losses	(399,700)	(756,000)	-	-
- Other temporary differences	(137,800)	(145,800)	-	-
Gross deferred tax assets	(537,500)	(901,800)	-	-
Net deferred tax liabilities	4,006,600	3,660,000	28,300	-

(b) The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:-

THE GROUP Deferred tax liabilities:-	Accelerated capital allowances RM	Other temporary differences RM	Total RM
Balance at 1 January 2012	4,548,100	13,700	4,561,800
Recognised in profit or loss	(4,000)	(13,700)	(17,700)
Balance at 31 December 2012	4,544,100	-	4,544,100
Balance at 1 January 2011	1,929,600	3,400	1,933,000
Recognised in profit or loss	2,618,500	10,300	2,628,800
Balance at 31 December 2011	4,548,100	13,700	4,561,800

20. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows (Cont'd):-

THE GROUP Deferred tax assets:-	Unutilised capital allowances RM	Unabsorbed tax losses RM	Other temporary differences RM	Total RM
Balance at 1 January 2012	-	(756,000)	(145,800)	(901,800)
Recognised in profit or loss	-	356,300	8,000	364,300
Balance at 31 December 2012	-	(399,700)	(137,800)	(537,500)
Balance at 1 January 2011	(169,000)	(852,000)	(208,000)	(1,229,000)
Recognised in profit or loss	169,000	96,000	62,200	327,200
Balance at 31 December 2011	-	(756,000)	(145,800)	(901,800)

THE COMPANY Deferred tax liabilities:-	Accelerated capital allowances RM
Balance at 1 January 2012	-
Recognised in profit or loss	28,300
Balance at 31 December 2012	28,300

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2011: 30 to 120 days).

22. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Other payables	1,401,336	11,981,502	-	-
Accrued expenses	3,841,155	3,218,798	784,893	495,943
Deposits received	1,779,210	3,091,489	-	-
	7,021,701	18,291,789	784,893	495,943

23. AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

24. SHORT TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Bankers' acceptances	398,000	11,135,000	-	-
Foreign currency trade loan	7,924,557	2,846,025	-	-
Bills payable	1,728,881	3,084,419	-	-
Foreign currency trust receipts	3,873,254	4,115,831	-	-
Revolving credit	5,000,000	5,000,000	5,000,000	5,000,000
Hire purchase payables (Note 25)	561,344	336,349	-	-
Term loans (Note 26)	2,128,077	3,232,005	1,428,000	1,428,000
	21,614,113	29,749,629	6,428,000	6,428,000

Bankers' acceptances, foreign currency trade loan, bills payable, foreign currency trust receipts and revolving credit are drawn for period ranging from 30 days to 168 days (2011: 30 to 180 days).

24. SHORT TERM BORROWINGS (CONT'D)

Bankers' acceptances, foreign currency trade loan, bills payable, foreign currency trust receipts, revolving credit and term loans are secured by way of:-

(i) legal charges over certain landed properties of the Group; and

(ii) corporate guarantees from the Company.

25. HIRE PURCHASE PAYABLES

	THE GROUP	
	2012 RM	2011 RM
Minimum hire purchase payment:-		
- not later than one year	607,840	373,116
- later than one year and not later than five years	749,670	508,129
	1,357,510	881,245
Less : Future finance charges	(88,810)	(60,303)
Present value of hire purchase payables	1,268,700	820,942

The present value of hire purchase payables is repayable as follows:-

	THE GROUP	
	2012 RM	2011 RM
Current:-		
- not later than one year (Note 24)	561,344	336,349
Non-current:-		
- later than one year and not later than five years (Note 17)	707,356	484,593
	1,268,700	820,942

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

26. TERM LOANS

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Current portion:-				
- repayable within one year (Note 24)	2,128,077	3,232,005	1,428,000	1,428,000
Non-current portion:-				
- repayable between one and two years	1,892,290	2,127,542	1,428,000	1,428,000
- repayable between two and five years	5,816,400	7,171,750	4,284,000	4,284,000
- repayable more than five years	4,412,313	5,007,868	1,346,692	2,821,741
Total non-current portion (Note 17)	12,121,003	14,307,160	7,058,692	8,533,741
	14,249,080	17,539,165	8,486,692	9,961,741

The term loans are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements and are repayable as follows:

Term loan 1 at 3 months Cost Of Funds (COF) + 0.75% per annum	Repayable in 28 quarterly instalments of RM250,000, effective from June 2006.
Term loan 2 at Base Lending Rate - 1.75% per annum	Repayable in 180 monthly instalments of RM59,151, effective from March 2008.
Term loan 3 at COF + 1.15% per annum	Repayable in 83 monthly instalments of RM119,000 and final instalment of RM123,000, effective from December 2011.

27. BANK OVERDRAFTS

Bank overdrafts of the Group to a limit of RM3,500,000 (2011: RM3,000,000) are repayable on demand and are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements.

28. REVENUE

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Sales of goods	246,361,334	134,215,445	-	-
Dividend income	-	-	8,669,333	4,732,372
Management fee income	-	-	850,000	850,000
	246,361,334	134,215,445	9,519,333	5,582,372

29. EMPLOYEE BENEFITS

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Short term employee benefits	16,577,935	14,074,368	773,976	443,530
Contribution to a defined contribution plan	2,079,037	1,054,086	42,946	20,347
Contribution to a defined benefit plan (Note 19)	(24,000)	25,000	-	-
	18,632,972	15,153,454	816,922	463,877

Included in employee benefits is key management personnel compensation as disclosed in Note 38(b) to the financial statements.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

30. PROFIT BEFORE TAX

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit before tax is arrived at after charging:-				
Allowance for impairment losses on receivables	101,070	591,060	-	-
Audit fee - statutory audit	115,000	77,000	25,000	22,000
- under/(over)provision in previous financial year	7,135	(50)	-	-
- special audit	-	10,000	-	10,000
Directors' remuneration				
- Directors' fee - current year	790,000	336,000	300,000	296,000
- overprovision in previous financial year	-	(24,500)	-	(24,500)
- EPF contributions	289,920	256,320	6,720	-
- other emoluments	2,824,320	2,340,320	112,000	-
Interest expenses				
- bank borrowings	1,508,940	1,059,695	673,327	87,252
- contingent consideration	288,242	67,190	299,242	67,190
Loss on fair values changes in financial instruments - unrealised	439,830	-	-	-
Loss on foreign exchange - realised (trade)	-	445,817	-	-
Loss on foreign exchange - unrealised (trade)	201,409	-	-	-
Property, plant and equipment written off	-	56,229	-	-
Rental expenses				
- copier machine	6,564	4,450	-	-
- factory equipment	239,200	221,700	-	-
- factory premises	83,700	82,800	-	-
- forklift	206,950	110,000	-	-
- hostels	112,930	57,710	-	-
- motor vehicle	59,480	13,831	-	-
- office equipment	5,340	6,385	-	-
- pallet	6,891	2,791	-	-
- warehouse	164,968	40,193	-	-

30. PROFIT BEFORE TAX

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
and after crediting:-				
Dividend income	-	-	8,669,333	4,732,372
Gain on disposal of property, plant and equipment	925,811	158,999	-	-
Gain on fair values changes in financial instruments - unrealised	-	492,672	-	-
Gain on foreign exchange - realised (non - trade)	20,338	25,405	-	-
Gain on foreign exchange - realised (trade)	657,584	-	-	-
Gain on foreign exchange - unrealised (non - trade)	-	54,729	-	-
Gain on foreign exchange - unrealised (trade)	-	150,422	-	-
Interest income	321,226	221,360	26,030	-
Rental income	144,000	394,000	-	-
Reversal of allowance for impairment losses on trade receivables	434,816	101,652	-	-

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

31. TAX EXPENSE

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Malaysian income tax				
- Current year	4,363,901	2,609,000	1,456,396	1,228,093
- Over provision in previous financial year	(46,975)	(2,952)	(1,708)	-
	4,316,926	2,606,048	1,454,688	1,228,093
Deferred tax (Note 20)				
- Relating to origination of temporary differences	238,300	668,800	27,300	-
- Under provision in previous financial year	108,300	37,200	1,000	-
	346,600	706,000	28,300	-
	4,663,526	3,312,048	1,482,988	1,228,093

Subject to the agreement with the tax authorities, at the end of the reporting period, the unutilised reinvestment allowances and unutilised tax losses of the Group are as follows:-

	THE GROUP	
	2012	2011
	RM	RM
Unutilised reinvestment allowances	5,600,000	2,195,000
Unutilised tax losses	3,044,000	3,030,000
	8,644,000	5,225,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

31. TAX EXPENSE (CONT'D)

A reconciliations of the income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before tax	27,554,829	14,350,506	7,364,898	4,118,196
Malaysian taxation at statutory rate	7,706,630	3,548,977	1,841,225	1,029,549
Tax credit in tax attributable to the dividend income	45,805	-	45,805	-
Tax effects of:-				
Expenses disallowed for tax purposes	537,290	467,240	308,142	198,544
Non-taxable income	(941,050)	(10,053)	(711,476)	-
Over provision of income tax in previous financial year	(46,975)	(2,952)	(1,708)	-
Underprovision of deferred tax in previous financial year	108,300	37,200	1,000	-
Tax incentive utilised	(2,746,474)	(728,364)	-	-
Tax expense for the financial year	4,663,526	3,312,048	1,482,988	1,228,093

32. EARNINGS PER SHARE

	THE GROUP	
	2012 RM	2011 RM
Basic		
Net profit attribute to ordinary shareholders	22,891,303	11,038,458
Number of shares in issue as at 31 December (weighted average)	74,180,248	66,645,667
Basic earnings per share (sen)	30.86	16.56

32. EARNINGS PER SHARE (CONT'D)

The diluted earnings per ordinary share is not presented as there is no dilutive effect noted during the year. The issue of 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.

33. DIVIDEND

	THE GROUP AND THE COMPANY	
	2012	2011
	RM	RM
Paid:-		
In respect of previous financial year:-		
Single tier final tax exempt dividend of 3.80 sen (2011: 3.50 sen) per ordinary share	2,659,202	2,309,265

34. ACQUISITION OF A SUBSIDIARY

On 24 October 2011, the Company acquired 100% equity interest in Able Dairies Sdn. Bhd.

	THE COMPANY
	2011
Fair value of consideration paid/payable:	RM
Cash	18,500,000
Fair value of shares issued (4,000,000 ordinary shares)	3,080,000
Contingent consideration (Note 18)	8,062,793
	29,642,793

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

34. ACQUISITION OF A SUBSIDIARY (CONT'D)

The fair values of the identifiable assets and liabilities of Able Dairies Sdn. Bhd. as at the date of acquisition were:-

	AT DATE OF ACQUISITION	
	CARRYING AMOUNT RM	FAIR VALUE RECOGNISED RM
Property, plant and equipment	14,088,732	14,088,732
Trade and other receivables	12,028,865	12,028,865
Inventories	25,654,562	25,654,562
Cash and cash equivalents	11,380,919	11,380,919
Trade payables and accruals	(35,305,368)	(35,305,368)
Bank borrowings	(6,133,137)	(6,133,137)
Hire purchase payables	(67,110)	(67,110)
Tax payable	(404,997)	(404,997)
Deferred tax liability (Note 20)	(2,250,000)	(2,250,000)
Net identifiable assets and liabilities	18,992,466	18,992,466
Add: Goodwill on acquisition (Note 7)		10,650,327
Total purchase consideration		29,642,793
Less: Issue of shares		(3,080,000)
Less: Cash and cash equivalents of subsidiary acquired		(11,380,919)
Less: Contingent consideration		(8,062,793)
Net cash outflow for acquisition of a subsidiary		7,119,081

The acquired subsidiary has contributed the following results to the Group:-

	2011 RM
Revenue	28,288,719
Profit after tax	6,583,635

If the acquisition had taken place at the beginning of the previous financial year, the Group's revenue and profit after tax would have been RM250,584,803 and RM39,893,291 respectively in the previous financial year.

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cost of property, plant and equipment purchased	9,783,130	2,179,084	116,488	-
Amount financed through hire purchase	(810,000)	(503,440)	-	-
Cash disbursed for purchase of property, plant and equipment	8,973,130	1,675,644	116,488	-

36. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following items:-

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	23,678,850	17,252,920	1,119,862	552,549
Fixed deposits in licensed banks	26,104,837	14,854,545	20,821,858	-
Bank overdrafts	(158,019)	(2,589,405)	-	-
	49,625,668	29,518,060	21,941,720	552,549
Less: Fixed deposits pledged to banks (Note 14)	-	(9,500,000)	-	-
	49,625,668	20,018,060	21,941,720	552,549

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

37. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Non-executive directors				
- fees	235,000	248,500	215,000	228,500
Executive directors				
- fees	555,000	63,000	85,000	43,000
- salaries and bonuses	2,824,320	2,340,320	112,000	-
- defined contribution plan	289,920	256,320	6,720	-
	3,904,240	2,908,140	418,720	271,500

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial year by category and in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
Non-executive directors				
Below RM50,000	1	2	-	1
RM50,001 - RM100,000	3	3	3	3
Executive directors				
Below RM50,000	-	1	2	2
RM100,001 - RM150,000	1	-	1	-
RM300,001 - RM350,000	1	1	-	-
RM400,001 - RM450,000	1	-	-	-
RM600,001 - RM650,000	-	1	-	-
RM650,001 - RM700,000	1	-	-	-
RM750,001 - RM800,000	-	1	-	-
RM800,001 - RM850,000	1	-	-	-
RM900,001 - RM950,000	-	1	-	-
RM1,250,001 - RM1,300,000	1	-	-	-

38. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) The Company had the following transactions with related parties during the financial year:-

	THE COMPANY	
	2012	2011
	RM	RM
Subsidiaries		
Dividends received/receivable	8,669,333	4,732,372
Management fees receivable	850,000	850,000

	THE GROUP	
	2012	2011
	RM	RM
Company in which a subsidiary's director has substantial financial interest		
Sales of goods	2,864,338	312,030
Purchases of goods	263,579	36,800
Director of a subsidiary		
Rental of factory premises paid/payable	16,800	16,800
Spouse of a subsidiary's director		
Purchase of land	5,794,760	-

(b) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Short-term employee benefits	3,603,320	2,403,320	412,000	43,000
Post-employment benefit				
- Defined contribution plan	316,800	256,320	6,720	-
	3,920,120	2,659,640	418,720	43,000

39. CAPITAL COMMITMENTS

	THE GROUP	
	2012	2011
	RM	RM
Approved and contracted for:-		
Plant and machinery	15,610,560	124,046

40. CONTINGENT LIABILITIES

	THE COMPANY	
	2012	2011
	RM	RM
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	20,960,853	21,568,620

41. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is organised into the 3 main business segments as follows:-

(i) Investment holding – involved in the business of investment holding and provision of management services.

(ii) Tin manufacturing – involved in the manufacturing of various tins, cans and other containers.

(iii) Food and beverage – involved in manufacturing and selling of milk and other related dairy products

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the business segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between business segments are at arm's length basis in a manner similar to transactions with third parties.

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2012	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Revenue				
External revenue	-	82,031,411	164,329,923	246,361,334
Inter-segment revenue	850,000	19,357,608	-	20,207,608
Dividend income	8,669,333	-	-	8,669,333
Total revenue	9,519,333	101,389,019	164,329,923	275,238,275
Eliminations				(28,876,941)
Consolidated revenue				246,361,334
Results				
Segment results	9,516,617	15,496,850	17,950,314	42,963,781
Adjustments and eliminations	(9,519,333)	(2,355,854)	3,781,309	(8,093,878)
Finance costs	(951,569)	(500,583)	(520,358)	(1,972,510)
Tax expense	(26,593)	(2,780,005)	(1,856,928)	(4,663,526)
	(980,878)	9,860,408	19,354,337	28,233,867
Other material items of income	26,030	1,700,314	99,509	1,825,853
Depreciation of property, plant and equipment	(7,284)	(3,601,309)	(1,800,028)	(5,408,621)
Other material items of expenses	-	(40,790)	(60,280)	(101,070)
Other non-cash expenses	-	-	(439,830)	(439,830)
	(962,132)	7,918,623	17,153,708	24,110,199
Unallocated expenses				(1,218,896)
Consolidated profit after tax				22,891,303

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Assets				
Segment assets	136,144,271	124,756,050	72,189,498	333,089,819
Eliminations				(116,930,064)
				216,159,755
Unallocated assets				2,332,973
Consolidated total assets				218,492,728
Liabilities				
Segment liabilities	7,360,638	11,666,584	18,013,202	37,040,424
Eliminations				(14,188,064)
				22,852,360
Unallocated liabilities				39,769,530
Consolidated total liabilities				62,621,890
Other segment items				
Additions to non-current assets other than financial instruments :-				
- Property, plant and equipment	116,488	898,674	8,767,968	9,783,130

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2011	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Revenue				
External revenue	-	105,926,726	28,288,719	134,215,445
Inter-segment revenue	850,000	6,795,067	-	7,645,067
Dividend income	4,732,372	-	-	4,732,372
Total revenue	5,582,372	112,721,793	28,288,719	146,592,884
Eliminations				(12,377,439)
Consolidated revenue				134,215,445
Results				
Segment results	5,736,814	14,676,945	3,620,609	24,034,368
Adjustments and eliminations	(5,582,372)	(2,211,926)	3,402,574	(4,391,724)
Finance costs	(154,442)	(937,796)	(70,385)	(1,162,623)
Tax expense	(45,000)	(2,852,048)	(415,000)	(3,312,048)
	(45,000)	8,675,175	6,537,798	15,167,973
Other material items of income	-	861,269	507,414	1,368,683
Depreciation of property, plant and equipment	(1,460)	(3,077,151)	(284,582)	(3,363,193)
Other material items of expenses	-	(470,294)	(176,995)	(647,289)
Other non-cash expenses	-	(25,000)	-	(25,000)
	(46,460)	5,963,999	6,583,635	12,501,174
Unallocated expenses				(1,462,716)
Consolidated profit after tax				11,038,458

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2011	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Assets				
Segment assets	116,362,821	133,629,185	67,236,631	317,228,637
Eliminations				(125,576,342)
				191,652,295
Unallocated assets				610,627
Consolidated total assets				192,262,922
Liabilities				
Segment liabilities	12,063,736	25,556,732	30,548,055	68,168,523
Eliminations				(30,820,829)
				37,347,694
Unallocated liabilities				48,689,529
Consolidated total liabilities				86,037,223
Other segment items				
Additions to non-current assets other than financial instruments :-				
- Plant and equipment	-	1,783,338	395,746	2,179,084

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(a) Other material items of income consist of the following:-

	THE GROUP 2012 RM	2011 RM
Gain on disposal of plant and equipment	925,811	158,999
Gain on fair values changes in financial instruments	-	492,672
Interest income	321,226	221,360
Rental income	144,000	394,000
Reversal of allowance for impairment losses on trade receivables	434,816	101,652
	1,825,853	1,368,683

(b) Other material items of expenses consist of the following:-

	THE GROUP 2012 RM	2011 RM
Allowance for impairment losses on trade receivables	101,070	591,060
Plant and equipment written off	-	56,229
	101,070	647,289

(c) Other non-cash expenses consist of the following:-

	THE GROUP 2012 RM	2011 RM
Provision for retirement benefits	-	25,000
Loss on fair values changes in financial instruments	439,830	-

41. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL SEGMENTS

	REVENUE		NON-CURRENT ASSETS	
	2012 RM	2011 RM	2012 RM	2011 RM
Africa	44,129,493	5,482,279	-	-
Asia	78,056,442	15,646,834	3,839	18,053
Malaysia	111,532,162	110,999,123	68,757,927	64,847,688
Others	12,643,237	2,087,209	-	-
	246,361,334	134,215,445	68,761,766	64,865,741

MAJOR CUSTOMERS

The Group has five major customers with individual revenue contribution equal to or more than 5% of Group revenue and cumulatively accounting for 33% (2011: 32%) of Group revenue.

42. MATERIAL LITIGATION

A suit was brought by General Containers Sdn. Bhd. ("GCSB") against the former director of GCSB, Mr. Tan Chin Wah for breach of fiduciary duties and against the subsidiaries of the Company, Johore Tin Factory Sendirian Berhad and Unican Industries Sdn. Bhd. ("Defendants") for conspiring to divest GCSB's vital assets and business. A judgement was ruled in favour of the abovementioned Defendants by the Johor Bahru High Court ("High Court") on 29 October 2010. The suit was dismissed by the High Court with costs.

GCSB appealed against this decision to the Court of Appeal and was dismissed with costs on 8 November 2012.

GCSB has applied for leave to appeal to the Federal Court and the case hearing has been fixed on 28 May 2013.

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar and Japanese Yen. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balance will be hedged by the forward foreign currency contracts.

The Group's exposure to foreign currency is as follows:-

THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	JAPANESE YEN RM
2012			
Financial assets			
Trade receivables	20,496,961	3,873,361	-
Other receivables, deposits and prepayments	66,608	-	3,034,080
Cash and bank balances	10,070,710	372,829	-
	30,634,279	4,246,190	3,034,080
Financial liabilities			
Trade payables	4,881,889	111,050	-
Other payables and accruals	31,228	(2,693)	-
Bank borrowings	13,924,691	-	-
	18,837,808	108,357	-
Currency exposure	11,796,471	4,137,833	3,034,080

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM
2011		
Financial assets		
Trade receivables	13,130,764	4,746,499
Other receivables, deposits and prepayments	20,926	-
Cash and bank balances	867,355	-
	14,019,045	4,746,499
Financial liabilities		
Trade payables	1,509,842	128,800
Other payables and accruals	128,654	(5,216)
Bank borrowings	10,046,275	-
	11,684,771	123,584
Currency exposure	2,334,274	4,622,915

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2012 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM
Effects on profit after tax		
United States Dollar:-		
- strengthened by 6% (2011: 1%)	448,886	19,435
- weakened by 6% (2011: 1%)	(448,886)	(19,435)
Singapore Dollar:-		
- strengthened by 5% (2011: 3%)	183,609	138,711
- weakened by 5% (2011: 3%)	(183,609)	(138,711)
Japanese Yen:-		
- strengthened by 13%	149,293	-
- weakened by 13%	(149,293)	-

	THE COMPANY	
	2012 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM
Effects on equity		
Indonesia Rupiah:-		
- strengthened by 9% (2011:7 %)	(72,772)	(63,514)
- weakened by 9% (2011: 7 %)	72,772	63,514

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arising from Group's interest-bearing financial liabilities. The Group's policy is to obtain the most favourable interest rates available.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2012 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM
Effects on profit after tax				
Increase of 100 basis points (bp)	(23,407)	(344,593)	92,514	(112,500)
Decrease of 100 bp	23,407	344,593	(92,514)	112,500

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by six (2011: five) major customers which constituted approximately 45% (2011: 43%) of its trade receivables as at the end of the reporting period.

The carrying amount of trade receivables represent the Group maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP	
	2012	2011
	RM	RM
Africa	6,266,346	4,419,488
Asia	11,996,134	6,894,084
Europe	1,400,042	1,197,487
Singapore	3,647,947	4,746,499
Malaysia	21,143,347	21,556,012
	44,453,816	38,813,570

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

<u>Ageing analysis</u>

The ageing analysis of the Group's trade receivables as at 31 December 2012 is as follows:-

2012	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
Not past due	27,194,942	-	27,194,942
Past due:			
- less than 3 months	16,980,071	-	16,980,071
- 3 to 6 months	278,723	-	278,723
- over 6 months	1,425,750	(1,425,670)	80
	45,879,486	(1,425,670)	44,453,816

2011	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
Not past due	21,369,374	(131,445)	21,237,929
Past due:			
- less than 3 months	15,556,299	(71,716)	15,484,583
- 3 to 6 months	2,209,009	(232,094)	1,976,915
- over 6 months	1,438,304	(1,324,161)	114,143
	40,572,986	(1,759,416)	38,813,570

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

No collective impairment allowance is provided as based on the past records the irrecoverable amounts from the sale of goods, is very insignificant.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2012						
Trade payables		10,083,310	10,083,310	10,083,310	-	-
Other payables and accruals		7,021,701	7,021,701	7,021,701	-	-
Amount owing to directors		764,206	764,206	764,206	-	-
Contingent consideration		4,647,143	5,000,000	5,000,000	-	-
Hire purchase payables	4.48 to 6.10	1,268,700	1,357,510	607,840	749,670	-
Term loans	4.61 to 5.00	14,249,080	17,325,599	2,791,577	9,457,886	5,076,136
Bankers' acceptance	3.83	398,000	398,000	398,000	-	-
Foreign currency trade loan	1.91 to 2.91	7,924,557	7,924,557	7,924,557	-	-
Bills payable	2.50	1,728,881	1,728,881	1,728,881	-	-
Foreign currency trust receipts	2.36 to 2.61	3,873,254	3,873,254	3,873,254	-	-
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Bank overdrafts	8.10	158,019	158,019	158,019	-	-
		57,116,851	60,635,037	45,351,345	10,207,556	5,076,136

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE GROUP	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2011						
Trade payables	-	7,009,418	7,009,418	7,009,418	-	-
Other payables and accruals	-	18,291,789	18,291,789	18,291,789	-	-
Amount owing to directors	-	1,035,289	1,035,289	1,035,289	-	-
Contingent consideration	-	8,062,793	8,500,000	3,500,000	5,000,000	-
Hire purchase payables	4.94 to 6.10	820,942	881,245	373,116	508,129	-
Term loans	3.11 to 4.55	17,539,165	21,525,043	4,079,346	10,053,548	7,392,149
Bankers' acceptance	3.33 to 4.50	11,135,000	11,135,000	11,135,000	-	-
Foreign currency trade loan	3.20 to 3.37	2,846,025	2,846,025	2,846,025	-	-
Bills payable	2.25 to 2.45	3,084,419	3,084,419	3,084,419	-	-
Foreign currency trust receipts	2.35 to 2.40	4,115,831	4,115,831	4,115,831	-	-
Revolving credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Bank overdrafts	7.60	2,589,405	2,589,405	2,589,405	-	-
		81,530,076	86,013,464	63,059,638	15,561,677	7,392,149

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE COMPANY	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2012						
Other payables and accruals		784,893	784,893	784,893	-	-
Amount owing to subsidiaries		1,928,602	1,928,602	1,928,602	-	-
Term loan	4.61	8,486,692	9,846,648	1,819,236	6,618,638	1,408,774
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Contingent consideration		4,647,143	5,000,000	5,000,000	-	-
		20,847,330	22,560,143	14,532,731	6,618,638	1,408,774

THE COMPANY	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2011						
Other payables and accruals	-	495,943	495,943	495,943	-	-
Amount owing to subsidiaries	-	3,505,000	3,505,000	3,505,000	-	-
Term loan	4.82	9,961,741	11,867,459	1,908,156	6,944,328	3,014,975
Revolving credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Contingent consideration	-	8,062,793	8,500,000	3,500,000	5,000,000	-
		27,025,477	29,368,402	14,409,099	11,944,328	3,014,975

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as bank borrowings plus trade and other payables, amount owing to directors and contingent consideration less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2012 RM	2011 RM
Borrowings		
-long term	12,828,359	14,791,753
-short term	21,614,113	29,749,629
Bank overdrafts	158,019	2,589,405
Trade payables	10,083,310	7,009,418
Other payables and accruals	7,021,701	18,291,789
Amount owing to directors	764,206	1,035,289
Contingent consideration	4,647,143	8,062,793
	57,116,851	81,530,076
Less: Fixed deposits in licensed banks	(26,104,837)	(14,854,545)
Less: Cash and bank balances	(23,678,850)	(17,252,920)
Net debt	7,333,164	49,422,611
Total equity	155,870,838	106,225,699
Debt-to-equity ratio	4.70%	46.53%

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

43. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	44,453,816	38,813,570	-	-
Other receivables and deposits	3,355,765	309,137	-	-
Amount owing by subsidiaries	-	-	850,000	850,000
Fixed deposits with licensed banks	26,104,837	14,854,545	20,821,858	-
Cash and bank balances	23,678,850	17,252,920	1,119,862	552,549
	97,593,268	71,230,172	22,791,720	1,402,549
Financial Liabilities				
Other financial liabilities				
Trade payables	10,083,310	7,009,418	-	-
Other payables and accruals	7,021,701	18,291,789	784,893	495,943
Amount owing to subsidiaries	-	-	1,928,602	3,505,000
Amount owing to directors	764,206	1,035,289	-	-
Borrowings				
- long term	12,828,359	14,791,753	7,058,692	8,533,741
- short term	21,614,113	29,749,629	6,428,000	6,428,000
Contingent consideration	4,647,143	8,062,793	4,647,143	8,062,793
Bank overdrafts	158,019	2,589,405	-	-
	57,116,851	81,530,076	20,847,330	27,025,477
Fair value through profit and loss				
Derivative assets	24,800	464,630	-	-

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for the following:-

	THE GROUP			
	2012		2011	
	CARRYING AMOUNT RM	FAIR VALUE RM	CARRYING AMOUNT RM	FAIR VALUE RM
Hire purchase payables	1,268,700	1,335,104	820,942	846,307

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(iv) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

(v) The interest rates used to discount estimated cash flows, where applicable, is as follows:-

	THE GROUP	
	2012 %	2011 %
Hire purchase payables	1.59 to 5.11	2.37 to 3.34

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments (Cont'd)

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy analysis

THE GROUP	LEVEL 1 RM	LEVEL 2 RM	LEVEL 3 RM	TOTAL RM
2012				
Financial asset				
Derivative assets:				
- forward foreign currency contracts	-	24,800	-	24,800

THE GROUP	LEVEL 1 RM	LEVEL 2 RM	LEVEL 3 RM	TOTAL RM
2011				
Financial asset				
Derivative assets:				
- forward foreign currency contracts	-	464,630	-	464,430

<u>Transfer between level 1 and level 2</u>

There were no transfers between level 1 and level 2 fair value measurements during the current financial year.

44. SIGNIFICANT EVENTS DURING THE YEAR

(a) On 17 March 2012, in relation to the Conditional Share Sale Agreement dated 18 August 2011 entered between the Company and Messrs Kua Jin Guang @ Kau Kam Eng, Ng Keng Hoe, Lai Shin Lin and Lock Toh Peng ("Vendors") for the acquisition of 1,500,000 ordinary shares of RM1.00 each in Able Dairies Sdn. Bhd.("ADSB"), the Company released part of the purchase consideration of RM3,500,000 to the vendors upon receipt of ADSB's audited financial statements for the financial year ended 31 December 2011 which showed that the profit after tax of RM7 million for the said financial guarantee .

(b) On 7 December 2012, Johore Tin Factory Sendirian Berhad, a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement with an overseas machine supplier to acquire one set of printing & varnishing machinery at the purchase consideration of approximately RM15,611,000. The asset is expected to be received and commissioned in the third quarter of the next financial year.

(c) On 8 August 2012, the Company announced to undertake the following corporate proposals:-

   (i) Proposed renounceable rights issue of up to of 23,326,333, new ordinary shares of RM1.00 each ("Rights Share(s)") together with 23,326,333 free detachable warrants ("Warrant(s)") at an issue price of RM1.28 per Rights Share on the basis of one Rights Share and one Warrant for every three existing ordinary shares of RM1.00 each in the Company held on the entitlement date ("Rights Issue").

   (ii) Proposed increase in authorised share capital of the Company ("Proposed Alteration to Authorised Capital") to facilitate the Proposed Rights Issue with Warrants; and

   (iii) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Alteration to Authorised Capital.

   On 24 October 2012, the Company allotted and issued 23,326,333 Rights Shares together with 23,326,333 Warrants pursuant to the Rights Issue. The Rights Issue was completed upon admission of the Warrants to the Official List of Bursa Malaysia Securities Bhd. ("Bursa") and the listing of and quotation for the Warrants and Rights Shares on Bursa on 27 November 2012.

(d) On 5 December 2012, ADSB, a wholly owned subsidiary of the Company, entered into an Agreement of Sale with Lai Shin Lin ("Vendor") for the acquisition of a parcel of land held under GM 2483, Lot 2263, Mukim Teluk Panglima Garang, District of Kuala Langsat, Selangor Darul Ehsan, for a total cash consideration of RM5,794,760 ("Purchase Consideration"). The Vendor is the spouse to a director in ADSB of whom he is also a substantial shareholder of the Company.

44. SIGNIFICANT EVENTS DURING THE YEAR (CONT'D)

(d) The purchase consideration will be satisfied entirely by cash, of which RM5.0 million will be financed via proceeds raised from the Company's renounceable rights issue exercise which was completed on 27 November 2012 and the remaining RM794,760 will be financed via internally generated funds.

45. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 1 February 2013, the Company has subscribed 80 ordinary shares of RM1.00 each representing 80% of the total issued and paid up capital of Able Food Sdn. Bhd. for a total consideration of RM80.00.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

46. TRANSITION TO THE MFRS FRAMEWORK

As stated in Note 3(a) to the financial statements, these are the first financial statements of the Group and the Company prepared in accordance with MFRSs. The accounting policies in Note 4 to the financial statements have been applied to all financial information covered under this set of financial statements. The transition to MFRS does not have financial impact to the financial statements of the Group.

While in preparing the opening MFRS statements of financial position at 1 January 2011 (date of transition), the Company has adjusted amounts reported previously in financial statements prepared in accordance with FRSs. The financial impacts on the transition are as below:-

Reconciliation Of Financial Position

		← 1.1.2011 →			← 31.12.2011 →		
		FRSs	**Transition Effects**	**MFRSs**	**FRSs**	**Transition Effects**	**MFRSs**
The Company	Note	RM	RM	RM	RM	RM	RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	a	78,709,758	-	78,709,758	114,960,272	(6,607,721)	108,352,551
Property, plant and equipment		5,429	-	5,429	3,969	-	3,969
		78,715,187	-	78,715,187	114,964,241	(6,607,721)	108,356,520
CURRENT ASSETS							
Amount owing by subsidiaries		500,000	-	500,000	850,000	-	850,000
Tax recoverable		103,658	-	103,658	76,658	-	76,658
Cash and bank balances		172,291	-	172,291	552,549	-	552,549
		775,949	-	775,949	1,479,207	-	1,479,207
TOTAL ASSETS		79,491,136	-	79,491,136	116,443,448	(6,607,721)	109,835,727

46. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

Reconciliation Of Financial Position (Cont'd)

		< ------------------- 1.1.2011 ------------------- >			< -------------------- 31.12.2011 -------------------- >		
			Transition			**Transition**	
		FRSs	**Effects**	**MFRSs**	**FRSs**	**Effects**	**MFRSs**
The Company	Note	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital		65,979,000	-	65,979,000	69,979,000	-	69,979,000
Share premium		5,520,212	-	5,520,212	4,600,212	-	4,600,212
Fair value reserve	b	5,961,641	(5,961,641)	-	12,569,362	(12,569,362)	-
Retained profits	b	1,688,559	5,961,641	7,650,200	2,269,397	5,961,641	8,231,038
TOTAL EQUITY		79,149,412	-	79,149,412	89,417,971	(6,607,721)	82,810,250
NON-CURRENT LIABILITIES							
Long term borrowings		-	-	-	8,533,741	-	8,533,741
Contingent consideration		-	-	-	4,647,143	-	4,647,143
		-	-	-	13,180,884	-	13,180,884

46. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

Reconciliation Of Financial Position (Cont'd)

		< ---- 1.1.2011 ---- >			< ---- 31.12.2011 ---- >		
The Company	Note	**FRSs** RM	**Transition Effects** RM	**MFRSs** RM	**FRSs** RM	**Transition Effects** RM	**MFRSs** RM
CURRENT LIABILITIES							
Other payables and accruals		341,724	-	341,724	495,943	-	495,943
Amount owing to subsidiaries		-	-	-	3,505,000	-	3,505,000
Short term borrowings		-	-	-	6,428,000	-	6,428,000
Contingent consideration		-	-	-	3,415,650	-	3,415,650
		341,724	-	341,724	13,844,593	-	13,844,593
TOTAL LIABILITIES		341,724	-	341,724	27,025,477	-	27,025,477
TOTAL EQUITY AND LIABILITIES		79,491,136	-	79,491,136	116,443,448	(6,607,721)	109,835,727

46. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

Reconciliation Of Profit Or Loss And Other Comprehensive Income

		The Company		
		< ---------- 2011 ---------- >		
	Note	**FRSs** RM	**Transition Effects** RM	**MFRSs** RM
REVENUE		5,582,372	-	5,582,372
EMPLOYEE BENEFITS		(463,877)	-	(463,877)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		(1,460)	-	(1,460)
FINANCE COSTS		(154,442)	-	(154,442)
OTHER OPERATING EXPENSES		(844,397)	-	(844,397)
PROFIT BEFORE TAX		4,118,196	-	4,118,196
INCOME TAX EXPENSE		(1,228,093)	-	(1,228,093)
PROFIT AFTER TAX		2,890,103	-	2,890,103
OTHER COMPREHENSIVE INCOME				
<u>Items that will not be reclassified subsequently to profit or loss</u>				
- Fair value changes in investments in subsidiaries	a	6,607,721	(6,607,721)	-
		6,607,721	(6,607,721)	-
TOTAL OTHER COMPREHENSIVE INCOME		6,607,721	(6,607,721)	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,497,824	(6,607,721)	2,890,103

46. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

Reconciliation Of Cash Flows

There are no differences between the statements of cash flows presented under FRSs and MFRSs.

Notes To Reconciliations

(a) Investments in Subsidiaries – Deemed Cost Exemption

Under FRSs, the Company measured its investments in subsidiaries at fair value under FRS 139. Upon transition to MFRSs, the Company elected to use the previous FRS carrying amount as deemed cost under MFRSs.

The financial impacts arising from the change are summarised as follows:-

(i) Fair value reserves at 1 January 2011 and 31 December 2011 were transferred to retained profits;

(ii) A decrease in fair value gain that was recognised under other comprehensive income of RM6,607,721 for the financial year ended 31 December 2011.

The aggregate fair value of the investments in subsidiaries at 1 January 2011 approximated the then carrying amount under FRSs.

(b) Reserves

There were no adjustments to the reserves other than the following:-

		The Company	
	Note	**1.1.2011** RM	**31.12.2011** RM
Fair value reserve			
Investments in subsidiaries	a	(5,961,641)	(12,569,362)
Retained profits			
Investments in subsidiaries	a	5,961,641	5,961,641
Total adjustments to reserves		-	(6,607,721)

47. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group	
	As Restated RM	**As Previously Reported** RM
Consolidated Statement of Financial Position (Extract):-		
Inventories	54,632,567	52,842,849
Other receivables, deposits and prepayments	772,291	2,562,009
Tax recoverable	606,658	920,323
Tax payable	(488,147)	(801,812)
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract):-		
Changes in inventories of finished goods and work in progress	2,096,361	1,972,038
Raw materials and consumables used	(87,098,627)	(86,974,304)
Employee benefits	(15,153,454)	(15,128,454)
Other operating expenses	(16,508,979)	(16,533,979)
Consolidated Statement of Cash Flows (Extract):-		
Decrease in inventories	4,499,164	6,288,882
Decrease in trade and other receivables	7,401,780	5,612,062

	The Company	
	As Restated RM	**As Previously Reported** RM
Statement of Financial Position (Extract):-		
Investments in subsidiaries	114,960,272	105,325,571
Amount owing by a subsidiary	-	9,634,701

48. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Total retained profits/(losses):				
- realised	56,540,851	35,122,067	11,482,046	8,231,038
- unrealised	(4,148,860)	(2,962,177)	(28,300)	-
At 31 December	52,391,991	32,159,890	11,453,746	8,231,038

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]