

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No:532570-V

FINANCIAL REPORT

for the financial year ended 31 December 2014

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JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

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.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	12,018,837	1,801,713
Attributable to:-		
Owners of the Company	12,978,716	1,801,713
Non-controlling interests	(959,879)	-
	<u>12,018,837</u>	<u>1,801,713</u>

DIVIDENDS

A final single tier tax-exempt dividend of 2 sen per ordinary share amounting to RM1,866,107 for the financial year ended 31 December 2013 was approved by the shareholders at the Annual General Meeting held on 25 June 2014 and paid on 18 July 2014.

At the forthcoming Annual General Meeting, a single tier final tax-exempt dividend of 3.50 sen per ordinary share amounting to RM3,265,687 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2015.

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) there were no changes in the authorised and issued and paid-up share capital of the Company; and
 - (b) there were no issues of debentures by the Company.
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JOHORE TIN BERHAD

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DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED 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 2014, the entire 23,326,333 Warrants remained unexercised. The summary of the movements of Warrants is as follows:

Issue Date	Expiry date	Balance as of 1.1.2014	Number of Warrants		Balance as of 31.12.2014
			Granted	Exercised	
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 no allowance for impairment losses on receivables is recognised.

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 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 value 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.

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DIRECTORS' REPORT

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 39 to the financial statements. At the date of this report, there does not exist:-

- (a) 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
- (b) 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 HUN SWEE

YEOW AH SENG @ YOW AH SENG

SIAH CHIN LEONG

NG LEE THIN

(APPOINTED ON 6.5.2014)

LIM CHIN KAI

(RETIRED ON 25.6.2014)

MUHAMAD FEASAL BIN YUSOFF

(RETIRED ON 25.6.2014)

JOHORE TIN BERHAD

(Incorporated in Malaysia)

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

< -----Number Of Ordinary Shares Of RM1.00 Each----- >

	At 1.1.2014	Bought	Sold	At 31.12.2014
<i>Direct Interest In The Company</i>				
DATUK KAMALUDIN BIN YUSOFF	137,300	70,000	-	207,300
EDWARD GOH SWEE WANG	5,217,876	-	-	5,217,876
LIM HUN SWEE	12,729,000	486,000	-	13,215,000
YEOW AH SENG @ YOW AH SENG	1,978,666	-	-	1,978,666
SIAH CHIN LEONG	-	10,000	-	10,000
<i>Indirect Interest In The Company</i>				
DATUK KAMALUDIN BIN YUSOFF	4,338,040	162,000	-	4,500,040
EDWARD GOH SWEE WANG	13,540,885	-	-	13,540,885

By virtue of the directors' shareholdings in the shares of the Company, except for Datuk Kamaludin Bin Yusoff, Yeow Ah Seng @ Yow Ah Seng and Siah Chin Leong, 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 36 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.

JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No: 532570-V

DIRECTORS' REPORT

AUDITORS

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

Signed in accordance with a resolution of the directors dated **29 APR 2015**



Edward Goh Swee Wang



Yeow Ah Seng @ Yow Ah Seng

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

STATEMENT BY DIRECTORS

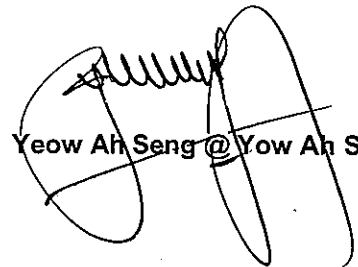
We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 10 to 84 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 42, 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 **29 APR 2015**



Edward Goh Swee Wang



Yeow Ah Seng @ Yow Ah Seng

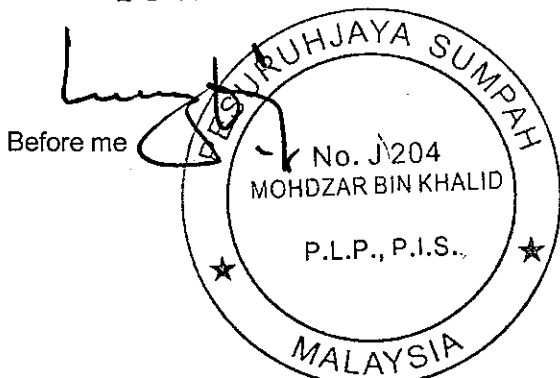
STATUTORY DECLARATION

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 10 to 84 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 **29 APR 2015**



Edward Goh Swee Wang



**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 the statements of financial position as at 31 December 2014 of the Group and of the Company, and the 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 10 to 84.

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, International 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 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International 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 all the subsidiaries of which we have not acted as auditors, which are 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 42 on page 85 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No: 532570-V

Other Matters

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.



Crowe Horwath
Firm No.: AF 1018
Chartered Accountants



Tan Lin Chun
Approval No: 2839/10/15 (J)
Chartered Accountant

29 APR 2015

Johor Bahru

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014

		The Group		The Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	128,202,601	122,687,187
Property, plant and equipment	6	82,227,925	76,707,124	405,988	88,475
Investment properties	7	1,621,466	1,638,065	-	-
Goodwill	8	10,650,327	10,650,327	-	-
Other investment	9	16,500	16,500	-	-
		<u>94,516,218</u>	<u>89,012,016</u>	<u>128,608,589</u>	<u>122,775,662</u>
CURRENT ASSETS					
Inventories	10	130,714,014	58,265,702	-	-
Trade receivables	11	73,576,081	41,373,154	-	-
Other receivables, deposits and prepayments	12	3,697,037	1,425,500	-	-
Amount owing by subsidiaries	13	-	-	385,000	950,000
Tax recoverable		1,179,068	2,850,490	298,324	265,324
Fixed deposits with licensed banks	14	6,047,905	11,182,705	4,010,521	11,151,971
Cash and bank balances		19,445,833	27,083,151	2,667,647	2,971,296
		<u>234,659,938</u>	<u>142,180,702</u>	<u>7,361,492</u>	<u>15,338,591</u>
TOTAL ASSETS		<u>329,176,156</u>	<u>231,192,718</u>	<u>135,970,081</u>	<u>138,114,253</u>

JOHORE TIN BERHAD

(Incorporated in Malaysia)

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STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 (CONT'D)

		The Group		The Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	93,305,333	93,305,333	93,305,333	93,305,333
Reserves	16	87,456,432	76,313,782	27,419,076	27,483,470
		<hr/>	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the Company		180,761,765	169,619,115	120,724,409	120,788,803
Non-controlling interests		(832,340)	127,539	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EQUITY		179,929,425	169,746,654	120,724,409	120,788,803
		<hr/>	<hr/>	<hr/>	<hr/>
NON-CURRENT LIABILITIES					
Long-term borrowings	17	10,580,355	15,562,746	4,191,559	5,623,431
Retirement benefits	18	391,000	301,000	-	-
Deferred tax liabilities	19	5,720,337	5,212,937	101,500	21,200
		<hr/>	<hr/>	<hr/>	<hr/>
		16,691,692	21,076,683	4,293,059	5,644,631
CURRENT LIABILITIES					
Trade payables	20	59,539,146	10,248,157	-	-
Other payables and accruals	21	11,539,878	7,298,836	779,505	507,930
Amount owing to directors	22	688,830	713,443	-	-
Amount owing to subsidiaries	13	-	-	4,744,889	4,744,889
Derivative liabilities	23	716,505	166,005	-	-
Tax payable		1,362,009	1,692,534	-	-
Short-term borrowings	24	58,708,671	20,250,406	5,428,219	6,428,000
		<hr/>	<hr/>	<hr/>	<hr/>
		132,555,039	40,369,381	10,952,613	11,680,819
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES		149,246,731	61,446,064	15,245,672	17,325,450
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		329,176,156	231,192,718	135,970,081	138,114,253
		<hr/>	<hr/>	<hr/>	<hr/>

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 2014**

		The Group		The Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
REVENUE	27	316,778,807	241,383,678	3,676,815	15,464,083
OTHER OPERATING INCOME		2,146,350	2,018,634	283,665	550,272
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		3,110,695	995,027	-	-
RAW MATERIALS AND CONSUMABLES USED		(241,139,679)	(162,303,638)	-	-
EMPLOYEE BENEFITS	28	(23,573,232)	(21,284,069)	(1,162,088)	(1,064,052)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		(7,122,113)	(5,193,739)	(29,827)	(24,698)
DEPRECIATION OF INVESTMENT PROPERTIES		(16,599)	(49,301)	-	-
FINANCE COSTS		(1,661,759)	(1,548,535)	(562,431)	(669,909)
OTHER OPERATING EXPENSES		(30,164,201)	(26,870,567)	(324,121)	(343,341)
PROFIT BEFORE TAX	29	18,358,269	27,147,490	1,882,013	13,912,355
INCOME TAX EXPENSE	30	(6,339,432)	(6,627,708)	(80,300)	(1,925,540)
PROFIT AFTER TAX		12,018,837	20,519,782	1,801,713	11,986,815
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Foreign currency translation differences		30,041	(125,982)	-	-
		30,041	(125,982)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		12,048,878	20,393,800	1,801,713	11,986,815

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

		The Group		The Company	
	NOTE	2014 RM	2013 RM	2014 RM	2013 RM
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		12,978,716	20,592,243	1,801,713	11,986,815
Non-controlling interests		(959,879)	(72,461)	-	-
		<u>12,018,837</u>	<u>20,519,782</u>	<u>1,801,713</u>	<u>11,986,815</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		13,008,757	20,466,261	1,801,713	11,986,815
Non-controlling interests		(959,879)	(72,461)	-	-
		<u>12,048,878</u>	<u>20,393,800</u>	<u>1,801,713</u>	<u>11,986,815</u>
Earnings per share					
- basic (sen)	31	13.91	22.07		
- diluted (sen)	31	<u>N/A</u>	<u>N/A</u>		

JOHORE TIN BERHAD

(Incorporated in Malaysia)

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	< ----- Non-Distributable ----- >				Distributable		Attributable To Owner Of The Company RM	Non- Controlling Interest RM	Total Equity RM
	Note	Share Capital RM	Share Premium RM	Translation Reserve RM	Warrants Reserve RM	Retained Profits RM			
The Group									
Balance as at 31.12.2012/1.1.2013		93,305,333	5,528,136	(587,379)	5,232,757	52,391,991	155,870,838	-	155,870,838
Profit after tax for the financial year		-	-	-	-	20,592,243	20,592,243	(72,461)	20,519,782
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation differences		-	-	(125,982)	-	-	(125,982)	-	(125,982)
Total comprehensive income for the financial year		-	-	(125,982)	-	20,592,243	20,466,261	(72,461)	20,393,800
Contribution by and distribution to owners of the Company									
- Issuance of shares									
- by a subsidiary to non-controlling interests		-	-	-	-	-	-	200,000	200,000
- Dividends	32	-	-	-	-	(6,717,984)	(6,717,984)	-	(6,717,984)
Total transaction with owners		-	-	-	-	(6,717,984)	(6,717,984)	200,000	(6,517,984)
Balance at 31.12.2013		93,305,333	5,528,136	(713,361)	5,232,757	66,266,250	169,619,115	127,539	169,746,654

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	< ----- Non-Distributable ----- >				Distributable				
	Share Capital RM	Share Premium RM	Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Attributable To Owner Of The Company RM	Non- Controlling Interest RM	Total Equity RM	
Note									
The Group									
Balance as at 31.12.2013/1.1.2014	93,305,333	5,528,136	(713,361)	5,232,757	66,266,250	169,619,115	127,539	169,746,654	
Profit after tax for the financial year	-	-	-	-	12,978,716	12,978,716	(959,879)	12,018,837	
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation differences	-	-	30,041	-	-	30,041	-	30,041	
Total comprehensive income for the financial year	-	-	30,041	-	12,978,716	13,008,757	(959,879)	12,048,878	
Contribution by and distribution to owners of the Company									
- Dividends	-	-	-	-	(1,866,107)	(1,866,107)	-	(1,866,107)	
Total transaction with owners	-	-	-	-	(1,866,107)	(1,866,107)	-	(1,866,107)	
Balance at 31.12.2014	<u>93,305,333</u>	<u>5,528,136</u>	<u>(683,320)</u>	<u>5,232,757</u>	<u>77,378,859</u>	<u>180,761,765</u>	<u>(832,340)</u>	<u>179,929,425</u>	

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	<u>< ----- Non-Distributable ----- ></u>			<u>Distributable</u>	
	Share Capital RM	Share Premium RM	Warrants Reserve RM	Retained Profits RM	Total Equity RM
Note					
The Company					
Balance at 31.12.2012/1.1.2013	93,305,333	5,528,136	5,232,757	11,453,746	115,519,972
Total comprehensive income for the financial year	-	-	-	11,986,815	11,986,815
Distribution to owners of the Company					
- Dividends	32	-	-	(6,717,984)	(6,717,984)
Balance at 31.12.2013	<u>93,305,333</u>	<u>5,528,136</u>	<u>5,232,757</u>	<u>16,722,577</u>	<u>120,788,803</u>
Total comprehensive income for the financial year	-	-	-	1,801,713	1,801,713
Distribution to owners of the Company					
- Dividends	32	-	-	(1,866,107)	(1,866,107)
Balance at 31.12.2014	<u>93,305,333</u>	<u>5,528,136</u>	<u>5,232,757</u>	<u>16,658,183</u>	<u>120,724,409</u>

JOHORE TIN BERHAD

(Incorporated in Malaysia)

Company No: 532570-V

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	The Group		The Company	
		2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before tax		18,358,269	27,147,490	1,882,013	13,912,355
Adjustments for:-					
Allowance for impairment losses on trade receivables	11	-	1,665,350	-	-
Dividend income		-	-	(3,291,815)	(14,514,083)
Depreciation of property, plant and equipment		7,122,113	5,193,739	29,827	24,698
Depreciation of investment properties		16,599	49,301	-	-
Gain on disposal of property and equipment		-	(482,961)	-	-
Net loss/(gain) on foreign exchange - unrealised (trade)		1,263,884	(279,138)	-	-
Interest expense					
- bank borrowings		1,480,255	1,318,625	562,431	588,134
- contingent consideration		-	81,775	-	81,775
Interest income		(422,031)	(752,239)	(283,665)	(550,272)
Loss on fair value changes in financial instruments		550,500	190,805	-	-
Property, plant and equipment written off		33,628	115	-	-
Reversal of allowance for impairment losses on trade receivables		(98,958)	(9,750)	-	-
Addition/(Reversal) of provision for retirement benefits		90,000	(34,000)	-	-
Operating profit/(loss) before working capital changes		28,394,259	34,089,112	(1,101,209)	(457,393)
Increase in inventories		(72,448,312)	(8,546,040)	-	-
(Increase)/Decrease in trade and other receivables		(32,376,278)	3,925,221	-	-
Decrease/(Increase) in amount owing by subsidiaries		-	-	565,000	(100,000)
Increase in trade and other payables		52,312,059	735,569	271,575	75,894
Decrease in amount owing to directors		(24,613)	(50,763)	-	-
CASH (FOR)/FROM OPERATIONS CARRIED FORWARD		(24,142,885)	30,153,099	(264,634)	(481,499)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

		The Group		The Company	
		2014	2013	2014	2013
		RM	RM	RM	RM
	Note				
CASH (FOR)/FROM OPERATIONS BROUGHT FORWARD		(24,142,885)	30,153,099	(264,634)	(481,499)
Tax paid		(6,651,630)	(6,894,885)	(33,000)	(63,000)
Tax refund		2,170,495	1,371,919	-	6,715
NET CASH (FOR)/FROM OPERATING ACTIVITIES		<u>(28,624,020)</u>	<u>24,630,133</u>	<u>(297,634)</u>	<u>(537,784)</u>
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received		-	-	3,291,815	12,510,562
Interest received		422,031	752,239	283,665	550,272
Payment of contingent consideration		-	(5,000,000)	-	(5,000,000)
Proceeds from disposal of property, plant and equipment		-	1,019,938	-	-
Quasi loans granted to subsidiaries	5	-	-	(5,515,414)	(8,534,636)
Purchase of property, plant and equipment	33	(12,676,542)	(16,892,743)	(347,340)	-
Purchase of leasehold land		-	(896,652)	-	-
Investment in a subsidiary		-	-	-	(800,000)
NET CASH FOR INVESTING ACTIVITIES		<u>(12,254,511)</u>	<u>(21,017,218)</u>	<u>(2,287,274)</u>	<u>(1,273,802)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(1,866,107)	(6,717,984)	(1,866,107)	(6,717,984)
Interest expense		(1,480,255)	(1,400,400)	(562,431)	(669,909)
(Repayment)/Drawdown of bills payable		(374,881)	730,897	-	-
Net increase in amount owing to subsidiaries		-	-	-	2,816,287
Proceed from issuance of share by a subsidiary to non-controlling interests		-	200,000	-	-
Drawdown/(Repayment) of trust receipts		37,806,575	(4,359,756)	-	-
Repayment of revolving credit		(999,781)	-	(999,781)	-
Repayment of hire purchase obligation		(3,104,200)	(1,252,030)	-	-
Repayment of term loans		(1,904,123)	(2,147,625)	(1,431,872)	(1,435,261)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		<u>28,077,228</u>	<u>(14,946,898)</u>	<u>(4,860,191)</u>	<u>(6,006,867)</u>

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(Incorporated in Malaysia)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

		The Group		The Company	
		2014	2013	2014	2013
		RM	RM	RM	RM
	NOTE				
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12,801,303)	(11,333,983)	(7,445,099)	(7,818,453)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		38,265,856	49,625,668	14,123,267	21,941,720
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		29,185	(25,829)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	<u>25,493,738</u>	<u>38,265,856</u>	<u>6,678,168</u>	<u>14,123,267</u>

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(Incorporated in Malaysia)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 29 April 2015.

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"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

IC Interpretation 21 Levies

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments, if any) are not expected to have any material financial impact on the Group's financial statements upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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:-

(a) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) 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 provisions in the year in which such determination is made.

(c) 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.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Classification between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(f) 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 loans 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 outcome is different from the estimation, such difference will impact the carrying value of receivables.

(g) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(h) 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.

(i) 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 outcome is different from the estimation, such difference will impact the carrying value of goodwill.

(j) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) 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.

(b) 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. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company 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.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

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 of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
 - (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). 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 joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. 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.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) 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.

(b) Transactions and Balances

Transactions in foreign currencies 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) 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 the translation reserve. On the 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 January 2011) which are treated as assets and liabilities of the Company and are not retranslated.

4.5 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) 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.

(i) 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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

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

(iii) 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.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) 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.

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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured 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.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 INVESTMENTS

(a) Investment 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. The cost of the investments includes transaction costs.

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.

(b) Transferable Golf Club Membership

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

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment other than freehold land 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on 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 lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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.

Building under construction represents asset which is not ready for commercial use at the end of the reporting period. Building under construction is stated at cost, and is depreciated accordingly when it is completed and ready for commercial use.

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 property, 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 profit or loss.

4.8 INVESTMENT PROPERTIES AT THE COST MODEL

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful made lives of the investment properties are within 50 years to 99 years.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES AT THE COST MODEL (CONT'D)

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 IMPAIRMENT

(a) 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.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) 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.

In respect of assets other than goodwill, and 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.

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 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.

4.11 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, production or conversion costs 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 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 reporting period 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.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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. The unwinding of the discount is recognised as interest expense in profit or loss.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) 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.

(c) 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.

4.16 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 RELATED PARTIES (CONT'D)

- (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.

4.17 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.

4.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.19 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.

4.20 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) Management Fee

Management fee is recognised on an accrual basis.

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(e) Rental Income

Rental income is recognised on an accrual basis.

4.21 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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	The Company	
	2014	2013
	RM	RM
Unquoted shares in Malaysia, at deemed cost		
At 1 January	99,517,850	98,717,850
Addition during the financial year	-	800,000
At 31 December	99,517,850	99,517,850
Quasi loans:-		
At 1 January	23,169,337	14,634,701
Addition during the financial year	5,515,414	8,534,636
At 31 December	28,684,751	23,169,337
	128,202,601	122,687,187

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.

The details of the subsidiaries are as follows:-

Name of Subsidiary	Effective Equity Interest (%)		Country of Incorporation	Principal Activities
	2014	2013		
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
Able Food Sdn. Bhd.	80	80	Malaysia	Trading of milk and other related dairy products
PT Medan Johor Tin * (held through JTFSB-90% & UISB-10%)	100	100	Indonesia	Dormant

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

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Subscription shares in a subsidiary

In the previous financial year, the Company subscribed 800,000 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 RM800,000.00.

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2014 %	2013 %	2014 RM	2013 RM
Able Food Sdn. Bhd.	20	20	(832,340)	127,539

(c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Able Food Sdn. Bhd. 2014 RM
<u>At 31 December</u>	
Non-current assets	443,428
Current assets	83,863,486
Current liabilities	(88,468,611)
Net liabilities	(4,161,697)
<u>Financial year ended 31 December</u>	
Revenue	58,209,900
Loss for the financial year	(4,799,393)
Total comprehensive expense	(4,799,393)
Total comprehensive expense attributable to non-controlling interests	(959,879)
Net cash flows for operating activities	(27,671,143)
Net cash flows for investing activities	(415,746)
Net cash flows from financing activities	28,938,522

The financial information for previous financial year was not presented as the contribution to the Group's assets, revenue and operating results from this subsidiary was less than 10%.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****6. PROPERTY, PLANT AND EQUIPMENT****The Group**

	At 1.1.2014 RM	Additions RM	Written Off RM	Depreciation charge RM	At 31.12.2014 RM
Net book value					
Freehold land	14,700,154	533,759	-	-	15,233,913
Leasehold land	50,771	-	-	(1,539)	49,232
Factory buildings	18,075,671	-	-	(422,424)	17,653,247
Plant and machinery	34,787,543	5,547,396	(28,416)	(5,105,313)	35,201,210
Moulds, tools and factory equipment	1,918,776	193,788	(164)	(309,412)	1,802,988
Electrical installations and substation	2,131,286	35,195	-	(307,653)	1,858,828
Motor vehicles	1,685,633	-	(2,957)	(498,637)	1,184,039
Office equipment, furniture and fittings	1,130,204	923,020	(2,091)	(232,206)	1,818,927
Renovation	1,483,622	454,993	-	(244,929)	1,693,686
Building under construction	743,464	4,988,391	-	-	5,731,855
	<u>76,707,124</u>	<u>12,676,542</u>	<u>(33,628)</u>	<u>(7,122,113)</u>	<u>82,227,925</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****The Group**

	At 1.1.2013 RM	Additions RM	Transfer to Investment Properties RM	Disposals RM	Written Off RM	Translation Differences RM	Depreciation charge RM	At 31.12.2013 RM
Net book value								
Freehold land	14,514,020	186,134	-	-	-	-	-	14,700,154
Leasehold land	238,545	-	(186,235)	-	-	-	(1,539)	50,771
Factory buildings	19,102,574	-	(604,479)	-	-	-	(422,424)	18,075,671
Plant and machinery	17,122,175	21,262,714	-	(301,893)	-	(154)	(3,295,299)	34,787,543
Moulds, tools and factory equipment	2,170,539	55,246	-	-	-	-	(307,009)	1,918,776
Electrical installations and substation	1,141,900	1,192,434	-	-	-	-	(203,048)	2,131,286
Motor vehicles	1,820,054	691,904	-	(233,473)	-	-	(592,852)	1,685,633
Office equipment, furniture and fittings	985,356	337,095	-	(1,611)	(115)	(34)	(190,487)	1,130,204
Renovation	999,776	664,927	-	-	-	-	(181,081)	1,483,622
Building under construction	-	743,464	-	-	-	-	-	743,464
	<u>58,094,939</u>	<u>25,133,918</u>	<u>(790,714)</u>	<u>(536,977)</u>	<u>(115)</u>	<u>(188)</u>	<u>(5,193,739)</u>	<u>76,707,124</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
2014				
Freehold land	15,233,913	-	-	15,233,913
Leasehold land	76,930	(27,698)	-	49,232
Factory buildings	21,121,174	(3,467,927)	-	17,653,247
Plant and machinery	84,950,249	(48,331,284)	(1,417,755)	35,201,210
Moulds, tools and factory equipment	5,814,765	(4,011,777)	-	1,802,988
Electrical installations and substation	3,342,909	(1,484,081)	-	1,858,828
Motor vehicles	3,821,266	(2,637,227)	-	1,184,039
Office equipment, furniture and fittings	3,515,615	(1,696,688)	-	1,818,927
Renovation	3,028,322	(1,334,636)	-	1,693,686
Building under construction	5,731,855	-	-	5,731,855
	<u>146,636,998</u>	<u>(62,991,318)</u>	<u>(1,417,755)</u>	<u>82,227,925</u>

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
2013				
Freehold land	14,700,154	-	-	14,700,154
Leasehold land	76,930	(26,159)	-	50,771
Factory buildings	21,121,174	(3,045,503)	-	18,075,671
Plant and machinery	79,636,885	(43,431,587)	(1,417,755)	34,787,543
Moulds, tools and factory equipment	5,621,777	(3,703,001)	-	1,918,776
Electrical installations and substation	3,307,714	(1,176,428)	-	2,131,286
Motor vehicles	3,827,384	(2,141,751)	-	1,685,633
Office equipment, furniture and fittings	2,653,642	(1,523,438)	-	1,130,204
Renovation	2,573,329	(1,089,707)	-	1,483,622
Building under construction	743,464	-	-	743,464
	<u>134,262,453</u>	<u>(56,137,574)</u>	<u>(1,417,755)</u>	<u>76,707,124</u>

The Company	At 1.1.2014 RM	Additions RM	Depreciation Charge RM	At 31.12.2014 RM
Net book value				
Office equipment, furniture and fittings	<u>88,475</u>	<u>347,340</u>	<u>(29,827)</u>	<u>405,988</u>

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	At 1.1.2013 RM	Depreciation Charge RM	At 31.12.2013 RM
The Company			
Net book value			
Office equipment, furniture and fittings	113,173	(24,698)	88,475

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
The Company			
2014			
Office equipment, furniture and fittings	579,614	(173,626)	405,988

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2013			
Office equipment, furniture and fittings	232,274	(143,799)	88,475

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	
	2014 RM	2013 RM
Net book value		
Plant and machinery	12,283,600	14,110,065
Motor vehicles	681,172	970,571
	<u>12,964,772</u>	<u>15,080,636</u>

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

	The Group	
	2014 RM	2013 RM
Freehold land and buildings	<u>5,951,805</u>	<u>9,206,779</u>

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The Group	At 1.1.2014 RM	Depreciation Charge RM	At 31.12.2014 RM
Net book value			
Leasehold land	1,071,188	(10,873)	1,060,315
Buildings	566,877	(5,726)	561,151
	<u>1,638,065</u>	<u>(16,599)</u>	<u>1,621,466</u>

The Group	At 1.1.2013 RM	Transfer From Property, Plant and Equipment RM	Additions RM	Depreciation Charge RM	At 31.12.2013 RM
Net book value					
Leasehold land	-	186,235	896,652	(11,699)	1,071,188
Buildings	-	604,479	-	(37,602)	566,877
	<u>-</u>	<u>790,714</u>	<u>896,652</u>	<u>(49,301)</u>	<u>1,638,065</u>

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2014			
Leasehold land	1,459,307	(398,992)	1,060,315
Buildings	1,474,085	(912,934)	561,151
	<u>2,933,392</u>	<u>(1,311,926)</u>	<u>1,621,466</u>

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2013			
Leasehold land	1,459,307	(388,119)	1,071,188
Buildings	1,474,085	(907,208)	566,877
	<u>2,933,392</u>	<u>(1,295,327)</u>	<u>1,638,065</u>

The fair value of investment properties is RM5,000,000 (2013: RM5,000,000) as at end of the reporting period, it has been arrived at on the basis of the Directors' best estimate.

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8. GOODWILL

	The Group	
	2014	2013
	RM	RM
At 1 January/31 December	<u>10,650,327</u>	<u>10,650,327</u>

- (a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP	
	2014	2013
	RM	RM
Food and beverage	<u>10,650,327</u>	<u>10,650,327</u>

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional 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		GROWTH RATE		DISCOUNT RATE	
	2014	2013	2014	2013	2014	2013
Food and beverage	<u>13%</u>	<u>15%</u>	<u>5%</u>	<u>3.4%</u>	<u>11.2%</u>	<u>13.7%</u>

- (i) Budgeted gross margin Average gross margin achieved in the 3 years immediately before the budgeted period.
- (ii) Growth rate Assume 5 percent growth for the subsequent 5 years.
- (iii) Discount rate (pre-tax) Reflects specific risks relating to the relevant operating segments.

9. OTHER INVESTMENT

	The Group	
	2014	2013
	RM	RM
Transferable golf club membership, at cost	<u>16,500</u>	<u>16,500</u>

Other investment of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the investment.

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10. INVENTORIES

	The Group	
	2014	2013
	RM	RM
At cost:-		
Raw materials	60,948,350	41,103,039
Work-in-progress	12,391,453	9,031,942
Finished goods	7,357,720	6,452,972
Goods-in-transit	49,883,366	1,430,580
	<u>130,580,889</u>	<u>58,018,533</u>
At net realisable value:-		
Raw materials	131,606	247,169
Work-in-progress	1,519	-
	<u>130,714,014</u>	<u>58,265,702</u>

11. TRADE RECEIVABLES

	The Group	
	2014	2013
	RM	RM
Trade receivables	76,558,393	44,454,424
Allowance for impairment losses	(2,982,312)	(3,081,270)
	<u>73,576,081</u>	<u>41,373,154</u>
Allowance for impairment losses at 1 January	3,081,270	1,425,670
Addition during the financial year	-	1,665,350
Reversal during the financial year	(98,958)	(9,750)
Allowance for impairment losses at 31 December	<u>2,982,312</u>	<u>3,081,270</u>

- (a) The Group's normal trade credit terms range from 30 to 120 days (2013: 30 to 120 days).
- (b) Trade receivables that are individually determined to be impaired relate to customers that are in significant financial difficulties and have defaulted on payments.

Included in the trade receivables is an amount of RM3,013,985 (2013: RM821,670) owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

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12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2014	2013
	RM	RM
Other receivables	933,436	124,694
Deposits	2,458,016	1,080,173
Prepayments	305,585	220,633
	<u>3,697,037</u>	<u>1,425,500</u>

Included in the other receivables is an amount of RM734,771 (2013: RM27,123) owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2014	2013
	RM	RM
Amount Owing By Subsidiaries		
<i>Current</i>		
Trade balances	<u>385,000</u>	<u>950,000</u>
Amount Owing To A Subsidiary		
<i>Current</i>		
Non-trade balances	<u>(4,744,889)</u>	<u>(4,744,889)</u>

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

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 2.04% to 2.50% (2013: 2.04% to 3.20%) per annum. The fixed deposits have maturity periods ranging from daily to 12 months (2013: 1 to 12 months).

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15. SHARE CAPITAL

	The Group And The Company			
	2014	2013	2014	2013
	Number Of Shares		RM	RM
ORDINARY SHARES OF RM1.00 EACH:-				
AUTHORISED	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
ISSUED AND FULLY PAID-UP	<u>93,305,333</u>	<u>93,305,333</u>	<u>93,305,333</u>	<u>93,305,333</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

16. RESERVES

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Non-distributable reserves:-				
- Share premium	5,528,136	5,528,136	5,528,136	5,528,136
- Translation reserve	(683,320)	(713,361)	-	-
- Warrants reserve	5,232,757	5,232,757	5,232,757	5,232,757
	<u>10,077,573</u>	<u>10,047,532</u>	<u>10,760,893</u>	<u>10,760,893</u>
Distributable reserve:-				
- Retained profits	77,378,859	66,266,250	16,658,183	16,722,577
	<u>87,456,432</u>	<u>76,313,782</u>	<u>27,419,076</u>	<u>27,483,470</u>

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 only be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

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.

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16. RESERVES (CONT'D)

Warrants reserve

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

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 2014. As at the end of the reporting date, 23,326,333 Warrants remain unexercised.

Retained profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

17. LONG TERM BORROWINGS

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Hire purchase payables (Note 25)	2,287,369	5,354,177	-	-
Term loans (Note 26)	8,292,986	10,208,569	4,191,559	5,623,431
	<u>10,580,355</u>	<u>15,562,746</u>	<u>4,191,559</u>	<u>5,623,431</u>

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18. RETIREMENT BENEFITS

	The Group	
	2014 RM	2013 RM
At January	301,000	335,000
Addition/(Reversal) during the financial year (Note 28)	90,000	(34,000)
At 31 December	<u>391,000</u>	<u>301,000</u>

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	
	2014	2013
Discount rate	3.6%	7.5%
Annual salary increment per worker	<u>RM78.00</u>	<u>RM78.00</u>

19. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	5,212,937	4,006,600	21,200	28,300
Recognised in profit or loss (Note 30)	507,400	1,206,337	80,300	(7,100)
At 31 December	<u>5,720,337</u>	<u>5,212,937</u>	<u>101,500</u>	<u>21,200</u>

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

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax liabilities:-				
- Accelerated capital allowances	5,849,737	5,335,137	101,500	21,200
- Unrealised foreign exchange gain	12,400	-	-	-
	<u>5,862,137</u>	<u>5,335,137</u>	<u>101,500</u>	<u>21,200</u>
Deferred tax assets:-				
- Unabsorbed tax losses	(48,000)	(50,000)	-	-
- Other temporary differences	(93,800)	(72,200)	-	-
Gross deferred tax assets	<u>(141,800)</u>	<u>(122,200)</u>	<u>-</u>	<u>-</u>
Net deferred tax liabilities	<u>5,720,337</u>	<u>5,212,937</u>	<u>101,500</u>	<u>21,200</u>

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

The Group	Accelerated capital allowances RM	Unrealised foreign exchange gain RM	Total RM
Deferred tax liabilities:-			
Balance at 1 January 2014	5,335,137	-	5,335,137
Recognised in profit or loss	514,600	12,400	527,000
Balance at 31 December 2014	<u>5,849,737</u>	<u>12,400</u>	<u>5,862,137</u>
Balance at 1 January 2013	4,544,100	-	4,544,100
Recognised in profit or loss	791,037	-	791,037
Balance at 31 December 2013	<u>5,335,137</u>	<u>-</u>	<u>5,335,137</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****19. 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	Unabsorbed tax losses RM	Other temporary differences RM	Total RM
Deferred tax assets:-			
Balance at 1 January 2014	(50,000)	(72,200)	(122,200)
Recognised in profit or loss	2,000	(21,600)	(19,600)
Balance at 31 December 2014	<u>(48,000)</u>	<u>(93,800)</u>	<u>(141,800)</u>
Balance at 1 January 2013	(399,700)	(137,800)	(537,500)
Recognised in profit or loss	349,700	65,600	415,300
Balance at 31 December 2013	<u>(50,000)</u>	<u>(72,200)</u>	<u>(122,200)</u>
The Company			Accelerated capital allowances RM
Deferred tax liabilities:-			
Balance at 1 January 2014			21,200
Recognised in profit or loss			80,300
Balance at 31 December 2014			<u>101,500</u>
Balance at 1 January 2013			28,300
Recognised in profit or loss			(7,100)
Balance at 31 December 2013			<u>21,200</u>

20. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2013: 30 to 120 days).

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21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	5,551,042	2,721,403	-	-
Accrued expenses	3,986,342	3,737,180	779,505	507,930
Deposits received	2,002,494	840,253	-	-
	<u>11,539,878</u>	<u>7,298,836</u>	<u>779,505</u>	<u>507,930</u>

Included in previous financial year's other payables was an amount of RM69,643 owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

22. 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.

23. DERIVATIVE LIABILITIES

	Contract/Notional Amount		The Group	
	2014 RM	2013 RM	2014 RM	2013 RM
Derivative Liabilities				
Forward foreign currency contracts	<u>13,461,525</u>	<u>10,645,375</u>	<u>(716,505)</u>	<u>(166,005)</u>

The Group does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts range between 2 to 6 (2013: 1 to 6) months after the end of the reporting period.
- (b) The Group has recognised a loss of RM550,500 (2013: RM190,805) arising from fair value changes of derivatives during the financial year. The fair value changes were attributed to changes in the foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 41.4 to the financial statements.

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24. SHORT TERM BORROWINGS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Bills payables	423,823	798,704	-	-
Foreign currency trust receipts	49,514,007	9,655,148	-	-
Revolving credit	4,000,219	5,000,000	4,000,219	5,000,000
Hire purchase payables (Note 25)	2,866,276	2,903,668	-	-
Term loans (Note 26)	1,904,346	1,892,886	1,428,000	1,428,000
	<u>58,708,671</u>	<u>20,250,406</u>	<u>5,428,219</u>	<u>6,428,000</u>

Bankers' acceptance, foreign currency trade loan, bills payable, foreign currency trust receipts and revolving credit are drawn for period ranging from 18 days to 123 days (2013: 30 to 104 days).

Bankers' acceptance, 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 as disclosed in Note 6; and
- (ii) corporate guarantees from the Company

25. HIRE PURCHASE PAYABLES

	The Group	
	2014 RM	2013 RM
Minimum hire purchase payments:		
- not later than one year	3,012,610	3,136,578
- later than one year and not later than five years	2,474,121	5,590,014
	<u>5,486,731</u>	<u>8,726,592</u>
Less: Future finance charges	(333,086)	(468,747)
	<u>5,153,645</u>	<u>8,257,845</u>

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25. HIRE PURCHASE PAYABLES (CONT'D)

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

	The Group	
	2014 RM	2013 RM
<u>Current</u>		
- Not later than one year (Note 24)	2,866,276	2,903,668
<u>Non-Current</u>		
Later than one year and not later than five years (Note 17)	2,287,369	5,354,177
	<u>5,153,645</u>	<u>8,257,845</u>

26. TERM LOANS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<u>Current</u>				
- repayable within one year (Note 24)	1,904,346	1,892,886	1,428,000	1,428,000
<u>Non-Current</u>				
- repayable between one and two years	1,928,639	1,915,433	1,428,000	1,428,000
- repayable between two and five years	4,423,947	5,804,214	2,763,559	4,195,431
- repayable more than five year	<u>1,940,400</u>	<u>2,488,922</u>	-	-
Total non current portion (Note 17)	<u>8,292,986</u>	<u>10,208,569</u>	<u>4,191,559</u>	<u>5,623,431</u>
	<u>10,197,332</u>	<u>12,101,455</u>	<u>5,619,559</u>	<u>7,051,431</u>

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 1 or 3 months COF + 1.15% per annum	Repayable in 83 monthly instalments of RM119,000 and final instalment of RM123,000, effective from December 2011.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****27. REVENUE**

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of goods	316,778,807	241,383,678	-	-
Dividend income	-	-	3,291,815	14,514,083
Management fee income	-	-	385,000	950,000
	<u>316,778,807</u>	<u>241,383,678</u>	<u>3,676,815</u>	<u>15,464,083</u>

28. EMPLOYEE BENEFITS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits	21,936,015	19,923,543	1,087,157	994,142
Contribution to a defined contribution plan	1,547,217	1,394,526	74,931	69,910
Addition to/(Reversal from) a non-contributory unfunded retirement benefit plan (Note 18)	90,000	(34,000)	-	-
	<u>23,573,232</u>	<u>21,284,069</u>	<u>1,162,088</u>	<u>1,064,052</u>

Included in employee benefits is key management personnel compensation as disclosed in Note 36 (c) to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****29. PROFIT BEFORE TAX**

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax is arrived at after charging:-				
Allowance for impairment loss			-	-
on trade receivables	-	1,665,350	-	-
Audit fee: - current financial year	136,000	118,000	25,000	25,000
- overprovision in				
previous financial year	(1,000)	(6,000)	-	-
Direct operating expenses on				
investment properties	12,690	10,995	-	-
Interest expense:				
- bank borrowings	1,480,255	1,318,625	562,431	588,134
- contingent consideration	-	81,775	-	81,775
Loss on fair value changes in				
financial instruments - unrealised	550,500	190,805	-	-
Loss on foreign exchange -				
realised (trade)	1,198,107	1,142,930	-	-
Loss on foreign exchange -				
unrealised (trade)	1,673,296	26,839	-	-
Property, plant and equipment				
written off	33,628	115	-	-
Rental expenses:				
- premises	383,874	423,040	-	-
- office equipment	11,115	11,395	-	-
- factory equipment	530,783	472,187	-	-
- lorry	55,203	-	-	-
- motor vehicle	148,222	163,550	-	-
and after crediting:-				
Dividend income	-	-	3,291,815	14,514,083
Gain on disposal of property, plant				
and equipment	-	482,961	-	-
Gain on foreign exchange - realised				
(non-trade)	557	16,786	-	-
Gain on foreign exchange - realised				
(trade)	66,487	31,797	-	-
Gain on foreign exchange - unrealised				
(trade)	409,412	305,977	-	-
Interest income	422,031	752,239	283,665	550,272
Rental income	120,000	214,950	-	-
Reversal of allowance for impairment				
losses on trade receivable	98,958	9,750	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****30. TAX EXPENSE**

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax:				
- current year	5,800,100	5,495,700	-	2,013,521
- under/(over) provision in previous financial year	31,932	(74,329)	-	(80,881)
	<u>5,832,032</u>	<u>5,421,371</u>	<u>-</u>	<u>1,932,640</u>
Deferred tax (Note 19):				
- relating to origination or (reversal) of temporary differences	550,100	1,462,100	80,300	(6,200)
- effect of proposed change in corporate income tax rate from 25% to 24%	(99,000)	(212,663)	-	(900)
- under/(over) provision in the previous financial year	56,300	(43,100)	-	-
	<u>507,400</u>	<u>1,206,337</u>	<u>80,300</u>	<u>(7,100)</u>
	<u>6,339,432</u>	<u>6,627,708</u>	<u>80,300</u>	<u>1,925,540</u>

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	
	2014 RM	2013 RM
Unutilised reinvestment allowances	5,939,100	5,939,000
Unutilised tax losses	2,226,000	3,044,000
	<u>8,165,100</u>	<u>8,983,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****30. TAX EXPENSE (CONT'D)**

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

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	18,358,269	27,147,490	1,882,013	13,912,355
Tax at the statutory tax rate of 25% (2013: 25%)	4,589,567	6,786,873	470,503	3,478,089
Non-taxable income	942	(86,657)	(822,954)	(1,674,989)
Non-deductible expenses	419,180	796,345	169,151	204,221
Deferred tax assets not recognised during the financial year	1,373,500	82,065	257,000	-
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	(92,400)	(212,663)	6,600	(900)
Under/(Over) provision of income tax in previous financial year	31,932	(74,329)	-	(80,881)
Under/(Over) provision of deferred tax in previous financial year	56,300	(43,100)	-	-
Tax incentive utilised	(39,589)	(620,826)		
Income tax expense for the financial year	6,339,432	6,627,708	80,300	1,925,540

31. EARNING PER SHARE

	The Group	
	2014 RM	2013 RM
Basic		
Net profit attributable to ordinary shareholders	12,978,716	20,592,243
Number of shares in issue as at 31 December (weighed average)	93,305,333	93,305,333
Basic earnings per share (sen)	13.91	22.07

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.

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32. DIVIDENDS

	The Group And The Company	
	2014 RM	2013 RM
Paid:-		
In respect of the previous financial year:-		
Single tier final tax exempt dividend of 2 sen (2013: 4.20 sen) per ordinary share	1,866,107	3,918,824
In respect of current financial year:-		
Single tier interim tax exempt dividend of 3 sen per ordinary share	-	2,799,160
	<u>1,866,107</u>	<u>6,717,984</u>

At the forthcoming Annual General Meeting, a single tier final tax-exempt dividend of 3.50 sen per ordinary share amounting to RM3,265,687 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2015.

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost of property, plant and equipment purchase	12,676,542	25,133,918	347,340	-
Amount financed through hire purchase	-	(8,241,175)	-	-
Cash disbursed for purchase of property, plant and equipment	<u>12,676,542</u>	<u>16,892,743</u>	<u>347,340</u>	<u>-</u>

34. 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	19,445,833	27,083,151	2,667,647	2,971,296
Fixed deposits with licensed banks	6,047,905	11,182,705	4,010,521	11,151,971
	<u>25,493,738</u>	<u>38,265,856</u>	<u>6,678,168</u>	<u>14,123,267</u>

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35. 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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Non-Executive directors:				
- fee	251,500	256,000	231,500	236,000
Executive directors:				
- fee	129,000	416,000	59,000	46,000
- salaries and bonuses	4,093,560	3,783,320	312,000	297,000
- defined contribution plan	345,400	391,740	16,560	19,740
	<u>4,819,460</u>	<u>4,847,060</u>	<u>619,060</u>	<u>598,740</u>

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

	The Group		The Company	
	2014	2013	2014	2013
Non-executive directors				
Below RM50,000	4	1	3	-
RM50,001 - RM100,000	2	3	2	3
Executive directors				
Below RM50,000	-	-	2	2
RM200,001 - RM250,000	-	1	-	-
RM250,001 - RM300,000	1	-	-	-
RM300,001 - RM350,000	2	1	1	1
RM400,001 - RM450,000	-	1	-	-
RM550,001 - RM600,000	-	1	-	-
RM600,001 - RM650,000	1	-	-	-
RM700,001 - RM750,000	1	1	-	-
RM800,001 - RM850,000	1	1	-	-
RM1,450,001 - RM1,500,000	1	-	-	-
RM1,500,001 - RM1,550,000	-	1	-	-
	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>

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36. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Company	
	2014	2013
	RM	RM
Subsidiaries		
Dividend received/receivable	3,291,815	14,514,083
Management fees receivable	385,000	950,000

	The Group	
	2014	2013
	RM	RM
Company in which a subsidiary's director has substantial financial interest		
Sales of goods	7,627,272	5,651,143
Purchase of goods	-	1,146,854
Rental of factory premises paid/payable	16,800	16,800

(c) Compensation of key management personnel:

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Short-term employee benefits	4,474,060	4,683,880	602,500	579,000
Post-employment benefit - Defined contribution plan	345,400	419,394	16,560	19,740
	<u>4,819,460</u>	<u>5,103,274</u>	<u>619,060</u>	<u>598,740</u>

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37. CAPITAL COMMITMENTS

	The Group	
	2014	2013
	RM	RM
<u>Contracted But Not Provided For</u>		
Purchase of property, plant and equipment	<u>14,978,806</u>	<u>2,128,416</u>
<u>Authorised And Contracted For</u>		
Purchase of property, plant and equipment	<u>174,075</u>	<u>-</u>
<u>Authorised But Not Contracted For</u>		
Purchase of property, plant and equipment	<u>5,310,510</u>	<u>-</u>

38. OPERATING LEASE COMMITMENTS

Leases As Lessor

The Group leases out its investment properties. The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2014	2013
	RM	RM
Not more than one year	<u>-</u>	<u>24,000</u>

39. CONTINGENT LIABILITIES

	The Company	
	2014	2013
	RM	RM
Corporation guarantee given to licensed banks for banking facilities granted to subsidiaries	81,687,729	29,915,173
Deed guarantee given to a customer for products sold by a subsidiary	7,809,302	-
Deed guarantee given to a supplier for products sold to a subsidiary	<u>651,184</u>	<u>-</u>

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40. 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 and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****40. OPERATING SEGMENTS (CONT'D)****Business Segments**

	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2014				
<u>Revenue</u>				
External revenue	-	88,874,255	227,904,552	316,778,807
Inter-segment revenue	385,000	16,121,439	8,820,475	25,326,914
Dividend income	3,291,815	-	-	3,291,815
Total revenue	3,676,815	104,995,694	236,725,027	345,397,536
Consolidation adjustments and eliminations				(28,618,729)
Consolidated revenue				316,778,807
<u>Results</u>				
Results before following adjustments	3,702,642	16,497,163	12,075,226	32,275,031
Consolidation adjustments and eliminations	(3,676,815)	577,942	668,013	(2,430,860)
Finance costs	(562,431)	(425,011)	(674,317)	(1,661,759)
Income tax expense	(80,300)	(3,298,881)	(2,960,251)	(6,339,432)
	(616,904)	13,351,213	9,108,671	21,842,980
Depreciation of property, plant and equipment	(29,827)	(4,491,264)	(2,601,022)	(7,122,113)
Depreciation of investment properties	-	(16,599)	-	(16,599)
Other material items of income (Note a)	283,665	252,871	513,865	1,050,401
Other non-cash expenses (Note b)	-	-	(2,223,796)	(2,223,796)
Segment results	(363,066)	9,096,221	4,797,718	13,530,873
Unallocated expenses				(1,512,036)
Consolidated profit after tax				12,018,837

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**NOTES TO THE FINANCIAL STATEMENTS
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	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2014				
<u>Assets</u>				
Segment assets	135,564,093	149,448,024	206,496,778	491,508,895
Consolidation adjustments and eliminations				(162,738,727)
				<u>328,770,168</u>
Unallocate assets				405,988
Consolidated total assets				<u>329,176,156</u>
<u>Liabilities</u>				
Segment liabilities	15,245,672	33,883,678	145,482,426	194,611,776
Consolidation adjustments and eliminations				(45,365,045)
Consolidated total liabilities				<u>149,246,731</u>
<u>Other Segment Item</u>				
Additions to non-current assets other than financial instruments:-				
- property, plant and equipment	347,340	4,822,368	7,506,834	12,676,542

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	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2013				
<u>Revenue</u>				
External revenue	-	83,073,932	158,309,746	241,383,678
Inter-segment revenue	950,000	17,502,980	1,008,076	19,461,056
Dividend income	14,514,083	-	-	14,514,083
Total revenue	15,464,083	100,576,912	159,317,822	275,358,817
Eliminations				(33,975,139)
Consolidated revenue				241,383,678
<u>Results</u>				
Results before following adjustments	15,484,781	12,873,003	21,071,656	49,429,440
Consolidation adjustments and eliminations	(15,464,083)	895,381	623,535	(13,945,167)
Finance costs	(669,909)	(365,169)	(513,457)	(1,548,535)
Income tax expense	77,981	(2,718,629)	(3,987,060)	(6,627,708)
	(571,230)	10,684,586	17,194,674	27,308,030
Depreciation of property, plant and equipment	(24,698)	(2,847,617)	(2,321,424)	(5,193,739)
Depreciation of investment properties	-	(49,301)	-	(49,301)
Other material items of income (Note a)	550,272	873,882	341,723	1,765,877
Other non-cash expenses (Note b)	-	(166,457)	(1,716,537)	(1,882,994)
Segment results	(45,656)	8,495,093	13,498,436	21,947,873
Unallocated expenses				(1,428,091)
Consolidated profit after tax				20,519,782

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	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2013				
<u>Assets</u>				
Segment assets	138,001,080	140,635,407	86,196,797	364,833,284
Consolidation adjustments and eliminations				(133,753,739)
				<u>231,079,545</u>
Unallocate assets				113,173
Consolidated total assets				<u>231,192,718</u>
<u>Liabilities</u>				
Segment liabilities	17,325,450	32,475,074	33,327,564	83,128,088
Consolidation adjustments and eliminations				(21,682,024)
Consolidated total liabilities				<u>61,446,064</u>
<u>Other Segment Item</u>				
Additions to non-current assets other than financial instruments:-				
- property, plant and equipment	-	19,005,965	6,127,953	<u>25,133,918</u>

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40. OPERATING SEGMENTS (CONT'D)**Business Segments (Cont'd)**

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

	The Group	
	2014	2013
	RM	RM
Gain on disposal of property, plant and equipment	-	482,961
Gain on foreign currency - unrealised (trade)	409,412	305,977
Interest income	422,031	752,239
Rental income	120,000	214,950
Reversal of allowance for impairment losses on trade receivables	98,958	9,750
	<u>1,050,401</u>	<u>1,765,877</u>

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

	The Group	
	2014	2013
	RM	RM
Allowance for impairment losses on trade receivables	-	1,665,350
Loss on foreign currency - unrealised (trade)	1,673,296	26,839
Loss on fair value changes in financial instruments	550,500	190,805
	<u>2,223,796</u>	<u>1,882,994</u>

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40. OPERATING SEGMENTS (CONT'D)

Geographical Segments

	REVENUE		NON-CURRENT ASSETS	
	2014 RM	2013 RM	2014 RM	2013 RM
Africa	74,945,703	80,249,788	-	-
Asia	101,055,648	79,805,219	-	-
Central America	40,844,316	-	-	-
Malaysia	90,155,161	62,472,524	94,516,218	89,012,016
Others	9,777,979	18,856,147	-	-
	<u>316,778,807</u>	<u>241,383,678</u>	<u>94,516,218</u>	<u>89,012,016</u>

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	Revenue		Segments
	2014 RM	2013 RM	
Customer A	-	27,026,441	Foods and beverage
Customer B	<u>40,390,836</u>	<u>-</u>	Foods and beverage

41. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (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.

41.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) 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 ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Indonesia Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains natural hedge, whenever is possible, by matching the receivable and the payables in the same currency, any unmatched balance will be hedged by the forwards foreign currency contracts.

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure

The Group	USD RM	SGD RM	EUR RM
2014			
<u>Financial Assets</u>			
Trade receivables	45,155,818	4,253,139	-
Other receivables, deposits and prepayments	741,378	13,022	-
Cash and bank balances	5,075,665	3,961,696	20,329
	<u>50,972,861</u>	<u>8,227,857</u>	<u>20,329</u>
<u>Financial Liabilities</u>			
Trade payables	41,359,085	120,121	-
Other payables and accruals	1,611,558	58,977	-
Bank borrowings	49,872,177	4,773,760	-
	<u>92,842,820</u>	<u>4,952,858</u>	<u>-</u>
Currency Exposure	<u>(41,869,959)</u>	<u>3,274,999</u>	<u>20,329</u>

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	USD RM	SGD RM	EUR RM
2013			
<u>Financial Assets</u>			
Trade receivables	19,056,386	3,931,931	-
Other receivables, deposits and prepayments	865,116	-	-
Cash and bank balances	6,364,485	1,554,552	402,411
	<u>26,285,987</u>	<u>5,486,483</u>	<u>402,411</u>
<u>Financial Liabilities</u>			
Trade payables	3,725,241	202,108	-
Other payables and accruals	453,031	6,858	-
Bank borrowings	10,453,852	7,483,968	-
	<u>14,632,124</u>	<u>7,692,934</u>	<u>-</u>
Currency Exposure	<u>11,653,863</u>	<u>(2,206,451)</u>	<u>402,411</u>

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) 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 at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014	2013
	RM	RM
Effects On Profit After Tax		
USD/RM		
- strengthened by 11% (2013: 12%)	(3,354,877)	905,283
- weakened by 11% (2013: 12%)	3,354,877	(905,283)
SGD/RM		
- strengthened by 6% (2013: 8%)	144,185	(290,339)
- weakened by 6% (2013: 8%)	(144,185)	290,339
EUR/RM		
- strengthened by 10% (2013: 16%)	1,525	48,289
- weakened by 10% (2013: 16%)	(1,525)	(48,289)
	<hr/>	<hr/>
	The Company	
	2014	2013
	RM	RM
Effects On Equity		
IDR/RM		
- strengthened by 9% (2013: 18%)	65,600	122,491
- weakened by 9% (2013: 18%)	(65,600)	(122,491)
	<hr/>	<hr/>

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) 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 arises mainly from 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 at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Effects On Profit After Tax				
Increase of 25 (2013: 30) basis points ("bp")	(105,112)	(13,814)	(3,017)	9,226
Decrease of 25 (2013: 30) bp	<u>105,112</u>	<u>13,814</u>	<u>3,017</u>	<u>(9,226)</u>

(iii) Equity Price Risk

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

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) 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.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2013: seven) major customers which constituted approximately 27% (2013: 52%) 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 (including amount owing by related parties) by geographical region is as follows:-

	The Group	
	2014 RM	2013 RM
Africa	19,001,860	5,350,968
Asia	13,390,219	4,292,533
Central America	11,755,152	-
Europe	451,590	8,760,108
Singapore	3,903,353	5,751,983
Malaysia	24,883,052	17,217,562
Middle east	190,855	-
	<u>73,576,081</u>	<u>41,373,154</u>

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables (including amount owing by related parties) at the end of the reporting period is as follows:-

	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2014			
Not past due	52,478,271	-	52,478,271
Past due:			
- less than 3 months	18,415,714	-	18,415,714
- 3 to 6 months	1,940,755	-	1,940,755
- over 6 months	3,723,653	(2,982,312)	741,341
	<u>76,558,393</u>	<u>(2,982,312)</u>	<u>73,576,081</u>
2013			
Not past due	27,469,156	-	27,469,156
Past due:			
- less than 3 months	13,261,088	-	13,261,088
- 3 to 6 months	682,441	(253,648)	428,793
- over 6 months	3,041,739	(2,827,622)	214,117
	<u>44,454,424</u>	<u>(3,081,270)</u>	<u>41,373,154</u>

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.

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.

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

The following table sets out the maturity profile of the financial liabilities 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
2014						
Trade payables		59,539,146	59,539,146	59,539,146	-	-
Other payables and accrual		11,539,878	11,539,878	11,539,878	-	-
Amount owing to directors		688,830	688,830	688,830	-	-
Hire purchase payables	2.75 to 5.11	5,153,645	5,486,731	3,012,610	2,474,121	-
Term loans	4.78 to 4.85	10,197,332	12,081,267	2,406,427	7,427,102	2,247,738
Bills payables		423,823	423,823	423,823	-	-
Foreign currency trust receipts	1.58 to 2.77	49,514,007	49,514,007	49,514,007	-	-
Revolving credit	4.77	4,000,219	4,000,219	4,000,219	-	-
Forward currency contract-gross payment-inflow		716,505	12,745,020	12,745,020	-	-
-outflow			(13,461,525)	(13,461,525)	-	-
		141,773,385	142,557,396	130,408,435	9,901,223	2,247,738

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41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) 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
2013						
Trade payables		10,248,157	10,248,157	10,248,157	-	-
Other payables and accrual		7,298,836	7,298,836	7,298,836	-	-
Amount owing to directors		713,443	713,443	713,443	-	-
Hire purchase payables	2.75 to 6.10	8,257,845	8,726,592	3,136,578	5,590,014	-
Term loans	4.47 to 5.00	12,101,455	14,495,720	2,453,011	9,085,159	2,957,550
Bills payable		798,704	798,704	798,704	-	-
Foreign currency trust receipts	1.75 to 2.78	9,655,148	9,655,148	9,655,148	-	-
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Forward currency contract-gross payment-inflow		166,005	10,479,370	10,479,370	-	-
-outflow			(10,645,375)	(10,645,375)	-	-
		54,239,593	56,770,595	39,137,872	14,675,173	2,957,550

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41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The Company	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2014					
Other payables and accruals		779,505	779,505	779,505	-
Amount owing to subsidiaries		4,744,889	4,744,889	4,744,889	-
Term loans	4.78	5,619,559	6,284,469	1,696,615	4,587,854
Revolving credit	4.77	4,000,219	4,000,219	4,000,219	-
		<u>15,144,172</u>	<u>15,809,082</u>	<u>11,221,228</u>	<u>4,587,854</u>

	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2013					
Other payables and accruals		507,930	507,930	507,930	-
Amount owing to subsidiaries		4,744,889	4,744,889	4,744,889	-
Term loans	4.47	7,051,431	7,989,110	1,743,199	6,245,911
Revolving credit	4.47	5,000,000	5,000,000	5,000,000	-
		<u>17,304,250</u>	<u>18,241,929</u>	<u>11,996,018</u>	<u>6,245,911</u>

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions debt divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the previous reporting period was not presented as its cash and cash equivalents exceeded the total debts. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	2014 RM	2013 RM
Hire purchase payables	5,153,645	8,257,845
Term loans	10,197,332	12,101,455
Bill payables	423,823	798,704
Foreign currency trust receipts	49,514,007	9,655,148
Revolving credit	4,000,219	5,000,000
	<u>69,289,026</u>	<u>35,813,152</u>
Less: Fixed deposits with licensed banks	(6,047,905)	(11,182,705)
Less: Cash and bank balances	(19,445,833)	(27,083,151)
Net debt	<u>43,795,288</u>	<u>(2,452,704)</u>
Total equity	<u>179,929,425</u>	<u>169,746,654</u>
Debt-to-equity ratio	<u>24.34%</u>	<u>-</u>

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.

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41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial Assets				
<u>Loans and receivables</u>				
<u>financial assets</u>				
Trade receivables	73,576,081	41,373,154	-	-
Other receivables and deposits	3,391,452	1,204,867	-	-
Amount owing by subsidiaries	-	-	385,000	950,000
Fixed deposits with licensed banks	6,047,905	11,182,705	4,010,521	11,151,971
Cash and bank balances	19,445,833	27,083,151	2,667,647	2,971,296
	<u>102,461,271</u>	<u>80,843,877</u>	<u>7,063,168</u>	<u>15,073,267</u>
<u>Available-for-sale</u>				
<u>financial assets</u>				
Other investment	<u>16,500</u>	<u>16,500</u>	<u>-</u>	<u>-</u>
Financial Liabilities				
<u>Other financial liabilities</u>				
Trade payables	59,539,146	10,248,157	-	-
Other payables and accruals	11,539,878	7,298,836	779,505	507,930
Amount owing to a subsidiary	-	-	4,744,889	4,744,889
Amount owing to directors	688,830	713,443	-	-
Borrowings				
- long term	10,580,355	15,562,746	4,191,559	5,623,431
- short term	58,708,671	20,250,406	5,428,219	6,428,000
	<u>141,056,880</u>	<u>54,073,588</u>	<u>15,144,172</u>	<u>17,304,250</u>
<u>Fair value through</u>				
<u>profit and loss</u>				
Derivative liabilities	<u>716,505</u>	<u>166,005</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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41.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 and level 3 of the fair value hierarchy.

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
2014								
<u>Financial Liabilities</u>								
Derivative liabilities								
- Forward foreign currency contract	-	716,505	-	-	-	-	716,505	716,505
Hire purchase payables	-	-	-	-	5,173,302	-	5,173,302	5,153,645
Retirement benefits	-	-	-	-	-	371,100	371,100	391,000
Term loans	-	-	-	-	10,197,332	-	10,197,332	10,197,332
2013								
<u>Financial Liabilities</u>								
Derivative liabilities								
- Forward foreign currency contract	-	166,005	-	-	-	-	166,005	166,005
Hire purchase payables	-	-	-	-	8,292,240	-	8,292,240	8,257,845
Retirement benefits	-	-	-	-	-	357,000	357,000	301,000
Term loans	-	-	-	-	12,101,455	-	12,101,455	12,101,455

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41.4 FAIR VALUE INFORMATION (CONT'D)

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
The Company								
2014								
<u>Financial Liability</u>								
Term loan	-	-	-	-	5,619,559	-	5,619,559	5,619,559
The Company								
2013								
<u>Financial Liability</u>								
Term loan	-	-	-	-	7,051,431	-	7,051,431	7,051,431

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41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 Fair Values Measurements (Cont'd)

The fair values of level 2 and level 3 above have been determined using the following basis:-

- (a) The fair values of forward currency contracts are determined using forward exchange rates at the end of the reporting period with the resulting value discounted back to present value.
- (b) The fair values of hire purchase payables, retirement benefits and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Hire purchase payables	2.75 to 4.60	2.75 to 4.54	-	-
Retirement benefits	3.62	4.55	-	-
Term loans	4.78 to 4.85	4.55 to 4.87	- 4.78	- 4.55

There were no transfer between level 1 and level 2 during the financial year.

The following table shows a reconciliation of level 3 fair value:-

	Employee Retirement Benefit RM	Total Fair value RM
Balance at 1.1.2013	335,000	337,000
Total (gain)/loss recognised in profit or loss	(34,000)	20,000
Balance at 31.12.2013/1.1.2014	301,000	357,000
Total loss recognised in profit or loss	90,000	14,100
Balance at 31.12.2014	391,000	371,100

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****42. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)**

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits/(losses) 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits/(losses):				
- realised	83,967,103	71,354,210	16,759,683	16,743,777
- unrealised	(6,588,244)	(5,087,960)	(101,500)	(21,200)
At 31 December	<u>77,378,859</u>	<u>66,266,250</u>	<u>16,658,183</u>	<u>16,722,577</u>

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