



**JOHORE TIN BERHAD**

COMPANY NO: 532570-V  
INCORPORATED IN MALAYSIA

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Third Annual General Meeting of Johore Tin Berhad will be held at Pulau Springs Resort, Kayangan Suites, 20km, Jalan Pontian Lama, 81110 Pulau, Johor, Malaysia, on Monday, 28 June 2004 at 9.30 a.m. for the following purposes. :-

1. To receive and consider the Audited Financial Statements for the year ended December 31, 2003 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve the payment of Directors' fees of RM280,000 for the year ended December 31, 2003. (Resolution 2)
3. A) To re-elect Mr. Goh Mia Kwong who retires pursuant to Article 120 of the Company's Articles of Association. (Resolution 3)  
  
B) To re-elect Mr. Edward Goh Swee Wang who retires pursuant to Article 120 of the Company's Articles of Association. (Resolution 4)
4. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and authorised the Directors to fix their remuneration. (Resolution 5)

### **SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications :

(A) **ORDINARY RESOLUTION 1 :**  
**AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals of the relevant governmental / regulatory authorities, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company from time to time at such price, upon such terms and conditions for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 6)

(B) **ORDINARY RESOLUTION 2 :**  
**PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH GSP MARKETING SDN. BHD. ("GSPM") OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company's subsidiary to enter into and give effect to the Recurrent Related Party Transactions with GSPM of a Revenue or Trading Nature as stated in Section 2.2 of the Circular to Shareholders dated 3 June, 2004 which are necessary for the Company's day to day operations subject to the following :-



## NOTICE OF ANNUAL GENERAL MEETING

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority Shareholders; and
- ii) Disclosure of the aggregate value of such transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed in the Annual Report for the said financial year;

AND THAT such approval shall continue to be in force until :

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) Revoked or varied by resolution passed by the Shareholders in a general meeting;

whichever is earlier.

AND FURTHER THAT, authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution and that all recurrent related party transactions entered into by the Company's subsidiary with the related party as detailed in Section 2.2 of this Circular (including all such documents executed in relation thereto) from 31 October, 2003 to the date of AGM be and are hereby ratified.

(Resolution 7)

(C) **ORDINARY RESOLUTION 3 :**  
**PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH NG YIK TOON @ NG YIK KOON ("NYT") OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company's subsidiary to enter into and give effect to the Recurrent Related Party Transactions with NYT of a Revenue or Trading Nature as stated in Section 2.2 of the Circular to Shareholders dated 3 June, 2004 which are necessary for the Company's day to day operations subject to the following :-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority Shareholders; and



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- ii) Disclosure of the aggregate value of such transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed in the Annual Report for the said financial year;

AND THAT such approval shall continue to be in force until :

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) Revoked or varied by resolution passed by the Shareholders in a general meeting;

whichever is earlier.

AND FURTHER THAT, authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution and that all recurrent related party transactions entered into by the Company's subsidiary with the related party as detailed in Section 2.2 of this Circular (including all such documents executed in relation thereto) from 31 October, 2003 to the date of AGM be and are hereby ratified.

(Resolution 8)

- (D) **ORDINARY RESOLUTION 4 :**  
**PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH COLOUR VIEW ENTERPRISE SDN. BHD. ("CVE") OF A REVENUE OR TRADING NATURE.**

"THAT approval be and is hereby given to the Johore Tin Berhad Group ("Group") to enter into and give effect to the Recurrent Related Party Transactions with CVE of a Revenue or Trading Nature as stated in Section 2.2 of the Circular to Shareholders dated 3 June, 2004 which are necessary for the Group's day to day operations subject to the following :-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority Shareholders; and
- ii) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority Shareholders; and



## NOTICE OF ANNUAL GENERAL MEETING

AND THAT such approval shall continue to be in force until :

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) Revoked or varied by resolution passed by the Shareholders in a general meeting;

whichever is earlier.

AND FURTHER THAT, authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution and that all recurrent related party transactions entered into by the Group with the related party as detailed in Section 2.2 of this Circular (including all such documents executed in relation thereto) from 31 October, 2003 to the date of AGM be and are hereby ratified.

(Resolution 9)

6 To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD  
YONG MAY LI (f)  
Company Secretary

Johor Bahru,  
3 June, 2004



## NOTICE OF ANNUAL GENERAL MEETING

### NOTES :-

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
3. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No.19 Jalan Tun Abdul Razak, Susur 1/1, 80000 Johor Bahru, Johor Darul Takzim, not less than 48 hours before the time appointed for holding the meeting or any adjournments thereof.
5. **Ordinary Resolution 1**  
This Ordinary Resolution 1 proposed under item 5 (A), if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.
6. **Ordinary Resolutions 2 to 4**  
The proposed Ordinary Resolutions 2 to 4 proposed under item 5 (B) to (D), if passed, will enable the Company and/or its subsidiaries (JTB Group) to enter into recurrent transactions with the related parties set out in Section 2.2 of the Circular dated 3 June, 2004 which are of a revenue or trading nature and necessary for the Group's day-to-day operations, provided that such transactions are carried out in the ordinary course of business on normal commercial terms which are consistent with the JTB's Group normal business practices and policies and on terms not more favourable to the related parties than those extended to the other customers/suppliers of the JTB Group, and not to the detriment of the minority shareholders, without having to announce and/or convene separate general meetings from time to time to seek shareholder's approval as and when the recurrent transactions' percentage ratios are equal to or exceed five (5) percent as prescribed in Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad.



## STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election at the Third Annual General Meeting of JOHORE TIN BERHAD ("JTB") :

(i) Mr. Goh Mia Kwong and Mr. Edward Goh Swee Wang who retire under the provisions of the Articles of Association of the Company.

2. Statement on Attendance of Directors seeking re-election at Board Meeting held during the financial year ended December 31, 2003.

A Board Meeting was held during the financial year as follow :-

| No. of Meeting | Date              | Time       | Place   |
|----------------|-------------------|------------|---|
| BOD-1/2003     | November 28, 2003 | 11.30 a.m. | Lot 62580, Batu 81/2, Jalan Skudai, 81300 Skudai, Johor Bahru, Johor. |

Mr. Goh Mia Kwong and Mr. Edward Goh Swee Wang, both of whom are standing for re-election had attended the abovementioned Board Meeting.

3. Particulars of directors seeking re-election are as follows :-

| NAME  | GOH MIA KWONG   | EDWARD GOH SWEE WANG                                 |
|---|---|--|
| Age   | 65  | 41   |
| Nationality   | Malaysian   | Malaysian  |
| Qualification field   | Management of Marketing and Operation                 | Business Administration and Mechanical Engineering   |
| Position on the Board   | Executive Director and Chairman                       | Managing Director and Director                       |
| Date first appointed on the Board   | December 31, 2002<br>April 3, 2003<br>(Chairman)      | December 31, 2002                                    |
| Membership of Board Committees  | Nil   | Member of Audit Committee and Remuneration Committee |
| Directorship of other public companies  | Nil   | Nil  |
| Securities holdings in JTB and its subsidiaries                               | 786,093   | 146,700  |
| Family relationship with any director and/or major share-holder of JTB        | Father to Mr. Edward Goh Swee Wang, Managing Director | Son to Mr. Goh Mia Kwong Chairman                    |
| Conflict of interest with JTB, if any   | Nil   | Nil  |
| Convictions for offences within the past 10 years other than traffic offences | Nil   | Nil  |



## CORPORATE INFORMATION

|                                 |   |
|---------------------------------|---|
| <b>Directors :</b>              | Mr. Goh Mia Kwong (Chairman)<br>Mr. Edward Goh Swee Wang (Managing Director)<br>Mr. Yeow Ah Seng @ Yow Ah Seng<br>Datin Fawziah Binti Hussein Sazally<br>Raja Zainal Abidin Bin Raja Hussin (Resigned on 22 April, 2004)<br>Mr. Lim Chin Kai<br>En. Muhamad Feasal Bin Yusoff |
| <b>Audit Committee :</b>        | Mr. Lim Chin Kai (Chairman/Independent Non-Executive Director)<br>Mr. Edward Goh Swee Wang (Managing Director)<br>En. Muhamad Feasal Bin Yusoff (Independent Non-Executive Director)  |
| <b>Remuneration Committee :</b> | Mr. Lim Chin Kai (Chairman/Independent Non-Executive Director)<br>Mr. Edward Goh Swee Wang (Managing Director)<br>En. Muhamad Feasal Bin Yusoff (Independent Non-Executive Director)  |
| <b>Nomination Committee :</b>   | En. Muhamad Feasal Bin Yusoff (Chairman/Independent Non-Executive Director)<br>Mr. Lim Chin Kai (Independent Non-Executive Director)<br>Datin Fawziah Binti Hussein Sazally (Non-Executive Director)  |
| <b>Secretaries :</b>            | Ms. Yong May Li (LS 000295)   |
| <b>Auditors :</b>               | Deloitte KassimChan<br>No. 21, Jalan Tun Abdul Razak, Susur 1/1,<br>80000 Johor Bahru,<br>Johor Darul Takzim.<br>Tel : 07-2225988 Fax : 07-2247508  |
| <b>Registrars :</b>             | PFA Registration Services Sdn. Bhd.<br>1301, Level 13, Uptown 1,<br>No. 1, Jalan SS 21/58,<br>Damansara Uptown,<br>47400 Petaling Jaya,<br>Selangor Darul Ehsan.<br>Tel : 03-77254888 Fax : 03-77222311   |
| <b>Registered Office :</b>      | No. 19, Jalan Tun Abdul Razak,<br>Susur 1/1, 80000 Johor Bahru, Johor Darul Takzim.<br>Tel : 07-2225988 Fax : 07-2217608  |
| <b>Principal Bankers :</b>      | Public Bank Berhad  |
| <b>Stock Exchange Listing :</b> | Second Board of<br>Bursa Malaysia Securities Berhad   |





## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report of Johore Tin Berhad ("JTB") for the financial year ended 31st December, 2003.

### **Financial Review**

The Year 2003 marked the first year that Johore Tin Berhad is listed on the Bursa Malaysia and I am glad to report that the JTB Group has enjoyed another profitable year.

For the financial year under review, the Group recorded a total revenue of RM88,016,294. For the same year, the Group's net profit after tax is RM8,449,246.

### **Corporate Development**

The highlight of the year for JTB is the successful listing on the Bursa Malaysia on the 31st of October, 2003. This is a historic event for the management, staff and all persons associated with the company.

### **Industry Development**

The year 2003 saw an upward trend on the prices of steel and tinplate. Tinplate represents the major component of JTB raw materials and therefore, significant movements in the prices of tinplate will have an impact on the revenue and profitability of the company. However, with efficient management of the factories, JTB managed to maintain its operations profitably.

### **Appreciation**

On behalf of the Board and Shareholders, I wish to extend our appreciation and gratitude to the Management and Staff of the Group at all levels for their hardwork, dedication, and commitment in the past years. I hope that they will continue their efforts in future. I also would like to take this opportunity to thank all our valued customers and suppliers for their continued support and co-operation. I hope that we can all strive forward successfully together.

Lastly, I wish to thank my fellow colleagues of the Board for their invaluable contributions and wise counsel and our shareholders for their support and confidence over the past year.

**Goh Mia Kwong**  
Executive Chairman



## PROFILE OF DIRECTORS

|   | <b>Goh Mia Kwong</b>  | <b>Edward Goh Swee Wang</b>  |
|---|---|--|
| Position  | Executive Director and Chairman   | Managing Director  |
| Age   | 65  | 41   |
| Nationality   | Malaysian   | Malaysian  |
| Qualification field   | Management of Marketing and Operation   | Business Administration and Mechanical Engineering   |
| Working experience & Occupation   | <ul style="list-style-type: none"> <li>- More than 40 years experiences in tin can industry</li> <li>- Oversees the orderly conduct and working of the Board in setting direction of the Company</li> <li>- Ensure effective use of Board and securing good corporate governance</li> <li>- He is the chairman and managing director of Johore Tin Factory Sendirian Berhad since 1973</li> </ul> | <ul style="list-style-type: none"> <li>- Holds a Bachelor of Science Degree in Mechanical Engineering and a Master Degree in Business Administration from the Oklahoma State University, United States of America</li> <li>- More than 15 years of working experience in tin can industry</li> <li>- Oversees company planning, development, marketing and overall management</li> </ul> |
| Date of Appointment   | December 31, 2002<br>April 3, 2003 (Chairman)   | December 31, 2002  |
| Other directorships of public listed companies                                | Nil   | Nil  |
| Membership of Board Committees  | Nil   | Member of Audit Committee and Remuneration Committee   |
| Family relationship with any director and / or major shareholder of JTB       | Father to Mr. Edward Goh Swee Wang, Managing Director   | Son to Mr. Goh Mia Kwong Chairman  |
| Conflict of interest with JTB, if any   | Nil   | Nil  |
| Convictions for offences within the past 10 years other than traffic offences | Nil   | Nil  |
| No. of Board Meetings attended in the Financial year                          | 1   | 1  |



## PROFILE OF DIRECTORS

|   | <b>Yeow Ah Seng @<br/>Yow Ah Seng</b>  | <b>Datin Fawziah Binti<br/>Hussein Sazally</b>  |
|---|--|---|
| Position  | Executive Director   | Non-Executive Director  |
| Age   | 51   | 49  |
| Nationality   | Malaysian  | Malaysian   |
| Qualification field   | Supervision of factory operations and sales  | Computing   |
| Working experience & Occupation   | <ul style="list-style-type: none"> <li>- Started his career in the tin can manufacturing industry since 1983</li> <li>- Joined Kluang Tin Can and Factory Sdn. Bhd. in 1988 as Executive Director</li> </ul> | <ul style="list-style-type: none"> <li>- Started her career as computer programmer and had served the Government Service for more than 10 years</li> <li>- Served in Information Resource Centre, Public Services Department, Malaysia before she left to establish her own businesses and investments</li> </ul> |
| Date of Appointment   | December 31, 2002  | December 31, 2002   |
| Other directorships of public listed companies                                | Nil  | Haisan Resources Berhad   |
| Membership of Board Committees  | Nil  | Nil   |
| Family relationship with any director and / or major shareholder of JTB       | Nil  | Nil   |
| Conflict of interest with JTB, if any   | Nil  | Nil   |
| Convictions for offences within the past 10 years other than traffic offences | Nil  | Nil   |
| No. of Board Meetings attended in the Financial year                          | 1  | 0   |



## PROFILE OF DIRECTORS

|   | <b>Raja Zainal Abidin Bin Raja Hussin</b>   | <b>Lim Chin Kai</b>   |
|---|---|---|
| Position  | Non-Executive Director  | Independent Non-Executive Director  |
| Age   | 48  | 46  |
| Nationality   | Malaysian   | Malaysian   |
| Qualification field   | Business  | Business Administration and Mechanical Engineering  |
| Working experience & Occupation   | - He is a businessman with a diversified portfolio of businesses, including investment holding, tin can manufacturing, property development, general trading, high technology audio visual equipment, telecommunication, computers and broadcasting products, teak trees supplier and fertilizer supplier | - Holds a Bachelor of Science in Mechanical Engineering from the Oklahoma State University, USA and a Master Degree of Business Administration from the University of San Francisco, USA<br><br>- Currently is the Corporate Services & Investment Director of Megachem Ltd |
| Date of Appointment   | December 31, 2002   | December 31, 2002   |
| Other directorships of public listed companies                                | Nil   | Nil   |
| Membership of Board Committees  | Nil   | Chairman of Audit Committee, Remuneration Committee and member of Nomination Committee  |
| Family relationship with any director and / or major shareholder of JTB       | Nil   | Nil   |
| Conflict of interest with JTB, if any   | Nil   | Nil   |
| Convictions for offences within the past 10 years other than traffic offences | Nil   | Nil   |
| No. of Board Meetings attended in the Financial year                          | 1   | 1   |

Note : Resigned on 22 April, 2004



## PROFILE OF DIRECTORS

### Muhamad Feasal Bin Yusoff

|   |  |
|---|--|
| Position  | Independent Non-Executive Director   |
| Age   | 34   |
| Nationality   | Malaysian  |
| Qualification field   | Chartered Accountancy  |
| Working experience & Occupation   | <ul style="list-style-type: none"><li>- Member of the Association of Chartered Certified Accountants and Malaysian Institute of Accountants</li><li>- Graduated with a Bachelor of Arts (Hons) majoring in Accounts and Finance from Manchester Metropolitan University, UK</li><li>- Joined Deloitte Touche Tohmatsu in 1995, he then moved to Ernst &amp; Young</li><li>- Setting up his own practice, Feasal &amp; Co in 2003</li></ul> |
| Date of Appointment   | December 31, 2002  |
| Other directorships of public listed companies                                | Nil  |
| Membership of Board Committees  | Member of Audit Committee and Remuneration Committee and Chairman of Nomination Committee  |
| Family relationship with any director and / or major shareholder of JTB       | Nil  |
| Conflict of interest with JTB, if any   | Nil  |
| Convictions for offences within the past 10 years other than traffic offences | Nil  |
| No. of Board Meetings attended in the Financial year                          | 1  |



# AUDIT COMMITTEE REPORT

## 1. COMPOSITION OF MEMBERS

The Committee comprises the following members and details of attendance of each member at Committee Meeting held during the year are as follows :-

| Composition of Committee  | Number of Committee Meetings |          |
|---|------------------------------|----------|
|   | Held                         | Attended |
| Lim Chin Kai<br>(Chairman / Independent Non-Executive Director)                 | 1                            | 1        |
| Edward Goh Swee Wang (Managing Director)  | 1                            | 1        |
| Muhamad Feasal Bin Yusoff<br>(Independent Non-Executive Director-Member of MIA) | 1                            | 1        |

The meetings were appropriately structured through the use of agendas, which were distributed to member with sufficient notification.

## 2. MEMBERSHIP

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of no less than three (3) members of whom a majority shall be independent non-executive directors. The Committee members shall be appropriately qualified with sound knowledge and experience in accounting, audit, business, and financial management. The quorum shall be two (2) members with majority being independent non-executive directors.

A Chair man shall be appointed by the Committee from amongst the members who is not an executive director.

## 3. SECRETARY

The Secretary to the Audit Committee is the Company Secretary.

## 4. FREQUENCY OF MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider that one is necessary.

## 5. TERM OF REFERENCE

### 5.1 Authority

The Committee is authorised by the Board to look into any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.



## AUDIT COMMITTEE REPORT

### 5.2 The Duties of the Committee shall be :

To consider the appointment of the external auditors, any questions of resignation or dismissal and to discuss with the external auditors before the audit commences, the nature and scope of the audit and the assistance given by the Company's officers to the auditors and ensure coordination where more than one audit firm is involved.

To discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss (in the absence of management where necessary)

To review the internal audit programmes, consider the major findings of internal audit investigation and management's response (in the absence of Management where necessary) and ensure coordination between the internal and external auditors.

To keep under review the effectiveness of internal control system, to provide reasonable assurance of effective and efficient operations, internal control and compliance with laws and regulations and in particular review the external and internal auditors' management letters and management's response.

To review the quarterly and annual financial statements before submission to the Board, focusing particularly on :-

- any changes in accounting policies and practices
- major judgmental areas
- significant adjustments resulting from audit
- the going concern assumptions compliance with accounting standards
- compliance with stock exchange and legal requirements
- any related party transactions that may arise within the Company or Group

To undertake additional duties, as may be agreed to by the Audit Committee and the Board of Directors.

### 6. REPORTING PROCEDURES

The Audit Committee shall report to the Board of Directors.

### 7. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Committee during the year are as follow :-

Reviewed with the External Auditors the audited financial statements. The review was to ensure that the audited financial statements were drawn up in accordance with the provision of the Companies Act 1965 and applicable approved accounting standard by the MASB

Reviewed quarterly financial results to ensure compliance with the Listing Requirements of the Bursa Malaysia before recommending them for the Board's approval.

Discussed with the External Auditors on their assessment of the Company's internal control system. Noted that no major weaknesses were reported by them.

Reviewed and approved the audit plan and audit programme of the internal auditor and reviewed his management letters and management response.

This report is made with the approval of the Board dated 10 May, 2004.



# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

The Board of Directors ("the Board") of Johore Tin Berhad ("JTB" or "the Company") recognises the importance of good Corporate Governance to support the Company's continued growth and success.

The Board is committed towards ensuring the highest standard of corporate governance is maintained and practiced by JTB and its subsidiaries ("the Group").

The Board is fully dedicated to continuously evaluate the Group's corporate governance practices and procedures with a view to ensure the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance ("the Code") is applied and adhered to by the Group to protect and enhance shareholders' value.

The Board is pleased to disclose below the manner it has applied the Principles of good Corporate Governance and complied with Best Practices set out in the Malaysian Code of Corporate Governance ("the Code") throughout the financial year.

## DIRECTORS

### 1. The Board

JTB is led by an experienced Board comprising members with a wide and varied range of expertise. Together they bring a broad range of skills, experience and knowledge relevant to directing and managing the Group's businesses.

### 2. Board Balance

The Board currently has six (6) members, comprising Three (3) Executive Directors, One (1) Non-Executive Director and Two (2) Independent Non-Executive Directors. The presence of Independent Non-Executive Directors on the Board provides objectivity and they are of the calibre necessary to advise the Board on its decisions. The current composition of the Board is in compliance with the Code and the Bursa Malaysia's LR. The profile of each Board member is set out on pages 10 to 13 of this Annual Report.

The Board is satisfied with its current membership as it fairly reflects the investment of minority shareholders in the Company and represents the required mix of skills and experience required to discharge the Board's duties and responsibilities. In addition, no individual Director or group of Directors dominates the Board's decision making.

There is a clear division of responsibilities between the Chairman and Group Managing Director to ensure that there is a balance of power and authority. In ensuring this balance, the positions of the Chairman and Group Managing Director are held by separate members of the Board. The Chairman is responsible for the orderly conduct and working of the Board and for ensuring that members have access to relevant information on a timely manner, whilst the Group Managing Director is responsible for overseeing the day to day management of the Group's business operations and implementation of Board decisions.





## STATEMENT ON CORPORATE GOVERNANCE

### 3. Board Meetings

To ensure the Group is managed effectively, the Board will have at least four (4) regularly scheduled meetings annually with additional meetings being convened when necessary. Agenda and Board papers are circulated to the Board prior to the Board meetings so as to give the Directors time to consider and deliberate on the issues to be raised at Board meetings.

A Board Meeting was held during the financial year after the listing of the Company on 31 October 2003 which were attended by all Directors, except Datin Fawziah Binti Hussein Sazally. However other issues during the year were resolved by way of Directors' Circular Resolutions which were signed by all directors.

Directors who attended the Board Meeting are as follows :

Goh Mia Kwong  
Edward Goh Swee Wang  
Raja Zainal Abidin Bin Raja Hussin  
Yeow Ah Seng @ Yow Ah Seng  
Lim Chin Kai  
Muhamad Feasal Bin Yusoff

### 4. Supply of Information

The Board has unrestricted and timely access to all information necessary for the discharge of its responsibilities. The Board is supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters by way of Board papers or upon specific request for informed decision making and effective discharge of their duties. Notice of Board Meetings and board papers are provided to directors in advance so that meaningful deliberation and sound decisions can be made at Board meetings.

All Directors, whether as a full Board or in their individual capacity, have access to the advice and services of Company Secretaries, management representative and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties.

### 5. Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme (MAP) in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (BMSB). The Directors are encouraged to attend Continuous Education Programme and seminars to keep abreast with the relevant developments on a continuous basis in compliance with the Bursa Malaysia Practice Note No. 15/2003.

### 6. Re-elections

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors shall retire from office at each Annual General Meeting, subject to the retirement of all Directors, at least once in every three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the Annual General Meeting following their appointment.



## STATEMENT ON CORPORATE GOVERNANCE

### 7. Board Committees

The following Board Committees have been established to assist the Board in the execution of specific responsibilities to respective Committees, which operate within approved terms and reference. These Committees put forward recommendations and report to the Board. Final decision on all matters lie with the Board.

#### (1) Audit Committee

The primary object of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices. The Audit Committee's Report for the year is set out separately in the Annual Report.

#### (2) Remuneration Committee

The Remuneration Committee is to provide assistance to the Board in determining and developing a remuneration policy for Executive directors and senior management. The Executive Directors play no part in decisions on their own remuneration.

The members of the Remuneration Committee are as follows :-

Mr. Lim Chin Kai (Chairman)  
Mr. Edward Goh Swee Wang  
En. Muhamad Feasal Bin Yusoff

On February 26, 2004 the Committee held its first meeting which was attended by all members.

The terms of reference of the Remuneration Committee are as follows :-

To review annually and recommend to the Board the Company's overall remuneration policy for Executive Directors and Senior Management staff to ensure that rewards commensurate with their contributions to the Company's growth and profitability.

To keep abreast of the terms and conditions of service of Executive Directors and Senior Management staff including their total remuneration package for market comparability, and to review and recommend changes to the Board whenever necessary.

To review and recommend to the Board the terms and award of employees share options for Executive Directors and Senior Management staff.

#### (3) Nomination Committee

The Nomination Committee's duties includes the following :-

To identify and recommend to the Board, candidates for directorship of the Company.

To recommend to the Board, Directors to fill the seats on Board Committees.

To evaluate the effectiveness of the Board and Board Committee (including size and composition) and contributions of each individual Director.

To ensure new recruits to the Board are provided appropriate orientation and education programme.



## STATEMENT ON CORPORATE GOVERNANCE

The members of the Nomination Committee are as follows :-

En. Muhamad Feasal Bin Yusoff (Chairman)  
Mr. Lim Chin Kai  
Datin Fawziah Binti Hussein Sazally

The terms of reference of the Nomination Committee are as follows :-

Assess the suitability and recommend to the Board, new candidates for directorship and members for the Board's committees. Consider in making its recommendation candidates for directorship proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder.

Assist the Board to review annually the required mix of skills and experience and other qualities of directors.

Assist the Board to assess annually :

- effectiveness of the Board as a whole and the Board's committees
- contribution of each director

### 8. Directors' Remuneration

In order to attract, retain and motivate the Directors needed to lead and run the Group successfully, the remunerations of the Directors are structured in such a way so as to link rewards to corporate and individual performance, in the case of Executive Director. The determination of remuneration packages of Non-Executives Directors is a matter for the Board as a whole with individual Directors abstaining from discussion of their own remuneration.

Details of Directors' Remuneration for the financial year ended 31 December 2003, distinguishing between Executive and Non-Executive Directors, categorised according the following appropriate components :

| Categories of Remunerations | Executive Directors (RM) | Non-Executive Directors (RM) |
|-----------------------------|--------------------------|------------------------------|
| Fees                        | 220,000                  | 80,000                       |
| Other Emoluments            | 1,194,332                | ---                          |
| <b>Total</b>                | <b>1,414,332</b>         | <b>80,000</b>                |

The number of Directors whose remuneration fell into each successive band are set out below :

| Remuneration Band      | Number of Directors | Executive | Non-Executive |
|------------------------|---------------------|-----------|---------------|
| Less than RM50,000     |                     |           | 4             |
| RM250,001 to RM300,000 |                     | 1         |               |
| RM450,001 to RM500,000 |                     | 1         |               |
| RM500,001 to RM550,000 |                     | 1         |               |



## STATEMENT ON CORPORATE GOVERNANCE

The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the "band disclosure" in accordance with the Bursa Malaysia LR. Hence the remuneration of individual Directors are not disclosed in this statement in accordance with the Best Practice of the Code and the Board is of the opinion that separate disclosure will impinge upon the directors' right of privacy.

### SHAREHOLDERS

#### 1. Dialogue between Company and Investors

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis, press releases, annual report and circulars provides shareholders with an overview of JTB Group's performance and operations.

#### 2. Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue and interaction with shareholders and investors. Shareholders have direct access to the Directors and are provided with sufficient opportunity and time to participate through questions on the prospects, performance of the Group and other matters of concern. Members of the Board as well as the external auditors will be present to answer and provide explanations available to questions raised at the meeting. Suggestions and comments raised by shareholders will also be noted for consideration. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

### ACCOUNTABILITY AND AUDIT

#### 1. Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statement, quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the Annual Report.

The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the accuracy, adequacy and completeness of its financial reporting.

#### 2. Internal Control

The Statement of Internal Control set out on pages 22 to 23 of this Annual Report provides an overview on the state of internal control within the Group.

#### 3. Relationship with Auditors

The external auditors, Messrs. Deloitte KassimChan has continued to meet with the Audit Committee at least once a year to review the audit plan, the results of the audit and any other matters that the external auditors would like to bring to their attention.



## STATEMENT ON CORPORATE GOVERNANCE

### DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENT

The Board aims to present a balanced assessment of the Group's position and prospects in all financial reports. In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flows of the Group and the Company in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of the Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended December 31, 2003 set out on pages 25 to 63 in the Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 1965, the Listing Requirements and the applicable approved accounting standards.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The collective approval by the Board on this Statement was on 10 May, 2004.

**Goh Mia Kwong**  
Chairman



# STATEMENT ON INTERNAL CONTROL

## INTRODUCTION

Pursuant to paragraph 15.27 (b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements, the Board of Directors ("the Board") of Johore Tin Berhad is pleased to provide its Statement on Internal Control, which has been prepared in accordance with the Statement on Internal Control : Guidance for Directors of Public Listed Companies. The statement below outlines the nature and scope of the internal controls of the Group during the financial year.

## BOARD RESPONSIBILITY

The Board acknowledges its responsibility for Group's systems of internal control and risk management which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity of the internal control system. Due to the inherent limitations in any system of internal control, such systems put in place within the Group can only manage rather than eliminate all risks that may impede the achievement of the Group's business objectives. Accordingly, the internal control systems established can only provide reasonable but not absolute assurance against material misstatement or loss.

## MANAGEMENT STYLE & CONTROL ENVIRONMENT

In overseeing the Group's businesses, the Board continually strives for an appropriate balance between control and empowerment. Senior Management are accountable for the conduct and performance of the Group's businesses within the agreed business strategies. Through their review of performance and operations reports, as well as attending management meetings, Senior Management closely monitors the day-to-day affairs of the Group.

## RISK MANAGEMENT FRAMEWORK

The Board maintains an ongoing commitment to strengthen the Group's control environment and processes. Key risks relating to the Group's operations and strategic and business plans are addressed at the Board level. In addition, the responsibility of managing the risks of each department lies with the respective Heads of Department and it is during the periodic management meeting, significant risks identified and the corresponding internal controls implemented are communicated to Senior Management.

Management with the assistance of the external consultants have finalised the development of the key risk profile of the Group subsequent to the financial year end. In assessing priority for the risks identified, the process takes into account the possibility of the risk occurring and its impact to the Group in the event the risk takes place. The Group's finalised key risk profile was presented to the Audit Committee on 22 April 2004.

The Group's key risk profile would be regularly reviewed with management and would thus serve as an ongoing process used to identify, evaluate and manage significant risks.

## INTERNAL CONTROL

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated to the Audit Committee by the Board. In turn, the Audit Committee assesses the adequacy and integrity of the internal control system through independent reviews conducted by the internal audit function, external auditors and management.



## STATEMENT ON INTERNAL CONTROL

The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Further, any areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or are articulated at Audit Committee meetings.

During the financial year, the Group outsourced its Internal Audit Function to an external consultant, whose remit is to the Audit Committee. The Internal Audit Function has developed an Internal Audit Plan for the coming financial year after considering the principal risks faced by the Group. Periodic internal audit reviews will be carried out in accordance with the approved Internal Audit Plan to monitor compliance with the Group's established policies and procedures as well as to provide assurance on the effectiveness of the Group's system of internal control.

### OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The Group has a dedicated team of employees who are well conversant with their roles and responsibilities within the Group.

Scheduled operations and management meetings.

Active participation by certain members of the Board in the day-to-day running of the operations and regular dialogues with Senior Management on operational matters.

Review and approval of all proposals relating to significant capital and investment acquisition by the Board.

In enhancing the existing system of internal control, internal procedures in respect of operational processes as set out in the MS ISO Quality System Documents have been documented.

The internal audit function is independent and it reports directly to the Audit Committee.

### ASSURANCE

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group. The Board is also cognisant of the fact that the system of internal control and risk management practices must continuously evolve to support the Group's operations. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control.

**The Board of Directors**

**Johore Tin Berhad**

**Date : 10 May, 2004.**



## MATERIAL CONTRACTS

### FOR FINANCIAL YEAR ENDED 31 DECEMBER, 2003

- 1) Tenancy Agreement between Ng Yik Toon @ Ng Yik Koon (Landlord) and Kluang Tin and Can Factory Sdn. Bhd. (KTCF) (Tenant) dated January 15, 1999 for No. 43, Jalan Lau Kim Teck, 86000 Kluang, Johor Darul Takzim at rental of RM1,900.00 per month for a period of two (2) years commencing on January 15, 1999 and expiring on January 15, 2001, payable by cash. Ng Yik Toon @ Ng Yik Koon is a director of KTCF.

During the interim period immediately after the expiration of the Tenancy Agreement on January 15, 2001 and prior to the renewal on November 15, 2001, the tenancy was continued as a periodic tenancy upon the terms and conditions of the Tenancy Agreement dated January 15, 1999 and at a monthly rental of RM1,900.00, payable by cash;

The tenancy period was mutually agreed by both parties on November 15, 2001 to be further renewed at rental of RM1,400.00 per month for a period of two (2) years commencing on November 15, 2001 and expiring on November 15, 2003, payable by cash;

The tenancy period was further mutually agreed by both parties on November 15, 2003 to be further renewed for a period of two (2) years commencing on November 15, 2003 and expiring on November 15, 2005.

- 2) There are no other material contracts involving directors or substantial shareholders of the Group.





## DIRECTORS' REPORT

The directors of **JOHORE TIN BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended December 31, 2003.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The subsidiary companies are principally involved in the manufacturing of various tins, cans and other containers, printing of tin plates and other relevant business.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

### RESULTS OF OPERATIONS

The results of operations of the Group and the Company for the financial year are as follows :

|                                | <b>The<br/>Group<br/>RM</b> | <b>The<br/>Company<br/>RM</b> |
|--------------------------------|-----------------------------|-------------------------------|
| <b>Profit before tax</b>       | 11,004,209                  | 3,729,893                     |
| <b>Income tax expense</b>      | (2,554,963)                 | -                             |
| <b>Net profit for the year</b> | 8,449,246                   | 3,729,893                     |

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

### DIVIDENDS

An interim dividend of 10.9%, tax-exempt, amounting to RM4,002,589 was paid on September 22, 2003 in respect of the current financial year.

The directors do not recommend the payment of any final dividend in respect of the current financial year.



## DIRECTORS' REPORT

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

### ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders at the Extraordinary General Meeting held on September 16, 2003, the Company increased its issued and paid-up share capital from RM36,721,000 to RM43,986,000 by way of allotments of 7,265,000 new ordinary shares of RM1 each at RM1.35 per ordinary share pursuant to public issue.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

### SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

### OTHER FINANCIAL INFORMATION

Before the income statements and the balance sheets of the Group and the Company were made out, the directors took reasonable steps :

- (a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no bad debts to be written off and that adequate allowance has been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances :

- (a) which would necessitate the writing off of bad debts or render the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or



## DIRECTORS' REPORT

- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

As of the date of this report, there does not exist :

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

No contingent or other liability 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 the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the succeeding financial year.

### DIRECTORS

The following directors served on the Board of the Company since the date of the last report :

Goh Mia Kwong  
Edward Goh Swee Wang  
Yeow Ah Seng @ Yow Ah Seng  
Datin Fawziah binti Hussein Sazally  
Raja Zainal Abidin Bin Raja Hussin  
Lim Chin Kai  
Muhamad Feasal Bin Yusoff

In accordance with Article 120 of the Company's Articles of Association, Mr. Goh Mia Kwong and Edward Goh Swee Wang retire by rotation and, being eligible, offer themselves for re-election.



## DIRECTORS' REPORT

### DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors as of the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows :

|  | No. of ordinary shares of RM1 each |            |             |                             |
|--|------------------------------------|------------|-------------|-----------------------------|
|  | Balance as<br>of 1.1.2003          | Bought     | Sold        | Balance as<br>of 31.12.2003 |
| <b>Shares in the Company</b>   |                                    |            |             |                             |
| <b>Registered in the name of directors</b>   |                                    |            |             |                             |
| Goh Mia Kwong  | 6,432,646                          | 104,000    | (5,750,553) | 786,093                     |
| Edward Goh Swee Wang   | 3,729,253                          | 88,000     | (3,729,253) | 88,000                      |
| Yeow Ah Seng @ Yow Ah Seng   | 882,211                            | 88,000     | (887,211)   | 83,000                      |
| Datin Fawziah binti Hussein Sazally  | -                                  | 16,000     | -           | 16,000                      |
| Raja Zainal Abidin Bin Raja Hussein  | -                                  | 16,000     | -           | 16,000                      |
| Lim Chin Kai   | -                                  | 16,000     | -           | 16,000                      |
| Muhamad Feasal Bin Yusoff  | -                                  | 16,000     | (16,000)    | -                           |
| <b>Indirect interest by virtue of shares held by companies in which a director has interests</b> |                                    |            |             |                             |
| Goh Mia Kwong  | -                                  | 18,705,705 | -           | 18,705,705                  |
| Edward Goh Swee Wang   | -                                  | 18,705,705 | -           | 18,705,705                  |
| Datin Fawziah binti Hussein Sazally  | 2,775,920                          | -          | (241,000)   | 2,534,920                   |
| Raja Zainal Abidin Bin Raja Hussein  | 5,414,105                          | 882,000    | -           | 6,296,105                   |

By virtue of the above directors' interests in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.



## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate of emoluments received or due and receivable by directors as disclosed 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 he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions mentioned in Note 16 to the Financial Statements.

During and as of the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board  
in accordance with a resolution of the Directors,

**GOH MIA KWONG**

**EDWARD GOH SWEE WANG**

Johor Bahru  
April 22, 2004



## REPORT OF THE AUDITORS

We have audited the accompanying balance sheets as of December 31, 2003 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of :
  - (i) the state of affairs of the Group and the Company as of December 31, 2003 and of the results and the cash flows of the Group and the Company for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and



JOHORE TIN BERHAD (53 2570- V)

## REPORT OF THE AUDITORS

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' report of the subsidiary company, of which we have not acted as auditors, as mentioned under Note 12 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

**DELOITTE KASSIMCHAN**  
**AF 0080**  
**Chartered Accountants**

**TAN THENG HOOI**  
**1479/1/05(J)**  
**Partner**

Johor Bahru  
April 22, 2004



## INCOME STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

|   | Note | The Group    |              | The Company |            |
|---|------|--------------|--------------|-------------|------------|
|   |      | 2003<br>RM   | 2002<br>RM   | 2003<br>RM  | 2002<br>RM |
| Revenue   |      | 88,016,294   | 18,450,634   | 4,025,891   | -          |
| Other operating income  | 4    | 812,287      | 305,007      | 7,068       | -          |
| Changes in inventories<br>of finished goods and<br>work-in-progress |      | 1,573,677    | 1,133,906    | -           | -          |
| Raw materials and<br>consumables used                               |      | (54,522,717) | (10,873,422) | -           | -          |
| Staff costs   | 4    | (10,370,512) | (2,664,388)  | -           | -          |
| Directors' remuneration   | 5    | (1,494,332)  | -            | (280,000)   | -          |
| Amortisation of<br>leasehold lands and<br>factory buildings         |      | (61,745)     | (15,436)     | -           | -          |
| Depreciation of property,<br>plant and equipment                    |      | (2,222,011)  | (519,008)    | -           | -          |
| Reserve on consolidation<br>recognised as income                    |      | -            | 13,484,150   | -           | -          |
| Other operating expenses  | 4    | (10,909,313) | (3,375,521)  | (37,228)    | (11,372)   |
| <b>Profit (Loss) from<br/>operations</b>                            |      | 10,821,628   | 15,925,922   | 3,715,731   | (11,372)   |
| Finance costs   | 6    | (120,648)    | (53,884)     | -           | -          |
| Income from other<br>investments                                    | 7    | 303,229      | 47,664       | 14,162      | -          |
| <b>Profit (Loss) before tax</b>                                     |      | 11,004,209   | 15,919,702   | 3,729,893   | (11,372)   |
| Income tax expense  | 8    | (2,554,963)  | (183,677)    | -           | -          |
| <b>Net profit (Loss) for the<br/>year</b>                           |      | 8,449,246    | 15,736,025   | 3,729,893   | (11,372)   |
| <b>Earnings per ordinary<br/>share</b>                              |      |              |              |             |            |
| Basic   | 9    | 22 sen       | 170 sen      |             |            |

The accompanying Notes form an integral part of the Financial Statements.





## BALANCE SHEETS

AS OF DECEMBER 31, 2003

|   | Note    | The Group  |            | The Company |            |
|---|---------|------------|------------|-------------|------------|
|   |         | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| <b>ASSETS</b>                             |         |            |            |             |            |
| <b>Property, plant and equipment</b>      | 11      | 15,632,624 | 15,740,150 | -           | -          |
| <b>Investment in subsidiary companies</b> | 12      | -          | -          | 41,120,416  | 41,120,416 |
| <b>Other investment</b>                   | 13      | 383,282    | 668,862    | -           | -          |
| <b>Current Assets</b>                     |         |            |            |             |            |
| Inventories                               | 14      | 19,430,472 | 15,316,995 | -           | -          |
| Trade receivables                         | 15 & 16 | 26,238,815 | 21,978,735 | -           | -          |
| Other receivables and prepaid expenses    | 15      | 1,687,448  | 2,089,400  | 26,215      | -          |
| Amount owing by subsidiary companies      | 16      | -          | -          | 716,875     | -          |
| Cash and bank balances                    | 17      | 15,294,740 | 10,031,915 | 7,650,086   | 2          |
|   |         | 62,651,475 | 49,417,045 | 8,393,176   | 2          |
| <b>Current Liabilities</b>                |         |            |            |             |            |
| Trade payables                            | 18      | 4,461,712  | 4,338,511  | -           | -          |
| Other payables and accrued expenses       | 18      | 3,173,767  | 2,521,829  | 291,948     | 8,000      |
| Amount owing to a subsidiary company      | 16      | -          | -          | -           | 506,379    |
| Amount owing to a director                | 16      | 58,247     | -          | -           | -          |
| Hire-purchase payables                    | 19      | 42,596     | 632,087    | -           | -          |
| Borrowings                                | 20      | -          | 204,721    | -           | -          |
| Tax liabilities                           |         | 243,943    | 273,640    | -           | -          |
|   |         | 7,980,265  | 7,970,788  | 291,948     | 514,379    |
| <b>Net Current Assets (Liabilities)</b>   |         | 54,671,210 | 41,446,257 | 8,101,228   | (514,377)  |



## BALANCE SHEETS

AS OF DECEMBER 31, 2003

|  | Note | The Group  |             | The Company |            |
|--|------|------------|-------------|-------------|------------|
|  |      | 2003<br>RM | 2002<br>RM  | 2003<br>RM  | 2002<br>RM |
| <b>Long-term and<br/>Deferred Liabilities</b>  |      |            |             |             |            |
| Hire-purchase payables<br>-non-current portion | 19   | -          | 34,969      | -           | -          |
| Borrowings-non-<br>current portion             | 20   | -          | 527,277     | -           | -          |
| Deferred tax liabilities                       | 21   | 951,125    | 939,587     | -           | -          |
|  |      | (951,125)  | (1,501,833) | -           | -          |
| <b>Net Assets</b>                              |      | 69,735,991 | 56,353,436  | 49,221,644  | 40,606,039 |
| <b>Represented by :</b>                        |      |            |             |             |            |
| Issued capital                                 | 22   | 43,986,000 | 36,721,000  | 43,986,000  | 36,721,000 |
| Reserves                                       | 23   | 25,749,991 | 19,632,436  | 5,235,644   | 3,885,039  |
| <b>Shareholders' Equity</b>                    |      | 69,735,991 | 56,353,436  | 49,221,644  | 40,606,039 |

The accompanying Notes form an integral part of the Financial Statements.



## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

|  | Note | Issued<br>Capital<br>RM | Non-distributable<br>Share<br>Premium<br>RM | Reserves<br>Translation<br>Reserve<br>RM | Distributable<br>Reserve<br>Unappropriated<br>Profit<br>(Accumulated Loss)<br>RM | Shareholders'<br>Equity<br>(Capital<br>Deficiency)<br>RM |
|--|------|-------------------------|---|--|--|--|
| <b>The Group</b>                           |      |                         |   |  |  |  |
| <b>Balance as of<br/>January 1, 2002</b>   |      | 2                       | -   | -  | (500)  | (498)  |
| Net profit for the year                    |      | -                       | -   | -  | 15,736,025   | 15,736,025   |
| Issue of shares                            | 22   | 36,720,998              | 4,399,418                                   | -  | -  | 41,120,416   |
| Share issue<br>expenses                    |      | -                       | (502,507)                                   | -  | -  | (502,507)  |
| <b>Balance as of<br/>December 31, 2002</b> |      | 36,721,000              | 3,896,911                                   | -  | 15,735,525   | 56,353,436   |
| Net profit for the year                    |      | -                       | -   | -  | 8,449,246  | 8,449,246  |
| Issue of shares                            | 22   | 7,265,000               | 2,542,750                                   | -  | -  | 9,807,750  |
| Dividend paid                              | 24   | -                       | -   | -  | (4,002,589)  | (4,002,589)  |
| Translation surplus                        |      | -                       | -   | 47,597                                   | -  | 47,597   |
| Share issue<br>expenses                    |      | -                       | (919,449)                                   | -  | -  | (919,449)  |
| <b>Balance as of<br/>December 31, 2003</b> |      | 43,986,000              | 5,520,212                                   | 47,597                                   | 20,182,182   | 69,735,991   |



## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

|  | Note | Issued<br>Capital<br>RM | Non-distributable<br>Reserve<br>Share<br>Premium<br>RM | Distributable<br>Reserve<br>Unappropriated<br>Profit<br>(Accumulated Loss)<br>RM | Shareholders'<br>Equity<br>(Capital<br>Deficiency)<br>RM |
|--|------|-------------------------|--|--|--|
| <b>The Company</b>                         |      |                         |  |  |  |
| <b>Balance as of<br/>January 1, 2002</b>   |      | 2                       | -  | (500)  | (498)  |
| Net loss for the year                      |      | -                       | -  | (11,372)   | (11,372)   |
| Issue of shares                            | 22   | 36,720,998              | 4,399,418  | -  | 41,120,416   |
| Share issue<br>expenses                    |      | -                       | (502,507)  | -  | (502,507)  |
| <b>Balance as of<br/>December 31, 2002</b> |      | 36,721,000              | 3,896,911  | (11,872)   | 40,606,039   |
| Net profit for the year                    |      | -                       | -  | 3,729,893  | 3,729,893  |
| Issue of shares                            | 22   | 7,265,000               | 2,542,750  | -  | 9,807,750  |
| Dividend paid                              | 24   | -                       | -  | (4,002,589)  | (4,002,589)  |
| Share issue<br>expenses                    |      | -                       | (919,449)  | -  | (919,449)  |
| <b>Balance as of<br/>December 31, 2003</b> |      | 43,986,000              | 5,520,212  | (284,568)  | 49,221,644   |

The accompanying Notes form an integral part of the Financial Statements.



## CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

|  | Note | The Group  |              | The Company |            |
|--|------|------------|--------------|-------------|------------|
|  |      | 2003<br>RM | 2002<br>RM   | 2003<br>RM  | 2002<br>RM |
| <b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>  |      |            |              |             |            |
| Profit (Loss) before tax                               |      | 11,004,209 | 15,919,702   | 3,729,893   | (11,372)   |
| Adjustments for :                                      |      |            |              |             |            |
| Depreciation of property, plant and equipment          |      | 2,222,011  | 519,008      | -           | -          |
| Finance costs  |      | 120,648    | 53,884       | -           | -          |
| Amortisation of leasehold lands and factory buildings  |      | 61,745     | 15,436       | -           | -          |
| Allowance for doubtful debts                           |      | 53,976     | -            | -           | -          |
| Property, plant and equipment written-off              |      | 2,075      | 16,848       | -           | -          |
| Reserve on consolidation recognised as income          |      | -          | (13,484,150) | -           | -          |
| Interest income on loan stocks                         |      | (716)      | -            | -           | -          |
| Dividend income  |      | (38,372)   | (9,461)      | (4,025,891) | -          |
| Allowance for doubtful debts no longer required        |      | (64,664)   | (13,780)     | -           | -          |
| Interest income from fixed deposits                    |      | (110,254)  | (27,538)     | (14,162)    | -          |
| Gain on disposal of quoted investments                 |      | (153,887)  | (10,665)     | -           | -          |
| Gain on disposal of property, plant and equipment      |      | (165,663)  | (34,428)     | -           | -          |
| Operating Profit (Loss) Before Working Capital Changes |      | 12,931,108 | 2,944,856    | (310,160)   | (11,372)   |



## CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

|   | Note | The Group   |             | The Company |            |
|---|------|-------------|-------------|-------------|------------|
|   |      | 2003<br>RM  | 2002<br>RM  | 2003<br>RM  | 2002<br>RM |
| (Increase) Decrease in :                              |      |             |             |             |            |
| Inventories   |      | (4,113,477) | (4,075,121) | -           | -          |
| Trade receivables                                     |      | (4,249,392) | 6,926,551   | -           | -          |
| Other receivables and prepaid expenses                |      | 298,197     | (513,756)   | (26,215)    | (307,786)  |
| Fixed deposits pledged to banks                       |      | 265,290     | (265,290)   | -           | -          |
| Amount owing by subsidiary companies                  |      | -           | -           | (716,875)   | -          |
| Increase (Decrease) in :                              |      |             |             |             |            |
| Trade payables  |      | 123,201     | (2,792,376) | -           | -          |
| Other payables and accrued expenses                   |      | 651,938     | 1,251,944   | 283,948     | (187,221)  |
| Amount owing to a subsidiary company                  |      | -           | -           | (506,379)   | 506,379    |
| Amount owing to a director                            |      | 58,247      | -           | -           | -          |
| Cash From (Used In) Operations                        |      | 5,965,112   | 3,476,808   | (1,275,681) | -          |
| Income tax refund                                     |      | 288,738     | -           | -           | -          |
| Income tax paid                                       |      | (2,749,688) | (470,463)   | -           | -          |
| Net Cash From (Used In) Operating Activities          |      | 3,504,162   | 3,006,345   | (1,275,681) | -          |
| <b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b> |      |             |             |             |            |
| Proceeds from disposal of :                           |      |             |             |             |            |
| Quoted investments                                    |      | 439,467     | 34,334      | -           | -          |
| Property, plant and equipment                         |      | 297,701     | 43,998      | -           | -          |
| Interest received on fixed deposit                    |      | 110,254     | -           | -           | -          |
| Dividends received from quoted investments            |      | 29,955      | 8,012       | 4,025,891   | -          |
| Interest received on loan stocks                      |      | 716         | 27,538      | 14,162      | -          |
| Acquisition of subsidiary companies                   | 12   | -           | 7,784,218   | -           | -          |
| Additions to :  |      |             |             |             |            |
| Property, plant and equipment                         |      | (2,285,464) | (247,072)   | -           | -          |
| Investment in quoted shares                           |      | -           | (67,006)    | -           | -          |



## CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

|   | Note | The Group   |            | The Company |            |
|---|------|-------------|------------|-------------|------------|
|   |      | 2003<br>RM  | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Net Cash From (Used In) Investing Activities          |      | (1,407,371) | 7,584,022  | 4,040,053   | -          |
| <b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b> |      |             |            |             |            |
| Issue of shares                                       |      | 9,807,750   | -          | 9,807,750   | -          |
| Proceeds from short-term borrowings                   |      | -           | 106,000    | -           | -          |
| Finance costs paid                                    |      | (120,648)   | (53,884)   | -           | -          |
| Share issue expenses                                  |      | (919,449)   | -          | (919,449)   | -          |
| Repayment of :  |      |             |            |             |            |
| Short-term borrowings                                 |      | (106,000)   | (511,457)  | -           | -          |
| Term loan   |      | (625,998)   | (24,230)   | -           | -          |
| Hire-purchase payables                                |      | (649,460)   | (340,173)  | -           | -          |
| Dividends paid  |      | (4,002,589) | -          | (4,002,589) | -          |
| Net Cash From (Used In) Financing Activities          |      | 3,383,606   | (823,744)  | 4,885,712   | -          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>      |      | 5,480,397   | 9,766,623  | 7,650,084   | -          |
| Adjustment for foreign exchange differentials         |      | 47,718      | -          | -           | -          |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> |      | 9,766,625   | 2          | 2           | 2          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       | 25   | 15,294,740  | 9,766,625  | 7,650,086   | 2          |

Note : In 2003, the Group's additions to property, plant and equipment amounted to RM2,310,464 of which RM25,000 was made under hire-purchase arrangement. The remaining addition of RM2,285,464 was made by cash payment.

The accompanying Notes form an integral part of the Financial Statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is principally an investment holding company.

The subsidiary companies are principally involved in the manufacturing of various tins, cans and other containers, printing of tin plates and other relevant business.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The total number of employees of the Group and the Company as of December 31, 2003 were 429 and Nil (385 and Nil in 2002) respectively.

The registered office of the Company is located at No. 19, Jalan Tun Abdul Razak, Susur 1/1, 80000 Johor Bahru, Johor.

The principal place of business of the Company is located at 5 & 7, Jalan Gagah, Larkin Industrial Area, 80350 Johor Bahru, Johor.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been approved by the Board of Directors for issuance on April 22, 2004.

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board (MASB).

The new applicable approved accounting standards adopted in these financial statements are as follows :

- MASB 25 "Income Tax"
- MASB 26 "Interim Financial Reporting"
- MASB 27 "Borrowing Costs"
- MASB 28 "Discontinuing Operations"
- MASB 29 "Employee Benefits"

## 3. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The financial statements have been prepared under the historical-cost convention.





## NOTES TO THE FINANCIAL STATEMENTS

### Revenue

Sales of goods are recognised upon delivery of products and when the risks and rewards of ownership have passed. Sales represent gross invoiced value of goods sold net of sales tax, trade discounts and allowances.

Dividend income represents gross dividends from quoted and unquoted investments and is recognised when the shareholder's right to receive payment is established.

### Foreign Currency Conversions

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at approximate exchange rates prevailing at that date. All foreign exchange gains and losses are taken up in the income statements.

For the purposes of consolidation, the financial statements of a foreign incorporated subsidiary company has been translated into Ringgit Malaysia as follows :

Assets and liabilities - at closing rate  
Issued capital - at historical rate  
Revenue and expenses - at average rate

The closing rates ruling at balance sheet date used for each unit of foreign currency to Ringgit Malaysia are as follows :

| Currency         | 2003<br>RM | 2002<br>RM |
|------------------|------------|------------|
| Indonesia Rupiah | 0.000449   | -          |

All translation gains or losses are taken up and reflected in the translation reserve account under shareholders' equity. Such translation gains or losses are recognised as income or expenses in the income statements, in the period in which the operation is disposed of.

Differences in exchange arising from the translation of the opening net investments in foreign subsidiary company, and from the translation of the results of the subsidiary company at the average exchange rate, are taken to translation reserve account.

### Income Tax

In the previous financial year, the tax effects of transactions are recognised, using the "liability" method, in the year such transactions enter into the determination of net income, regardless of when they are recognised for tax purposes. Where timing differences would give rise to net deferred tax assets, the tax effects are generally recognised on actual realisation.

During the current financial year, the Group and Company changed its accounting policy in accounting for deferred tax in accordance with MASB Standard No. 25, Income Taxes which became mandatory effective on July 1, 2002. Under MASB 25, deferred tax is accounted for using "balance sheet liability" method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.



## NOTES TO THE FINANCIAL STATEMENTS

Under MASB 25, deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

There is, however, no effect on the financial statements of the Group and the Company for the current and prior financial year arising from the aforementioned changes in accounting policy.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Gains or losses arising from the disposal of an asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and are recognised in the income statements.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statements.

Freehold lands are not depreciated.

Leasehold lands and factory buildings are amortised evenly over the period of the remaining lease of 48 years, 41 years and 50 years. Depreciation of property, plant and equipment of a foreign subsidiary company is computed on the reducing balance method at an annual rate of 50% based on the estimated useful lives of the various assets. All other property, plant and equipment are depreciated on a straight-line method based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows :

|  |     |
|--|-----|
| Factory building                         | 2%  |
| Plant and machinery                      | 10% |
| Mould, tools and factory equipment       | 10% |
| Motor vehicles                           | 20% |
| Electrical installations                 | 10% |
| Electrical substation                    | 10% |
| Office equipment, furniture and fittings | 10% |
| Renovation                               | 10% |

### **Property, Plant and Equipment Under Hire-Purchase Arrangements**

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

## **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to December 31, 2003.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany transactions and balances are eliminated on consolidation.

## **Investments**

Investment in subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Other investment in quoted shares are stated at cost less allowance for diminution in value of investment to recognise any decline, other than a temporary decline, in the value of the investment.

## **Reserve on Consolidation**

Reserve arising on consolidation represents the difference between the purchase consideration and the sum of the fair values of the identifiable net assets of the subsidiary companies acquired at the date of acquisition and is recognised immediately in the income statement.

## **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the 'first-in, first-out' method. The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of work-in-progress and finished goods comprises the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

## **Receivables**

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.



## NOTES TO THE FINANCIAL STATEMENTS

### Retirement Benefit

The Group and the Company's contributions to defined contribution plan are charged to income statements in the financial year to which they relate.

### Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

#### 4. STAFF COSTS AND OTHER OPERATING INCOME (EXPENSES)

Included in other operating income (expenses) are the following :

|   | The Group  |            | The Company |            |
|---|------------|------------|-------------|------------|
|   | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Realised gain on foreign exchange                 | 212,739    | 14,538     | -           | -          |
| Gain on disposal of property, plant and equipment | 165,663    | 34,428     | -           | -          |
| Rental income                                     | 150,257    | 20,066     | -           | -          |
| Allowance for doubtful debts no longer required   | 64,664     | 13,780     | -           | -          |
| Rental of :                                       |            |            |             |            |
| Premises  | (896,387)  | (223,797)  | -           | -          |
| Motor vehicles                                    | (109,850)  | (24,800)   | -           | -          |
| Hostel  | (24,910)   | (5,690)    | -           | -          |
| Audit fee :                                       |            |            |             |            |
| Statutory   | (47,464)   | (38,000)   | (10,000)    | (8,000)    |
| Special   | (26,000)   | (500)      | (6,000)     | (500)      |
| Allowance for doubtful debts                      | (53,976)   | -          | -           | -          |
| Property, plant and equipment written-off         | (2,075)    | (16,848)   | -           | -          |

Included in staff costs of the Group and the Company is Employees' Provident Fund contributions of RM815,159 and RMNil (RM774,076 and RMNil in 2002).



## NOTES TO THE FINANCIAL STATEMENTS

### 5. DIRECTORS' REMUNERATION

|                           | The Group  |            | The Company |            |
|---------------------------|------------|------------|-------------|------------|
|                           | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Executive directors :     |            |            |             |            |
| Fees                      | 220,000    | -          | 200,000     | -          |
| Other emoluments          | 1,194,332  | -          | -           | -          |
|                           | 1,414,332  | -          | 200,000     | -          |
| Non-executive directors : |            |            |             |            |
| Fees                      | 80,000     | -          | 80,000      | -          |
|                           | 1,494,332  | -          | 280,000     | -          |

In 2003, included in directors' other emoluments of the Group is Employees' Provident Fund contributions of RM127,751.

### 6. FINANCE COSTS

|                  | The Group  |            |
|------------------|------------|------------|
|                  | 2003<br>RM | 2002<br>RM |
| Interest on :    |            |            |
| Hire-purchase    | 63,319     | 31,676     |
| Term loan        | 55,168     | 13,192     |
| Bank overdrafts  | 2,161      | 39         |
| Other borrowings | -          | 8,977      |
|                  | 120,648    | 53,884     |

### 7. INCOME FROM OTHER INVESTMENTS

|  | The Group  |            | The Company |            |
|--|------------|------------|-------------|------------|
|  | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Interest income from fixed deposits    | 110,254    | 27,538     | 14,162      | -          |
| Gain on disposal of quoted investments | 153,887    | 10,665     | -           | -          |
| Dividend income                        | 38,372     | 9,461      | -           | -          |
| Interest income from loan stocks       | 716        | -          | -           | -          |
|  | 303,229    | 47,664     | 14,162      | -          |

## NOTES TO THE FINANCIAL STATEMENTS

### 8. INCOME TAX EXPENSE

|                             | <b>The Group</b> |                |
|-----------------------------|------------------|----------------|
|                             | <b>2003</b>      | <b>2002</b>    |
|                             | <b>RM</b>        | <b>RM</b>      |
| Estimated tax payable :     |                  |                |
| Malaysian :                 |                  |                |
| Current year                | 2,622,271        | 221,516        |
| Overprovision in prior year | (271,888)        | -              |
| Foreign - current           | 193,042          | -              |
| Deferred tax (Note 21)      | 11,538           | (37,839)       |
|                             | <b>2,554,963</b> | <b>183,677</b> |

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

|   | <b>The Group</b> |                | <b>The Company</b> |             |
|---|------------------|----------------|--------------------|-------------|
|   | <b>2003</b>      | <b>2002</b>    | <b>2003</b>        | <b>2002</b> |
|   | <b>RM</b>        | <b>RM</b>      | <b>RM</b>          | <b>RM</b>   |
| Profit (Loss) before tax  | 11,004,209       | 15,919,702     | 3,729,893          | (11,372)    |
| Tax at applicable statutory rate of 28% (also 28% in 2002) on chargeable income | 3,081,179        | 4,458,000      | 1,044,000          | (3,000)     |
| Tax effect of expenses that are not deductible in determining taxable profit    | 239,863          | 103,068        | 83,000             | 3,000       |
| Tax effect of income that are not taxable in determining taxable profit         | (123,191)        | (3,841,391)    | (1,127,000)        | -           |
| Reinvestment allowances utilised  | (220,000)        | (367,000)      | -                  | -           |
| Double deduction on insurance premium paid for import and export                | (11,000)         | (8,000)        | -                  | -           |
| Overprovision of deferred tax liabilities in prior year                         | (140,000)        | (161,000)      | -                  | -           |
| Tax expense   | <b>2,826,851</b> | <b>183,677</b> | <b>-</b>           | <b>-</b>    |



## NOTES TO THE FINANCIAL STATEMENTS

### 9. EARNINGS PER ORDINARY SHARE

|  | The Group    |              |
|--|--------------|--------------|
|  | 2003<br>RM   | 2002<br>RM   |
| <b>Basic</b>                                     |              |              |
| Net profit attributable to ordinary shareholders | 8,449,246    | 15,736,025   |
|  | <b>Units</b> | <b>Units</b> |
| Number of shares in issue as of January 1        | 36,721,000   | 2            |
| Effect of shares issue                           | 1,512,712    | 9,255,704    |
| Weighted average number of ordinary shares       | 38,233,712   | 9,255,706    |
| Basic earnings per share (sen)                   | 22           | 170          |

### 10. SEGMENT REPORTING

#### Geographical segments

The Group's operations are located in Malaysia and Indonesia.

| The Group<br>2003                | Malaysia<br>RM | Indonesia<br>RM | Eliminations<br>RM | Consolidated<br>RM |
|----------------------------------|----------------|-----------------|--------------------|--------------------|
| <b>Revenue</b>                   |                |                 |                    |                    |
| External sales                   | 86,916,672     | 1,099,622       | -                  | 88,016,294         |
| Inter segment sales              | 6,875,497      | -               | (6,875,497)        | -                  |
| Total revenue                    | 93,792,169     | 1,099,622       | (6,875,497)        | 88,016,294         |
| <b>Results</b>                   |                |                 |                    |                    |
| Profit from operations           | 14,254,588     | 669,606         | (4,102,566)        | 10,821,628         |
| Finance costs                    | (120,648)      | -               | -                  | (120,648)          |
| Income from other<br>investments | 302,435        | 794             | -                  | 303,229            |
| Profit before tax                |                |                 |                    | 11,004,209         |
| Income tax expense               |                |                 |                    | (2,554,963)        |
| Net profit for the year          |                |                 |                    | 8,449,246          |



## NOTES TO THE FINANCIAL STATEMENTS

| <b>The Group<br/>2003</b>        | <b>Malaysia<br/>RM</b> | <b>Indonesia<br/>RM</b> | <b>Eliminations<br/>RM</b> | <b>Consolidated<br/>RM</b> |
|----------------------------------|------------------------|-------------------------|----------------------------|----------------------------|
| <b>Other Information</b>         |                        |                         |                            |                            |
| Capital additions                | 2,025,149              | 285,315                 | -                          | 2,310,464                  |
| Depreciation and<br>amortisation | 2,262,410              | 21,346                  | -                          | 2,283,756                  |
| <b>Consolidated Balance</b>      |                        |                         |                            |                            |
| <b>Sheet Assets</b>              |                        |                         |                            |                            |
| Segment assets                   | 77,060,119             | 1,607,262               | -                          | 78,667,381                 |
| <b>Liabilities</b>               |                        |                         |                            |                            |
| Segment liabilities              | 8,736,075              | 195,315                 | -                          | 8,931,390                  |

In 2002, there is no disclosure of segment information as required by MASB 22 Segment Reporting, as the Group operates principally within one industry and one country.





## NOTES TO THE FINANCIAL STATEMENTS

### 11. PROPERTY, PLANT AND EQUIPMENT

(All belonging to subsidiary companies)

|   | Beginning<br>of year<br>RM | Additions<br>RM  | Cost                          |                         | End<br>of year<br>RM |
|---|----------------------------|------------------|-------------------------------|-------------------------|----------------------|
|   |                            |                  | Disposals/<br>Write-off<br>RM | Reclassifications<br>RM |                      |
| <b>The Group</b>                              |                            |                  |                               |                         |                      |
| Freehold lands                                | 4,220,120                  | 241,534          | -                             | -                       | 4,461,654            |
| Leasehold lands<br>and factory<br>buildings   | 2,605,728                  | -                | -                             | -                       | 2,605,728            |
| Factory building                              | 105,641                    | -                | -                             | -                       | 105,641              |
| Plant and<br>machinery                        | 21,265,446                 | 1,606,434        | (170,211)                     | 3,071,404               | 25,773,073           |
| Plant and<br>machinery under<br>hire-purchase | 3,071,404                  | -                | -                             | (3,071,404)             | -                    |
| Mould, tools and<br>factory equipment         | 1,547,011                  | 190,758          | (3,460)                       | -                       | 1,734,309            |
| Motor vehicles                                | 2,293,462                  | 186,869          | (146,412)                     | (50,516)                | 2,283,403            |
| Motor vehicles<br>under<br>hire-purchase      | 362,000                    | -                | -                             | 50,516                  | 412,516              |
| Electrical<br>installations                   | 132,008                    | -                | -                             | -                       | 132,008              |
| Electrical<br>substation                      | 21,330                     | -                | -                             | -                       | 21,330               |
| Office equipment,<br>furniture and fittings   | 446,864                    | 84,869           | (16,319)                      | -                       | 515,414              |
| Renovation                                    | 49,650                     | -                | -                             | -                       | 49,650               |
| <b>Total</b>                                  | <b>36,120,664</b>          | <b>2,310,464</b> | <b>(336,402)</b>              | <b>-</b>                | <b>38,094,726</b>    |



## NOTES TO THE FINANCIAL STATEMENTS

|  | Accumulated Depreciation |                           |                               |                         |  |                   |
|--|--------------------------|---------------------------|-------------------------------|-------------------------|--|-------------------|
|  | Beginning of year<br>RM  | Charge for the year<br>RM | Disposals/<br>Write-off<br>RM | Reclassifications<br>RM | Foreign currency<br>fluctuations<br>RM | End of year<br>RM |
| Leasehold lands and factory buildings    | 839,542                  | 61,745                    | -                             | -                       | -                                      | 901,287           |
| Factory building                         | 14,791                   | 2,113                     | -                             | -                       | -                                      | 16,904            |
| Plant and machinery                      | 15,877,565               | 1,384,697                 | (38,374)                      | 921,419                 | 121                                    | 18,145,428        |
| Plant and machinery under hire-purchase  | 630,670                  | 290,749                   | -                             | (921,419)               | -                                      | -                 |
| Mould, tools and factory equipment       | 1,018,403                | 128,139                   | (3,459)                       | -                       | -                                      | 1,143,083         |
| Motor vehicles                           | 1,457,272                | 288,163                   | (146,212)                     | (10,103)                | -                                      | 1,589,120         |
| Motor vehicles under hire-purchase       | 167,600                  | 72,400                    | -                             | 10,103                  | -                                      | 250,103           |
| Electrical installations                 | 56,147                   | 12,322                    | -                             | -                       | -                                      | 68,469            |
| Electrical substation                    | 21,330                   | -                         | -                             | -                       | -                                      | 21,330            |
| Office equipment, furniture and fittings | 270,634                  | 39,553                    | (14,244)                      | -                       | -                                      | 295,943           |
| Renovation                               | 26,560                   | 3,875                     | -                             | -                       | -                                      | 30,435            |
| <b>Total</b>                             | <b>20,380,514</b>        | <b>2,283,756</b>          | <b>(202,289)</b>              | <b>-</b>                | <b>121</b>                             | <b>22,462,102</b> |



## NOTES TO THE FINANCIAL STATEMENTS

|  | Net Book Value             |                      |
|--|----------------------------|----------------------|
|  | Beginning<br>of year<br>RM | End<br>of year<br>RM |
| Freehold lands                           | 4,220,120                  | 4,461,654            |
| Leasehold lands and factory buildings    | 1,766,186                  | 1,704,441            |
| Factory building                         | 90,850                     | 88,737               |
| Plant and machinery                      | 5,387,881                  | 7,627,645            |
| Plant and machinery under hire-purchase  | 2,440,734                  | -                    |
| Mould, tools and factory equipment       | 528,608                    | 591,226              |
| Motor vehicles                           | 836,190                    | 694,283              |
| Motor vehicles under hire-purchase       | 194,400                    | 162,413              |
| Electrical installations                 | 75,861                     | 63,539               |
| Electrical substation                    | -                          | -                    |
| Office equipment, furniture and fittings | 176,230                    | 219,471              |
| Renovation                               | 23,090                     | 19,215               |
| <b>Total</b>                             | <b>15,740,150</b>          | <b>15,632,624</b>    |

Pursuant to the fixed and floating charges over all assets of the Group (all pertaining to subsidiary companies) and fixed charges over certain lands and factory buildings executed in favour of certain banks (Note 17 & 20), all of the property, plant and equipment of the Group have been pledged to these banks to secure credit facilities granted to the subsidiary companies.

### 12. INVESTMENT IN SUBSIDIARY COMPANIES

|                          | The Company |            |
|--------------------------|-------------|------------|
|                          | 2003<br>RM  | 2002<br>RM |
| Unquoted shares, at cost | 41,120,416  | 41,120,416 |

The subsidiary companies are as follows :

| Name of Company                  | Place of<br>Incorporation | Effective Equity<br>Interest |           | Principal Activities  |
|----------------------------------|---------------------------|------------------------------|-----------|---|
|                                  |                           | 2003<br>%                    | 2002<br>% |   |
| <b>Direct subsidiary company</b> |                           |                              |           |   |
| Johore Tin Factory Sdn.<br>Bhd.  | Malaysia                  | 100                          | 100       | Manufacturing of various tins, cans and other containers and printing of tin plates |



## NOTES TO THE FINANCIAL STATEMENTS

| Name of Company                      | Place of Incorporation | Effective Equity Interest |           | Principal Activities   |
|--------------------------------------|------------------------|---------------------------|-----------|--|
|                                      |                        | 2003<br>%                 | 2002<br>% |  |
| Kluang Tin And Can Factory Sdn. Bhd. | Malaysia               | 100                       | 100       | Manufacturing of various tins, cans and other containers                   |
| Unican Industries Sdn. Bhd.          | Malaysia               | 100                       | 100       | Manufacturing of various tins, cans and other containers                   |
| <b>Indirect subsidiary company</b>   |                        |                           |           |  |
| * PT Medan Johor Tin                 | Indonesia              | 100                       | -         | Manufacturing of various tins, cans, tinplates and other relevant business |

\* The financial statements of this company were examined by auditors other than the auditors of the Company.

Johore Tin Factory Sdn. Bhd. and Unican Industries Sdn. Bhd. have jointly incorporated the private limited company, PT Medan Johor Tin in Indonesia at 90% and 10% equity interest respectively during the financial year. The incorporation was completed on August 20, 2003.

In 2002, the Company entered into agreements to acquire 100% equity interest in Johore Tin Factory Sdn. Bhd., Kluang Tin And Can Factory Sdn. Bhd. and Unican Industries Sdn. Bhd.

The effect of the acquisitions on the financial results of the Group for the year is as follows :

Post-acquisition results of subsidiary companies acquired :

|   | 2003<br>RM | 2002<br>RM   |
|---|------------|--------------|
| Revenue   | 1,099,622  | 18,450,634   |
| Other operating expenses                              | (429,222)  | (16,003,706) |
| Profit before tax                                     | 670,400    | 2,446,928    |
| Income tax expense                                    | (193,042)  | (183,677)    |
| Increase in Group profit attributable to shareholders | 477,358    | 2,263,251    |



## NOTES TO THE FINANCIAL STATEMENTS

The effect of acquisition in 2003 and 2002 on the financial position of the Group as at year end is as follows :

|   | <b>Unaudited</b>                     |   |
|---|--------------------------------------|---|
|   | <b>As of<br/>August 20,<br/>2003</b> | <b>As of<br/>September 30,<br/>2002</b> |
| Net assets acquired as of date of acquisition : |                                      |   |
| Property, plant and equipment                   | -                                    | 16,053,940                              |
| Other investment                                | -                                    | 625,525                                 |
| Inventories                                     | -                                    | 11,241,874                              |
| Trade and other receivables                     | -                                    | 30,954,052                              |
| Cash and bank balances                          | 761,670                              | 7,784,218                               |
| Trade and other payables                        | -                                    | (8,205,551)                             |
| Hire-purchase payables                          | -                                    | (1,007,229)                             |
| Borrowings                                      | -                                    | (1,161,685)                             |
| Tax liabilities                                 | -                                    | (703,152)                               |
| Deferred tax liabilities                        | -                                    | (977,426)                               |
| Reserve on consolidation                        | -                                    | (13,484,150)                            |
| Net assets acquired                             | 761,670                              | 41,120,416                              |
| Less : Portion discharged by issue of shares    | (761,670)                            | (41,120,416)                            |
| Less : Cash and bank balances                   | -                                    | (7,784,218)                             |
| Cash flow on acquisition, net of cash acquired  | -                                    | (7,784,218)                             |

### 13. OTHER INVESTMENT

|   | <b>The Group</b>   |                    |
|---|--------------------|--------------------|
|   | <b>2003<br/>RM</b> | <b>2002<br/>RM</b> |
| Shares quoted in Malaysia, at cost        | 383,282            | 668,862            |
| Market value of quoted shares in Malaysia | 377,850            | 641,080            |

### 14. INVENTORIES

|                        | <b>The Group</b>   |                    |
|------------------------|--------------------|--------------------|
|                        | <b>2003<br/>RM</b> | <b>2002<br/>RM</b> |
| At cost :              |                    |                    |
| Raw materials          | 12,332,036         | 10,526,044         |
| Work-in-progress       | 5,400,867          | 4,165,024          |
| Finished goods         | 963,761            | 625,927            |
| Inventories-in-transit | 733,808            | -                  |
|                        | 19,430,472         | 15,316,995         |

# NOTES TO THE FINANCIAL STATEMENTS

## 15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

|                              | The Group  |            | The Company |            |
|------------------------------|------------|------------|-------------|------------|
|                              | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Trade receivables            | 26,732,803 | 22,663,179 | -           | -          |
| Allowance for doubtful debts | (493,988)  | (684,444)  | -           | -          |
|                              | 26,238,815 | 21,978,735 | -           | -          |
| Other receivables            | 523,226    | 323,202    | 26,215      | -          |
| Refundable deposits          | 478,407    | 267,020    | -           | -          |
| Prepaid expenses             | 685,815    | 1,499,178  | -           | -          |
|                              | 1,687,448  | 2,089,400  | 26,215      | -          |

Trade receivables comprise amounts receivable for the sales of goods. Other receivables comprise mainly balance of proceeds arising from disposal of property, plant and equipment to third parties and advances to employees.

The credit period granted on sales of goods ranges from 30 to 90 days (also 30 to 90 days in 2002). An allowance has been made for estimated irrecoverable amounts from the sales of goods of RM493,988 (RM684,444 in 2002). This allowance has been determined by reference to past default experience.

## 16. RELATED PARTY TRANSACTIONS

The amount owing by (to) subsidiary companies arose from expenses paid on behalf and advances which are unsecured, interest-free and have no fixed terms of repayment.

The amount owing to a director represents unsecured, interest free advances with no fixed terms of repayment.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions.

The related parties and their relationship with the Company are as follows :

| Name of related party   | Relationship  |
|-------------------------|---|
| GSP Marketing Sdn. Bhd. | A company in which Goh Mia Kwong is a director and substantial shareholder. His daughter, Susan Goh Li Ying is also a substantial shareholder and is deemed to be connected with Goh Mia Kwong. |

## NOTES TO THE FINANCIAL STATEMENTS

Included in trade receivables (all belonging to a subsidiary company) are balances owing by a related party amounting to RM47,516 (RM45,675 in 2002).

Balances with related parties arose mainly from trade transactions. Significant transactions undertaken with the related parties during the financial year are as follows :

|                                   | <b>The Group</b> |             |
|-----------------------------------|------------------|-------------|
|                                   | <b>2003</b>      | <b>2002</b> |
| <b>Related parties</b>            | <b>RM</b>        | <b>RM</b>   |
| Sales of goods :                  |                  |             |
| GSP Marketing Sdn. Bhd.           | 90,856           | 87,007      |
| <b>Shareholder of the Company</b> |                  |             |
| Madam Ng Yik Toon @ Ng Yik Koon   |                  |             |
| Rental of factory                 | 16,800           | 16,800      |

The directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

### 17. CASH AND BANK BALANCES

|                                    | <b>The Group</b> |             | <b>The Company</b> |             |
|------------------------------------|------------------|-------------|--------------------|-------------|
|                                    | <b>2003</b>      | <b>2002</b> | <b>2003</b>        | <b>2002</b> |
|                                    | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| Fixed deposits with licensed banks | 5,000,000        | 4,298,915   | 5,000,000          | -           |
| Cash on hand and at banks          | 10,294,740       | 5,733,000   | 2,650,086          | 2           |
|                                    | 15,294,740       | 10,031,915  | 7,650,086          | 2           |

In 2002, the fixed deposits (pertaining to a subsidiary company) amounting to RM265,290 were placed with licensed banks as securities for banking facilities issued by the banks to the said subsidiary company as mentioned in Note 20. These fixed deposits are registered in the name of a director of the said subsidiary company who is deemed to hold in trust for and on behalf of the subsidiary company.

The average effective interest rate for fixed deposits with licensed banks of the Group and the Company is 3.32% and 3.70% (3.14% and Nil in 2002) per annum respectively.

The fixed deposits with licensed banks of the Group and the Company have an average maturity of 198 and 365 days (115 days and Nil in 2002) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. The average credit period granted to the Group for trade purchases is 55 days (also 55 days in 2002).

Other payables and accrued expenses consist of :

|                  | The Group  |            | The Company |            |
|------------------|------------|------------|-------------|------------|
|                  | 2003<br>RM | 2002<br>RM | 2003<br>RM  | 2002<br>RM |
| Other payables   | 707,118    | 664,173    | -           | -          |
| Accrued expenses | 2,466,649  | 1,857,656  | 291,948     | 8,000      |
|                  | 3,173,767  | 2,521,829  | 291,948     | 8,000      |

The amounts owing arose mainly from trade transactions and advances. The amounts owing are interest-free and have no fixed terms of repayment.

### 19. HIRE-PURCHASE PAYABLES

|   | The Group  |            |
|---|------------|------------|
|   | 2003<br>RM | 2002<br>RM |
| Total outstanding   | 48,932     | 735,885    |
| Less : Interest-in-suspense outstanding                                 | (6,336)    | (68,829)   |
| Principal outstanding   | 42,596     | 667,056    |
| Less : Amount due within 12 months<br>(shown under current liabilities) | (42,596)   | (632,087)  |
| Non-current portion   | -          | 34,969     |

The non-current portion in 2002 is fully repayable in financial year ending December 31, 2004.

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The average term for hire-purchase is about 1 to 5 years. For the financial year ended December 31, 2003, the average effective borrowing rate was 10.22% (9.86% in 2002) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the financial institution's charge over the assets under hire-purchase.



## NOTES TO THE FINANCIAL STATEMENTS

### 20. BORROWINGS

|   | <b>The Group</b> |             |
|---|------------------|-------------|
|   | <b>2003</b>      | <b>2002</b> |
|   | <b>RM</b>        | <b>RM</b>   |
| Secured :   |                  |             |
| Term loan   | -                | 625,998     |
| Bankers' acceptance   | -                | 106,000     |
|   | -                | 731,998     |
| Less : Amount due within 12 months<br>(shown under current liabilities) | -                | (204,721)   |
| Non-current portion   | -                | 527,277     |

The term loan (pertaining to a subsidiary company) is repayable by 144 monthly instalments of RM12,477 each (inclusive of interest) commencing February, 1997. During the financial year, the loan has been fully settled.

The Group's banking facilities of RM9,740,000 (unutilised as of year-end; all pertaining to subsidiary companies) are secured by way of legal charges over the subsidiary companies' freehold and leasehold lands and buildings, fixed and floating charges by way of debenture over all the present and future assets of the subsidiary companies and jointly and severally guaranteed by the Company and certain directors of the Company and of the subsidiary company.

The bank borrowings bear interest at rates ranging from 4.25% to 8.55% (also 4.25% to 8.55% in 2002) per annum.

### 21. DEFERRED TAX LIABILITIES

|  | <b>The Group</b> |             |
|--|------------------|-------------|
|  | <b>2003</b>      | <b>2002</b> |
|  | <b>RM</b>        | <b>RM</b>   |
| At beginning of year                         | 939,587          | -           |
| Acquisition of subsidiary companies          | -                | 977,426     |
| Transfer from (to) income statement (Note 8) | 11,538           | (37,839)    |
| At end of year                               | 951,125          | 939,587     |

The deferred tax assets (liabilities) of the Group are in respect of :

|                                    | <b>Deferred Tax Assets/(Liabilities)</b> |             |
|------------------------------------|--|-------------|
|                                    | <b>2003</b>                              | <b>2002</b> |
|                                    | <b>RM</b>                                | <b>RM</b>   |
| Taxable temporary differences :    |  |             |
| Property, plant and equipment      | (1,049,539)                              | (939,587)   |
| Deductible temporary differences : |  |             |
| Allowance for doubtful debts       | 98,414                                   | -           |
| Net Deferred Tax Liabilities       | (951,125)                                | (939,587)   |

## NOTES TO THE FINANCIAL STATEMENTS

### 22. SHARE CAPITAL

|  | <b>The Group and the Company</b> |             |
|--|----------------------------------|-------------|
|  | <b>2003</b>                      | <b>2002</b> |
|  | <b>RM</b>                        | <b>RM</b>   |
| <b>Authorised :</b>                    |                                  |             |
| 50,000,000 ordinary shares of RM1 each | 50,000,000                       | 50,000,000  |
| <b>Issued and fully paid :</b>         |                                  |             |
| Ordinary shares of RM1 each            |                                  |             |
| At beginning of year                   | 36,721,000                       | 2           |
| Issued during the year                 | 7,265,000                        | 36,720,998  |
| At end of year                         | 43,986,000                       | 36,721,000  |

As approved by the shareholders at the Extraordinary General Meeting held on September 16, 2003, the Company increased its issued and paid-up share capital from RM36,721,000 to RM43,986,000 by way of allotments of 7,265,000 new ordinary shares of RM1 each at RM1.35 per ordinary share pursuant to public issue.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

### 23. RESERVES

|                              | <b>The Group</b> |             | <b>The Company</b> |             |
|------------------------------|------------------|-------------|--------------------|-------------|
|                              | <b>2003</b>      | <b>2002</b> | <b>2003</b>        | <b>2002</b> |
|                              | <b>RM</b>        | <b>RM</b>   | <b>RM</b>          | <b>RM</b>   |
| Non-distributable reserves : |                  |             |                    |             |
| Share premium                | 5,520,212        | 3,896,911   | 5,520,212          | 3,896,911   |
| Translation reserve          | 47,597           | -           | -                  | -           |
|                              | 5,567,809        | 3,896,911   | 5,520,212          | 3,896,911   |
| Distributable reserve :      |                  |             |                    |             |
| Unappropriated profit        |                  |             |                    |             |
| (Accumulated loss)           | 20,182,182       | 15,735,525  | (284,568)          | (11,872)    |
|                              | 25,749,991       | 19,632,436  | 5,235,644          | 3,885,039   |



## NOTES TO THE FINANCIAL STATEMENTS

### *Share premium*

Share premium arose from :

|  | <b>The Group and the Company</b> |             |
|--|----------------------------------|-------------|
|  | <b>2003</b>                      | <b>2002</b> |
|  | <b>RM</b>                        | <b>RM</b>   |
| Allotment of 36,720,998 ordinary shares issued at a premium of about RM0.12 per ordinary share in 2002, net of share issue expenses of RM502,507 | 3,896,911                        | 3,896,911   |
| Allotment of 7,265,000 ordinary shares issued at a premium of RM0.35 per ordinary share in 2003, net of shares issue expenses of RM919,449       | 1,623,301                        | -           |
|  | 5,520,212                        | 3,896,911   |

### *Translation reserve*

Exchange differences arising on translation of foreign controlled entities, are taken to the translation reserve, as described in the accounting policies.

### *Unappropriated profit*

Distributable reserves are those available for distribution by way of cash dividends.

## **24. DIVIDENDS**

An interim dividend of 10.9%, tax-exempt, amounting to RM4,002,589 was paid on September 22, 2003 in respect of the current financial year.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Dividend per share during the financial year is 10.9 sen (Nil in 2002) calculated based on share capital of 36,721,000 ordinary shares of RM1 each prior to the public issue.

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CASH AND CASH EQUIVALENTS

|   | The Group The Company |            |            |            |
|---|-----------------------|------------|------------|------------|
|   | 2003<br>RM            | 2002<br>RM | 2003<br>RM | 2002<br>RM |
| Fixed deposits with licensed banks              | 5,000,000             | 4,298,915  | 5,000,000  | -          |
| Cash on hand and at banks                       | 10,294,740            | 5,733,000  | 2,650,086  | 2          |
|   | 15,294,740            | 10,031,915 | 7,650,086  | 2          |
| Less : Fixed deposits pledged to bank (Note 17) | -                     | (265,290)  | -          | -          |
|   | 15,294,740            | 9,766,625  | 7,650,086  | 2          |

### 26. FINANCIAL INSTRUMENTS

#### *Financial Risk Management Objectives and Policies*

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

#### *Foreign currency risk*

The Group is not exposed to any significant foreign currency risk other than in the normal course of business for the foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

#### *Interest rate risk*

The Group enters into various interest rate risk management transactions for the purpose of reducing net interest costs and to achieve interest rates within predictable, desired ranges.

#### *Market risk*

The Group has in place policies to manage the Group's exposure to fluctuation in the prices of the key raw materials used in the operations. The Group enters into contracts to establish determinable prices for raw materials used. For marketable securities, the Group monitors fluctuations in market prices and establishes suitable cut loss procedures.

## NOTES TO THE FINANCIAL STATEMENTS

### *Credit risk*

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

### *Liquidity risk*

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

### *Cash flow risk*

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

### *Financial Assets*

The Group's principal financial assets are cash and bank balances, trade and other receivables, and equity investments.

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

### *Financial Liabilities and Equity Instruments*

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Significant financial liabilities include trade and other payables, hire-purchase payables and borrowings.

Hire-purchase payables are recorded as disclosed in Note 3. Finance charges are accounted for on accrual basis.

Equity instruments are recorded at the proceeds received net of direct issue costs.

### *Credit Risk*

The financial instruments which potentially subject the Group to credit risk are trade receivables. The directors are of the opinion that the risk of incurring material losses related to this credit risk is remote.

## NOTES TO THE FINANCIAL STATEMENTS

### *Fair Values*

The carrying amounts and the estimated fair values of the Group's financial instruments as of December 31, 2003 are as follows :

|                                  | Note | Carrying<br>Amount<br>RM | Fair<br>Value<br>RM |
|----------------------------------|------|--------------------------|---------------------|
| <b>Financial Assets</b>          |      |                          |                     |
| Other investment - quoted shares | 13   | 383,282                  | 377,850             |

### *Cash and cash equivalents, trade and other receivables and trade and other payables*

The carrying amounts approximate fair value because of the short maturity of these instruments.

### *Equity investments*

The market value of quoted shares as at balance sheet date approximates the fair value.

## 27. CAPITAL COMMITMENTS

As of December 31, 2003, the Group (all pertaining to subsidiary companies) has capital commitments in respect of purchase of property, plant and equipment contracted but not provided for amounting to about RM1,050,000 (RMNil in 2002).

## 28. CONTINGENT LIABILITIES

As of December 31, 2003, the Company is contingently liable to the extent of RM8,540,000 (RMNil in 2002) in respect of a corporate guarantee given to a local bank for credit facilities granted by the said bank to the subsidiary companies of the Company.

## 29. SIGNIFICANT EVENT DURING THE YEAR

The entire issued and paid up share capital of the Company comprising 43,986,000 ordinary shares of RM1 each was listed on the Second Board of the Malaysia Securities Exchange Berhad (formerly known as Kuala Lumpur Stock Exchange) on October 31, 2003.



**JOHORE TIN BERHAD** (5325 70-V)

## **STATEMENT BY DIRECTORS**

The directors of **JOHORE TIN BERHAD** state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of December 31, 2003 and of the results of their businesses and the cash flows of the Group and the Company for the year ended on that date.

Signed in accordance with  
a resolution of the Directors,

**GOH MIA KWONG**

**EDWARD GOH SWEE WANG**

Johor Bahru  
April 22, 2004

### **DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY**

I, **EDWARD GOH SWEE WANG** the director primarily responsible for the financial management of **JOHORE TIN BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
abovenamed **EDWARD GOH SWEE** )  
**WANG** at **JOHOR BAHRU** in the )  
State of **JOHOR** on April 22, 2004

Before me,

**HJ. A. HAMID B. HJ. HASSAN**  
**NO : J.087**  
**COMMISSIONER FOR OATHS**  
**JOHOR BAHRU**



## LIST OF PROPERTIES

| Registered Owner | Postal Address  | Title No. / Location   | Description / Category of Land Use  | Tenure / Date of Expiry of Leasehold Land |  | Approximate Age of Building (years) | Land Area (sq. ft.) | Built-up Area (sq. ft.) | NBV as at 31 Dec. 2003 RM |
|------------------|---|--|---|---|--|-------------------------------------|---------------------|-------------------------|---------------------------|
|                  |   |  |   |   |  |                                     |                     |                         |                           |
| JTF              | No. 7, Jalan Gagah, Larkin Industrial Area, 80350 Johor Bahru, Johor. | HS(D) 108311, Lot TLO 1936 Mukim Bandar Johor Bahru District of Johor Bahru, Johor Darul Takzim. | Single-storey detached factory with a double-storey office annexed / Industry | 60 years expiring 8 January 2028          |  | 15                                  | 43,560              | 14,582                  | 983,956                   |
| JTF              | No. 5, Jalan Gagah, Larkin Industrial Area, 80350 Johor Bahru, Johor. | HS(D) 7258, Lot TLO 1883 Mukim Bandar Johor Bahru District of Johor Bahru, Johor Darul Takzim.   | Single-storey detached Factory / Industry                                     | 60 years expiring 13 January 2025         |  | 24                                  | 43,560              | 21,800                  | 231,153                   |
| KTCF             | No. 5, Jalan Masyuri, Kaw. Perindustrian Kluang, 86000 Kluang, Johor. | HS(D) 16323, Lot PTD 23759 Mukim Kluang, District of Kluang, Johor Darul Takzim.                 | 1 1/2- storey detached Factory / Industry                                     | 60 years expiring 13 April 2046           |  | 17                                  | 21,780              | 16,843                  | 489,330                   |
| KTCF             | 43, Jalan Lau Kim Teck, 86000 Kluang, Johor.                          | HS(D) 31714, Lot MLO 42445 Mukim Kluang, District of Kluang, Johor Darul Takzim.                 | 1 1/2- storey semi-detached factory / Industry                                | Freehold                                  |  | 8                                   | 5,294               | 3,635                   | 300,498                   |
| KTCF             |   | GM 8988, Lot 781 Mukim Sri Gading VIII Parit Baru, District of Batu Pahat, Johor Darul Takzim.   | Agriculture / Fruits  | Freehold                                  |  | -                                   | 106,461             | -                       | 73,300                    |
| UNI              |   | Lot 48, Mukim Pengkalan Raja, Batu 29 1/2, District of Pontian, Johor Darul Takzim.              | Agriculture / Rubber  | Freehold                                  |  | -                                   | 395,568             | -                       | 456,798                   |
| UNI              |   | EMR 2676, Lot 246 Mukim Senai Kulai, Seelong, District of Kulai, Johor Darul Takzim.             | Industry / Vacant   | Freehold                                  |  | -                                   | 238,621             | -                       | 3,719,795                 |





## ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL, 2004

|   |                                |
|---|--------------------------------|
| <b>Authorised Capital :</b>               | RM50,000,000                   |
| <b>Issued and Fully Paid-up Capital :</b> | RM43,986,000                   |
| <b>Class of Shares :</b>                  | Ordinary Shares of RM1.00 each |
| <b>Voting Rights :</b>                    | One vote per ordinary share    |
| <b>Number of Holders :</b>                | 1,578                          |

### SHAREHOLDERS BY SIZE OF HOLDINGS

(MALAYSIAN & FOREIGN - COMBINED)

| Size of Holdings       | No. of Holders | % of Holders  | No. of Shares     | % of Issued Capital |
|------------------------|----------------|---------------|-------------------|---------------------|
| 1 - 99                 | 3              | 0.19          | 102               | 0.00                |
| 100 - 1000             | 566            | 35.87         | 549,521           | 1.25                |
| 1001 - 10000           | 855            | 54.18         | 3,497,400         | 7.95                |
| 10001 - 100000         | 130            | 8.24          | 3,548,520         | 8.07                |
| 100001 - 2199299 (*)   | 21             | 1.33          | 1,207,227         | 25.48               |
| 2199300 and above (**) | 3              | 0.19          | 25,183,230        | 57.25               |
| <b>TOTAL</b>           | <b>1,578</b>   | <b>100.00</b> | <b>43,986,000</b> | <b>100.00</b>       |

#### REMARKS :

\* - LESS THAN 5% OF ISSUED SHARES

\*\* - 5% AND ABOVE OF ISSUED SHARES



# ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL, 2004

## LIST OF TOP 30 HOLDERS

| No. | Name   | Shareholdings | %     |
|-----|--|---------------|-------|
| 1   | JOHORE TIN HOLDINGS SDN BHD  | 18,734,205    | 42.59 |
| 2   | ANGKASA AMAN SDN BHD   | 3,914,105     | 8.90  |
| 3   | GENTING PERWIRA SDN BHD  | 2,534,920     | 5.76  |
| 4   | JB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR<br>ANGKASA AMAN SDN BHD   | 1,632,000     | 3.71  |
| 5   | SEAHOLDINGS SDN BHD  | 1,513,260     | 3.44  |
| 6   | LISA GOH LI LING   | 863,000       | 1.96  |
| 7   | BUMIPUTRA-COMMERCE<br>NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR<br>A.A. ANTHONY SECURITIES SDN BHD (3193 HPZA) | 780,000       | 1.77  |
| 8   | CHOY SHU HOW   | 729,336       | 1.66  |
| 9   | SIA YOCK HUA   | 630,379       | 1.43  |
| 10  | LOW LEE KWEE   | 622,336       | 1.41  |
| 11  | VERSALITE SDN BHD  | 580,000       | 1.32  |
| 12  | PEK AH TEO @ PECK AH TEO   | 489,090       | 1.11  |
| 13  | GOH MIA KWONG  | 419,762       | 0.95  |
| 14  | SENG HUP CHAN AUTO SUPPLY (J.B.) SDN BHD   | 417,750       | 0.95  |
| 15  | MOHAMAD BIN SABAN  | 407,368       | 0.93  |
| 16  | GOH MIA KWONG  | 366,331       | 0.83  |
| 17  | HDM NOMINEES (ASING) SDN BHD<br>OCBC SECURITIES PTE LTD FOR<br>KOK HWA INVESTMENT PTE LTD  | 305,000       | 0.69  |



# ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL, 2004

## LIST OF TOP 30 HOLDERS

| No. | Name   | Shareholdings     | %            |
|-----|--|-------------------|--------------|
| 18  | PEK AH TEO @ PECK AH TEO   | 287,170           | 0.65         |
| 19  | ADAM BIN ABDULLAH  | 206,266           | 0.47         |
| 20  | TAN BOON KAIT  | 205,528           | 0.47         |
| 21  | SAERAH BINTI HAMZAH  | 195,707           | 0.44         |
| 22  | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD<br>PLEGDED SECURITIES ACCOUNT FOR SEAH KOK HWA<br>(12-00017-001) | 150,000           | 0.34         |
| 23  | EDWARD GOH SWEE WANG   | 146,700           | 0.33         |
| 24  | LYE LANG MING  | 120,000           | 0.27         |
| 25  | LIM AH CHEAK   | 111,244           | 0.25         |
| 26  | RAMLI @ TOKHAMIS BIN EJAP (IJAP)   | 86,020            | 0.20         |
| 27  | CHOW CHAN HOE  | 85,000            | 0.19         |
| 28  | YEOW AH SENG @ YOW AH SENG   | 83,000            | 0.19         |
| 29  | LIM LAY WEE  | 80,000            | 0.18         |
| 30  | LIM HUNG PUAN  | 75,000            | 0.17         |
|     | <b>TOTAL</b>   | <b>36,770,477</b> | <b>83.60</b> |



## ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL, 2004

### LIST OF SUBSTANTIAL SHAREHOLDERS

| Name   | Direct Interest |       | Indirect Interest |       |
|--|-----------------|-------|-------------------|-------|
|  | No. of Shares   | %     | No. of Shares     | %     |
| Johore Tin Holdings Sdn. Bhd.                              | 18,734,205      | 42.59 | -                 | -     |
| Goh Mia Kwong  | 786,093         | 1.79  | 19,746,905        | 44.89 |
| Edward Goh Swee Wang                                       | 146,700         | 0.33  | 20,386,298        | 46.35 |
| Angkasa Aman Sdn. Bhd.                                     | 6,296,105       | 14.31 | -                 | -     |
| Raja Zainal Abidin Bin Raja Hussin (Resigned on 22.4.2003) | 16,000          | 0.04  | 6,296,105         | 14.31 |
| Genting Perwira Sdn. Bhd.                                  | 2,534,920       | 5.76  | -                 | -     |
| Datin Fawziah Binti Hussein Sazally                        | 16,000          | 0.04  | 2,534,920         | 5.76  |

### DIRECTORS' SHAREHOLDINGS

|  | Direct Interest |                     | Deemed Interest |                     |
|--|-----------------|---------------------|-----------------|---------------------|
|  | No. of Shares   | % of Issued Capital | No. of Shares   | % of Issued Capital |
| <b>In the Company</b>                                      |                 |                     |                 |                     |
| Goh Mia Kwong  | 786,093         | 1.79                | 19,746,905      | 44.89               |
| Edward Goh Swee Wang                                       | 146,700         | 0.33                | 20,386,298      | 46.35               |
| Yeow Ah Seng @ Yow Ah Seng                                 | 83,000          | 0.19                | 18,734,205      | 42.59               |
| Lim Chin Kai   | 16,000          | 0.04                | -               | -                   |
| Mohamad Feasal Bin Yusoff                                  | -               | -                   | -               | -                   |
| Datin Fawziah Binti Hussein Sazally                        | 16,000          | 0.04                | 2,534,920       | 5.76                |
| Raja Zainal Abidin Bin Raja Hussin (Resigned on 22.4.2004) | 16,000          | 0.04                | 6,296,105       | 14.31               |



JOHORE TIN BERHAD (532570-V)

## FORM OF PROXY

I / We

of

being a member / members of **JOHORE TIN BERHAD**, hereby appoint of

or failing him/her

of

or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Third Annual General Meeting of the Company to be held at Pulau Springs Resort, Kayangan Suites, 20km, Jalan Pontian Lama, 81110 Pulau, Johor, Malaysia, on Monday, 28 June 2004, at 9.30 a.m. and any adjournment thereof.

| No. | RESOLUTION  | *FOR *AGAINST                  |
|-----|---|--------------------------------|
| 1.  | ADOPTION OF DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  | -Resolution 1                  |
| 2.  | APPROVAL OF DIRECTORS' FEES   | -Resolution 2                  |
| 3.  | RE-ELECTION OF DIRECTORS :-<br>(i) Mr. Goh Mia Kwong<br>(ii) Mr. Edward Goh Swee Wang   | -Resolution 3<br>-Resolution 4 |
| 4.  | RE-APPOINTMENT OF AUDITORS  | -Resolution 5                  |
| 5.  | SPECIAL BUSINESS :  |                                |
|     | (a) Authority pursuant to Section 132D of the Companies Act, 1965   | -Resolution 6                  |
|     | (b) Proposed shareholders' ratification and proposed shareholders' mandate for recurrent related party transactions with GSP MARKETING SDN. BHD. ("GSPM") of a revenue or trading nature.         | -Resolution 7                  |
|     | (c) Proposed shareholders' ratification and proposed shareholders' mandate for recurrent related party transactions with NG YIK TOON @ NG YIK KOON ("NYT") of a revenue or trading nature.        | -Resolution 8                  |
|     | (d) Proposed shareholders' ratification and proposed shareholders' mandate for recurrent related party transactions with COLOUR VIEW ENTERPRISE SDN. BHD. ("CVE") of a revenue or trading nature. | -Resolution 9                  |

(Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion).

Dated this

day of

2004

Signed

No. of Ordinary  
Shares Held

### NOTES :-

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
3. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 19, Jalan Tun Abdul Razak, Susur 1/1, 80000 Johor Bahru, Johor Darul Takzim, not less than 48 hours before the time appointed for holding the meeting or any adjournments thereof.

*Fold this flap for sealing*

AFFIX  
STAMP  
HERE

**The Company Secretary**  
**JOHORE TIN BERHAD** (Co. No. 532570-V)  
No. 19, Jalan Tun Abdul Razak, Susur 1/1,  
80000 Johor Bahru,  
Johor, Malaysia.

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