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ANNUAL REPORT 2016

JOHORE TIN BERHAD 532570-V

JOHORE TIN BERHAD

COMPANY NO:532570-V
INCORPORATED IN MALAYSIA

Our Commitment Continues to Grow

Annual Report 2016

'16

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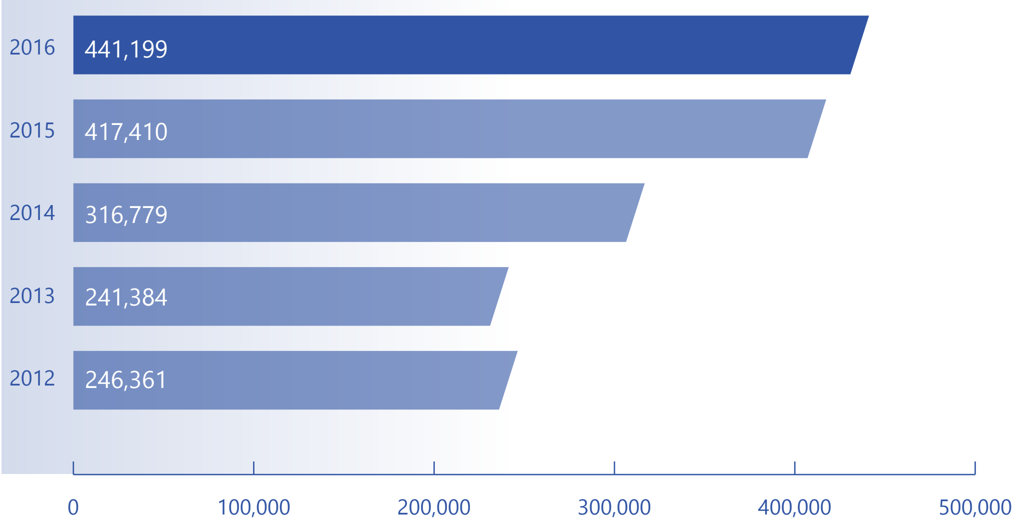
FINANCIAL HIGHLIGHTS

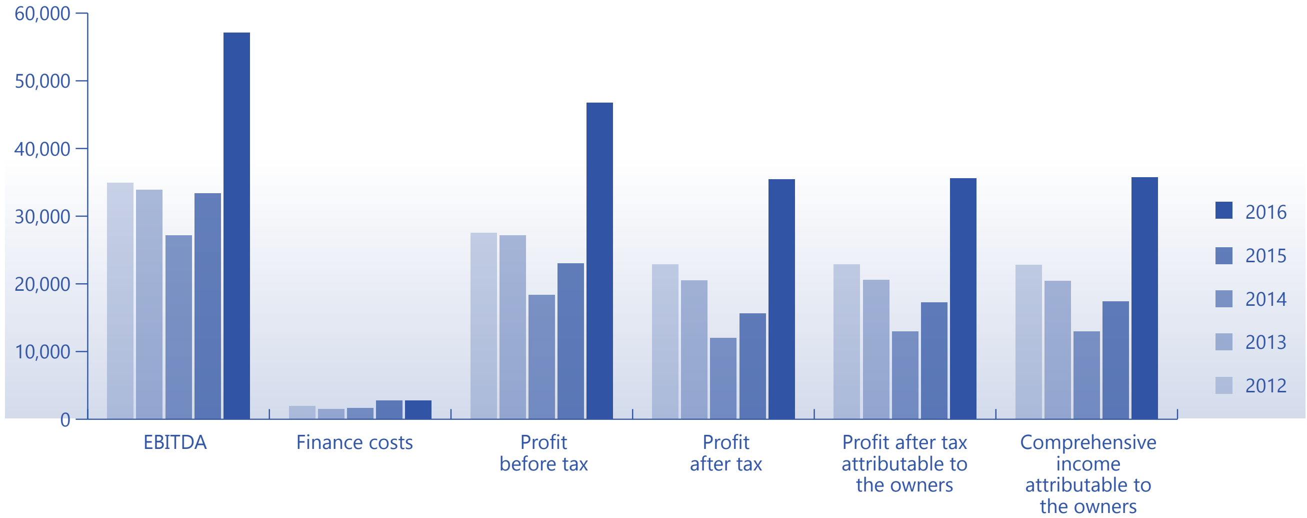
Statements of Profit or Loss and Other Comprehensive Income:	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000
Revenue	246,361	241,384	316,779	417,410	441,199
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	34,946	33,939	27,159	33,415	57,125
Finance costs	1,982	1,549	1,662	2,767	2,760
Profit before tax	27,555	27,147	18,358	23,047	46,791
Profit after tax	22,891	20,520	12,019	15,661	35,443
Profit after tax attributable to the owners	22,891	20,592	12,979	17,302	35,593
Comprehensive income attributable to the owners	22,817	20,466	13,009	17,383	35,737
Statements of Financial Position:	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Total assets	218,493	231,193	329,176	366,948	346,955
Total borrowings	34,600	35,813	69,289	110,192	67,656
Shareholders' equity	155,871	169,747	179,929	192,406	224,260
Financial Indicators:					
Return on equity (%)	14.69	12.09	6.68	8.14	15.80
Return on total assets (%)	10.48	8.88	3.65	4.27	10.22
Gearing ratio (%)	22.20	21.10	38.51	57.27	30.17
Interest cover (times)	17.63	21.91	16.34	12.08	20.70
Earnings per share (sen)	30.86	22.07	13.91	18.54	14.31
Net assets per share (RM)	1.67	1.82	1.93	2.06	0.90
Gross dividend per share (sen)	4.20	5.00	3.50	4.00	1.50
Gross dividend yield (%)	2.53	2.99	2.59	1.91	1.21
Price Earnings (PE) ratio	5.38	7.57	9.71	11.27	8.67
Share price as at the end of financial year (RM)	1.66	1.67	1.35	2.09	1.24

REVENUE (RM'000)

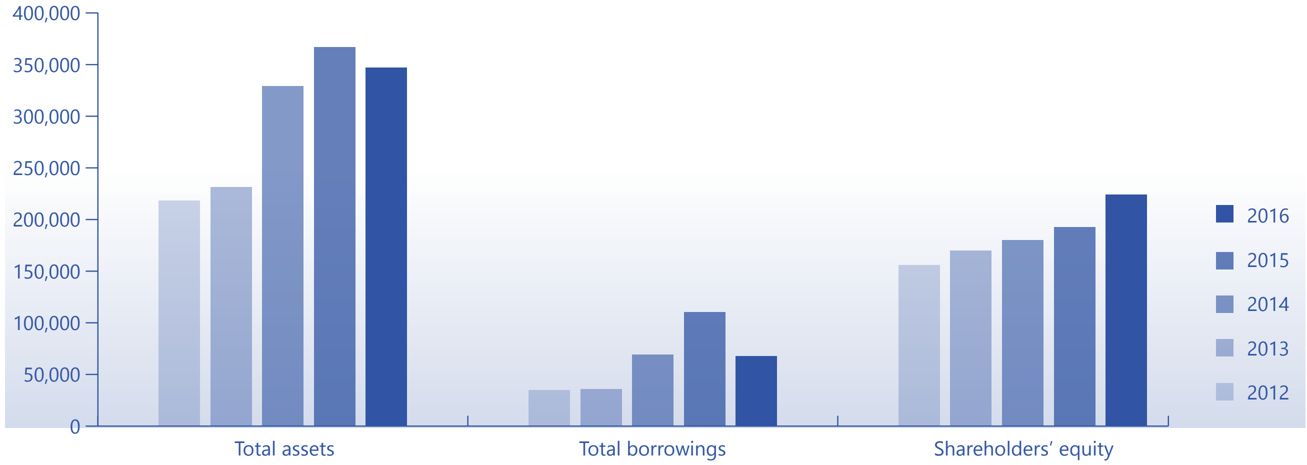


FINANCIAL HIGHLIGHTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (RM'000)



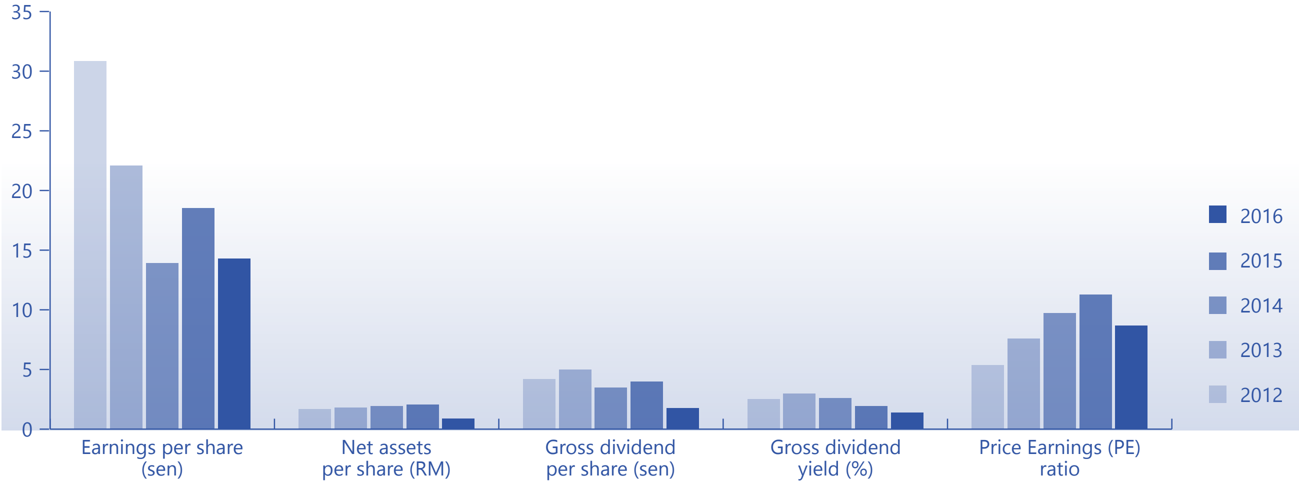
STATEMENTS OF FINANCIAL POSITION (RM'000)



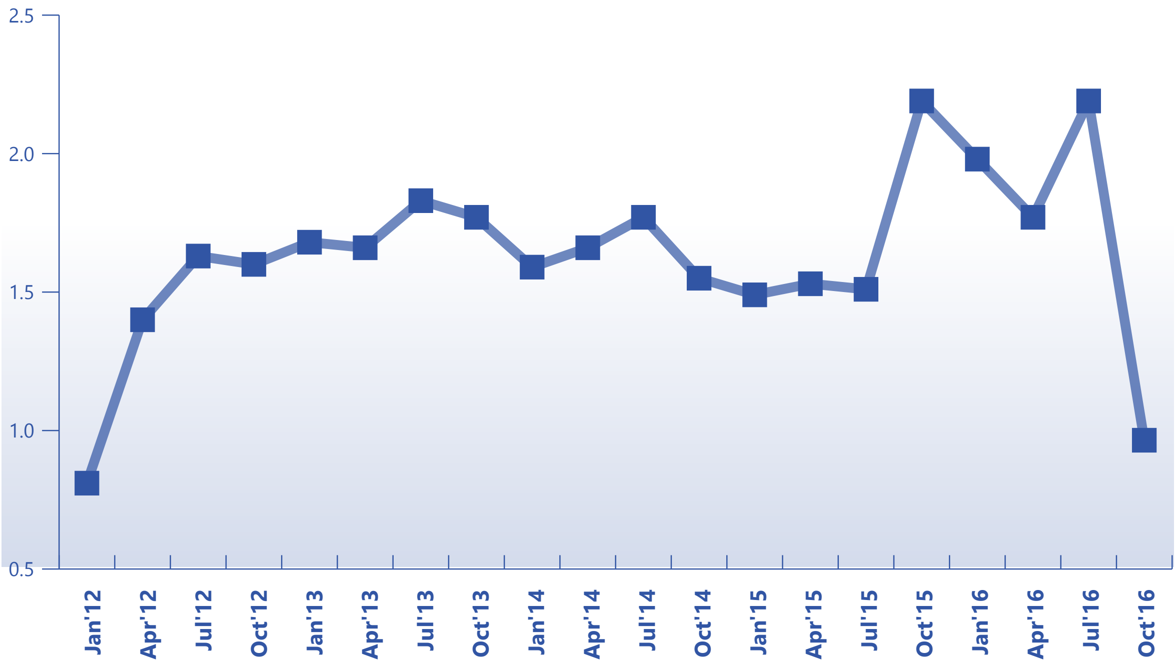
RATIO ANALYSIS (%)

FINANCIAL HIGHLIGHTS

SHARE INFORMATION



SHARE PRICE (RM)



STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") contains information on the Group's current financial position as compared to previous year, in each individual segment. This MD&A also provides analysis of the operational risks that faced by the Group. Last but not least, the Management is providing an insight into the Group's future prospects with the current economic situation.

1. OVERVIEW OF BUSINESS AND OPERATIONS, OBJECTIVES AND STRATEGIES

A. Business and Operations

From the Group's perspective, the principal activities are primarily involved in two (2) segments namely the tin manufacturing segment and food and beverage ("F&B") segment. The former segment is manufacturing of various tins, cans and other containers and printing of tinplates. While the latter segment is manufacturing of milk, packing and processing of milk powder and other related dairy products.

For tin manufacturing segment, most of the customers are locally based, with minority in Singapore market. They consist of various industries mainly in biscuit, paint and chemical, edible oil and food processing industries. However, most of the customers of tinplates printing are foreign companies which provide us the growth opportunities in the foreign market.

Whilst for F&B segment, majority of the customers are from overseas, mainly in West Africa, South East Asia Region and American Continent. The dairy products produced by the Group comprise of sweetened condensed milk, evaporated milk as well as milk powder in both bulk and consumer packs.

B. Objectives and Strategies

The Board seizes any short term opportunities without compromising the Group's long term business objectives. The Board reviews and monitors the financial performance of the Group on regular basis. The Group's objectives includes compliance with local statutory and regulatory requirements, maintaining high quality of products and high level of customer satisfaction, as well as to achieve the Good Manufacturing Practice ("GMP") standards in order to fulfil customer product safety requirements.

In order to achieve the Group's business objectives, the Management is required to oversee the day-to-day operations to improve efficiency in term of production process, by monitoring the wastage level and lower rejection rate, in order to be more competitive in the market. The Management's responsibilities include ensuring all the production schedules are planned accordingly, periodical maintenance services on equipment and machineries are done appropriately, and frequent meetings and discussions relating to production matters and improvements are carried out by the relevant operational personnel, as well as continuous innovation of new products to suite the market needs.

2. REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

For the current financial year under review, the Group achieved the revenue of RM441.20 million against previous year's revenue of RM417.41 million with an increase of RM23.79 million. And the profit before tax increased by RM23.74 million to RM46.79 million as compared to RM23.05 million of the previous year.

For the tin manufacturing segment, the revenue increased by RM11.44 million to RM98.16 million from RM86.72 million due to higher demand from customers who are in edible oil industry and increase sales from the printing services. The revenue for F&B segment increased by RM12.35 million to RM343.04 million from RM330.69 million mainly due to higher sales in condensed milk products.

Profit before tax of tin manufacturing segment, increased by RM10.80 million to RM18.47 million from RM7.67 million, mainly due to higher revenue and better margin in the printing services in the current financial year as compared to preceding year. Whilst for F&B segment, the profit before tax increased by RM12.98 million to RM30.56 million from RM17.58 million mainly due to higher sales and foreign exchange gain in the current financial year.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

2. REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

On the investor perspective, the return on equity was increased by 7.66% to 15.8% from 8.14%, and the return on total assets was increased by 5.95% to 10.22% from 4.27%. These are due to better margin and foreign exchange gain in the current financial year as compared to previous year.

Gearing ratio was reduced by 27.10% from 57.27% to 30.17% mainly due to lower commitments on short-term trade financings. Thus, the lower finance costs result in higher interest covers of 21 times in the current financial year as compared to 12 times in the previous year.

Earnings per share ("EPS") was 14.31sen for the current financial year as compared to 18.54sen in the previous year. Net assets per share ("NAPS") was RM0.90 for the current financial year as compared to RM2.06 in the previous year. The reduction in EPS and NAPS were mainly due to corporate exercise in relation to share split and bonus issue during the current financial year, as the number of ordinary shares was increased from 93,305,333 ordinary shares to 248,813,698 ordinary shares as at the end of the financial year.

Price earnings ("PE") ratio was 8.67 for the current financial year as compared to 11.27 in the previous year. The share price for the current financial year and the previous year was at RM1.24 and RM2.09 respectively. The reduction in PE ratio and share price were also mainly due to corporate exercise in relation to share split and bonus issue during the current financial year.

The summary of the financial indicators is highlighted on pages 2 to 4 of this Annual Report.

The tin manufacturing segment increased in capital expenditure for the current financial year as compared to previous year by investing new machineries. With the purchased of the new machineries, the outputs will be increased accordingly and operations will face lesser technical issues.

For F&B segment, the new factory building was completed in the last quarter of the current financial year. More capital expenditure will be incurred with the installation and commissioning of new equipment for this factory.

3. REVIEW OF OPERATING ACTIVITIES

The main factors that affected the operating activities in the tin manufacturing segment were due to shortage of labour, increased in raw materials prices and unfavourable foreign exchange rate against the local currency in Ringgit Malaysia.

The shortage of labour supply, both local and foreign, has resulted in challenges to complete customers' orders as per schedule and in the increased wastages from the operation of equipment below capacity. To resolve this issue, we have appointed several recruitment agencies to source for new workforce.

The increased in raw materials prices has affected our profit margin. To remain competitive, we have always maintained our prices to our customers for as long as possible. In the event the raw materials prices continue to increase, we may have to increase our products prices to our customers. Hence, the weakening of local currency in Ringgit Malaysia against United States Dollar ("USD") has brought about an increase in our manufacturing cost from trade settlements in USD for our imported raw materials. Our operations team is always vigilant and monitors the cost of manufacturing for us to stay competitive in our sales.

As for F&B segment, the main factors that affected the operating activities were shortage of labour supply and volatility in raw materials prices.

Due to the shortage of local and foreign labour supply, the hiring of operations staff becomes a challenge to our Group. We are doing our best to attract more workforces into our operations by appointing several recruitment agencies to source for new and replacement of resigned employees.

The volatility in dairy and sugar prices continues. This posed a challenge to the management in deciding the quantity and timing of the purchase of these raw materials. As such, the management is in constant contacts and dialogues with the suppliers and traders to gauge the situation of the market in order to make the purchase decisions.

4. REVIEW OF OPERATIONAL RISKS

The following are the main factors that may affect the operational risks of the Group:

A. Business Risk

The Group's revenue and operating results could be adversely affected by many factors which include, amongst others, the costs of raw materials, costs of labour as well as maintenance costs of equipment and machineries.

The Group attempts to mitigate these risks by continuously monitoring the prices of key raw materials, expanding the pool of suppliers and customers whilst continuing to establish long term business relationship with the existing suppliers and customers, expanding the existing business by capturing the strength of the Group's reputation and developing new products. There is no assurance that any of the change to the above factors will not materially affect the performance of the Group as a whole.

B. Political, Economic and Regulatory Considerations

The Group's business, prospects, financial condition and level of profitability may be affected by developments in the economic, political and regulatory environment in Malaysia and other countries in which the Group's products have market presence. Any adverse developments or uncertainties in these factors could materially or adversely affect the profitability and business prospects of the Group.

Political and economic uncertainties include but not limited to risk of war, global economic downturn, expropriation, nationalisation, changes in political leadership, changes in investment policies, unfavourable changes in government policies such as changes in interest rates, method of taxation, exchange controls or the introduction of new regulations, import duties and tariffs and re-negotiation or nullification of existing contracts.

The Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors that will affect the Group's business.

C. Competition Risks

The Group faces competition from both new entrants and existing players which offer similar products. High product quality, manufacturing efficiency, marketing, reasonable pricing and ranges of products are critical factors towards ensuring the success and sustainability of the business.

The Group will continue to take strategic measures and continuous review of the operational efficiency to move ahead of competition by addressing the factors above. Whereas for the F&B segment, the barriers to entry are mainly the relative high capital investment to set up the manufacturing facilities, established distribution channels, compliance with stringent safety standards and strong research and development capabilities.

As the Group already has existing manufacturing plants with established distribution channels, the Group does not foresee immediate threat of new entrants that will significantly affect the Group's business. The Group hopes to be able to maintain its market share.

D. Foreign Exchange Risks

The Group is exposed to foreign exchange risks on sales and purchases that are denominated in a currency other than Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD").

The Group will continue to evaluate the need of utilising financial instruments to hedge the currency exposure, taking into consideration the currency involved, exposure period and transaction costs. There can be no assurance that any change in exchange rates will not have a material or adverse effect on the financial position and performance of the Group.

4. REVIEW OF OPERATIONAL RISKS (CONT'D)

E. Dependence on Key Management and Skilled Personnel

The Group's continued success will depend upon, to a certain extent, the skills, experiences, abilities and continued efforts of the key management personnel. The loss of key management personnel in the Group may have an adverse impact on the performance of the Group.

The Group recognises the importance of attracting and retaining the key management personnel to support the business operations. The Group presently has in place, human resources strategies which include providing competitive and performance-based remuneration and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities.

However, we cannot provide any assurance that the above measures will be successful in attracting and retaining the key management personnel.

5. FORWARD-LOOKING STATEMENTS

The Group is of the view that the businesses will grow steadily in the near future amidst the volatility of raw material prices and the global economic uncertainties.

For tin manufacturing segment, demand is expected to grow marginally in this matured and stable industry but will remain challenging in the short-term. This is due to the material costs, which are denominated in USD, resulting in higher operating costs. However, if the exchange rate remains unfavourable in the near term, the Group may have to adjust the selling price accordingly. On the other hand, the printing services saw an increase in demand for the year 2016 and the Group intends to pursue an expansion of this market segment.

The demand for F&B segment remains strong despite the uncertainties in the global economic and remains in highly competitive market. The continued volatility of dairy products prices and the higher priced local sugar compared to international prices creates a challenging environment especially for sweetened condensed milk export from Malaysia. However, with the strong global demand for condensed milk, the Group believes that this business segment will still be able to sustain its profitability.

The Group sees positive inroad in penetrating the new foreign markets via trade shows as well as through other traders and distributors.

Barring any unforeseen circumstances, the Board believes that the prospects and future financial performance of the Group is expected to be favourable in the mid-term.

Currently, we do not have a dividend policy. The dividend declares will be much dependence on profits generated during the financial year, by taking into consideration future investments on capital expenditure and expansion plan. For the current financial year, the dividend of 1.5sen per ordinary share will be proposed for shareholders' approval at the forthcoming Annual General Meeting, as compared to previous year's dividend of 4sen per ordinary share amounting to RM3,732,213.

This forward-looking statement is based on current expectations and assumptions made by the Board through the analysis of historical information and trends. The Board is under no obligation to and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

This statement is made in accordance with a Board resolution dated 11 April 2017.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Kamaludin Bin Yusoff
(Chairman/Senior Independent Non-Executive Director)

Mr. Edward Goh Swee Wang
(Chief Executive Officer)

Mr. Yeow Ah Seng @ Yow Ah Seng
(Executive Director)

Mr. Lim Hun Swee
(Executive Director)

Mr. Siah Chin Leong
(Independent Non-Executive Director)

Ms. Ng Lee Thin
(Independent Non-Executive Director)

Mr. Ng Keng Hoe
(Executive Director, appointed on 1 June 2016)

AUDIT COMMITTEE

Mr. Siah Chin Leong (Chairman)
Datuk Kamaludin Bin Yusoff
Ms. Ng Lee Thin

NOMINATION COMMITTEE

Datuk Kamaludin Bin Yusoff (Chairman)
Mr. Siah Chin Leong
Ms. Ng Lee Thin

COMPANY SECRETARY

Ms. Yong May Li (LS0000295)

EXTERNAL AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants
E-2-3, Pusat Komersial Bayu Tasek
Persiaran Southkey 1, Kota Southkey
80150 Johor Bahru, Johor
Tel : +60(7) 288 6627
Fax : +6(1700) 813 460

PRINCIPAL BANKERS

AmBank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Bhd

REMUNERATION COMMITTEE

Ms. Ng Lee Thin (Chairman)
Mr. Edward Goh Swee Wang
Mr. Siah Chin Leong

RISK MANAGEMENT COMMITTEE

Mr. Siah Chin Leong (Chairman)
Mr. Edward Goh Swee Wang
Mr. Lim Hun Swee
Mr. Hoo Joo Chuan (Factory Manager)
Mr. Leo Aun Foo (Finance Manager)

SHARE REGISTRAR

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Sdn. Bhd. (11324-H)
Unit 32-01, Level 32, Tower A
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REGISTERED OFFICE

Suite 1301, 13th Floor
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Fax : +60(7) 332 8096

STOCK EXCHANGE LISTING

Listed on Main Board of Bursa Malaysia Securities Berhad
Stock Name : JOHOTIN
Stock Code : 7167
Website : http://www.johoretin.com.my

CORPORATE STRUCTURE

JOHORE TIN BERHAD

COMPANY NO:532570-V
INCORPORATED IN MALAYSIA

100%
JOHORE TIN FACTORY SENDIRIAN BERHAD
Incorporated in Malaysia

90%

PT MEDAN JOHOR TIN
Incorporated in Malaysia

100%

100%
UNICAN INDUSTRIES SDN BHD
Incorporated in Malaysia

100%
KLUANG TIN AND CAN FACTORY SDN BHD
Incorporated in Malaysia

100%
ABLE DAIRIES SDN BHD
Incorporated in Malaysia

96%
ABLE FOOD SDN BHD
Incorporated in Malaysia

PROFILE OF BOARD OF DIRECTORS

Name	**DATUK KAMALUDIN BIN YUSOFF**	**SIAH CHIN LEONG**
Position	Senior Independent Non-Executive Director (Chairman)	Independent Non-Executive Director
Age / Gender / Nationality	69 / Male / Malaysian	54 / Male / Malaysian
Date of first appointment	11 August 2008 28 April 2010 (Chairman)	18 March 2014
Qualification	- Bachelor of Arts (Hons) in History from University Malaya, Kuala Lumpur (1974)	- Bachelor of Arts in Political Science from York University, Canada (1982 - 1985)
Working experience and occupation	- Started his career as Administration & Diplomatic Officer in the public sector in 1974 and has served in various positions with Ministry of Finance, Ministry of Defence, Road Transport Department and Ministry of Entrepreneur Development	- Started as Manager in 1988 at the subsidiary of Tasek Maju Realty Sdn. Bhd., a Property Developer and promoted as Executive Director in 1990 - Subsequently, joined Daiman Development Berhad, a Property Developer as General Manager in 2006 and resigned in 2013 - Currently, he is an Advisor of S & L Vintners, a Wine Retailer
Member of board committees	- Nomination Committee (Chairman) - Audit Committee (Member)	- Audit Committee (Chairman) - Risk Management Committee (Chairman) - Remuneration Committee (Member) - Nomination Committee (Member)
Other directorship in public companies and listed issuers	Yoong Onn Corporation Berhad	No
Family relationship with any director and/or major shareholder of JTB	No	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	4	5

PROFILE OF BOARD OF DIRECTORS

Name	**NG LEE THIN**	**EDWARD GOH SWEE WANG**
Position	Independent Non-Executive Director	Chief Executive Officer (Key Senior Managament)
Age / Gender / Nationality	50 / Female / Malaysian	54 / Male / Malaysian
Date of first appointment	6 May 2014	31 December 2002
Qualification	- Bachelor of Economics (Hons) from University Utara Malaysia (1992) - Member of Malaysian Institute of Accountants ("MIA") - Fellow Member of Association of Chartered Certified Accountants ("FCCA")	- Bachelor of Science Degree in Mechanical Engineering and a Master Degree in Business Administration from the Oklahoma State University, United States of America (1988)
Working experience and occupation	- She has more than 20 years of experience in the field of corporate finance, auditing, accounting and taxation - She was the Financial Controller of Binaik Equity Bhd. for 9 years (2001 - 2009) before set up her own firm, Yellow Tax Services Sdn. Bhd. and NLT & Co. in year 2012 and 2015 respectively. Prior to that, she worked with Ernst & Young (1996 - 2001), Chiang & Chiang (1994 - 1995) and Artwright Marketing Sdn. Bhd. (1992 - 1994)	- More than 20 years of working experience in tin can industry - Oversees company planning, development, marketing and overall management
Member of board committees	- Remuneration Committee (Chairman) - Audit Committee (Member) - Nomination Committee (Member)	- Remuneration Committee (Member) - Risk Management Committee (Member)
Other directorship in public companies and listed issuers	No	No
Family relationship with any director and/or major shareholder of JTB	No	Son to Mr. Goh Mia Kwong who is a major shareholder of JTB
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	5	5

PROFILE OF BOARD OF DIRECTORS

Name	YEOW AH SENG @ YOW AH SENG	LIM HUN SWEE
Position	Executive Director	Executive Director
Age / Gender / Nationality	64 / Male / Malaysian	65 / Male / Singaporean
Date of first appointment	31 December 2002	26 August 2010
Qualification	- Supervision of factory operations and sales	- Management of factory operations
Working experience and occupation	- Started his career in the tin can manufacturing industry since 1983 - Joined Kluang Tin And Can Factory Sdn. Bhd. in 1988 as Executive Director	- 20 years' experience as Managing Director of In-Comix Food Industries Sdn. Bhd. and retired from the position since July 2009
Member of board committees	No	- Risk Management Committee (Member)
Other directorship in public companies and listed issuers	No	Tomypak Holdings Berhad
Family relationship with any director and/or major shareholder of JTB	No	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	5	5

PROFILE OF BOARD OF DIRECTORS

Name	**NG KENG HOE**
Position	Executive Director
Age / Gender / Nationality	43 / Male / Singaporean
Date of first appointment	1 June 2016
Qualification	- Double Degree in Chemical Engineering (Hons) and Bachelor of Commerce, major in Finance and Marketing from University of Sydney, Sydney (1999)
Working experience and occupation	- Started his career as Chemical Engineer in Sime Darby Edible Products Pte. Ltd. (2000 - 2004) - Subsequently, set up his own company, Able Perfect Sdn. Bhd. as President and Chief Executive Officer
Member of board committees	No
Other directorship in public companies and listed issuers	No
Family relationship with any director and/or major shareholder of JTB	No
Conflict of interests with JTB	No
Conviction for offences within the past 5 years, other than traffic offences	No
Number of board meetings attended in the financial year	3

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required to prepare the financial statements of the Group and of the Company, in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have ensured:

- Adopted appropriate accounting policies and applying them consistently;
- Reasonable and prudent judgments and estimates are made; and
- Applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enables them to ensure that the financial statements comply with the Companies Act 1965.

The Directors also have overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

This statement is made in accordance with a Board resolution dated 11 April 2017.

AUDIT COMMITTEE REPORT

The Board presents the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its function for the Group in 2016.

1. COMPOSITION AND ATTENDANCE

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors and included one (1) Director who is a member of the Malaysian Institute of Accountants ("MIA"). No alternate director is appointed as a member of the AC. This meets the requirements of paragraph 15.09(1)(a), (b), (c)(i) and 15.09(2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR").

All members of the AC are financially literate and appropriately qualified with sound knowledge and experience in accounting, business, and financial management. The details of attendance of each member at Committee Meetings held during the year are as follows:

Composition of Committee ***(Designation)***	**Number of Committee Meetings Attended**
Siah Chin Leong *(Chairman/Independent Non-Executive Director)*	5/5
Datuk Kamaludin Bin Yusoff *(Senior Independent Non-Executive Director)*	5/5
Ng Lee Thin *(Independent Non-Executive Director)*	5/5

The meetings were appropriately structured through the use of agendas and board papers containing information relevant to the matters for deliberation, which were distributed to members with sufficient notification.

The Board assesses the performance of the AC and its members through an annual evaluation. The Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities effectively and efficiently in accordance with the Terms of Reference of the AC.

2. MEETINGS

The Committee had convened a total of five (5) meetings during the financial year 2016. Meetings shall be held not less than four (4) times a year. The External Auditors ("EA") may request a meeting if they consider that one is necessary.

The Chief Executive Officer ("CEO") and other Board members were invited to the AC meeting to facilitate direct communications as well as to provide clarification on audit issues and the Group's operations. The representative of Internal Auditors ("IA") shall normally attend the meetings and the Group Financial Manager was invited to brief the AC on specific issues and areas arising from the quarterly financial results and annual audited financial statements. The presence of the EA will be by invitation as and when required.

The Secretary to the AC is the Company Secretary. Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation. During Board Meetings, the Chairman of the AC briefed the Board on the matters discussed at the AC meetings. The Chairman also briefed the Board on the discussions on the quarterly financial results, the annual Audited Financial Statements and the recommendations of the Committee to the Board for the adoption of the quarterly financial results and the annual audited financial statements.

AUDIT COMMITTEE REPORT

3. **TERMS OF REFERENCE**

3.1 Authority

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

(a) Investigate any activity within the Committee's Terms of Reference;
(b) Have resources which are reasonably required to enable it to perform its duties;
(c) Have full and unrestricted access to any information pertaining to the Company or the Group;
(d) Have direct communication channels with the EA and person(s) carrying out the internal audit function or activity (if any);
(e) Obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers necessary; and
(f) Convene meetings with EA, IA or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary, but at least twice a year.

3.2 The Duties of the Committee shall be to review the following and report the same to the Board:

(a) Any matters concerning the appointment, any questions of resignation or dismissal of the EA and the audit fee;
(b) The nature and scope of the audit by the EA before commencement;
(c) The EA's audit report, areas of concern arising from the audit and any other matters the EA may wish to discuss (in the absence of management if necessary);
(d) Any financial information for publication, including quarterly and annual financial statements, before submission to the Board, focusing particularly on:
- Changes in the implementation of major accounting policy;
- Significant and unusual events; and
- Compliance with accounting standards and legal requirements.

(e) The EA's management letter and management's response;
(f) The adequacy of the competency and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;
(g) The audit plan and work programme of internal audit and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit;
(h) Findings of internal audit work and management's response;
(i) Any evaluation on internal controls by auditors;
(j) To review and recommend the Risk Management Policy Framework for approval by the Board;
(k) To recommend to the Board on proposed changes in risk management policies and strategies, as and when necessary;
(l) To liaise with IA and EA in respect of their conduct of the audit/review of the Company's risk management process;
(m) To review reports to ensure compliance with risk management policies and provide recommendation where necessary;
(n) Extent of cooperation and assistance given by the employees;
(o) The propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group; and
(p) Any other matter as defined by the Board from time to time.

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the principal activities undertaken by the AC were summarised as follows:

(a) Overseeing the Company's financial reporting, the AC reviewed the quarterly financial statements for the 4th quarter of 2015, 1st, 2nd, 3rd and 4th quarters of 2016 at its meeting held on 27 February 2016, 30 May 2016, 29 August 2016, 22 November 2016 and 22 February 2017 respectively before recommending them for the Board's consideration and approval for release to the public;

(b) On 27 February 2016, 22 November 2016 and 22 February 2017, the AC had conducted private session meetings with the EA without the presence of the CEO, Management and employees of the Company to discuss the issues faced by EA in commencement and course of their audit;

(c) On 11 April 2016, the AC had reviewed and discussed with the EA on the audited financial statements of the Group for the year ended 31 December 2015. The review was to ensure that the audited financial statements were drawn up in accordance with the provision of the Companies Act, 1965 and the Malaysian Financial Reporting Standards ("MFRS");

(d) On 22 November 2016, the AC had reviewed with the EA their scope of work and audit plan prior to the commencement of the audit;

(e) On 22 February 2017, the AC had deliberated and reviewed the results of the external audit, the audit report and the management letter, including management's response in relation to the audited financial statements of the Group for the financial year ended 31 December 2016. AC also had reviewed the EA's remuneration and made recommendation to the Board for acceptance;

(f) Crowe Horwath ("CH") had confirmed that they had continuously complied with the relevant ethical requirement regarding independent through the conduct of the audit engagement in accordance with the International Federation of Accountant's Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice). The AC had reviewed the EA's performance, effectiveness, independence, remuneration, and level of non-audit services. Being satisfied with CH performance, the AC had recommended to the Board for approval on the re-appointment of CH as EA for the financial year ending 31 December 2017.

    The Board at its meeting on 22 February 2017 had approved on the AC's recommendation, to appoint CH as EA of the Company for the financial year ending 31 December 2017, subject to the shareholder's approval to be sought at the forthcoming 16th Annual General Meeting;

(g) The AC had reviewed and approved the internal audit reports which IA had presented to the AC on 27 February 2016, 30 May 2016, 29 August 2016 and 22 November 2016. The reports contained the findings, status and progress of the internal audits, audit recommendations provided by the IA and corrective actions taken by the Management in addressing and resolving issues. The areas covered by the IA in 2016 consists of:
    - Physical Safety and Security of facilities and all personnel
    - Distribution include on the sales and marketing
    - Regulatory compliance
    - Risk Management Framework – Annual review of the implementation;

(h) On 22 November 2016, the AC had reviewed the internal audit review plan for year 2017 and recommended for the Board's consideration and approval;

(i) Reviewed any related party transactions that may arose within the Company or the Group; and

(j) Reviewed and assessed the adequacy of the competency and effectiveness of the systems of risk management and internal control and the efficiency of the Group's operations in particular those relating to areas of significant risks.

5. **INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS**

The Company has outsourced its internal audit and risk management functions to Messrs SQM, a professional services firm as IA, which is tasked with the aim of providing assurance and assisting the AC and the Board in reviewing the adequacy and effectiveness of the internal control systems and risk management in the Company.

The internal audit function is a source to assist the AC and the Board to strengthen and improve current management and operating style in pursuit of best practices. The costs incurred for the internal audit function outsourced in respect of the financial year ended 31 December 2016 was RM66,000.

The main responsibilities of the IA are to:

- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control systems and processes;
- Perform a risk assessment of the Company to identify the business processes within the Company that internal audit should focus on; and
- Perform any ad hoc appraisals, inspections, investigations, examinations and reviews requests of the AC or Senior Management as appropriate.

Activities of Internal Audit Function

- Prepare internal audit reports, incorporating audit recommendations and management responses with regards to audit findings relating to the weaknesses in the systems and controls of the respective operations audited, were issued to the AC and the Management of the respective operations;
- Follow up with Management on the implementation of the agreed audit recommendations. The extent of compliance is reported to the AC on a regular basis. The AC in turn reviews the effectiveness of the system of internal controls in operations and reports the results thereon to the Board;
- Evaluate the relevance, reliability and integrity of financial and management information;
- Assess the means of safeguarding assets and verify their existence; and
- Ascertain the extent of compliance with established policies, procedures, plans, laws and regulations.

The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Company's systems of internal control and risk management.

This report is made with the approval of the Board dated 11 April 2017.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") is committed to ensure that a high standard of corporate governance are practiced throughout the Group as a fundamental part of discharging its duties and responsibilities, to safeguard and enhance the long-term interests of its shareholders and other stakeholders.

The Board is pleased to present the following statement, as sets out the manner in which the Group has applied the principles and specific recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code") and the extent of compliance recommendation advocated therein pursuant to paragraphs 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Board is responsible for oversight of Management comprising the Chief Executive Officer ("CEO"), Executive Directors and the Department Heads within the Group, which includes directing, overseeing and monitoring the Management, ethical conducts and regulatory compliances, as well as to raise questions to the Management on certain key areas based on information provided.

There is a clear division of responsibility at the control of the Board, to ensure a balance of power and authority. The Board is chaired by an Independent Non-Executive Director, who is responsible for heading the Board, to encourage all Directors to play an active role in Board activities, matters concerning the Board, to monitor overall conduct of the Board meetings as well as liaise with CEO and the Company Secretary on the agenda for Board meetings.

The Group is led and controlled by the Board. Specific responsibilities have been delegated to the Board Committees in order for them to discharge their fiduciary duties and to assist the Board in the running of the Group. The Board Committees comprising Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee.

Each Board Committee operates within clearly defined Terms of Reference. The Board Committees will then communicate with the Management to further discuss the matters that may have material impact on the Group's performance and results as a whole, and review the actions taken by the Management periodically. As for the employees, there are also clearly defined roles and responsibilities based on their job functions. However, the Board still remains fully responsible for the overall conducts of the Board Committees.

1.2 Clear Roles and Responsibilities

The following are the key responsibilities of the Board, in discharging its stewardship role:

A. Overseeing the conduct of the Group's business

The Board delegates certain responsibilities to the Board Committees, in which the members of the Board Committees comprise of a wide spectrum of skills, knowledge and expertise from varied business and educational backgrounds which is vital to the continued success of the Group's business.

The CEO is responsible for the day-to-day operations, overall management effectiveness, implementation of the policies and strategies adopted by the Board and seeking for long-term growth to achieve the Group's objectives as well as enhancing the shareholders' and other stakeholders' value.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2 Clear Roles and Responsibilities (Cont'd)

B. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

Management Committee ("MC") comprises mainly of the Top Management Team and the Department Heads, to identify, evaluate, monitor and manage significant risks faced by the Group, through the formation of Risk Management Framework ("RMF"). The Internal Auditors and Audit Committee ("AC") reviews the risk management profile and policies formulated by the MC and makes relevant recommendations to the Board for approval.

The Board also established Risk Management Committee ("RMC") to define and review the risk management strategies, policies and risk tolerance of the Group.

The systems of internal control have been implemented to reduce the risks of failure and to achieve the Group's objective.

Details of the RMF and RMC are set out on pages 32 and 34 of this Annual Report.

C. Succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management

The Board has established the Nomination Committee ("NC") and Remuneration Committee ("RC"). NC is responsible for selecting and recommending the candidates for new appointment as Directors, whereas RC is to determine the remuneration packages for Executive Directors of the Group.

Details of the NC and RC are set out on pages 24 to 26 of this Annual Report respectively.

D. Overseeing the development and implementation of a communication policy for the Group

In order to ensure shareholders, investors and other stakeholders are well-informed for the latest information and financial performance and results of the Group, all updates will be available, as soon as practicable, after the announcement was made to Bursa Malaysia, at our official website at http://www.johoretin.com.my.

E. Reviewing the adequacy and integrity of Risk Management and Internal Control System and Management Information System of the Group

The Board has delegated to the AC to examine the effectiveness of the Group's internal control systems and management information systems.

The details pertaining to the Group's Risk Management and Internal Control System and the review of its effectiveness are set out on pages 32 and 34 of this Annual Report.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.3 Code of Ethics and Conduct

The Board acknowledges the importance of establishing a corporate culture which governs the high standard of ethic and good conduct of all employees including Directors.

As a result, the Board has formalised the ethical standards through the Code of Ethics and Conduct ("the CEC") which provides general rules and guidelines for conducting business. In term of employee's personality and behaviour, CEC promotes honesty and integrity when dealing with people within or outside the organisation, and to avoid conflict of interest when dealing with customers or suppliers. Whereas in term of documentation and information, CEC provides guidelines on record-keeping and highlight the importance of confidential information or insider trading, as well as compliance with various relevant law & regulations, for which it may have major impact on the Group as a whole. CEC also strengthen the awareness of protection and proper use of Group's assets or properties.

The Code of Ethics and Conduct shall be reviewed and updated periodically should there be regulations changes or practical issues which are not covered by the present Code.

The Board has yet to establish the whistleblowing policy, but the Group provides briefings and handbook to all employees. Any violation, improper conduct or wrongdoing by any employee, the Group shall not tolerate with any such behaviour and action will be taken against the wrongdoers if subsequent investigation has been concluded and they were found guilty.

1.4 Sustainability

The Board recognises the importance of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and its growing impact to the Group including emphasis in the social and environmental impact of its business operations.

The Board acknowledges the significance of Corporate Social Responsibility ("CSR") and views CSR as an extension to the Group's efforts in promoting a strong corporate governance culture.

The Group is committed to the welfare of its employees, by providing on-job training programmes and attending trade fair/exhibition, to equip them with necessary skills and knowledge in order for them to perform better in the workplace. The Group is also concern about the safety and health of its employees in the workplace, by establishing the Safety and Health Committee, as in accordance with the Occupational Safety and Health Act 1994, in ensuring all employees adhere strictly to the safety's standard operating procedures and measures to prevent/minimise unnecessary incidents.

The Group contributes to various societies, associations and other charitable organisations and the environment to assists the community. Among the beneficiaries from our Group's contribution are National Council for the Blind Malaysia, The Johore Old Chinese Temple, JB Foon Yew Chinese Schools, Chong Hwa High School Kluang and etc.

The Group will continue its endavour to ensure wider community benefits from our efforts in enhancing the value of social responsibility.

1.5 Access to Information and Advice

All Directors, particularly the Independent Non-Executive Directors, who are not involved in the day-to-day operations of the Group, have unrestricted access to all information necessary relating to the Group's business and affairs to discharge their duties. The Directors are also furnished with additional information or clarification on matters tabled at Board meetings.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5 Access to Information and Advice (Cont'd)

Management may be invited to attend Board meetings whenever necessary, to reports to the Board on matters relating to their areas of responsibilities and highlighting relevant issues and updating latest information. The Independent Non-Executive Directors may require further explanation, information or updates on any aspects of the Group's operations or business concerns from the Management.

All Directors have access to the advice and services of the Company Secretary. And if deemed necessary, the Independent Non-Executive Director may seek independent professional or other advice, at the expense of the Group in the discharge of their duties, subject to the approval by the Chairman or the Board.

1.6 Qualified and Competent Company Secretary

Ms. Yong May Li was appointed as the Company Secretary of the Company in Year 2003. She is a secretary licensed by Companies Commission of Malaysia ("CCM") since October 1992 and an Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators. She is qualified to act as Company Secretary under Section 139A of the Companies Act 1965.

The Company Secretary plays an advisory role to the Board in relation to the compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Company Secretary is keeping abreast of the regulatory changes, latest development in corporate governance and other relevant matters, to ensure the Directors are well-informed to those changes at each Board meeting. She has also attended the continuous professional development programmes as required by the CCM.

All Agendas for each Board meeting were circulated to the Board members at least seven (7) days in advance to enable them to have sufficient time to digest all information and prepare for the meeting.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their duties.

1.7 Board Charter

The Board's charter of the Group, which sets out clearly, amongst others, the roles and responsibilities of the Board and the Board Committees, the composition and the process of the Board.

The following are the key matters that highlighted in the Group's Board charter:

a) Structure and membership;
b) A formal schedule of matters reserved for the Board;
c) A position description of the role of Chairman, CEO, and Executive Directors, as well as Non-Executive Directors;
d) An appointment of Board Committees;
e) Directors' orientation and education programme; and
f) An independent professional advice.

The Board Charter shall be reviewed periodically and updated in accordance with any changes in regulations or listing requirements that may have an impact on the discharge of the Board's responsibilities.

The details of the Board Charter are published in our Company's official website at http://www.johoretin.com.my.

2. STRENGTHEN COMPOSITION

2.1 Nominating Committee

The Nomination Committee ("NC") comprises three (3) members, all of whom are Independent Non-Executive Directors. The NC is chaired by a Senior Independent Non-Executive Director, as promulgated by the commentary to Recommendation 2.1 of the Code.

The Term of Reference of NC comprise of the following:

a) Recommend to the Board new candidates for directorship and members for the Board's Committees. Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
b) Assist the Board to review annually the required mix of skills and experience and other qualities of the Directors; and
c) Assist the Board to assess annually the effectiveness of the Board as a whole and the Board's Committees, as well as contribution of each individual Director.

The members of the NC and their attendance records are as follows:

Name of Directors (*Designation*)	**No. of Meetings Attended**
Datuk Kamaludin Bin Yusoff *(Chairman/Senior Independent Non-Executive Director)*	3/3
Siah Chin Leong *(Independent Non-Executive Director)*	3/3
Ng Lee Thin (f) *(Independent Non-Executive Director)*	3/3

Summary of activities of NC in discharge of its duties for the financial year are as follows:

a) Appointed new candidate as a Director to the Board according to the nomination process;
b) Reviewed the required mix of skills, experience, independence and diversity (including gender diversity) of the Board; and
c) Assessed the quantitative and qualitative performance criteria for evaluation of the performance of each member of the Board annually.

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

A. Appointment or Re-Appointment of Directors

The nomination process for the appointment of new Directors involves identifying the candidate and then evaluating his/her suitability. After due deliberation, the NC will recommend to the Board the candidate to be appointed as a Director. The final decision on any appointment rests with the Board. The NC also recommends to the Board those Directors who are retiring at the forthcoming Annual General Meeting for re-election.

The Board does take into consideration of the following criteria pertaining to the recruitment/appointment (including re-election/re-appointment) of Directors:

a) Relevant skills and experiences;
b) Industrial knowledge;
c) Education background;
d) Character and integrity; and
e) Expertise and professionalism.

2. STRENGTHEN COMPOSITION (CONT'D)

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

B. Annual Assessment

The NC is responsible for assessing and evaluating the performance of the Board and Board Committees on an annual basis in relation to their performance and contribution toward the needs of the Company. The evaluation took into consideration the competency, experience, character, integrity and time availability, including the mix of skills.

A peer assessment will be conducted via evaluation form which will circulate to each Director. The area of assessment for individual Director, Chairman of the Board and Chairman of Board Committees includes the contribution to interaction, quality of input and understanding of role.

The Company Secretary will compile and present the result of the analysis to the NC. The NC will then report the results to the Board for notation. The NC also will assess the performance of the Board as a whole and Board Committees. The areas of assessment for the Board include the Board structure, Board operations and Board Chairman's roles and responsibilities.

In 2016, the NC concluded that the overall performance of each individual director was rated as "Strong", while the overall performance of the Board and the Board Committees Chairman were rated as "Consistently Good".

C. Gender Diversity Policy

The Board does not have a gender diversity policy, however, as recommended by the Code (under Recommendation 2.2 of the Code), the Board has appointed a woman Director in 2014, as an Independent Non-Executive Director to participate on Board Committees as well.

D. Appointment of Senior Independent Non-Executive Director ("SINED")

The Board has appointed a SINED in 2014 (under Recommendation 2.1 of the Code). The roles and responsibilities for the said position are stated in the followings:

a) To ensure all Independent Directors have an opportunity to provide input on the agenda or advise the Chairman based on the information submitted by the Management to perform their duties and make quality judgment;
b) To ensure sufficient time is given to the Independent Directors for the discussion of all agenda items; and
c) To serve as a communication channel between the Board and the shareholders, either directly or indirectly, to discuss issues or suggestions that will affect the Group as a whole.

2.3 Remuneration Committee

The Remuneration Committee ("RC") consists of two (2) Independent Non-Executive Directors and CEO.

The following are the RC members and their attendance records:

Name of Directors (*Designation*)	No. of Meetings Attended
Ng Lee Thin (f) *(Chairman/Independent Non-Executive Director)*	3/3
Edward Goh Swee Wang *(Chief Executive Officer)*	3/3
Siah Chin Leong *(Independent Non-Executive Director)*	3/3

2. STRENGTHEN COMPOSITION (CONT'D)

2.3 Remuneration Policies (Cont'd)

The primary objective of the RC is to assist the Board in assessing and reviewing the remuneration packages of the Executive Directors to reflect the responsibility and commitment towards stewardship of the Directors and to enable the Company to recruit and retain the Directors needed to achieve the Group's objectives.

The RC is responsible for determining and developing the remuneration policy for the Executive Directors. The RC also recommends and assists the Board in determining the policy for the scope of service agreements for the Executive Directors, termination payments and compensation commitments, as well as the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.

The directors' fees for both Executive Directors and Non-Executive Directors are recommended by the Board as a whole, subject to the shareholders' approval at the forthcoming Annual General Meeting ("AGM"). The committee member's allowance and meetings allowance for Board and Board Committees, which form part of the director fees, are based on each committee member held the position in each Board and Board Committees, together with the attendance of the meeting conducted throughout the year.

Details of the Directors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2016 are summarised as below:

i) The aggregate remuneration of Directors are as follows:

Salaries and Other Emoluments	Executive (RM)	Non-Executive (RM)	Total (RM)
Salaries and other emoluments	3,405,677	-	3,405,677
Fees	469,667	224,000	693,667
Total	3,875,344	224,000	4,099,344

ii) The number of Directors whose remuneration falls within the successive band of RM50,000 are as follows:

Directors' Remuneration	Executive	Non-Executive	Total
RM50,001 – RM100,000	-	3	3
RM450,001 – RM500,000	1	-	1
RM750,001 – RM800,000	1	-	1
RM850,001 – RM900,000	1	-	1
RM1,650,001 – RM1,700,000	1	-	1

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

During the financial year under review, the NC has assessed the contribution and performance of the Independent Directors. The criteria set out in Paragraph 1.01 of the Listing Requirements of Bursa Securities were also used to assess the independence of Independent Director. The Board is satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to act in the best interests of the Group during deliberations at Board meetings.

3. REINFORCE INDEPENDENCE (CONT'D)

3.2 Tenure of Independent Director

Under the Recommendations 3.2 and 3.3 of the Code, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to either the re-designation of the director as a Non-Independent Director or seek for shareholders' approval to continue in office as an Independent Non-Executive Director.

Currently, the Chairman and all Independent Directors have served the Board for less than nine (9) years. Their tenures of services are set out in their respective Profile of Board of Directors on pages 11 to 14 of this Annual Report.

3.3 Separation of Positions of the Chairman and CEO

There is a clear division of responsibilities between the Chairman and the CEO, to ensure a balance of power and authority.

The Chairman, who is an Independent Non-Executive Director, is responsible for leading the Board and monitors the functions of the Management as well as the Board Committees. Whilst the CEO is responsible for overseeing the day-to-day operations, overall management effectiveness, implementation of the policies and strategies adopted by the Board and seeking for long-term growth to achieve the Group's objectives.

3.4 Board Composition

Currently, the Board consists of seven (7) Directors, comprising four (4) Executive Directors, and three (3) Independent Non-Executive Directors, having fulfills the prescribed requirement for at least two (2) or one-third (1/3) of the Board (whichever is higher) are Independent Directors as stated in paragraph 15.02(2) of the Listing Requirements of Bursa Securities.

The Independent Non-Executive Directors account for 42.86% of the Board, where the Chairman of the Board is an Independent Non-Executive Director. The Board is of the view that while it is important to promote gender diversity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge should remain a priority.

The current Board composition is classified in the following categories:

Composition	**Male**	**Female**	**Total**
Executive	4	-	4
Non-Executive	2	1	3
Total	**6**	**1**	**7**

Age Group	**Male**	**Female**	**Total**
40 - 49 years	1	-	1
50 - 59 years	2	1	3
60 - 69 years	3	-	3
Total	**6**	**1**	**7**

Race / Ethnicity	**Male**	**Female**	**Total**
Malay	1	-	1
Chinese	5	1	6
Total	**6**	**1**	**7**

Nationality	**Male**	**Female**	**Total**
Malaysian	4	1	5
Foreigner	2	-	2
Total	**6**	**1**	**7**

4. FOSTER COMMITMENT

4.1 Time Commitment

The Board schedules at least four (4) Board meetings in a year, with additional meetings whenever necessary, to discuss all relevant matters relating to the overall performance and results of the Group.

The Board is assisted by the Company Secretary to ensure timely circulation of notice of meetings, accuracy of the agenda content, records all the attendance of each individual Director, presence of a quorum, compliance with local regulations and listing requirements as well as keeping of proper minutes and other relevant records.

The attendances of each Director at the Board meetings are in the following:

Name of Directors *(Designation)*	Attendance
Datuk Kamaludin Bin Yusoff *(Chairman/Senior Independent Non-Executive Director)*	4/5
Edward Goh Swee Wang *(Chief Executive Officer)*	5/5
Yeow Ah Seng @ Yow Ah Seng *(Executive Director)*	5/5
Lim Hun Swee *(Executive Director)*	5/5
Siah Chin Leong *(Independent Non-Executive Director)*	5/5
Ng Lee Thin (f) *(Independent Non-Executive Director)*	5/5
Ng Keng Hoe *(Executive Director)* *(Appointed on 1 June 2016)*	3/3

Under Recommendation 4.1 of the Code, the Board has set out expectations on time commitment for its members and protocols for accepting new directorship. All Directors are required to notify the Chairman before accepting any new directorship. This is to show the time commitment from the Directors to carry out their responsibilities and duties.

4.2 Training

All the Directors have completed the Mandatory Accreditation Programme ("MAP"). In order for the Directors to discharge their duties with reasonable skills and knowledge, attending relevant training programmes are necessary to keep abreast with latest developments in the industry, on a continuous basis, in compliance with paragraph 15.08(3) of the Listing Requirements of Bursa Securities.

During the financial year under review, all Directors have attended the seminars or trainings as stated below:

Name of Directors	Workshops / Courses Attended	Date
Datuk Kamaludin Bin Yusoff	2017 Tax & Budget Conference	27 Oct 2016
Edward Goh Swee Wang	Global Dairy Congress China 2016	21-23 Sep 2016
Yeow Ah Seng @ Yow Ah Seng	2017 Tax & Budget Conference	3 Nov 2016
Lim Hun Swee	Transfer Pricing Developments	9 Nov 2016
Siah Chin Leong	2017 Tax & Budget Conference	3 Nov 2016
Ng Lee Thin (f)	2017 Budget Seminar	23 Nov 2016
Ng Keng Hoe	Mandatory Accreditation Programme	21-23 Sep 2016

Other than attending the seminars and workshops, the Directors are also well-informed on the updated financial and operational performance of the Group as well as changes in the regulatory and legislations which will affect the Group as a whole.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

In presenting the Group's annual audited financial statements and quarterly announcement of the financial results to the shareholders, the Management continues to ensure a balanced, understandable and meaningful assessment of the Group's financial performance and prospects, so as to give a true and fair view of the state of affairs of the Group, and of the results and cash flows for the financial year/period then ended, prior to recommending them to the Board for approval.

The AC assists the Board by monitoring and reviewing the information to be disclosed in the financial report, which is in compliance with the applicable accounting standards and statutory requirements, prior to its release to Bursa Securities.

The details pertaining to the composition of the AC and its functions are set out on pages 16 and 20 of this Annual Report.

5.2 Assessment on the Suitability and Independence of External Auditors

The Board, through the AC, maintains a formal and transparent relationship with the External Auditors in seeking their professional advice and ensuring compliance with the applicable accounting standards.

The External Auditors are invited to attend the AC meetings at least twice a year, to review and discuss the Group's accounting policies, internal control system and audit findings that may require the attention of the Board, as well as presenting their audit plan to the AC. Meetings with the External Auditors without Management have also been conducted twice during the year.

There are no significant non-audit services provided by the External Auditors, except for the non-audit fee payable in respect of professional services for act as the Reporting Accountants in relation to the proposed share split and bonus issue and the scrutiner fees for act as poll voting verifier at the Company's AGM as well as for the review of Statement on Risk Management and Internal Control.

The non-audit fee is set out on page 35 of this Annual Report.

The AC was satisfied with the suitability of the External Auditors based on the quality of services provided to the Group. The AC was also satisfied in its review that the self-declaration made by the audit engagement partner and engagement audit team members that they did not, in any way, impair their independence as External Auditors, as well as the provision of non-audit services by the External Auditors to the Group, for the current financial year, is relatively insignificant.

The tenure of the current External Auditors is reviewed on an annual basis. The Board is, in no doubt, satisfied with their competency, independence and professionalism throughout the audit assignment. However, the re-appointment of the External Auditors is subject to the shareholders' approval at the forthcoming AGM.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risks

The Risk Management Committee ("RMC") oversees the RMF of the Group and reviews the risk management and internal control system maintained by the Management and makes relevant recommendations to the Board for approval.

The roles and responsibilities of the RMF and Term of Reference of the RMC are set out on pages 32 and 33 of this Annual Report.

6. RECOGNISE AND MANAGE RISKS (CONT'D)

6.2 Risk Management and Internal Audit Functions

The Group has outsourced its risk management and internal audit function to a professional services firm, which is tasked with the aim of providing assurance and assisting the AC and the Board, in reviewing the adequacy and effectiveness of the internal control systems and risk management of the Group as a whole.

Details of the Group's risk management and internal control system are set out on pages 32 and 34 of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board is aware of the importance of timely and accurate material disclosure to the public and is compliance with Bursa Securities' Listing Requirements. This is to avoid confusion to the market and undermine the principle of orderly and fair market if the disclosures are incomplete or inaccurate.

The Board has delegated the authority to the CEO to approve all the announcements for release to Bursa Securities.

7.2 Leverage on Information Technology for Effective Dissemination of Information

Besides the disclosure of material information, the Board is using information technology or media to disseminate information, in order to enhance investor relations of the Group.

The Group maintains a website http://www.johoretin.com.my to disseminate up-to-date information and to keep shareholders, investors and other stakeholders well-informed on the Group's financial performance and operations.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

The Company's AGM remains the principal forum for dialogue and communication with the shareholders. The shareholders are encouraged to attend the Company's AGM and participate in the proceedings and take the opportunity to raise questions in relation to the results and operations of the Group. The Board of Directors and Management are available to respond to shareholders' queries. Shareholders who are unable to attend the Company's AGM are allowed to appoint proxies to attend and vote on their behalf.

The notice of AGM and Annual Report will be dispatched to the shareholders at least 21 days before the date of meeting.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

8.2 Encourage Poll Voting

In line with the best practice of Corporate Governance, the Board has passed a resolution by way of poll voting at the last AGM. The Board had also notified the shareholders of their rights to demand for poll voting during the last AGM.

This, rather than on a show of hands, would enforce greater shareholders' rights, and also allow all votes of shareholders who were unable to attend the AGM but who had appointed the Chairman of the meeting as proxy, to vote on their behalf in accordance with their instruction, for exercising their rights as shareholders of the Company.

8.3 Effective Communication and Proactive Engagement

At the AGM, all Directors are present in person to engage directly with the shareholders of the Company. The Management as well as the External Auditors and Internal Auditors were invited to attend the meeting, to respond to the shareholders' queries, if necessary.

The shareholders were also invited to submit additional questions or further doubt/queries they might have, after the meeting via post/e-mail, so that these queries could be responded after the meeting.

This statement is made in accordance with a Board resolution dated 5 April 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Johore Tin Berhad is committed in maintaining a sound internal control and risk management system. The Management will also continue to take appropriate measures to strengthen the risk management and system of internal control.

This Statement is made in pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The following Statement outlines the nature and scope of risk management and internal control system of the Group during the financial year under review.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's risk management and system of internal control, and for reviewing the adequacy and integrity of the system.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business goals and objectives within the tolerable levels that are accepted by the Board and Management. The possibility risk of failure in terms of human error, poor judgment in decision-making, control processes being deliberately circumvented by employees and others, and the occurrence of unforeseeable circumstances can only be prevented or reduced in order to achieve the business objectives of the Group. As a result, it can only provide reasonable, but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board is committed to maintain a sound risk management and internal control system, to safeguard shareholders' investment and the Group's assets, by ensuring the Risk Management Framework ("RMF") is embedded into the culture, processes and structures of the Group.

In order for the RMF to have its effectiveness, communication in relation to the segregation of authority, responsibility and accountability within the Group, it must be clearly defined to all levels of staff throughout the organisation. The setting of the RMF has been delegated by the Board to the Management Committee ("MC"), which is oversee by the independent Internal Auditors and the Audit Committee ("AC"), in identifying, evaluating, monitoring as well as managing those significant risks that are faced by the Group.

A Risk Management Committee ("RMC") comprises of Independent Non-Executive Director, Chief Executive Officer ("CEO"), Executive Director, Factory Manager and Finance Manager. The RMC is chaired by an Independent Non-Executive Director and meets at least two (2) times in a year.

The salient terms of reference of the RMC are as follows:

a) To define, review & recommend risk management strategies, policies and risk tolerance for the Board's decision making;
b) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
c) To ensure adequate infrastructure and resources are in place for effective risk management (i.e. ensuring the staff responsible for implementing risk management systems perform those duties independently of the Group's risk taking activities; and
d) To perform any other functions in relation to the risk management as and when identified by the RMC and the Board.

RISK MANAGEMENT FRAMEWORK (CONT'D)

In 2016, the RMC continues to focus on operational risks in term of factory spacing and storage planning, as well as human resources integration and manpower issues. The RMC was discussed to source for new warehouse by providing more storage space and will be finalised in year 2017. By integrating all human resources management and policies, it requires more efforts in term of time and cost to standardise all the rules and regulations of human resources, without compromising the employees' rights and benefits. As for the manpower issue, due to the location of the factory may not be as desire as the town city, thus the recruitment of employee is a challenge to the Group to obtain qualified, skilled and experience staff. However, the Group is optimistic over the manpower issue.

The RMC also reviewed, evaluated and discussed, through the Risk Register and the Risk Matrix, the matters pertaining to the key corporate risks that may affect the Group's decision making.

The RMC is satisfied with the risks findings for the financial year under review and subsequently recommended to the Board for its deliberation and approval at the Board meeting.

INTERNAL AUDIT

The internal audit function provides assessments as to whether risks, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled.

The internal audit functions had been outsourced to an independent professional services firm, Messrs SQM. Internal audit is carried out periodically in all the subsidiaries in accordance with the annual internal audit plan approved by AC. The internal audit review contained the findings, status and progress, recommendations and management responses which were reviewed directly by the AC and reported to the Board for approval on a quarterly basis.

During the financial year under review, the internal audit had been carried out on the safety and security, laws and regulations, sales and distributions cycles, as well as update on overall risk assessment for previous year's unsolved matters of all the operating subsidiaries of the Group. There were no significant weaknesses which resulted in material losses, contingencies or uncertainties that require disclosure in the Annual Report.

KEY INTERNAL CONTROL PROCESSES

The key elements of the Group's internal control system are described below:

a) A well-defined organisational structure with clear lines of responsibility and segregation of duties as well as clearly defined level of authority within the Group;
b) Sufficient insurance coverage to the Group's major assets against theft or disaster that may result in material losses, and to safeguard the best interests of its shareholders, investors and other stakeholders;
c) Proper rules and procedures in terms of hiring and termination of employees, performance appraisal, staff complaints and deficiencies, to ensure high level of efficiency in the workplace;
d) MC comprising Senior Management and the Department Heads, meet at least once a year, to discuss and identify key risk areas, and deliberate on the risk management and update the risk register with follow-up action plans; and
e) A code of ethic for all employees, which defines the ethical standards and work conduct required within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2016, and reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and system of internal control within the Group.

CONCLUSION

The Board is of the view that the Group's risk management and system of internal control are in place for the financial year under review and up to the date of approval of this Statement, are satisfactory and sufficient to safeguard the Group's assets, as well as the best interests of its shareholders, investors and other stakeholders.

The Board has also received reasonable assurance from the CEO and Group Finance Manager that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group as a whole. The assurance has been given based on the risk management and internal control system maintained by the Group, internal audit reports provided by the independent Internal Auditors and the management letter, which highlighted minor deficiencies by the External Auditors.

This statement is made in accordance with a Board resolution dated 11 April 2017.

ADDITIONAL COMPLIANCE INFORMATION

The information disclosed below is in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE

The status of utilisation of proceeds of RM29,857,706 raised from the Rights Issue by way of issuance of 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share is as follows:

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

* *Further upgrading works in the existing Kuala Langat's factory will only commence after transfer of some machineries into the new warehouse and factory, expected to be utilised in year 2017.*

(Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Securities.)

2. AUDIT AND NON-AUDIT SERVICES

The amount of audit fees payable to external auditors of the Company amounted to RM33,000 (2015: RM25,000). As for the Group, the total amount of audit fees payable to external auditors amounted to RM173,000 (2015: RM144,000).

The total amount of non-audit fees payable to external auditors of the Company for the financial year ended 31 December 2016, comprise of review of the Statement on Risk Management and Internal Control and the scrutiner fees for act as poll voting verifier at the Company's Annual General Meeting, as well as act as Reporting Accountant for proposed share split and bonus issue, amounted to RM22,000 (2015: RM6,000).

(Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Securities.)

3. MATERIAL CONTRACTS

Since year of 1999, a Director of a subsidiary has entered into a tenancy agreement with the respective subsidiary company of the Group. Both parties had mutually agreed to renew the tenancy agreement in every two (2) years. The last renewal on 15 November 2015 and shall expire on 14 November 2017, at a renewed monthly rental of RM1,400.

Another subsidiary company's Director had entered into a hostel tenancy agreement with the respective subsidiary of the Group and both parties had mutually agreed to renew the tenancy agreement in every two (2) years. The last renewal on 1 April 2015 and shall expire on 31 March 2017, at a renewed monthly rental of RM1,000.

Other than the above, there were no other material contracts entered into by the Group involving Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2016 or entered into since the end of the previous financial year.

(Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Securities.)

4. EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The Group did not offer any share scheme for employees during the financial year under review.

(Disclosed in accordance with Appendix 9C, Part A, item 27 of the Listing Requirements of Bursa Securities.)

5. CONTINUING EDUCATION PROGRAMME ("CEP")

All Directors have attended numerous seminars or courses during the financial year ended 31 December 2016.

Details of the seminars or courses attended are disclosed in the Corporate Governance Statement, as set out on page 27 of this Annual Report.

(Disclosed in accordance with Appendix 9C, Part A, item 28 of the Listing Requirements of Bursa Securities.)

6. INTERNAL AUDIT FUNCTION

The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year ended 31 December 2016 was RM66,000 (2015: RM66,000).

The Statement of Risk Management and Internal Control is set out on pages 32 and 34 of this Annual Report.

(Disclosed in accordance with Appendix 9C, Part A, item 30 of the Listing Requirements of Bursa Securities.)

7. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

During the financial year ended 31 December 2016, the Group does not have a shareholders' mandate for recurrent related party transactions. As a result, all relevant and necessary announcements related to recurrent related party transactions had been made once they reached the threshold limit.

All recurrent related party transactions entered were in the ordinary course of business and were carried out on the terms and conditions that were not materially different from those transactions with unrelated parties.

Details of the recurrent related party transactions are disclosed and set out in Note 36 (b) on page 96 of this Annual Report.

(Disclosed in accordance with paragraph 10.09(1)(b) of the Listing Requirements of Bursa Securities.)

8. SHARE BUY-BACKS

During the financial year under review, the Company did not enter into any share buy-back transaction.

(Disclosed in accordance with paragraph 12.23, Appendix 12D of the Listing Requirements of Bursa Securities.)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	35,443,202	12,141,755
Attributable to:-		
Owners of the Company	35,593,437	12,141,755
Non-controlling interests	(150,235)	-
	35,443,202	12,141,755

DIVIDENDS

A first and final dividend of 4 sen per ordinary share amounting to RM3,732,213 for the financial year ended 31 December 2015 was approved by the shareholders at the Annual General Meeting held on 30 May 2016 and paid on 29 July 2016.

At the forthcoming Annual General Meeting, a final dividend of 1.50 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2017.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the number of authorised share capital was increased from 200,000,000 to 400,000,000 by way of share split of 200,000,000 ordinary shares of RM1 each into 400,000,000 ordinary shares of RM0.50 each; and

ISSUES OF SHARES AND DEBENTURES (CONT'D)

During the financial year (Cont'd):-

(b) the Company increased its issued and paid-up share capital from RM93,305,333 to RM124,406,849 by way of:

i) share split of 93,305,333 ordinary shares of RM1 each into 186,610,666 ordinary shares of RM0.50 each ("share split"); and

ii) an issuance of 62,203,032 new ordinary shares of RM0.50 each on the basis of one (1) bonus share for every three (3) existing shares held ("bonus issue").

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

OPTIONS GRANTED OVER UNISSUED SHARES

Warrants

The Company had issued 23,326,333 Warrants which were listed on Bursa Malaysia Securities Berhad on 27 November 2012 pursuant to the rights issue on the basis of one (1) Rights Share and one (1) Warrants for every three (3) existing ordinary shares held in the Company.

The Warrants are constituted by a Deed Poll dated 10 October 2012 executed by the Company. Each Warrant entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price of RM2.28 per Warrant, subject to adjustment in accordance with the provisions of the Deed Poll. The Warrants not exercised at the date of the maturity will thereafter lapse and cease to be valid for any purpose.

On 19 September 2016, a total of 38,876,899 free Warrants have been issued pursuant to the share split and bonus issue. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2016.

There were adjustments of exercise price from RM2.28 per Warrant to RM0.85 per Warrant after completion of share split and bonus issue.

As at 31 December 2016, the entire 62,203,232 Warrants remained unexercised. The summary of the movements of Warrants is as follows:

		Number of Warrants			
Issue Date	**Expiry date**	**Balance as of 1.1.2016**	**Granted**	**Exercised**	**Balance as of 31.12.2016**
27.11.2012	24.11.2017	23,326,333	38,876,899	-	62,203,232

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 39 to the financial statements. At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT

DIRECTORS

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

Edward Goh Swee Wang
Yeow Ah Seng @ Yow Ah Seng
Datuk Kamaludin Bin Yusoff
Lim Hun Swee
Ng Keng Hoe (Appointed on 1 June 2016)
Ng Lee Thin
Siah Chin Leong

DIRECTORS' INTERESTS

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

	<-------------------------Number of Ordinary Shares------------------------->				
	<-------RM1.00 each------->		<---------------RM0.50 each--------------->		
	At 1.1.2016	**Bought**	**Share split**	**Bonus issue**	**At 31.12.2016**
Direct Interest in the Company					
Datuk Kamaludin Bin Yusoff	147,300	90,000	237,300	158,200	632,800
Edward Goh Swee Wang	5,217,876	-	5,217,876	3,478,584	13,914,336
Lim Hun Swee	13,215,000	-	13,215,000	8,809,999	35,239,999
Ng Keng Hoe	9,608,900	-	9,608,900	6,405,933	25,623,733
Yeow Ah Seng @ Yow Ah Seng	1,978,666	-	1,978,666	1,319,110	5,276,442
Siah Chin Leong	1,000	-	1,000	666	2,666
Indirect Interest in the Company					
Datuk Kamaludin Bin Yusoff	4,378,040	-	4,378,040	2,918,692	11,674,772
Edward Goh Swee Wang	13,470,885	10,000	13,480,885	8,987,256	35,949,026
Ng Keng Hoe	746,666	-	746,666	497,777	1,991,109

By virtue of Edward Goh Swee Wang, Lim Hun Swee and Ng Keng Hoe's shareholding in the shares of the Company, they are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year had no interest in shares over shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 36(b) to the financial statements.

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

AUDITORS

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

Signed in accordance with a resolution of the directors dated 11 April 2017.

Edward Goh Swee Wang **Yeow Ah Seng @ Yow Ah Seng**

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 47 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 11 April 2017.

Edward Goh Swee Wang

Yeow Ah Seng @ Yow Ah Seng

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Leo Aun Foo, being the officer primarily responsible for the financial management of Johore Tin Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 113 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
the above named Leo Aun Foo
at Johor Bahru in the state of Johor
on this 11 April 2017

Before me

Leo Aun Foo

Nur Sabrina binti Abdullah (No. J276)
Commisioners for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JOHORE TIN BERHAD (Incorporated in Malaysia) Company No: 532570-V

Report on the Financial Statements

Opinion

We have audited the financial statements of Johore Tin Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Goodwill impairment Refer to Note 8 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
We focused on this area because the Group carries significant goodwill. There is judgement in the identification and aggregation of cash generating units (CGUs) and in the assumptions used in the annual goodwill impairment review.	We obtained the details of goodwill impairment assessment and details of budgets and forecasts and performed the following procedures:- • Test calculation and evaluated the reasonableness of assumptions and determine whether management's assumptions, either individually or as a whole, provide a reasonable basis for the fair value measurements and disclosures. • Determined if the method of valuation chosen by management is appropriate and identify if there are any indicators of possible management bias. • Developed stress tests on certain key assumptions used and assess the range estimate for all 'reasonable outcomes'. • Established that if there is any foreseeable reasonable possible change in key assumptions that will trigger the recoverable amount to be lower than the carrying amount.

Report on the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Impairment of Trade Receivables Refer to Note 10 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
We focused on this area because the Group carries significant amount of trade receivables as at financial year end. There is judgement in the identification of doubtful debts and assumptions used in making of allowance for impairment losses.	We obtained the details of trade receivables ageing report and performed the following procedures:- • Test the reliability and accuracy of ageing report. • Determined if the method of impairment adopted by management is according to the Group policy. • Evaluated the sufficiency and reasonableness of impairment provided by management.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Report on the Financial Statements (Cont'd)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which are indicated in Note 5 to the financial statements, being financial statements that have included in the consolidated financial statements.

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

CROWE HORWATH
Firm No.: AF 1018
Chartered Accountants
11 April 2017

TAN LIN CHUN
Approval No: 2839/10/17 (J)
Chartered Accountant

Johor Bahru

STATEMENTS OF FINANCIAL POSITION
At 31 December 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	**-**	-	**137,496,347**	133,496,347
Property, plant and equipment	6	**102,953,105**	100,226,069	**219,438**	312,004
Other investment	7	**16,500**	16,500	**-**	-
Goodwill	8	**10,650,327**	10,650,327	**-**	-
		113,619,932	110,892,896	**137,715,785**	133,808,351
CURRENT ASSETS					
Inventories	9	**80,453,447**	130,631,038	**-**	-
Trade receivables	10	**83,501,184**	81,873,400	**-**	-
Other receivables, deposits and prepayments	11	**4,712,718**	3,294,902	**-**	-
Amount owing by subsidiaries	12	**-**	-	**6,494,000**	990,000
Current tax assets		**3,072,042**	3,315,856	**286,118**	291,068
Derivative assets	13	**-**	20,500	**-**	-
Fixed deposits with licensed banks	14	**21,696**	21,125	**-**	-
Cash and bank balances		**61,573,960**	36,897,949	**2,518,888**	288,753
		233,335,047	256,054,770	**9,299,006**	1,569,821
TOTAL ASSETS		**346,954,979**	366,947,666	**147,014,791**	135,378,172

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

STATEMENTS OF FINANCIAL POSITION
At 31 December 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	**124,406,849**	93,305,333	**124,406,849**	93,305,333
Reserves	16	**100,218,067**	101,573,246	**9,918,083**	32,610,057
Equity attributable to owners of the Company		**224,624,916**	194,878,579	**134,324,932**	125,915,390
Non-controlling interests		**(364,640)**	(2,472,965)	**-**	-
TOTAL EQUITY		**224,260,276**	192,405,614	**134,324,932**	125,915,390
NON-CURRENT LIABILITIES					
Long-term borrowings	17	**4,425,897**	6,537,432	**1,318,454**	2,757,854
Retirement benefits	18	**344,000**	456,000	**-**	-
Deferred tax liabilities	19	**8,859,611**	5,857,145	**78,000**	78,000
		13,629,508	12,850,577	**1,396,454**	2,835,854
CURRENT LIABILITIES					
Trade payables	20	**25,671,743**	38,086,603	**-**	-
Other payables and accruals	21	**17,968,490**	16,220,610	**510,257**	568,529
Amount owing to directors	22	**147,391**	1,187,107	**-**	-
Amount owing to subsidiaries	12	**-**	-	**-**	629,550
Bank overdraft	23	**914,916**	2,665,427	**-**	-
Retirement benefits	18	**200,001**	-	**-**	-
Current tax liabilities		**1,195,668**	2,542,350	**-**	-
Derivative liabilities	13	**651,355**	-	**-**	-
Short-term borrowings	24	**62,315,631**	100,989,378	**10,783,148**	5,428,849
		109,065,195	161,691,475	**11,293,405**	6,626,928
TOTAL LIABILITIES		**122,694,703**	174,542,052	**12,689,859**	9,462,782
TOTAL EQUITY AND LIABILITIES		**346,954,979**	366,947,666	**147,014,791**	135,378,172

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

		The Group		The Company	
		2016	**2015**	**2016**	**2015**
	Note	**RM**	**RM**	**RM**	**RM**
REVENUE	27	**441,199,071**	417,410,049	**14,380,646**	10,639,072
OTHER OPERATING INCOME		**8,701,297**	5,781,327	**8,822**	23,398
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		**1,105,608**	1,256,075	**-**	-
RAW MATERIALS AND CONSUMABLES USED		**(332,287,535)**	(328,067,972)	**-**	-
EMPLOYEE BENEFITS	28	**(29,085,453)**	(25,950,016)	**(1,055,502)**	(1,241,721)
DEPRECIATION OF PROPERTY,PLANT AND EQUIPMENT		**(7,573,460)**	(7,586,634)	**(92,566)**	(92,984)
DEPRECIATION OF INVESTMENT PROPERTIES		**-**	(13,833)	**-**	-
FINANCE COSTS		**(2,759,931)**	(2,766,830)	**(449,532)**	(477,621)
OTHER OPERATING EXPENSES		**(32,508,332)**	(37,014,730)	**(650,113)**	(416,977)
PROFIT BEFORE TAX	29	**46,791,265**	23,047,436	**12,141,755**	8,433,167
INCOME TAX EXPENSE	30	**(11,348,063)**	(7,386,289)	**-**	23,500
PROFIT AFTER TAX		**35,443,202**	15,661,147	**12,141,755**	8,456,667
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Items that May be Reclassified Subsequently to Profit or Loss					
- Foreign currency translation differences		**143,673**	80,728	**-**	-
		143,673	80,728	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**35,586,875**	15,741,875	**12,141,755**	8,456,667

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		**35,593,437**	17,301,772	**12,141,755**	8,456,667
Non-controlling interests		**(150,235)**	(1,640,625)	**-**	-
		35,443,202	15,661,147	**12,141,755**	8,456,667
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**35,737,110**	17,382,500	**12,141,755**	8,456,667
Non-controlling interests		**(150,235)**	(1,640,625)	**-**	-
		35,586,875	15,741,875	**12,141,755**	8,456,667
EARNINGS PER SHARE (SEN)					
- basic	31	**14.31**	6.95		
- diluted	31	**13.94**	N/A		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Note	Share Capital RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Attributable to Owner of The Company RM	Non-controlling Interest RM	Total Equity RM
		<--------- Non-Distributable			----------->	Distributable			
The Group									
Balance at 1.1.2015		93,305,333	5,528,136	(683,320)	5,232,757	77,378,859	180,761,765	(832,340)	179,929,425
Profit after tax for the financial year		-	-	-	-	17,301,772	17,301,772	(1,640,625)	15,661,147
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation differences		-	-	80,728	-	-	80,728	-	80,728
Total comprehensive income for the financial year		-	-	80,728	-	17,301,772	17,382,500	(1,640,625)	15,741,875
Distribution to owners of the Company									
- Dividends	32	-	-	-	-	(3,265,686)	(3,265,686)	-	(3,265,686)
Total transaction with owners		-	-	-	-	(3,265,686)	(3,265,686)	-	(3,265,686)
Balance at 31.12.2015		93,305,333	5,528,136	(602,592)	5,232,757	91,414,945	194,878,579	(2,472,965)	192,405,614

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Note	Share Capital RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Attributable to Owner of The Company RM	Non-controlling Interest RM	Total Equity RM
		<--------- Non-Distributable			----------->	Distributable			
The Group									
Balance at 31.12.2015/1.1.2016		93,305,333	5,528,136	(602,592)	5,232,757	91,414,945	194,878,579	(2,472,965)	192,405,614
Profit after tax for the financial year		-	-	-	-	35,593,437	35,593,437	(150,235)	35,443,202
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation differences		-	-	143,673	-	-	143,673	-	143,673
Total comprehensive income for the financial year		-	-	143,673	-	35,593,437	35,737,110	(150,235)	35,586,875
Contribution by and distribution to owners of the Company									
- Issuance of bonus shares		31,101,516	(5,528,136)	-	-	(25,573,380)	-	-	-
- Dividends	32	-	-	-	-	(3,732,213)	(3,732,213)	-	(3,732,213)
- Effect of change in NCI %		-	-	-	-	(2,258,560)	(2,258,560)	2,258,560	-
Total transaction with owners		31,101,516	(5,528,136)	-	-	(31,564,153)	(5,990,773)	2,258,560	(3,732,213)
Balance at 31.12.2016		124,406,849	-	(458,919)	5,232,757	95,444,229	224,624,916	(364,640)	224,260,276

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

		<---- Non-Distributable ---->			Distributable	
		Share	Share	Warrants	Retained	Total
		Capital	Premium	Reserve	Profits	Equity
	Note	RM	RM	RM	RM	RM
The Company						
Balance at 1.1.2015		93,305,333	5,528,136	5,232,757	16,658,183	120,724,409
Total comprehensive income for the financial year		-	-	-	8,456,667	8,456,667
Distribution to owners of the Company						
- Dividends	32	-	-	-	(3,265,686)	(3,265,686)
Balance at 31.12.2015/1.1.2016		93,305,333	5,528,136	5,232,757	21,849,164	125,915,390
Total comprehensive income for the financial year		-	-	-	12,141,755	12,141,755
Distribution to owners of the Company						
- Issuance of bonus shares		31,101,516	(5,528,136)	-	(25,573,380)	-
- Dividends	32	-	-	-	(3,732,213)	(3,732,213)
Balance at 31.12.2016		124,406,849	-	5,232,757	4,685,326	134,324,932

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

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2016

		The Group		The Company	
		2016	**2015**	**2016**	**2015**
	Note	**RM**	**RM**	**RM**	**RM**
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		**46,791,265**	23,047,436	**12,141,755**	8,433,167
Adjustments for:-					
Allowance for impairment losses on trade receivables	10	**93,666**	447,537	**-**	-
Bad debts written off		**-**	5,029	**-**	-
Dividend income		**-**	-	**(14,000,646)**	(10,259,072)
Depreciation of property, plant and equipment		**7,573,460**	7,586,634	**92,566**	92,984
Depreciation of investment properties		**-**	13,833	**-**	-
Gain on disposal of property, plant and equipment		**(210,555)**	(8,500)	**-**	-
Gain on disposal of investment properties		**-**	(3,311,715)	**-**	-
Loss/(Gain) on foreign exchange - unrealised		**1,781,950**	(1,659,969)	**-**	-
Loss/(Gain) on fair value changes in financial instruments		**671,855**	(737,005)	**-**	-
Interest expense		**2,759,931**	2,325,927	**449,532**	477,621
Interest income		**(342,903)**	(266,664)	**(8,822)**	(23,398)
Property, plant and equipment written off		**-**	211,520	**-**	1,000
Provision for retirement benefits	18	**93,234**	101,444	**-**	-
Reversal of allowance for impairment losses on trade receivables	10	**(62,802)**	(3,000)	**-**	-
Reversal of inventories previously written off	9	**(144,314)**	(35,768)	**-**	-
Operating profit/(loss) before working capital changes		**59,004,787**	27,716,739	**(1,325,615)**	(1,277,698)
Decrease in inventories		**50,321,905**	118,744	**-**	-
Increase in trade and other receivables		**(3,579,579)**	(8,534,615)	**-**	-
Increase in amount owing by subsidiaries		**-**	-	**(1,170,000)**	(605,000)
Decrease in trade and other payables		**(10,884,021)**	(16,047,512)	**(58,272)**	(210,976)
(Decrease)/Increase in amount owing to directors		**(1,039,716)**	498,277	**-**	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		**93,823,376**	3,751,633	**(2,553,887)**	(2,093,674)

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	The Group 2016 RM	The Group 2015 RM	The Company 2016 RM	The Company 2015 RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		**93,823,376**	3,751,633	**(2,553,887)**	(2,093,674)
Interest expense		**(2,759,931)**	(2,325,927)	**(449,532)**	(477,621)
Tax paid		**(9,752,450)**	(8,283,184)	**(31,050)**	(36,000)
Tax refund		**303,985**	77,256	**36,000**	43,256
Retirement benefits paid		**(5,233)**	(36,444)	**-**	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**81,609,747**	(6,816,666)	**(2,998,469)**	(2,564,039)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received		**-**	-	**14,000,646**	10,259,072
Interest received		**342,903**	266,664	**8,822**	23,398
Placement of Escrow deposit		**(1,762)**	(7,225)	**-**	-
Proceeds from disposal of property, plant and equipment		**311,774**	8,500	**-**	-
Proceeds from disposal of investment properties		**-**	4,919,348	**-**	-
Contribution to subsidiaries	5	**-**	-	**-**	(5,293,746)
Purchase of property, plant and equipment	33	**(10,401,714)**	(25,331,298)	**-**	-
Aditional investment in an existing subsidiary	5	**-**	-	**(4,000,000)**	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(9,748,799)**	(20,144,011)	**10,009,468**	4,988,724

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2016

		The Group		The Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid	32	**(3,732,213)**	(3,265,686)	**(3,732,213)**	(3,265,686)
Drawdown of bills payable		**1,667,685**	3,318,893	**-**	-
Repayment of bankers' acceptance		**(50,661,607)**	-	**-**	-
(Repayment)/Drawdown of trust receipts		**(14,004,667)**	40,703,078	**-**	-
Drawdown of revolving credit		**25,012,105**	630	**5,349,151**	630
Repayment of hire purhcase obligations		**(1,909,921)**	(3,200,479)	**-**	-
Repayment of term loans		**(1,950,672)**	(1,923,803)	**(1,434,252)**	(1,433,705)
Advances to a subsidiary		**-**	-	**(4,334,000)**	-
Repayment to subsidiaries		**-**	-	**(629,550)**	(4,115,339)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		**(45,579,290)**	35,632,633	**(4,780,864)**	(8,814,100)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**26,281,658**	8,671,956	**2,230,135**	(6,389,415)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**34,246,422**	25,493,738	**288,753**	6,678,168
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**143,673**	80,728	**-**	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	**60,671,753**	34,246,422	**2,518,888**	288,753

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

1. GENERAL INFORMATION

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 11 April 2017.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

MFRSs (Including The Consequential Amendments)
MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception
Amendments to MFRS 101: Disclosure Initiative
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Annual Improvements to MFRSs 2012 – 2014 Cycle

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

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017

The adoption of the above accounting standards and/or intrepretation (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

1. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(c) Impairment of Non-Financial Assets

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

(d) Write-down of Inventories

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

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

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

(e) Classification between Investment Properties and Owneroccupied Properties

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

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

(f) Impairment of Trade and Other Receivables

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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

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

(h) Classification of Leasehold Land

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

(i) Impairment of Goodwill

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

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

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

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

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

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

(d) Loss of Control

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Transactions and Balances

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

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

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

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operations and are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

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

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

(a) Financial Assets

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

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

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

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

(ii) Held-to-maturity Investments

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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

(iv) Available-for-sale Financial Assets

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

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

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

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

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

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derivatives Financial Instruments

Derivatives financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is categorised as at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the host contract.

(e) Derecognition

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Company recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.6 INVESTMENTS

(a) Investment in Subsidiaries

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

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

(b) Transferable Golf Club Membership

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

4.7 PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assestments or the time value of money and the risks specific to the assets. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately.

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

4.9 LEASED ASSETS

(a) Finance Assets

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statements of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(b) Operating Lease

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statements of financial position of the Group.

Payments made under operating leases are recognised as an expense in profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

The lump sum upfront lease payments made in respect of leasehold land which in substance is an operating lease is classified as prepaid lease payments. The prepaid lease payments are stated at cost less accumulated amortisation. The amortisation is charged to profit or loss in equal instalments over the lease periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis (tin manufacturing segment) and weighted average basis (food and beverage segment) respectively and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

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

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.12 PROVISIONS

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

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

(c) Defined Benefit Plans

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

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

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

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

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

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

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST. However, when the GST incurred are related to purchases of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

Receivables and payables are stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 RELATED PARTIES

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

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

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

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

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

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

Related parties also include key management personnel defined as those person having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

4.16 CONTINGENT LIABILITIES

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

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

4.17 OPERATING SEGMENTS

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 EARNINGS PER ORDINARY SHARES

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinanry share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the effects of all dilutive ordinary shares, which comprise warrants.

4.19 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.20 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

4.21 REVENUE AND OTHER INCOME

(a) Sale of Goods

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

(b) Dividend Income

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

(c) Management Fee

Management fee is recognised on an accrual basis.

(d) Interest Income

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

(e) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2016 RM	The Company 2015 RM
Unquoted shares in Malaysia, at cost		
At 1 January	**99,517,850**	99,517,850
Addition during the financial year	**4,000,000**	-
At 31 December	**103,517,850**	99,517,850
Contributions to subsidiaries:-		
At 1 January	**33,978,497**	28,684,751
Addition during the financial year	**-**	5,293,746
At 31 December	**33,978,497**	33,978,497
	137,496,347	133,496,347

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

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent (%) 2016	Percentage of Issued Share Capital Held by Parent (%) 2015	Principal Activities
Subsidiaries of the Company				
Johore Tin Factory Sendirian Berhad ("JTFSB")	Malaysia	100	100	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd. ("UISB")	Malaysia	100	100	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	Malaysia	100	100	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling of milk and other related dairy products
Able Food Sdn. Bhd.	Malaysia	96	80	Trading of milk and other related dairy products
Subsidiary of JTFSB				
PT Medan Johor Tin *	Indonesia	100	100	Dormant

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

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) On 23 December 2016, the Company has subscribed for additional 16% equity interests in Able Food Sdn. Bhd..

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

	Effective Equity Interest		The Group	
	2016	2015	2016	2015
	%	%	RM	RM
Able Food Sdn. Bhd.	**4**	20	**(364,640)**	(2,472,965)

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

	Able Food Sdn. Bhd.	
	2016	2015
	RM	RM
<u>At 31 December</u>		
Non-current assets	**670,038**	606,394
Current assets	**61,799,914**	106,680,103
Current liabilities	**(71,585,945)**	(119,651,315)
Net liabilities	**(9,115,993)**	(12,364,818)
<u>Financial Year Ended 31 December</u>		
Revenue	**134,907,617**	152,160,296
Loss for the financial year / Total comprehensive expense	**(751,175)**	(8,203,121)
Total comprehensive expense attributable to non-controlling interests	**(150,235)**	(1,640,624)
Net cash flows from/(for) operating activities	**51,498,859**	(51,922,063)
Net cash flows for investing activities	**(128,527)**	(209,772)
Net cash flows (for)/from financing activities	**(54,014,100)**	56,595,850

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2016 RM	Additions (Note 33) RM	Reclassification RM	Disposal RM	Depreciation charge RM	At 31.12.2016 RM
2016						
Net book value						
Freehold land	15,238,983	191,230	-	-	-	15,430,213
Leasehold land	47,693	-	-	-	(1,539)	46,154
Factory buildings	17,230,823	1,180,551	23,665,348	-	(545,903)	41,530,819
Plant and machinery	31,319,410	7,232,580	5,482,768	(5,333)	(5,328,498)	38,700,927
Moulds, tools and factory equipment	1,717,157	71,196	-	-	(331,004)	1,457,349
Electrical installations and substation	1,550,209	17,508	-	-	(289,300)	1,278,417
Motor vehicles	907,865	836,394	-	(95,885)	(473,761)	1,174,613
Office equipment, furniture and fittings	1,424,345	210,289	-	-	(311,947)	1,322,687
Renovation	1,641,468	661,966	-	-	(291,508)	2,011,926
Building under construction	23,665,348	-	(23,665,348)	-	-	-
Machinery in progress	5,482,768	-	(5,482,768)	-	-	-
	100,226,069	10,401,714	-	(101,218)	(7,573,460)	102,953,105

	At 1.1.2015 RM	Additions (Note 33) RM	Written off RM	Depreciation charge RM	At 31.12.2015 RM
2015					
Net book value					
Freehold land	15,233,913	5,070	-	-	15,238,983
Leasehold land	49,232	-	-	(1,539)	47,693
Factory buildings	17,653,247	-	-	(422,424)	17,230,823
Plant and machinery	35,564,761	1,434,440	(210,520)	(5,469,271)	31,319,410
Moulds, tools and factory equipment	1,802,988	236,480	-	(322,311)	1,717,157
Electrical installations and substation	1,858,828	-	-	(308,619)	1,550,209
Motor vehicles	1,184,039	227,417	-	(503,591)	907,865
Office equipment, furniture and fittings	1,455,376	264,510	(1,000)	(294,541)	1,424,345
Renovation	1,693,686	212,120	-	(264,338)	1,641,468
Building under construction	5,731,855	17,933,493	-	-	23,665,348
Machinery in progress	-	5,482,768	-	-	5,482,768
	82,227,925	25,796,298	(211,520)	(7,586,634)	100,226,069

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
2016				
Freehold land	**15,430,213**	**-**	**-**	**15,430,213**
Leasehold land	**76,930**	**(30,776)**	**-**	**46,154**
Factory buildings	**45,967,073**	**(4,436,254)**	**-**	**41,530,819**
Plant and machinery	**97,239,702**	**(57,121,020)**	**(1,417,755)**	**38,700,927**
Moulds, tools and factory equipment	**6,122,441**	**(4,665,092)**	**-**	**1,457,349**
Electrical installations and substation	**3,360,417**	**(2,082,000)**	**-**	**1,278,417**
Motor vehicles	**3,850,293**	**(2,675,680)**	**-**	**1,174,613**
Office equipment, furniture and fittings	**3,567,134**	**(2,244,447)**	**-**	**1,322,687**
Renovation	**3,902,408**	**(1,890,482)**	**-**	**2,011,926**
	179,516,611	**(75,145,751)**	**(1,417,755)**	**102,953,105**
2015				
Freehold land	15,238,983	-	-	15,238,983
Leasehold land	76,930	(29,237)	-	47,693
Factory buildings	21,121,174	(3,890,351)	-	17,230,823
Plant and machinery	85,785,913	(53,048,748)	(1,417,755)	31,319,410
Moulds, tools and factory equipment	6,051,245	(4,334,088)	-	1,717,157
Electrical installations and substation	3,342,909	(1,792,700)	-	1,550,209
Motor vehicles	3,977,683	(3,069,818)	-	907,865
Office equipment, furniture and fittings	3,398,845	(1,974,500)	-	1,424,345
Renovation	3,240,442	(1,598,974)	-	1,641,468
Building under construction	23,665,348	-	-	23,665,348
Machinery in progress	5,482,768	-	-	5,482,768
	171,382,240	(69,738,416)	(1,417,755)	100,226,069

The Company	At 1.1.2016 RM	Depreciation Charge RM	At 31.12.2016 RM
2016			
Net book value			
Office equipment, furniture and fittings	**312,004**	**(92,566)**	**219,438**

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

	At 1.1.2015 RM	Written off RM	Depreciation Charge RM	At 31.12.2015 RM
2015				
Net book value				
Office equipment, furniture and fittings	405,988	(1,000)	(92,984)	312,004

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2016			
Office equipment, furniture and fittings	**578,614**	**(359,176)**	**219,438**
2015			
Office equipment, furniture and fittings	578,614	(266,610)	312,004

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

	The Group 2016 RM	The Group 2015 RM
Plant and machinery	**-**	10,906,000
Motor vehicles	**213,774**	325,501
	213,774	11,231,501

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

	The Group 2016 RM	The Group 2015 RM
Factory building	**5,675,364**	5,813,584

7. OTHER INVESTMENT

	The Group	
	2016	2015
	RM	RM
Transferable golf club membership, at cost	**16,500**	16,500

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

8. GOODWILL

	The Group	
	2016	2015
At cost:-	RM	RM
At 1 January/31 December	**10,650,327**	10,650,327

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

	The Group	
	2016	2015
	RM	RM
Food and beverage	**10,650,327**	10,650,327

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

	Gross Margin		Growth Rate		Discount Rate	
	2016	2015	2016	2015	2016	2015
	%	%	%	%	%	%
Food and beverage	19	18	-	-	8.00	8.68

(i) Budgeted gross margin - Average gross margin achieved in 3 financial years immediately before the budgeted period

(ii) Growth rate - Assume no growth for the subsequent 5 years

(iii) Discount rate (pre-tax) - Reflects specific risks relating to the relevant cash-generating unit

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

(c) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to be exceeded its recoverable amount.

9. INVENTORIES

	The Group	
	2016	**2015**
	RM	**RM**
Raw materials	**47,736,450**	80,775,183
Work-in-progress	**12,486,621**	11,218,975
Finished goods	**7,372,040**	9,836,961
Goods-in-transit	**12,858,336**	28,799,919
	80,453,447	130,631,038
Recognised in profit or loss:-		
Inventories recognised as cost of sales	**367,037,968**	362,132,403
Reversal of inventories previously written down	**(144,314)**	(35,768)

10. TRADE RECEIVABLES

	The Group	
	2016	**2015**
	RM	**RM**
Trade receivables:-		
Third parties	**84,924,672**	81,806,785
Related party	**1,811,699**	3,270,938
	86,736,371	85,077,723
Allowance for impairment losses	**(3,235,187)**	(3,204,323)
	83,501,184	81,873,400
Allowance for impairment losses at 1 January	**3,204,323**	2,982,312
Addition during the financial year (Note 29)	**93,666**	447,537
Written off during the financial year	**-**	(222,526)
Reversal during the financial year (Note 29)	**(62,802)**	(3,000)
Allowance for impairment losses at 31 December	**3,235,187**	3,204,323

The Group's normal trade credit terms range from 30 to 120 days (2015: 30 to 120 days).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2016	**2015**
	RM	**RM**
Other receivables:-		
Third parties	**101,575**	187,917
Related party	**159,847**	1,105,008
Goods and services tax recoverable	**676,720**	1,526,687
	938,142	2,819,612
Deposits	**3,593,314**	327,107
Prepayments	**181,262**	148,183
	4,712,718	3,294,902

The amount owing by a related party represents receivable from a company in which a director of the Company has controlling interest. The amount is unsecured, interest-free and repayable on demand. The amount owing is has be settled in cash.

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2016	**2015**
	RM	**RM**
Amount Owing by Subsidiaries		
Current		
Trade balances	**2,160,000**	990,000
Non-trade balances	**4,334,000**	-
	6,494,000	990,000
Amount Owing to Subsidiaries		
Current		
Non-trade balances	**-**	(629,550)

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

13. DERIVATIVE ASSETS/(LIABILITIES)

	Contract/Notional Amount		The Group	
	2016	2015	2016	2015
	RM	RM	RM	RM
Derivative Assets				
Forward foreign currency contracts	**56,921,212**	5,895,565	**-**	20,500
Derivative Liabilities				
Forward foreign currency contracts	**(57,572,567)**	(5,875,065)	**(651,355)**	-

The Group does not apply hedge accounting.

(a) Forward foreign currency contracts are used to hedge the Group's purchases denominated in United States Dollar for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 2 to 10 (2015: 1 to 10) months after the end of the reporting period.

(b) The Group has recognised a loss/gain of RM671,855 (2015: RM737,005) arising from fair value changes of derivatives during the financial year as disclosed in Note 29 to the financial statements. The fair value changes were attributed to changes in the foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 40.1(c) to the financial statements.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.33% to 3.24% (2015: 2.20% to 2.53%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (2015: 1 to 12 months) for the Group.

15. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	The Group and The Company			
	2016	2015	2016	2015
	Number of Shares		RM	RM
AUTHORISED				
At 1 January				
Ordinary shares of RM1.00 each	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Subdivided to RM0.50 each	**200,000,000**	-	**-**	-
At 31 December				
Ordinary shares of RM0.50/RM1.00 each	**400,000,000**	200,000,000	**200,000,000**	200,000,000

15. SHARE CAPITAL (CONT'D)

The movements in the authorised and paid-up share capital of the Company are as follows:- (Cont'd)

	The Group and The Company			
	2016	**2015**	**2016**	**2015**
	Number of Shares		**RM**	**RM**
ISSUED AND FULLY PAID-UP				
At 1 January				
Ordinary shares of RM1.00 each	**93,305,333**	93,305,333	**93,305,333**	93,305,333
Subdivided to RM0.50 each	**93,305,333**	-	**-**	-
Bonus issued	**62,203,032**	-	**31,101,516**	-
At 31 December				
Ordinary shares of RM0.50/RM1.00 each	**248,813,698**	93,305,333	**124,406,849**	93,305,333

During the financial year:-

(a) the number of authorised share capital was increased from 200,000,000 to 400,000,000 by way of share split of 200,000,000 ordinary shares of RM1 each into 400,000,000 ordinary shares of RM0.50 each; and

(b) the Company increased its issued and paid-up share capital from RM93,305,333 to RM124,406,849 by way of:

i) share split of 93,305,333 ordinary shares of RM1 each into 186,610,666 ordinary shares of RM0.50 each ("share split"); and

ii) an issuance of 62,203,032 new ordinary shares of RM0.50 each on the basis of one (1) bonus share for every three (3) existing shares held ("bonus issue").

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

16. RESERVES

Share premium

The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary.

16. RESERVES (CONT'D)

Warrants reserve

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

On 19 September 2016, a total of 38,876,899 free Warrants have been issued pursuant to the share split and bonus issue. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2016.

There were adjustment of exercise price from RM2.28 per Warrant to RM0.85 per Warrant after completion of share split and bonus issue.

The main features of the Warrants are as follows:-

(a) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll as disclosed in the Director's Report.

(b) The exercise price of each Warrant has been fixed at RM0.85 (2015 : RM2.28), subject to adjustments under circumstances in accordance with the provision of the Deed Poll.

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

(d) The new ordinary shares of RM0.85 (2015 : RM2.28) each pursuant to the exercise of the Warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company.

No warrants were exercised during the financial year ended 31 December 2016. As at the end of the reporting date, 62,203,232 (2015 : 23,326,333) Warrants remain unexercised.

17. LONG TERM BORROWINGS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Hire purchase payables (Note 25)	**80,803**	193,244	**-**	-
Term loans (Note 26)	**4,345,094**	6,344,188	**1,318,454**	2,757,854
	4,425,897	6,537,432	**1,318,454**	2,757,854

18. RETIREMENT BENEFITS

	The Group	
	2016	2015
	RM	RM
At 1 January	456,000	391,000
Addition during the financial year (Note 28)	93,234	101,444
Paid during the year	(5,233)	(36,444)
At 31 December	544,001	456,000
Current	200,001	-
Non- current	344,000	456,000

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

Key assumptions used for computing the addition for the year.

	The Group	
	2016	2015
Discount rate	4.79%	4.80%
Annual salary increment per worker	RM91.00	RM91.00

19. DEFERRED TAX LIABILITIES

The Group	At 1.1.2016 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2016 RM
2016			
Deferred Tax Liabilities			
Property, plant and equipment	4,810,977	2,121,936	6,932,913
Unrealised foreign exchange loss	1,434,194	785,860	2,220,054
Loss on fair value change on financial instruments	44,465	61,581	106,046
	6,289,636	2,969,377	9,259,013
Deferred Tax Assets			
Impairment losses on trade receivables	(48,400)	(21,280)	(69,680)
Provision	(396,491)	66,769	(329,722)
Unrealised foreign exchange gain	12,400	(12,400)	-
	(432,491)	33,089	(399,402)
	5,857,145	3,002,466	8,859,611

19. DEFERRED TAX LIABILITIES (CONT'D)

The Group	At 1.1.2015 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2015 RM
2015			
Deferred Tax Liabilities			
Property, plant and equipment	5,518,110	(707,133)	4,810,977
Unrealised foreign exchange loss	550,708	883,486	1,434,194
(Gain)/Loss on fair value change on financial instruments	(133,807)	178,272	44,465
	5,935,011	354,625	6,289,636
Deferred Tax Assets			
Impairment losses on trade receivables	(48,000)	(400)	(48,400)
Provision	(166,674)	(229,817)	(396,491)
Unrealised foreign exchange gain	-	12,400	12,400
	(214,674)	(217,817)	(432,491)
	5,720,337	136,808	5,857,145

The Company	At 1.1.2016 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2016 RM
2016			
Deferred Tax Liability			
Property, plant and equipment	**78,000**	**-**	**78,000**

The Company	At 1.1.2015 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2015 RM
2015			
Deferred Tax Liability			
Property, plant and equipment	101,500	(23,500)	78,000

19. DEFERRED TAX LIABILITIES (CONT'D)

At the end of the reporting period, the Group has unused tax losses and unabsorbed capital allowances (stated at gross) of approximately RM5,354,000 (2015: RM8,985,998) and RM127,000 (2015: RM709,000) respectively that are available for offset against future taxable profits of the subsidiaries in which the losses arose. The unused tax losses and unabsorbed capital allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

No deferred tax assets (stated at gross) of approximately RM3,734,300 (2015: RM3,459,700) are recognised as it is not probable that taxable profits of the Company and subsidiary will be available against which the deductible temporary differences can be utilised.

20. TRADE PAYABLES

	The Group	
	2016	**2015**
	RM	**RM**
Trade payables :-		
Third parties	**25,554,161**	37,941,452
Related party	**117,582**	145,151
	25,671,743	38,086,603

The normal trade credit terms granted to the Group range from 30 to 120 days (2015: 30 to 120 days).

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Other payables :-				
Third parties	**4,488,300**	6,728,316	**26,284**	105,691
Related party	**8,391**	1,559	**-**	-
Goods and services tax payable	**532,874**	57,430	**-**	-
	5,029,565	6,787,305	**26,284**	105,691
Deposits received	**6,034,018**	3,382,485	**-**	-
Accrued expenses	**2,089,366**	2,642,132	**367,667**	279,000
Payroll liabilities	**4,815,541**	3,408,688	**116,306**	183,838
	17,968,490	16,220,610	**510,257**	568,529

Amount owing to related party arise from non-trade transactions. The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

22. AMOUNT OWING TO DIRECTORS

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

23. BANK OVERDRAFTS (SECURED)

(a) The bank overdrafts of the Group are secured by corporate guarantee from the Company.

(b) The bank overdrafts of the Group at the end of the reporting period bore floating interest rates of 7.81% (2015: 7.85%) per annum.

24. SHORT-TERM BORROWINGS

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Bankers' acceptance	**3,933,000**	3,155,000	**-**	-
Bills payables	**2,214,389**	546,704	**-**	-
Foreign currency trust receipts	**24,586,368**	88,850,384	**-**	-
Revolving credit	**29,491,669**	4,000,849	**9,350,000**	4,000,849
Hire purchase payables (Note 25)	**112,442**	2,507,100	**-**	-
Term loans (Note 26)	**1,977,763**	1,929,341	**1,433,148**	1,428,000
	62,315,631	100,989,378	**10,783,148**	5,428,849

Bankers' acceptance, bills payables, foreign currency trust receipts and revolving credit are drawn for period ranging from 30 days to 183 days (2015: 4 to 180 days) and bore interest rates ranging from 1.20% to 5.19% (2015: 1.20% to 4.77%) per annum.

Bankers' acceptance, bills payables, foreign currency trust receipts, revolving credit and term loans are secured by way of:-

(i) first party legal charges over factory building of the Group as disclosed in Note 6 to the financial statements; and

(ii) corporate guarantees from the Company.

25. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2016	2015
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	**119,880**	2,585,990
- later than 1 year and not later than 5 years	**85,163**	205,043
	205,043	2,791,033
Less: Future finance charges	**(11,798)**	(90,689)
Present value of hire purchase payables	**193,245**	2,700,344
Current (Note 24)		
- Not later than 1 year	**112,442**	2,507,100
Non-current (Note 17)		
Later than 1 year and not later than 5 years	**80,803**	193,244
	193,245	2,700,344

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase.

(b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.63% to 6.03% (2015: 2.75% to 6.03%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

26. TERM LOANS (SECURED)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current (Note 24)				
Not later than 1 year	**1,977,763**	1,929,341	**1,433,148**	1,428,000
Non-current (Note 17)				
Later than 1 year and not later than 2 years	**1,890,762**	1,954,909	**1,318,454**	1,428,000
Later than 2 years and not later than 5 years	**1,897,522**	3,077,367	**-**	1,329,854
Later than 5 years	**556,810**	1,311,912	**-**	-
	4,345,094	6,344,188	**1,318,454**	2,757,854
	6,322,857	8,273,529	**2,751,602**	4,185,854

(a) The term loans are secured by a first party legal charge over the Group's factory building disclosed in Note 6 to the financial statements.

26. TERM LOANS (SECURED) (CONT'D)

(b) The interest rate profile of the term loans are summarised below:-

	Effective Interest rate	The Group		The Company	
		2016	2015	2016	2015
	%	RM	RM	RM	RM
Floating rate term loans	4.57 to 4.97	**6,322,857**	8,273,529	**2,751,602**	4,185,854

27. REVENUE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sales of goods	**441,199,071**	417,410,049	**-**	-
Dividend income	**-**	-	**14,000,646**	10,259,072
Management fee income	**-**	-	**380,000**	380,000
	441,199,071	417,410,049	**14,380,646**	10,639,072

28. EMPLOYEE BENEFITS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Short term employee benefits	**27,175,357**	24,291,775	**995,124**	1,152,292
Contribution to a defined contribution plan	**1,816,862**	1,556,797	**60,378**	89,429
Addition to a non-contributory unfunded retirement benefit plan (Note 18)	**93,234**	101,444	**-**	-
	29,085,453	25,950,016	**1,055,502**	1,241,721

Included in employee benefits is key management personnel compensation as disclosed in Note 35 to the financial statements.

29. PROFIT BEFORE TAX

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before tax is arrived at after charging:-				
Auditors' remuneration:				
- Audit fees				
- current financial year	**173,000**	144,000	**33,000**	25,000
- underprovision in the previous financial year	**-**	6,000	**-**	-
- Non-audit fees				
- current financial year	**22,000**	-	**22,000**	-
- underprovision in the previous financial year	**6,000**	-	**6,000**	-
Bad debts written off	**-**	5,029	**-**	-
Direct operating expenses on investment properties	**-**	14,130	**-**	-
Impairment loss on trade receivables	**93,666**	447,537	**-**	-
Interest expense	**2,759,931**	2,325,927	**449,532**	477,621
Loss on foreign exchange:				
- realised (trade)	**-**	8,010,540	**-**	-
- unrealised (trade)	**4,733,638**	645,643	**-**	-
- realised (non-trade)	**525,214**	-	**-**	-
- unrealised (non-trade)	**567,366**	619,797	**-**	-
Property, plant and equipment written off	**-**	211,520	**-**	1,000
Rental expenses:				
- premises	**275,010**	791,373	**-**	-
- office equipment	**11,748**	7,635	**-**	-
- factory equipment	**1,143,096**	860,267	**-**	-
- lorry	**365,621**	385,100	**-**	-
Unrealised loss on fair value changes on financial instruments	**671,855**	-	**-**	-

29. PROFIT BEFORE TAX (CONT'D)

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before tax is arrived at after crediting:-				
Dividend income	**-**	-	**14,000,646**	10,259,072
Gain on disposal of:				
- property, plant and equipment	**210,555**	8,500	**-**	-
- investment properties	**-**	3,311,715	**-**	-
Gain on foreign exchange:				
- realised (trade)	**6,660,561**	617,534	**-**	-
- unrealised (trade)	**-**	2,925,409	**-**	-
- unrealised (non-trade)	**597,178**	3,181	**-**	-
Interest income	**342,903**	266,664	**8,822**	23,398
Rental of premise receivable	**-**	24,200	**-**	-
Reversal of impairment losses on trade receivables	**62,802**	3,000	**-**	-
Unrealised gain on fair value changes on financial instruments	**-**	737,005	**-**	-

30. INCOME TAX EXPENSE

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Income tax:				
- current financial year	**9,374,800**	7,544,000	**-**	-
- overprovision in the previous financial year	**(1,249,181)**	(294,519)	**-**	-
	8,125,619	7,249,481	**-**	-
- underprovision of real property gains tax in the previous financial year	**219,978**	-	**-**	-
	8,345,597	7,249,481	**-**	-
Deferred tax (Note 19):				
- origination/(reversal) of temporary differences	**2,338,544**	219,464	**-**	(23,500)
- under/(over)provision in the previous financial year	**663,922**	(82,656)	**-**	-
	3,002,466	136,808	**-**	(23,500)
	11,348,063	7,386,289	**-**	(23,500)

30. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before tax	**46,791,265**	23,047,436	**12,141,755**	8,433,167
Tax at the statutory tax rate of 24% (2015: 25%)	**11,229,903**	5,761,859	**2,914,021**	2,108,292
Non-taxable income	**(43,105)**	(809,506)	**(3,360,155)**	(2,564,768)
Non-deductible expenses	**613,940**	661,503	**316,134**	155,976
Deferred tax assets not recognised during the financial year	**276,620**	2,216,013	**130,000**	277,000
(Over)/Underprovision in the previous financial year:				
- Income tax	**(1,249,181)**	(294,519)	**-**	-
- Deferred tax	**663,922**	(82,656)	**-**	-
- Real property gains tax	**219,978**	-	**-**	-
Tax incentive utilised	**(364,014)**	(66,405)	**-**	-
Income tax expense for the financial year	**11,348,063**	7,386,289	**-**	(23,500)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

31. EARNINGS PER SHARE

	The Group	
	2016	2015
	RM	RM
Profit attributable to owners of the Company	**35,593,437**	17,301,772
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	**93,305,333**	93,305,333
Effect of share split	**93,305,333**	93,305,333
Effect of bonus issue	**62,203,032**	62,203,032
Weighted average number of ordinary shares at 31 December	**248,813,698**	248,813,698
Basis earnings per share (sen)	**14.31**	6.95

31. EARNINGS PER SHARE (CONT'D)

Comparatives figures for the weighted average number of ordinary shares in issue for both the basic and diluted earnings per ordinary share computations have been restated to reflect the adjustments arising from the share split and bonus issues, which both were completed on 20 September 2016.

	The Group	
	2016	**2015**
	RM	**RM**
Profit attributable to owners of the Company	**35,593,437**	17,301,772
Weighted average number of ordinary shares for basic earnings per share	**248,813,698**	-
Weighted average number of shares deemed to be issued for no consideration:-		
- warrants	**6,487,966**	-
Weighted average number of ordinary shares for diluted earnings per share computation	**255,301,664**	-
Diluted earnings per share (sen)	**13.94**	-

In the previous financial year, the potential conversion of warrants are anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares. Accordingly, the exercise of warrants have been ignored in the calculation of dilutive earnings per share.

32. DIVIDENDS

	The Group And The Company	
	2016	**2015**
	RM	**RM**
Final tax-exempt dividend of 3.50 sen per ordinary share in respect of the financial year ended 31 December 2014	**-**	3,265,686
Final tax-exempt dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2015	**3,732,213**	-

At the forthcoming Annual General Meeting, a final dividend of 1.50 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2017.

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2016	**2015**
	RM	**RM**
Cost of property, plant and equipment purchase (Note 6)	**10,401,714**	25,796,298
Amount financed through hire purchase	**-**	(150,000)
Amount financed through other payable	**-**	(315,000)
Cash disbursed for purchase of property, plant and equipment	**10,401,714**	25,331,298

34. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash and bank balances	**61,573,960**	36,897,949	**2,518,888**	288,753
Fixed deposits with licensed banks	**21,696**	21,125	**-**	-
Bank overdrafts	**(914,916)**	(2,665,427)	**-**	-
	60,680,740	34,253,647	**2,518,888**	288,753
Less: Bank balance in ESCROW account	**(8,987)**	(7,225)	**-**	-
	60,671,753	34,246,422	**2,518,888**	288,753

The bank balance amounted to RM8,987 (2015: RM7,225) is earmarked by bank for settlement of borrowings.

35. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company are executive directors and non-executive directors of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2016	2015	2016	2015
Directors	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fees	**469,667**	326,000	**99,667**	56,000
- salaries and bonuses	**2,975,856**	2,193,245	**330,000**	316,000
	3,445,523	2,519,245	**429,667**	372,000
Defined contribution plan	**329,820**	226,440	**19,800**	18,960
Defined benefit retirement plan	**100,001**	100,000	**-**	-
	3,875,344	2,845,685	**449,467**	390,960
Non-Executive Directors				
Short-term employee benefits:				
- fees	**224,000**	194,000	**224,000**	194,000
	4,099,344	3,039,685	**673,467**	584,960

35. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(a) The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
Directors	**RM**	**RM**	**RM**	**RM**
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- fees	**-**	100,000	**-**	-
- salaries and bonuses	**1,415,248**	1,919,030	**-**	-
	1,415,248	2,019,030	**-**	-
Defined contribution plan	**50,940**	124,110	**-**	-
	1,466,188	2,143,140	**-**	-
Non-Executive Director				
Short-term employee benefits:				
- fee	**20,000**	20,000	**-**	-
	1,486,188	2,163,140	**-**	-
Total Directors' remuneration (Note 28)	**5,585,532**	5,202,825	**673,467**	584,960

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Company	
	2016	**2015**
Non-executive Directors		
RM50,001 – RM100,000	**3**	3
Executive Directors		
RM450,001 – RM500,000	**1**	1
RM750,001 – RM800,000	**1**	1
RM850,001 – RM900,000	**1**	-
RM1,550,001 – RM1,600,000	**-**	1
RM1,650,001 – RM1,700,000	**1**	-
	7	6

36. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

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

(b) Significant Related Party Transactions and Balances

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

	The Company	
	2016	**2015**
	RM	**RM**
Subsidiaries		
Dividend received/receivable from subsidiaries	**14,000,646**	10,259,072
Management fees receivable	**380,000**	380,000

	The Group	
	2016	**2015**
	RM	**RM**
Company in which a director has substantial financial interest		
Sales of goods	**7,343,686**	13,013,929
Purchase of goods	**710,927**	581,900
Rental expenses	**10,480**	-
Director		
Rental of factory premises paid/payable	**16,800**	16,800

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

37. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

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

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

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

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

(a) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

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

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

BUSINESS SEGMENTS

2016	**Investment Holding RM**	**Tin Manufacturing RM**	**Food & Beverage RM**	**Group RM**
Revenue				
External revenue	**-**	**98,156,522**	**343,042,549**	**441,199,071**
Inter-segment revenue	**14,380,646**	**16,850,202**	**-**	**31,230,848**
Total revenue	**14,380,646**	**115,006,724**	**343,042,549**	**472,429,919**
Consolidation adjustments				**(31,230,848)**
Consolidated revenue				**441,199,071**

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2016	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
Results				
Segments profit before interest expense and taxation	14,389,468	18,963,945	32,221,105	65,574,518
Finance costs				(2,759,931)
Unallocated expenses				(1,798,181)
Consolidation adjustments				(14,225,141)
				46,791,265
Segment profit before interest expense and taxation includes the following:-				
Depreciation of property, plant and equipment	(92,566)	(4,211,253)	(3,269,641)	(7,573,460)
Gain on disposal of property, plant and equipment	-	210,555	-	210,555
Interest income	8,822	88,357	245,724	342,903
Impairment losses on trade receivables	-	-	(93,666)	(93,666)
Loss on fair value changes of financial instrutments	-	-	(671,855)	(671,855)
Reversal of impairment losses on trade receivables	-	62,802	-	62,802
Reversal of inventories previously written down	-	(144,314)	-	(144,314)
Unrealised loss on foreign exchange	-	597,178	(2,379,128)	(1,781,950)
Assets				
Segment assets	146,509,235	157,803,779	241,812,990	546,126,004
Unallocated assets				
- property, plant and equipment				219,438
- current tax assets				286,118
Consolidation adjustments				(199,676,581)
Consolidated total assets				346,954,979
Additions to non-current assets other than financial instruments:-				
- property, plant and equipment	-	4,491,000	5,910,714	10,401,714
Liabilities				
Segment liabilities	510,257	40,379,101	142,286,146	183,175,504
Consolidation adjustments				(72,660,403)
Unallocated liabilities				
- deferred tax liabilities				78,000
- term loan				2,751,602
- revolving credit				9,350,000
Consolidated total liabilities				122,694,703

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2015	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
Revenue				
External revenue	-	86,716,694	330,693,355	417,410,049
Inter-segment revenue	10,639,072	11,347,664	-	21,986,736
Total revenue	10,639,072	98,064,358	330,693,355	439,396,785
Consolidation adjustments				(21,986,736)
Consolidated revenue				417,410,049
Results				
Segments profit before interest expense and taxation	10,662,470	8,124,947	19,242,735	38,030,152
Finance costs				(2,766,830)
Unallocated expenses				(1,751,682)
Consolidation adjustments				(10,464,204)
				23,047,436
Segment profit before interest expense and taxation includes the following:-				
Depreciation of property, plant and equipment	(92,984)	(4,783,649)	(2,710,001)	(7,586,634)
Depreciation of investment property	-	(13,833)	-	(13,833)
Gain on disposal of property, plant and equipment	-	8,500	-	8,500
Gain on disposal of investment property	-	3,311,715	-	3,311,715
Interest income	23,398	51,899	191,367	266,664
Impairment losses on trade receivables	-	(180,163)	(267,374)	(447,537)
Gain on fair value changes of financial instrutments	-	-	737,005	737,005
Property, plant and equipment written off	-	-	(211,520)	(211,520)
Reversal of impairment losses on trade receivables	-	3,000	-	3,000
Reversal of inventories previously written down	-	35,678	-	35,678
Unrealised gain on foreign exchange	-	(593,997)	2,257,147	1,663,150

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2015	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
Assets				
Segment assets	134,775,099	141,485,707	266,660,453	542,921,259
Unallocated assets				
- property, plant and equipment				312,004
- current tax assets				291,068
Consolidation adjustments				(176,576,665)
Consolidated total assets				366,947,666
Additions to non-current assets other than financial instruments:-				
- property, plant and equipment	-	1,061,800	24,734,498	25,796,298
Liabilities				
Segment liabilities	1,198,078	27,312,969	191,471,023	219,982,070
Consolidation adjustments				(53,704,721)
Unallocated liabilities				
- deferred tax liabilities				78,000
- term loan				4,185,854
- revolving credit				4,000,849
Consolidated total liabilities				174,542,052

GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

	Revenue		Non-current Assets	
	2016 RM	2015 RM	2016 RM	2015 RM
Africa	**36,316,727**	44,154,073	**-**	-
Asia	**214,946,719**	173,895,147	**-**	-
Central America	**37,381,088**	26,614,670	**-**	-
Europe	**25,918,681**	15,611,467	**-**	-
Malaysia	**121,547,977**	150,359,928	**113,619,932**	110,892,896
Others	**5,087,879**	6,774,764	**-**	-
	441,199,071	417,410,049	**113,619,932**	110,892,896

37. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMERS

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

	Revenue		Segments
	2016	**2015**	
	RM	**RM**	
Customer #1	**-**	81,465,945	Foods and beverage
Customer #2	**56,845,688**	-	Foods and beverage

38. CAPITAL COMMITMENTS

	The Group	
	2016	**2015**
	RM	**RM**
Authorised and Contracted for		
Purchase of property, plant and equipment	**1,454,947**	1,898,602
Authorised but not Contracted for		
Purchase of property, plant and equipment	**451,500**	3,291,587
Contracted but not Provided for		
Purchase of property, plant and equipment	**6,452,412**	-

39. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Company	
	2016	**2015**
	RM	**RM**
Corporation guarantee given to licensed banks for banking facilities granted to subsidiaries	**53,697,607**	107,770,717
Deed of guarantee given to a customer for products sold by a subsidiary	**9,042,108**	8,858,430
Deed of guarantee given to suppliers for products sold to subsidiaries	**2,634,496**	1,223,526

40. FINANCIAL INSTRUMENTS

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

40.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Swiss Franc ("CHF") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) that are based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	USD RM	SGD RM	CHF RM	EUR RM	TOTAL RM
2016					
Financial Assets					
Trade receivables	**46,646,944**	**2,829,565**	**-**	**1,477,244**	**50,953,753**
Other receivables and deposits	**556,957**	**77,842**	**2,306,507**	**-**	**2,941,306**
Cash and bank balances	**35,271,195**	**782,298**	**-**	**443,047**	**36,496,540**
	82,475,096	**3,689,705**	**2,306,507**	**1,920,291**	**90,391,599**
Financial Liabilities					
Trade payables	**11,995,751**	**189,171**	**-**	**-**	**12,184,922**
Other payables and accruals	**4,312,267**	**32,293**	**-**	**-**	**4,344,560**
Short term borrowings	**30,925,405**	**-**	**-**	**-**	**30,925,405**
	47,233,423	**221,464**	**-**	**-**	**47,454,887**
Currency Exposure	**35,241,673**	**3,468,241**	**2,306,507**	**1,920,291**	**42,936,712**

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	USD RM	SGD RM	EUR RM	Total RM
2015				
Financial Assets				
Trade receivables	52,446,296	3,391,179	-	55,837,475
Other receivables and deposits	1,093,695	-	-	1,093,695
Cash and bank balances	18,763,922	5,023,041	450,191	24,237,154
	72,303,913	8,414,220	450,191	81,168,324
Financial Liabilities				
Trade payables	**16,450,168**	**69,848**	**-**	**16,520,016**
Other payables and accruals	**1,620,819**	**42,229**	**-**	**1,663,048**
Short-term borrowings	**78,647,076**	**2,400,112**	**-**	**81,047,188**
	96,718,063	**2,512,189**	**-**	**99,230,252**
Currency Exposure	**(24,414,150)**	**5,902,031**	**450,191**	**(18,061,928)**

Foreign Currency Risk Sensitivity Analysis

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

	The Group 2016 RM	The Group 2015 RM
Effects On Profit After Tax		
USD/RM		
- strengthened by 14% (2015: 27%)	**3,953,403**	(4,943,865)
- weakened by 14% (2015: 27%)	**(3,953,403)**	4,943,865
SGD/RM		
- strengthened by 9% (2015: 18%)	**244,602**	796,774
- weakened by 9% (2015: 18%)	**(244,602)**	(796,774)
CHF/RM		
- strengthened by 10%	**177,091**	-
- weakened by 10%	**(177,091)**	-
EUR/RM		
- strengthened by 9% (2015: 27%)	**30,304**	91,164
- weakened by 9% (2015: 27%)	**(30,304)**	(91,164)

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 23, 24 and 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Effects On Profit After Tax				
Increase of 25 (2015: 25) basis points	**(125,443)**	(20,821)	**(22,993)**	(7,848)
Decrease of 25 (2015: 25)basis points	**125,443**	20,821	**22,993**	7,848

(iii) Equity Price Risk

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

(b) Credit Risk

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

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk(Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2015: 1) major customers which constituted approximately 21% (2015: 15%) of its trade receivables as at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	The Group	
	2016	**2015**
	RM	**RM**
Africa	**9,042,847**	17,832,152
Asia	**11,861,131**	21,238,494
Central America	**5,671,153**	8,997,045
Europe	**5,492,174**	191,018
Singapore	**2,852,018**	3,413,632
Malaysia	**42,642,380**	29,957,504
Middle east	**5,939,481**	243,555
	83,501,184	81,873,400

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk(Cont'd)

(iii) Ageing Analysis

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

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2016			
Not past due	**55,797,923**	**-**	**55,797,923**
Past due:			
- less than 3 months	**13,274,225**	**-**	**13,274,225**
- 3 to 6 months	**3,700,498**	**-**	**3,700,498**
- over 6 months	**1,234,590**	**-**	**1,234,590**
- more than 1 year	**12,729,135**	**(3,235,187)**	**9,493,948**
	86,736,371	**(3,235,187)**	**83,501,184**
2015			
Not past due	52,470,027	-	52,470,027
Past due:			
- less than 3 months	25,818,627	-	25,818,627
- 3 to 6 months	1,816,740	(53,354)	1,763,386
- over 6 months	415,750	(126,809)	288,941
- more than 1 year	4,556,579	(3,024,160)	1,532,419
	85,077,723	(3,204,323)	81,873,400

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

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

Maturity Analysis

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

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2016						
Non-derivative Financial Liabilities						
Trade payables		25,671,743	25,671,743	25,671,743	-	-
Other payables and accruals		17,435,616	17,435,616	17,435,616	-	-
Amount owing to directors		147,391	147,391	147,391	-	-
Hire purchase payables	4.48 to 6.03	193,245	205,043	119,880	85,163	-
Term loans	4.57 to 4.97	6,322,857	6,995,252	2,243,767	4,182,326	569,159
Bankers' acceptance	3.83 to 4.31	3,933,000	3,933,000	3,933,000	-	-
Bank overdrafts	7.81	914,916	914,916	914,916	-	-
Bills payables	1.20	2,214,389	2,214,389	2,214,389	-	-
Foreign currency trust receipts	1.45 to 1.75	24,586,368	24,586,368	24,586,368	-	-
Revolving credit	2.43 to 5.19	29,491,669	29,491,669	29,491,669	-	-
		110,911,194	111,595,387	106,758,739	4,267,489	569,159
Derivative Financial Liabilities						
Forward currency contract (gross settled)		651,355				
- gross payments			(57,572,567)	(57,572,567)	-	-
- gross receipts			56,921,212	56,921,212	-	-
		651,355	(651,355)	(651,355)	-	-
		111,562,549	110,944,032	106,107,384	4,267,489	569,159

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2015						
Non-derivative Financial Liabilities						
Trade payables		38,086,603	38,086,603	38,086,603	-	-
Other payables and accruals		16,163,180	16,163,180	16,163,180	-	-
Amount owing to directors		1,187,107	1,187,107	1,187,107	-	-
Hire purchase payables	2.75 to 6.03	2,700,344	2,791,033	2,585,990	205,043	-
Term loans	4.79 to 5.10	8,273,529	9,669,144	2,338,314	5,792,904	1,537,926
Bankers' acceptance	3.88 to 4.31	3,155,000	3,155,000	3,155,000	-	-
Bank overdrafts	7.85	2,665,427	2,665,427	2,665,427	-	-
Bills payables	1.20	546,704	546,704	546,704	-	-
Foreign currency trust receipts	1.58 to 2.77	88,850,384	88,850,384	88,850,384	-	-
Revolving credit	4.77	4,000,849	4,000,849	4,000,849	-	-
		165,629,127	167,115,431	159,579,558	5,997,947	1,537,926

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

The Company	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2016					
Other payables and accurals		**510,257**	**510,257**	**510,257**	**-**
Term loan	**4.57**	**2,751,602**	**2,877,033**	**1,533,955**	**1,343,078**
Revolving credit	**4.55 to 4.57**	**9,350,000**	**9,350,000**	**9,350,000**	**-**
		12,611,859	**12,737,290**	**11,394,212**	**1,343,078**
2015					
Other payables and accurals		568,529	568,529	568,529	-
Amount owing to subsidiaries		629,550	629,550	629,550	-
Term loan	4.79	4,185,854	4,582,158	1,628,502	2,953,656
Revolving credit	4.77	4,000,849	4,000,849	4,000,849	-
		9,384,782	9,781,086	6,827,430	2,953,656

40.2 CAPITAL RISK MANAGEMENT

The Group and the Company manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 CAPITAL RISK MANAGEMENT (CONT'D)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2016	**2015**
	RM	**RM**
Hire purchase payables (Note 25)	**193,245**	2,700,344
Term loans (Note 26)	**6,322,857**	8,273,529
Bankers' acceptance (Note 24)	**3,933,000**	3,155,000
Bill payables (Note 24)	**2,214,389**	546,704
Foreign currency trust receipts (Note 24)	**24,586,368**	88,850,384
Revolving credit (Note 24)	**29,491,669**	4,000,849
Bank overdrafts (Note 23)	**914,916**	2,665,427
	67,656,444	110,192,237
Less: Fixed deposits with licensed banks	**(21,696)**	(21,125)
Less: Cash and bank balances	**(61,573,960)**	(36,897,949)
Net debt	**6,060,788**	73,273,163
Total equity	**224,260,276**	192,405,614
Debt-to-equity ratio	**3%**	38%

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

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

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Financial Assets				
Available-for-sale Financial Assets				
Other investment (Note 7)	**16,500**	16,500	**-**	-
Loans and Receivables Financial Assets				
Trade receivables (Note 10)	**83,501,184**	81,873,400	**-**	-
Other receivables and deposits (Note 11)	**3,854,736**	1,620,032	**-**	-
Amount owing by subsidiaries (Note 12)	**-**	-	**6,494,000**	990,000
Fixed deposits with licensed banks (Note 14)	**21,696**	21,125	**-**	-
Cash and bank balances	**61,573,960**	36,897,949	**2,518,888**	288,753
	148,951,576	120,412,506	**9,012,888**	1,278,753
Fair Value through Profit or Loss				
Derivative assets (Note 13)	**-**	20,500	**-**	-
Financial Liabilities				
Other Financial Liabilities				
Trade payables (Note 20)	**25,671,743**	38,086,603	**-**	-
Other payables and accruals (Note 21)	**17,435,616**	16,163,180	**510,257**	568,529
Amount owing to subsidiaries (Note 12)	**-**	-	**-**	629,550
Amount owing to directors (Note 22)	**147,391**	1,187,107	**-**	-
Hire purchase payables (Note 25)	**193,245**	2,700,344	**-**	-
Term loans (Note 26)	**6,322,857**	8,273,529	**2,751,602**	4,185,854
Bankers' acceptances (Note 24)	**3,933,000**	3,155,000	**-**	-
Bills payable (Note 24)	**2,214,389**	546,704	**-**	-
Trust receipts (Note 24)	**24,586,368**	88,850,384	**-**	-
Revolving credit (Note 24)	**29,491,669**	4,000,849	**9,350,000**	4,000,849
Bank overdraft (Note 23)	**914,916**	2,665,427	**-**	-
	110,911,194	165,629,127	**12,611,859**	9,384,782
Fair Value through Profit or Loss				
Derivative liabilities (Note 13)	**651,355**	-	**-**	-

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Value	Amount
The Group	RM	RM	RM	RM	RM	RM	RM	RM
2016								
Financial Liabilities								
Derivative liabilities								
- Forward foreign currency contracts	-	**651,355**	-	-	-	-	**651,355**	**651,355**
Hire purchase payables	-	-	-	-	**191,204**	-	**191,204**	**193,548**
Term loans	-	**6,322,857**	-	-	-	-	**6,322,857**	**6,322,857**
2015								
Financial Asset								
Derivative asset								
- Forward foreign currency contracts	-	20,500	-	-	-	-	20,500	20,500
Financial Liabilities								
Hire purchase payables	-	-	-	-	2,739,453	-	2,739,453	2,700,344
Term loans	-	8,273,529	-	-	-	-	8,273,529	8,273,529

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 FAIR VALUE INFORMATION

As the Company does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Total Fair	Carrying
	Level 1	Level 2	Level 3	Value	Amount
The Company	**RM**	**RM**	**RM**	**RM**	**RM**
2016					
Financial Liability					
Term loan	**-**	**2,751,602**	**-**	**2,751,602**	**2,751,602**
2015					
Financial Liability					
Term loan	-	4,185,854	-	4,185,854	4,185,854

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values of forward foreign currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contract using a risk-free interest rate (government bonds).

(ii) The fair values of the Group's and Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

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

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values of hire purchase payables are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2016	**2015**
	RM	**RM**
Hire purchase payables	**3.54 to 7.24**	2.75 to 7.07

41. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

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

	The Group		The Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries				
- realised	**186,388,435**	172,836,926	**4,763,326**	21,927,164
- unrealised	**(11,857,417)**	(4,632,676)	**(78,000)**	(78,000)
	174,531,018	168,204,250	**4,685,326**	21,849,164
Less : Consolidated adjustments	**(79,086,789)**	(76,789,305)	**-**	-
At 31 December	**95,444,229**	91,414,945	**4,685,326**	21,849,164

LIST OF PROPERTIES HELD

Registered Owner/ Date of Acquisition	Title No./ Address	Description/ Existing Use	Tenure/ Expiry Date of the Lease	Approximate Age of the Building (years)	Land/ Built-up Area (sq. ft.)	Net Book Value as at 31 Dec 2016 (RM)
UNI/ 10.12.2004	HSD 375445, PTD 124298, Mukim Tebrau, Johor Bahru, Johor Darul Takzim/ PTD 124298, Jalan Kempas Lama, Kampung Seelong Jaya, 81300 Skudai, Johor.	Single-storey detached factory/Industry	Freehold	13	457,466/ 248,533	16,093,978
UNI/ 08.08.2007	GM 2481, Lot 2259, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan/ Lot 2259, Jalan Helang, Off Jalan Kebun Baru, Batu 9, Jalan Klang-Banting, Teluk Panglima Garang, 42500 Kuala Langat, Selangor Darul Ehsan.	Single-storey detached factory/Industry	Freehold	10	175,602/ 106,931	8,792,116
KTC/ 27.12.1982	HS(D) 16323, Lot PTD 23759, Mukim Kluang, Kluang, Johor Darul Takzim/ No. 5, Jalan Masyuri Kawasan Perindustrian Kluang 86000 Kluang, Johor.	1 ½-storey detached factory/Industry	Leasehold - 60 years/ 13 April 2046	31	21,775/ 16,843	341,217
KTC/ 27.02.1993	GM 8988, Lot 781, Mukim Sri Gading VIII Parit Baru, Batu Pahat, Johor Darul Takzim	Agriculture/Fruits	Freehold	N/A	106,461	73,300
KTC/ 01.08.1996	GRN 244325 Lot 37800, Kluang, Johor Darul Takzim/ No. 41, Jalan Lau Kim Teck, 86000 Kluang, Johor.	1 ½-storey semi-detached factory/ Industry	Freehold	21	5,294/ 3,635	273,208
KTC/ 10.10.2016	GRN 244323 Lot 37799, Kluang, Johor Darul Takzim/ No. 39, Jalan Lau Kim Teck, 86000 Kluang, Johor.	1 ½-storey semi-detached factory/Industry	Freehold	1	5,296/ 3,635	488,985
ABD/ 27.12.2012 (used in year 2016)	GM 2483, Lot 2263, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan/ Lot 2263, Jalan Helang, Off Jalan Kebun Baru, Batu 9, Jalan Klang-Banting, Teluk Panglima Garang, 42500 Kuala Langat, Selangor Darul Ehsan.	Single-storey detached factory with a double-storey office annexed/Industry	Freehold	1	176,099/ 88,082	30,944,388

(Disclosed in accordance with Appendix 9C, Part A, item 25 of the Listing Requirements of Bursa Securities.)

ANALYSIS OF SHAREHOLDINGS
As At 31 March 2017

SHARE CAPITAL

Issued and Paid-Up Share Capital	:	RM124,535,682.00 dividend into 248,966,364 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share
Number of Shareholders	:	3,380

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	(Malaysia and Foreign - Combined) No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	113	3.343	4,876	0.002
100 to 1,000	249	7.367	155,163	0.062
1,001 to 10,000	1,763	52.160	9,519,652	3.824
10,001 to 100,000	1,086	32.130	33,535,261	13.470
100,001 to 12,448,317 (*)	165	4.882	115,557,117	46.415
12,448,318 and above (**)	4	0.118	90,194,295	36.227
TOTAL	**3,380**	**100.000**	**248,966,364**	**100.000**

* Less than 5% of Issued Shares
** 5% and above of Issued Shares

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Shares
1	GOH MIA KWONG	23,379,264	9.391
2	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE	20,456,533	8.216
3	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	20,290,400	8.150
4	EDWARD GOH SWEE WANG	13,914,336	5.589
5	GOH MIA KWONG	10,666,666	4.284
6	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHUA TAI BOON (CAI DAWEN) (SMART)	9,391,013	3.772
7	ALLIANCEGROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE (8108460)	9,160,000	3.679
8	GENTING PERWIRA SDN BHD	8,823,306	3.544
9	KUA JIN GUANG @ KAU KAM ENG	6,152,888	2.471
10	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE (CEB)	5,623,466	2.259
11	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG KENG HOE (HUANG QINGHE) (SMART)	5,333,333	2.142

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	% of Shares
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	5,183,854	2.082
13	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YEOW AH SENG @ YOW AH SENG (SMART)	4,727,109	1.899
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (CEB)	4,622,933	1.857
15	LOCK TOH PENG	4,100,000	1.647
16	VERSALITE SDN BHD	3,093,333	1.242
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GENTING PERWIRA SDN BHD (PB)	2,693,333	1.082
18	SIA YOCK HUA	2,640,866	1.061
19	TEE SIEW KAI	2,042,000	0.820
20	LAI SHIN LIN	1,991,109	0.800
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (6000031)	1,508,000	0.606
22	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	1,500,000	0.602
23	GOH MIA KWONG	1,487,096	0.597
24	TAN BOON KAIT	1,072,816	0.431
25	KOO GIT LOO @ CHIU GIT LOO	997,900	0.401
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW (KUCHING-CL)	987,400	0.397
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW	911,100	0.366
28	LIEW WAI KIAT	800,000	0.321
29	GEORGE TAN GUAN LIM	771,200	0.310
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK	742,000	0.298
	TOTAL	**175,063,254**	**70.316**

ANALYSIS OF SHAREHOLDINGS

As At 31 March 2017

LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	Name of Shareholders	No. of Shares	% of Shares	No. of Shares	% of Shares
1	GOH MIA KWONG	35,533,026	14.272	[1]14,330,336	5.756
2	LIM HUN SWEE	35,239,999	14.155	-	-
3	NG KENG HOE (HUANG QINGHE)	25,623,733	10.292	[2]1,991,109	0.800
4	EDWARD GOH SWEE WANG	13,914,336	5.589	[3]35,949,026	14.439

Notes:-

Deemed Interest / Indirect Interest:

[1] By virtue of his son, Mr Edward Goh Swee Wang's interest : 13,914,336 shares
By virtue of his daughter, Ms Lisa Goh Li Ling's interest : 416,000 shares

[2] By virtue of his wife, Ms Lai Shin Lin's interest

[3] By virtue of his father, Mr Goh Mia Kwong's interest : 35,533,026 shares
By virtue of his sister, Ms Goh Li Ling's interest : 416,000 shares

LIST OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. of Shares	% of Shares	No. of Shares	% of Shares
1	DATUK KAMALUDIN BIN YUSOFF	632,800	0.254	[1]11,674,772	4.689
2	EDWARD GOH SWEE WANG	13,914,336	5.589	[2]35,949,026	14.439
3	YEOW AH SENG @ YOW AH SENG	5,276,442	2.119	-	-
4	LIM HUN SWEE	35,239,999	14.155	-	-
5	SIAH CHIN LEONG	2,666	0.000	-	-
6	NG LEE THIN	-	-	-	-
7	NG KENG HOE (HUANG QINGHE)	25,623,733	10.292	[3]1,991,109	0.800

(Disclosed in accordance with Appendix 9C, Part A, item 23 of the Listing Requirements of Bursa Securities.)

Notes:-

Deemed Interest / Indirect Interest:

[1] By virtue of his wife, Datin Fawziah Binti Hussein Sazally's interest in Genting Perwira Sdn Bhd pursuant to Section 8 of the Companies Act 2016: 11,516,639 shares
By virtue of his wife, Datin Fawziah Binti Hussein Sazally's interest : 158,133 shares

[2] By virtue of his father, Mr Goh Mia Kwong's interest : 35,533,026 shares
By virtue of his sister, Ms Goh Li Ling's interest : 416,000 shares

[3] By virtue of his wife, Ms Lai Shin Lin's interest

ANALYSIS OF WARRANT HOLDINGS
As At 31 March 2017

WARRANTS

Number of Warrants (2012/2017)	:	62,050,566
Exercise Price	:	RM0.85 per ordinary share
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share
Exercise Period	:	27 November 2012 to 24 November 2017
Number of Warrants exercised	:	152,666

DISTRIBUTION OF WARRANT HOLDINGS

	(Malaysia and Foreign - Combined)			
Size of Holdings	**No. of Holders**	**% of Holders**	**No. of Warrants**	**% of Warrants**
Less than 100	165	11.702	7,816	0.013
100 to 1,000	84	5.958	40,449	0.065
1,001 to 10,000	488	34.610	2,849,435	4.592
10,001 to 100,000	575	40.780	20,624,845	33.239
100,001 to 3,102,527 (*)	97	6.879	34,085,355	54.931
3,102,528 and above (**)	1	0.071	4,442,666	7.160
TOTAL	**1,410**	**100.000**	**62,050,566**	**100.000**

* Less than 5% of Issued Warrants
** 5% and above of Issued Warrants

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	% of Warrants
1	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG KENG HOE (HUANG QINGHE) (SMART)	4,442,666	7.160
2	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW	2,301,000	3.708
3	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHUA TAI BOON (CAI DAWEN) (SMART)	1,796,018	2.894
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW (E-PDG)	1,608,000	2.591
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TEOH KIAT KIONG (MY1847)	1,300,000	2.095
6	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	1,300,000	2.095
7	TEOH KIAT KIONG	1,150,000	1.853
8	TAN KOK SING	927,300	1.494
9	CHEAH CHEE CHUEN	850,000	1.370
10	GENTING PERWIRA SDN BHD	800,160	1.290
11	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EDWARD GOH SWEE WANG (SMART)	742,584	1.197
12	LIM MENG CHYE	698,200	1.125

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant Holders	No. of Warrants	% of Warrants
13	YONG KIN SIONG	650,000	1.048
14	TEOH KIAT YING	617,000	0.994
15	LOCK TOH PENG	600,000	0.967
16	CHUA SIEW CHIN	577,400	0.931
17	KHOO LOON SEE	550,000	0.886
18	LIM AH LIK	550,000	0.886
19	TEY YEE YEE	523,166	0.843
20	TAN KOK SING	470,000	0.757
21	MAYBANK NOMINEES SECURITIES ACCOUNT (TEMPATAN) SDN BHD PLEDGED SECURITIES FOR LOW MIN TECK	460,000	0.741
22	CIMSEC NOMINEES SECURITIES ACCOUNT (TEMPATAN) SDN BHD CIMB FOR CHEAH CHEE SIONG (PB)	423,500	0.683
23	LIM BEE YEN @ NG BEE YEN	408,000	0.658
24	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	400,000	0.645
25	HO KOOT OON	400,000	0.645
26	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE SEE OOI (CEB)	400,000	0.645
27	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	386,200	0.622
28	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	359,700	0.580
29	TEOH KIAT PING	348,000	0.561
30	CHEW SWEE ENG	300,000	0.483
	TOTAL	**26,338,894**	**42.447**

LIST OF DIRECTORS' WARRANT HOLDINGS

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. of Warrants	% of Warrants	No. of Warrants	% of Warrants
1	DATUK KAMALUDIN BIN YUSOFF	-	-	[1]800,160	1.290
2	EDWARD GOH SWEE WANG	742,584	1.197	[2]40,000	0.064
3	YEOW AH SENG @ YOW AH SENG	-	-	-	-
4	LIM HUN SWEE	-	-	-	-
5	SIAH CHIN LEONG	-	-	-	-
6	NG LEE THIN	-	-	-	-
7	NG KENG HOE (HUANG QINGHE)	4,442,666	7.160	-	-

(Disclosed in accordance with Appendix 9C, Part A, item 23 of the Listing Requirements of Bursa Securities.)

Notes:

Deemed Interest / Indirect Interest:

[1] By virtue of Genting Perwira Sdn. Bhd. ("GPSB")'s dealing in Warrants of which his wife, Datin Fawziah Binti Hussein Sazally is a director and substantial shareholder of GPSB.

[2] By virtue of his father, Mr Goh Mia Kwong's dealings in Warrants

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 16th Annual General Meeting (AGM) of Johore Tin Berhad will be held at Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Monday, 29 May 2017 at 9.30 a.m. for the following purposes:

AGENDA	**Resolution on Proxy Form**
ORDINARY BUSINESS:	
1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.	**(Please refer Explanatory Note 1)**
2. To declare a Single Tier Final Dividend of 1.5 sen for the financial year ended 31 December 2016.	**(Resolution 1)**
3. To approve the payment of Directors' fees of RM322,667.00 for the financial year ended 31 December 2016.	**(Resolution 2)**
4. To approve the payment of Directors' benefits up to an amount of RM74,500.00, from 1 January 2017 to the 17th AGM of the Company.	**(Resolution 3)**
5. To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company's Articles of Association, comprising part of the Company's Constitution:	
(a) Mr. Siah Chin Leong	**(Resolution 4)**
(b) Ms. Ng Lee Thin	**(Resolution 5)**
6. To re-elect the following Director who retire by rotation pursuant to Article 106 of the Company's Articles of Association, comprising part of the Company's Constitution:	
(a) Mr. Ng Keng Hoe (Huang Qinghe)	**(Resolution 6)**
7. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	**(Resolution 7)**

SPECIAL BUSINESS:
To consider and if thought fit, to pass the following resolution, with or without modifications:

8. **ORDINARY RESOLUTION** **(Resolution 8)**
AUTHORITY TO DIRECTORS TO ALLOT SHARES

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"), and subject to the approval of the relevant government/regulatory authorities (if any), the Directors be and are hereby authorised to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting."

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ENTITLEMENT AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN THAT the proposed Single Tier Final Dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2016, if approved, will be paid on 27 June 2017 to depositors registered in the Record of Depositors at the close of business on 15 June 2017.

A depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 June 2017 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
JOHORE TIN BERHAD

YONG MAY LI (f) (LS0000295)
Company Secretary

Johor Bahru
28 April 2017

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an attorney or 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.

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting as the case may be at which the person named in such instrument proposes to vote.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 18 May 2017 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES:-

ORDINARY BUSINESS:

1. **Item 1 of the Agenda**
   This Agenda item is meant for discussion only as the provision of Section 340 of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Resolution 2 – Item 3 of the Agenda: Directors' Fees**

   Resolution 3 – Item 4 of the Agenda: Directors' Benefits
   Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this repect, the Board agreed that the shareholders' approval on the following two (2) separate resolutions shall be sought at the 16th Annual General Meeting:
   - Resolution 2 on the payment of Directors' Fees in respect of the year 2016; and
   - Resolution 3 on payment of Directors' benefits in respect of the current year 2017 and until the 17th Annual General Meeting

   The estimated amount of RM74,500.00 Directors' benefits payable would comprise wholly for meeting allowances which was calculated base on the number of scheduled Board's and Board Committees' meetings for the current financial year ending 31 December 2017 until the 17th Annual General Meeting.

3. **Re-election of Independent Directors**

   In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Board of Directors' had undertaken an annual assessment on the independece of Mr Siah Chin Leong and Ms Ng Lee Thin who are seeking re-election at the forthcoming 16th Annual General Meeting. Please refer to page 20 as stated in the Statement of Corporate Governance contained in the Company's Annual Report 2016 for further details.

SPECIAL BUSINESS:

4. **Item 8 of the Agenda**

   ORDINARY RESOLUTION

   AUTHORITY TO DIRECTORS TO ALLOT SHARES

   The purpose of this Ordinary Resolution proposed under Agenda item 8 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

   The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 30 May 2016. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Further details of individual who are standing for election as directors (excluding directors standing for re-election)

   There is no person seeking election as director of the Company at this Annual General Meeting.

2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

   The general mandate for issue of shares is for the renewal of the general mandate obtained from the members at the 15th Annual General Meeting held on 30 May 2016.

   The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration

FORM OF PROXY

Number of shares held	CDS Account No.

JOHORE TIN BERHAD
(Company No. 532570-V)

I/We ____

(NRIC No./Passport No./Company No. ______________________) of ______________________

____

being a Member/Members of JOHORE TIN BERHAD (COMPANY NO. 532570-V) hereby appoint:

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and / *or failing him / her (*delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

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 16th Annual General Meeting of the Company to be held at Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Monday, 29 May 2017 at 9.30 a.m. and any adjourment thereof and my/our proxy is to vote as indicated below:

Item	Agenda	Resolution	*FOR	*AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.			
	Ordinary Business:			
2.	To declare a Single Tier Final Dividend of 1.5 sen per share for the financial year ended 31 December 2016.	1		
3.	To approve the payment of Directors' fees of RM322,667.00 for the financial year ended 31 December 2016.	2		
4.	To approve the payment of Directors' benefits up to an amount of RM74,500.00, from 1 January 2017 to the 17th Annual General Meeting of the Company.	3		
5.	To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company's Articles of Association, comprising part of the Company's Constitution.			
	(a) Mr Siah Chin Leong	4		
	(b) Ms Ng Lee Thin	5		
6.	To re-elect the following Director who retire by rotation pursuant to Article 106 of the Company's Articles of Association, comprising part of the Company's Constitution.			
	(a) Mr Ng Keng Hoe (Huang Qinghe)	6		
7.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	7		
	Special Business:			
8.	Authority to Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 .	8		

(*Please indicate with an "**X**" in the appropriate space how you wish your proxy to vote. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this ____________ day of ______________ 2017

____
Signature/Common Seal of Shareholder

NOTES

1. A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an attorney or 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.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 72(c) of the Articles of Association of the Company a Record of Depositors as at 18 May 2017 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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THE COMPANY SECRETARY

JOHORE TIN BERHAD (COMPANY NO. 532570-V)
SUITE 1301, 13TH FLOOR, CITY PLAZA, JALAN TEBRAU
80300 JOHOR BAHRU, JOHOR
MALAYSIA

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