

JOHORE TIN BERHAD (“JTB” OR “THE COMPANY”)

LETTER OF INTENT ENTERED INTO BY ABLE DAIRIES SDN. BHD. (“Able Dairies”), WHOLLY-OWNED SUBSIDIARY OF JOHORE TIN BERHAD (“JTB” or “the Company”)

Reference is made to JTB’s announcements dated 11 April 2017 and 29 May 2017 in respect of the LOI entered into by Able Dairies, a wholly-owned subsidiary of JTB.

The Board of Directors of JTB wishes to announce that Able Dairies had to date paid the subscription of 400 (four hundred) ordinary and nominative shares, (“the Subscription”) at a total consideration of USD40,000 (United States Dollar: Forty Thousand Only) representing 40% of the capital stock of ABLE DAIRIES DE MEXICO (“ABLE DAIRIES MEXICO”), the Joint Venture Company in Mexico.

ABLE DAIRIES MEXICO was incorporated through Public Deed 49824 dated 10 May 2017. The Incorporation Public Deed of Able Dairies de Mexico, SAPI de CV is registered before the Public Registrar of Commerce under the mercantile folio number N-2017051638.

1. RATIONALE AND PROSPECT

The Joint Venture (“JV”) will pave the way for the JV parties to be strategic business partners to set-up the production facilities in Mexico for the production and supply of dairy products for Mexico and its surrounding countries.

The Board of Directors of JTB are confident that ABLE DAIRIES MEXICO will contribute to the long-term future earnings of JTB.

2. SOURCES OF FUNDING

The Subscription will be funded from internally generated funds.

3. FINANCIAL EFFECTS OF THE JV

3.1 Earnings per share

The JV is not expected to have any material effect on the earnings of JTB for the financial year ending 31 December 2017.

3.2 Net Assets per share

The JV is not expected to have any material effect on the net assets per share of JTB for the financial year ending 31 December 2017.

3.3 Gearing

The JV will not have any effect on the gearing of JTB.

3.4 Share Capital and Substantial Shareholders’ shareholdings

The Subscription will not have any effect on the share capital and substantial shareholders’ Shareholdings of the Company as the subscription of shares does not involve any issuance of shares of JTB.

4. RISK FACTORS

The proposed JV will not materially change the risk profile of JTB Group's business. Able Dairies Mexico will operate in a related industry to which JTB Group operate in. Hence, JTB will be exposed to similar business, operational and financial risks inherent in the industry. These risks include but not limited to the followings:-

- (i) Risks relating to our business and operations:-
 - (a) Business risks;
 - (b) Accidents during transportation;
 - (c) Environmental regulation;
 - (d) Financial risks; and
 - (e) Competition and new entrants.

- (ii) Risks relating to the industry in which our Group operates:-
 - (a) Political and economic risks;
 - (b) Foreign currency risk; and
 - (c) Raw materials volatility risk.

5. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Subscription of shares is 0.07%.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

To this date hereof, none of the directors, major shareholders, and persons connected with directors or major shareholders of the Company or any of its subsidiaries have any interest, direct or indirect, in the Subscription.

7. APPROVAL OF SHAREHOLDERS AND THE RELEVANT AUTHORITIES

The Subscription does not require the approvals of the shareholders of JTB nor of any government authorities.

8. DIRECTORS' RECOMMENDATION

The Board of Directors of JTB, having considered all aspects of the Subscription is of the opinion that the investment is in the best interest of the JTB Group.

This announcement is dated 3 October 2017