



JOHORE TIN BERHAD

**JOHORE TIN BERHAD**  
(Company No. 532570-V)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**(UNAUDITED)**

**This Report is dated 28<sup>th</sup> November 2018.**



**JOHORE TIN BERHAD** (Co. No. 532570-V)  
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**QUARTERLY REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

|   | NOTE      | <u>INDIVIDUAL QUARTER</u>                            |  | <u>CUMULATIVE QUARTER</u>                           |   |
|---|-----------|--|--|---|---|
|   |           | Current<br>Period<br>Quarter<br>30-09-2018<br>RM'000 | Preceding Period<br>Corresponding<br>Quarter<br>30-09-2017<br>RM'000 | Current<br>Year-<br>To-Date<br>30-09-2018<br>RM'000 | Preceding<br>Year-<br>To-Date<br>30-09-2017<br>RM'000 |
| <b>REVENUE</b>  |           | <b>124,442</b>                                       | <b>132,922</b>   | <b>343,978</b>                                      | <b>358,897</b>  |
| Cost of Sales   |           | (99,612)   | (114,157)  | (285,704)   | (305,985)   |
| <b>GROSS PROFIT</b>   |           | <b>24,830</b>  | <b>18,765</b>  | <b>58,274</b>                                       | <b>52,912</b>   |
| Other incomes   |           | 980  | 738  | 2,366   | 5,265   |
| Administrative expenses   |           | (4,858)  | (8,344)  | (14,354)  | (19,429)  |
| Distribution expenses   |           | (4,416)  | (3,408)  | (14,767)  | (9,098)   |
| Net (losses)/gains on foreign<br>exchange and financial instruments |           | 204  | 1,269  | (474)   | 2,303   |
| Finance costs   |           | (234)  | (472)  | (855)   | (1,302)   |
| <b>PROFIT BEFORE TAX</b>  |           | <b>16,506</b>  | <b>8,448</b>   | <b>30,190</b>                                       | <b>30,651</b>   |
| Income tax expense  | <b>B6</b> | (3,646)  | (337)  | (5,945)   | (4,839)   |
| <b>PROFIT FOR THE PERIOD</b>  |           | <b>12,860</b>  | <b>8,111</b>   | <b>24,245</b>                                       | <b>25,812</b>   |
| Non-controlling interest  |           | (218)  | (32)   | (525)   | (530)   |
| <b>PROFIT ATTRIBUTABLE TO<br/>OWNERS OF THE COMPANY</b>             |           | <b>12,642</b>  | <b>8,079</b>   | <b>23,720</b>                                       | <b>25,282</b>   |
| <b>OTHER CcccccMPREHENSIVE INCOME</b>                               |           |  |  |   |   |
| Foreign currency translation  |           | 508  | (8)  | 491   | (19)  |
| <b>Total other comprehensive income<br/>for the period</b>          |           | <b>508</b>   | <b>(8)</b>   | <b>491</b>  | <b>(19)</b>   |
| <b>COMPREHENSIVE INCOME FOR<br/>THE FINANCIAL PERIOD</b>            | <b>B7</b> | <b>13,150</b>  | <b>8,071</b>   | <b>24,211</b>                                       | <b>25,263</b>   |
| <b>Profit after tax attributable to:</b>                            |           |  |  |   |   |
| Owners of the Company   |           | 12,642   | 8,079  | 23,720  | 25,282  |
| Non-controlling interest  |           | 218  | 32   | 525   | 530   |
|   |           | 12,860   | 8,111  | 24,245  | 25,812  |
| <b>Total comprehensive income attributable to:</b>                  |           |  |  |   |   |
| Owners of the Company   |           | 13,150   | 8,071  | 24,211  | 25,263  |
| Non-controlling interest  |           | 218  | 32   | 525   | 530   |
|   |           | 13,368   | 8,103  | 24,736  | 25,793  |
| <b>Earnings per share (sen):</b>                                    |           |  |  |   |   |
| - Basic   | <b>B9</b> | 4.07   | 2.84   | 7.64  | 8.88  |
| - Diluted   | <b>B9</b> | 4.07   | 2.80   | 7.64  | 8.39  |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018 (UNAUDITED)**

|   |      | As at<br>30 September 2018<br>(Unaudited)<br>RM'000 | As at<br>31 December 2017<br>(Audited)<br>RM'000 |
|---|------|---|--|
|   | NOTE |   |  |
| <b><u>ASSETS</u></b>                                |      |   |  |
| <b><i>Non-Current Assets</i></b>                    |      |   |  |
| Property, plant and equipment                       |      | 109,096   | 110,934  |
| Investment on associate company                     |      | 8,271   | 171  |
| Goodwill on consolidation                           |      | 10,650  | 10,650   |
| Other investment                                    |      | 17  | 17   |
|   |      | 128,034   | 121,772  |
| <b><i>Current Assets</i></b>                        |      |   |  |
| Inventories   |      | 84,025  | 96,673   |
| Trade receivables                                   |      | 81,203  | 76,666   |
| Other receivables                                   |      | 12,193  | 3,554  |
| Amount owing from related companies                 |      | 2,857   | 2,682  |
| Derivative financial assets                         | B10  | -   | 3,836  |
| Tax recoverable                                     |      | 3,769   | 3,437  |
| Cash and cash equivalents                           |      | 86,185  | 85,459   |
|   |      | 270,232   | 272,307  |
| <b>TOTAL ASSETS</b>                                 |      | <b>398,266</b>                                      | <b>394,079</b>                                   |
| <b><u>EQUITY AND LIABILITIES</u></b>                |      |   |  |
| <b><i>Share Capital and Reserves</i></b>            |      |   |  |
| Share capital                                       |      | 176,816   | 176,816  |
| Retained earnings                                   |      | 129,175   | 113,734  |
| Other components of equity                          |      | -   | (491)  |
| <b>Equity Attributable to Owners of the Company</b> |      | <b>305,991</b>                                      | <b>290,059</b>                                   |
| Non-controlling interest                            |      | 824   | 54   |
| <b>TOTAL EQUITY</b>                                 |      | <b>306,815</b>                                      | <b>290,113</b>                                   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

|  |     | As at<br>30 September 2018<br>(Unaudited)<br>RM'000 | As at<br>31 December 2017<br>(Audited)<br>RM'000 |
|--|-----|---|--|
| <b><i>EQUITY AND LIABILITIES (cont'd)</i></b>  |     |   |  |
| <b><i>Non-Current Liabilities</i></b>  |     |   |  |
| Long-term borrowings   | B11 | 2,165   | 2,489  |
| Retirement benefits  |     | 351   | 377  |
| Deferred tax   |     | 8,166   | 8,227  |
| <b><i>Total Non-Current Liabilities</i></b>  |     | <b>10,682</b>                                       | <b>11,093</b>                                    |
| <b><i>Current Liabilities</i></b>  |     |   |  |
| Trade payables   |     | 39,033  | 30,427   |
| Other payables   |     | 11,996  | 19,894   |
| Amount owing to directors  |     | 75  | 162  |
| Short-term borrowings  | B11 | 27,486  | 41,399   |
| Retirement benefits  |     | 300   | 300  |
| Derivative financial assets  | B10 | 1,699   | -  |
| Income tax   |     | 180   | 691  |
| <b><i>Total Current Liabilities</i></b>  |     | <b>80,769</b>                                       | <b>92,873</b>                                    |
| <b><i>TOTAL LIABILITIES</i></b>  |     | <b>91,451</b>                                       | <b>103,966</b>                                   |
| <b><i>TOTAL EQUITY AND LIABILITIES</i></b>   |     | <b>398,266</b>                                      | <b>394,079</b>                                   |
|  |     | RM  | RM   |
| <b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b> |     | <b>0.99</b>   | <b>0.93</b>                                      |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

|   | <u>Non-Distributable Reserves</u> |                               | <u>Distributable</u>                        |                                |   |   |                           |
|---|-----------------------------------|-------------------------------|---|--------------------------------|---|---|---------------------------|
|   | Share<br>Capital<br>RM'000        | Warrants<br>Reserve<br>RM'000 | Foreign<br>Translation<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Attributable to<br>Owners of the<br>Company<br>RM'000 | Non-<br>Controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>Balance at 1 January 2018</b>                | 176,816                           | -                             | (491)                                       | 113,734                        | 290,059   | 54  | 290,113                   |
| Total comprehensive income<br>for the period    | -                                 | -                             | 491   | 23,720                         | 24,211  | 525                                       | 24,736                    |
| Acquisition of subsidiary                       | -                                 | -                             | -   | -                              | -   | 245                                       | 245                       |
| Winding up of subsidiary                        | -                                 | -                             | -   | (517)                          | (517)   | -   | (517)                     |
| Dividend paid                                   | -                                 | -                             | -   | (7,762)                        | (7,762)   | -   | (7,762)                   |
| <b>Balance at 30 September 2018</b>             | <b>176,816</b>                    | <b>-</b>                      | <b>-</b>                                    | <b>129,175</b>                 | <b>305,991</b>  | <b>824</b>                                | <b>306,815</b>            |
| <b>Balance at 1 January 2017</b>                | 124,407                           | 5,233                         | (459)                                       | 95,444                         | 224,625   | (365)                                     | 224,260                   |
| Total comprehensive income<br>for the period    | -                                 | -                             | (19)  | 25,282                         | 25,263  | 530                                       | 25,793                    |
| Acquisition of subsidiary                       | -                                 | -                             | -   | -                              | -   | 245                                       | 245                       |
| Issuance of shares upon<br>exercise of warrants | 30,506                            | -                             | -   | -                              | 30,506  | -   | 30,506                    |
| Dividend paid                                   | -                                 | -                             | -   | (8,199)                        | (8,199)   | -   | (8,199)                   |
| <b>Balance at 30 September 2017</b>             | <b>154,913</b>                    | <b>5,233</b>                  | <b>(478)</b>                                | <b>112,527</b>                 | <b>272,195</b>  | <b>410</b>                                | <b>272,605</b>            |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

|  | NOTE       | Current<br>Period-To-Date<br>30-09-2018<br>RM'000 | Preceding<br>Period-To-Date<br>30-09-2017<br>RM'000 |
|--|------------|---|---|
| Net cash from operating activities                   | <b>B14</b> | 39,749  | 5,333   |
| Net cash used in investing activities                | <b>B14</b> | (14,119)  | (13,540)  |
| Net cash (used in)/from financing activities         | <b>B14</b> | (24,918)  | 4,090   |
| Net increase/(decrease) in cash and cash equivalents |            | 712   | (4,117)   |
| Adjustment for foreign exchange differentials        |            | 14  | (17)  |
| Cash and cash equivalents as of beginning of year    |            | 85,450  | 60,681  |
| Cash and cash equivalents as of end of period        |            | 86,176  | 56,547  |

Cash and cash equivalents at the end of the financial reporting year comprise the following:

|                        | Current<br>Period-To-Date<br>30-09-2018<br>RM'000 | Preceding<br>Period-To-Date<br>30-09-2017<br>RM'000 |
|------------------------|---|---|
| Cash and bank balances | 86,185  | 57,602  |
| Bank overdraft         | -   | (1,055)   |
| Earmarked bank balance | (9)   | -   |
|                        | 86,176  | 56,547  |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

**PART A**

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134:  
INTERIM FINANCIAL REPORTING (“MFRS 134”)**

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the third quarter ended 30 September 2018 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and with IAS 34 *Interim Financial Reporting*, and the applicable disclosure provisions on paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2017.

These condensed consolidated interim financial statements are prepared under historical cost convention, which are in compliance with MFRSs and the requirements of the Companies Act 2016 in Malaysia. These are the Group’s second set of condensed interim financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by International Accounting Standards Board.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2017.

**a) The Group has adopted the following applicable new/revised accounting standards (“MFRSs”) and Issues Committee Interpretations (including consequential amendments) (“IC Int.”):**

Amendments to MFRS 107 *Disclosure Initiative*

Amendments to MFRS 112 *Recognition of Deferred Tax Asset for Unrealised Losses*

Annual Improvements to MFRSs 2012 – 2014 Cycle:

Amendments to MFRS 12 *Clarification of the scope of the Standards*

The adoption of the above MFRSs and IC Int. did not have any material impact on the Group’s financial statements.

**b) The Group has not applied in advance the following applicable new/revised MFRS and IC Int that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:**

| <b>MFRS and IC Interpretations</b>  | <b>Effective Date</b> |
|---|-----------------------|
| MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>  | 1 January 2018        |
| MFRS 15 <i>Revenue from Contracts with Customers</i> & Amendments to MFRS 15  | 1 January 2018        |
| MFRS 16 <i>Leases</i>   | 1 January 2019        |
| MFRS 17 <i>Insurance Contracts</i>  | 1 January 2021        |
| IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>   | 1 January 2018        |
| IC Interpretation 23 <i>Uncertainties over Income Tax Treatment</i>   | 1 January 2019        |
| Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>                              | 1 January 2018        |
| Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>                           | 1 January 2018        |
| Amendments to MFRS 15 <i>Effective Date of MFRS 15 &amp; Clarification to MFRS 15 Revenue from Contracts with Customers</i> | 1 January 2018        |
| Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>   | 1 January 2019        |
| Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>  | 1 January 2019        |
| Amendments to MFRS 140 <i>Transfer of Investment Property</i>   | 1 January 2018        |

The above MFRSs and IC Int. is expected to have no material impact on the Group’s financial statements upon their initial application.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**A3. Audit Qualification**

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2017.

**A4. Seasonal or Cyclical Factors**

The Group's operations are not significantly affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial reporting period under review.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial reporting period.

**A7. Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting period that have a material effect in the current interim period.

**A8. Dividend Paid**

The second interim dividends of 0.5 sen in respect of the financial year ending 31 December 2018, amounting to RM1,552,355, had been paid on 28 Septembers 2018 to the depositors registered in the Record of Depositors at the close of business on 19 September 2018.

**A9. Subsequent Material Events**

There were no material events subsequent to the end of the current financial reporting period that have not been reflected in the financial statements for the current interim period.

**A10. Contingent Liabilities**

|  | <b>THE COMPANY</b> |                   |
|--|--------------------|-------------------|
|  | <b>30-09-2018</b>  | <b>31-12-2017</b> |
|  | <b>RM'000</b>      | <b>RM'000</b>     |
| Corporate guarantee given to licensed banks for banking facilities | 52,045             | 26,062            |
| Deed guarantee given to a customer for products sold               | 44                 | 1,702             |
| Deed guarantee given to suppliers for products purchased           | 4,571              | 7,233             |

**A11. Changes in the Composition**

There are no changes in the composition of the entity during the current interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations.

**A12. Operating Segments**

**a) Business Segments**

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

- 1) Investment Holding - *Investment holding and provision of management services.*
- 2) Tin Manufacturing - *Manufacturing of various tins, cans and other containers.*
- 3) Food and Beverage - *Manufacturing and selling of milk and related dairy products.*



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**A12. Operating Segments (Cont'd)**

**a) Business Segments (Cont'd)**

| <b>THE GROUP</b>                  | <b>Investment<br/>Holding</b> | <b>Tin<br/>Manufacturing</b> | <b>Food &amp;<br/>Beverage</b> | <b>Group</b>   |
|-----------------------------------|-------------------------------|------------------------------|--------------------------------|----------------|
|                                   | <b>RM'000</b>                 | <b>RM'000</b>                | <b>RM'000</b>                  | <b>RM'000</b>  |
| <b><u>30 September 2018</u></b>   |                               |                              |                                |                |
| External revenue                  | -                             | 83,718                       | 260,260                        | 343,978        |
| Inter-segment revenue             | -                             | 17,652                       | 28,713                         | 46,365         |
| Dividend                          | 7,349                         | -                            | -                              | 7,349          |
| <b>Total revenue</b>              | <b>7,349</b>                  | <b>101,370</b>               | <b>288,973</b>                 | <b>397,692</b> |
| Segments (loss)/profit before tax | (1,167)                       | 11,360                       | 19,997                         | 30,190         |
| Segment assets                    | 33,362                        | 135,408                      | 229,496                        | 398,266        |
| <b><u>30 September 2017</u></b>   | <b>RM'000</b>                 | <b>RM'000</b>                | <b>RM'000</b>                  | <b>RM'000</b>  |
| External revenue                  | -                             | 75,143                       | 283,754                        | 358,897        |
| Inter-segment revenue             | -                             | 14,445                       | 5,684                          | 20,129         |
| Dividend                          | 7,152                         | -                            | -                              | 7,152          |
| <b>Total revenue</b>              | <b>7,152</b>                  | <b>89,588</b>                | <b>289,438</b>                 | <b>386,178</b> |
| Segments (loss)/profit before tax | (1,271)                       | 10,415                       | 16,668                         | 25,812         |
| Segment assets                    | 24,717                        | 132,151                      | 210,320                        | 367,188        |

**b) Geographical Segments**

The Group's principal business activities are manufacturing of various tins, cans and other containers, and are primarily carried out in Malaysia and Indonesia.

| <b>THE GROUP</b>                        | <b>Malaysia</b> | <b>Indonesia</b> | <b>Elimination</b> | <b>Consolidated</b> |
|---|-----------------|------------------|--------------------|---------------------|
|   | <b>RM'000</b>   | <b>RM'000</b>    | <b>RM'000</b>      | <b>RM'000</b>       |
| <b><u>30 September 2018</u></b>         |                 |                  |                    |                     |
| <b><i>Revenue</i></b>                   |                 |                  |                    |                     |
| External revenue                        | 343,978         | -                | -                  | 343,978             |
| Inter-segment revenue                   | 46,365          | -                | (46,365)           | -                   |
| Dividend                                | 7,349           | -                | (7,349)            | -                   |
| <b>Total revenue</b>                    | <b>397,692</b>  | <b>-</b>         | <b>(53,714)</b>    | <b>343,978</b>      |
| Segments profit/(loss)                  | 38,252          | (8)              | (7,199)            | 31,045              |
| Finance costs                           | (855)           | -                | -                  | (855)               |
| Profit/(Loss) before tax                | 37,397          | (8)              | (7,199)            | 30,190              |
| Tax expense                             | (5,869)         | (76)             | -                  | (5,945)             |
| <b>Net profit/(loss) for the period</b> | <b>31,528</b>   | <b>(84)</b>      | <b>(7,199)</b>     | <b>24,245</b>       |
| <b><i>Other Information:</i></b>        |                 |                  |                    |                     |
| Capital expenditure                     | 5,772           | -                | -                  | 5,772               |
| Depreciation and amortisation           | 7,621           | -                | (11)               | 7,610               |
| Segment assets                          | 606,222         | -                | (207,956)          | 398,266             |
| Segment liabilities                     | 151,468         | -                | (60,017)           | 91,451              |

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**A12. Segmental Reporting (Cont'd)**

**b) Geographical Segments (Cont'd)**

| <b>THE GROUP<br/>30 September 2017</b> | <b>Malaysia<br/>RM'000</b> | <b>Indonesia<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--|----------------------------|-----------------------------|-------------------------------|--------------------------------|
| <b>Revenue</b>                         |                            |                             |                               |                                |
| External revenue                       | 358,897                    | -                           | -                             | 358,897                        |
| Inter-segment revenue                  | 20,129                     | -                           | 20,129)                       | -                              |
| Dividend                               | 7,152                      | -                           | (7,152)                       | -                              |
| <b>Total revenue</b>                   | <b>386,178</b>             | <b>-</b>                    | <b>(27,281)</b>               | <b>358,897</b>                 |
| Segments profit                        | 39,061                     | (3)                         | (7,105)                       | 31,953                         |
| Finance costs                          | (1,302)                    | -                           | -                             | (1,302)                        |
| Profit before tax                      | 37,759                     | (3)                         | (7,105)                       | 30,651                         |
| Tax expense                            | (4,839)                    | -                           | -                             | (4,839)                        |
| <b>Net profit for the period</b>       | <b>32,920</b>              | <b>(3)</b>                  | <b>(7,105)</b>                | <b>25,812</b>                  |
| <b>Other Information:</b>              |                            |                             |                               |                                |
| Capital expenditure                    | 17,427                     | -                           | -                             | 17,427                         |
| Depreciation and amortisation          | 7,164                      | -                           | (11)                          | 7,153                          |
| Segment assets                         | 550,606                    | 297                         | (183,715)                     | 367,188                        |
| Segment liabilities                    | 150,756                    | -                           | (56,173)                      | 94,583                         |

**A13. Related Party Transactions**

The amount owing to directors are unsecured, interest free advances and repayable on demand. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions. The related parties and their relationship with the Company are as follows:

|                                   | <b>THE GROUP</b>  |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>30-09-2018</b> | <b>30-09-2017</b> |
|                                   | <b>RM</b>         | <b>RM</b>         |
| <b>Directors of the Companies</b> |                   |                   |
| - Rental of factory               | 480,600           | 12,600            |
| - Rental of hostel                | 9,000             | 9,000             |
| <b>Related Companies</b>          |                   |                   |
| - Sales of goods                  | 5,465,905         | 6,124,217         |
| - Purchases of goods              | 171,253           | -                 |

A Director of a subsidiary had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM1,800, and shall expire on 14 November 2019.

A related party of a Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM51,600, and shall expire on 31 December 2019.

Another Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly hostel rental of RM1,000 and shall expire on 31 March 2019.

The directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not less favourable than those arranged with independent third parties.

[End of Part A]

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**PART B  
EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE  
BURSA SECURITIES**

**B1. Review of Group Performance**

***a) Current Year Quarter compared with Preceding Year Corresponding Quarter***

The Group recorded a revenue of RM124.44 million and profit before tax of RM16.51 million for the third quarter as compared to preceding year corresponding quarter of RM132.92 million and profit before tax of RM8.45 million respectively. The revenue decreased by RM8.48 million and the profit before tax increased by RM8.06 million respectively as compared to the third quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM2.34 million from RM26.39 million to RM28.73 million mainly due to higher sales in the edible oil industry, paint industry and the printing of tinplates services. Current quarter's profit before tax increased by RM0.28 million from RM3.80 million in the preceding year corresponding quarter to RM4.08 million.

For the F&B segment, revenue decreased by RM10.83 million from RM106.54 million to RM95.71 million mainly due to lower sales from dairy products. The profit before tax increased by RM7.69 million from RM4.95 million to RM12.64 million for the current quarter under review, mainly due to increase sales in higher margin products mix and no allowance for doubtful debts in the current quarter under review as compared to RM3.59 million in the preceding year corresponding quarter.

***b) Current Year-To-Date compared with Preceding Year-To-Date***

The Group has recorded a revenue of RM343.98 million and profit before tax of RM30.19 million for the 9 months' ended 30 September 2018 as compared to preceding year-to-date of RM358.90 million and RM30.65 million respectively. The Group's revenue decreased by RM14.92 million and the profit before tax decreased by RM0.46 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM8.58 million from RM75.14 million to RM83.72 million mainly due to higher sales in the biscuit industry, edible oil industry and the printing of tinplates services. Profit before tax decreased by RM2.76 million from RM14.12 million to RM11.36 million. This is due to one-off gain on disposal of machinery of RM3.01 million in the preceding year.

For the F&B segment, revenue decreased by RM23.50 million from RM283.76 million to RM260.26 million mainly due to lower sales from dairy products. The profit before tax increased by RM2.16 million from RM17.84 million to RM20.00 million, mainly due to increase sales in higher margin products mix and no allowance for doubtful debts in the current year under review as compared to RM6.21 million in the preceding year-to-date.

**B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's profits before tax increased by RM10.76 million to RM16.51 million as compared to profit before tax of RM5.75 million in the preceding quarter ended 30 June 2018.

***a) Tin Manufacturing Industry***

Profit before tax decreased slightly by RM21 thousand from RM4.10 million to RM4.08 million.

***b) F&B Industry***

Profit before tax increased by RM10.48 million from RM2.16 million in the previous quarter as compared to the current quarter's profit before tax of RM12.64 million due to increase sales in higher margin products mix and favourable foreign exchange rates, as well as decrease in marketing and promotional expenses in the current quarter under review.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material prices are currently less volatile and this will help to maintain the stability in the market in the near future.

**b) F&B Industry**

Demand is expected to remain strong although we foresee a very competitive market. This segment will continue to be profitable despite volatility in raw materials prices and uncertainties in global economies.

**B4. Revenue or Profit Estimates**

This is not applicable to the Group for the current financial reporting period under review.

**B5. Profit Forecast or Profit Guarantee**

The profit forecast is not applicable to the Group for the current financial reporting period.

**B6. Tax Expense**

|                                | Individual Quarter |            | Cumulative Quarter |              |
|--------------------------------|--------------------|------------|--------------------|--------------|
|                                | 30-09-2018         | 30-09-2017 | 30-09-2018         | 30-09-2017   |
| Current period:                | RM'000             | RM'000     | RM'000             | RM'000       |
| - Income tax                   | 3,563              | 2,216      | 6,002              | 7,180        |
| - Income tax (under-provision) | 4                  | -          | 4                  | -            |
| - Deferred tax                 | 79                 | (1,879)    | (61)               | (2,341)      |
|                                | <u>3,646</u>       | <u>337</u> | <u>5,945</u>       | <u>4,839</u> |

**B7. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

|   | Individual Quarter |            | Cumulative Quarter |            |
|---|--------------------|------------|--------------------|------------|
|   | 30-09-2018         | 30-09-2017 | 30-09-2018         | 30-09-2017 |
|   | RM'000             | RM'000     | RM'000             | RM'000     |
| Interest income                                   | 349                | 165        | 619                | 481        |
| Other income                                      | 631                | 573        | 1,738              | 1,505      |
| Interest expense                                  | (234)              | (472)      | (855)              | (1,302)    |
| Depreciation and amortisation                     | (2,546)            | (2,541)    | (7,610)            | (7,153)    |
| Gain on disposal of property, plant and equipment | -                  | 11         | 9                  | 3,279      |
| Realised foreign exchange gain/(loss)             | 2,305              | (121)      | 5,280              | (1,036)    |
| Unrealised foreign exchange gain/(loss)           | 2                  | -          | (219)              | 1,149      |
| (Loss)/ Gain on derivatives financial instruments | (2,099)            | 1,390      | (5,535)            | 2,190      |
| Exceptional items                                 | -                  | -          | -                  | -          |

**B8. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

There are no corporate proposals and utilisation of proceeds raised from rights issue announced for the current financial reporting period.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**B9. Earnings Per Share**

The basic earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares in issues during the financial reporting period which is as follows:

|  | Individual Quarter |             | Cumulative Quarter |             |
|--|--------------------|-------------|--------------------|-------------|
|  | 30-09-2018         | 30-09-2017  | 30-09-2018         | 30-09-2017  |
| Profit for the period (RM'000)                           | 12,642             | 8,079       | 23,720             | 25,282      |
| Weighted average number of ordinary shares ('000 shares) | 310,473            | 284,704     | 310,473            | 284,704     |
| <b>Basic Earnings per Share (Sen)</b>                    | <b>4.07</b>        | <b>2.84</b> | <b>7.64</b>        | <b>8.88</b> |

The diluted earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares deemed to be issued for no consideration during the financial reporting period which is as follows:

|   | Individual Quarter |             | Cumulative Quarter |             |
|---|--------------------|-------------|--------------------|-------------|
|   | 30-09-2018         | 30-09-2017  | 30-09-2018         | 30-09-2017  |
| Profit for the period (RM'000)  | 12,642             | 8,079       | 23,720             | 25,282      |
| Weighted average number of ordinary shares for basic earnings per share ('000 shares)             | 310,473            | 284,704     | 310,473            | 284,704     |
| Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares) | -                  | 3,598       | -                  | 16,803      |
| Weighted average number of ordinary shares ('000 shares)  | 310,473            | 288,302     | 310,473            | 301,507     |
| <b>Diluted Earnings per Share (Sen)</b>   | <b>4.07</b>        | <b>2.80</b> | <b>7.64</b>        | <b>8.39</b> |

There is no dilutive effect of the potential ordinary share convert under warrants issued since the warrants have expired in previous year.

**B10. Derivative Financial Instruments**

As at 30 September 2018, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates. The details of the foreign currency forward contracts are as follows:

| Type of Derivatives                  | THE GROUP            |                      |
|--------------------------------------|----------------------|----------------------|
|                                      | 30-09-2018<br>RM'000 | 31-12-2017<br>RM'000 |
| <b>Forward Contracts (US Dollar)</b> |                      |                      |
| Contract/Notional Value              | 48,811               | 77,965               |
| Less: Fair Value                     | (47,112)             | (81,801)             |
| Loss/(Gain) on Fair Value Changes    | 1,699                | (3,836)              |

All contracts entered by the Group are executed with creditworthy financial institutions in Malaysia. As a result, the credit risk or the risk of counterparties defaulting is minimal. The Group also has a low liquidity risk as it maintains sufficient fund to settle the entire derivative financial instruments when they fall due.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**B10. Derivative Financial Instruments (Cont'd)**

However, the Group is subject to market risk in term of foreign currency, on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

**B11. Loan and Borrowings**

The Group's bank loan and borrowings as at the end of the financial reporting period are as follows:

|   | <b>THE GROUP</b>  |                   |
|---|-------------------|-------------------|
|   | <b>30-09-2018</b> | <b>31-12-2017</b> |
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Current portion (secured):</b>           |                   |                   |
| Term loans                                  | 832               | 1,890             |
| Short-term banking facilities               | 11,985            | 23,703            |
| Revolving credit                            | 14,598            | 15,767            |
| Hire purchase payables (see Note B12 below) | 71                | 39                |
|   | 27,486            | 41,399            |
| <b>Non-current portion (secured):</b>       |                   |                   |
| Term loans                                  | 2,011             | 2,452             |
| Hire purchase payables (see Note B12 below) | 154               | 37                |
|   | 2,165             | 2,489             |
| <b>Total Loan and Borrowings</b>            | 29,651            | 43,888            |

Except for the term loans and hire purchase facilities, the Group's other banking facilities (all pertaining to certain subsidiary companies) are secured by way of corporate guarantee issued by the Company.

**B12. Hire Purchase Payables**

The Group's hire purchase payables as at the end of the financial reporting period are as follows:

|   | <b>THE GROUP</b>  |                   |
|---|-------------------|-------------------|
|   | <b>30-09-2018</b> | <b>31-12-2017</b> |
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| Minimum hire purchase payments                    | 246               | 80                |
| Less: Future finance charges                      | (21)              | (4)               |
| Present value of hire purchase payables           | 225               | 76                |
| Less: <b>Current portion</b> (see Note B11 above) | (71)              | (39)              |
| <b>Non-current portion</b> (see Note B11 above)   | 154               | 37                |

**B13. Warrants Reserve**

The movements in the warrants reserve of the Company are as follows:

|  | <b>THE GROUP</b>  |                   |
|--|-------------------|-------------------|
|  | <b>30-09-2018</b> | <b>31-12-2017</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Balance at the beginning of year             | -                 | 5,233             |
| Transfer of reserves upon expiry of warrants | -                 | (5,233)           |
| Balance at the end of period                 | -                 | -                 |

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

**B14. Notes to the Condensed Consolidated Statement of Cash Flows**

The details of major components in the Statement of Cash Flows comprises as follows:

|  | <b>THE GROUP</b>  |                   |
|--|-------------------|-------------------|
|  | <b>30-09-2018</b> | <b>30-09-2017</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>a) Cash Flows from Operating Activities</b>             |                   |                   |
| Decrease/(Increase) in inventories                         | 12,648            | (11,754)          |
| Increase in trade and other receivables                    | (12,298)          | (6,885)           |
| Increase/(Decrease) in trade and other payables            | 1,962             | (4,518)           |
| Income tax paid  | (6,961)           | (8,515)           |
| Income tax refund  | 111               | 1,766             |
| <b>b) Cash Flows from Investing Activities</b>             |                   |                   |
| Proceeds from disposal of property, plant and equipment    | 9                 | 3,332             |
| Purchase of property, plant and equipment                  | (5,772)           | (17,427)          |
| <b>c) Cash Flows from Financing Activities</b>             |                   |                   |
| Dividend paid  | (9,314)           | (8,199)           |
| Net repayment of short-term borrowings                     | (12,731)          | (11,633)          |
| Repayment of term loan                                     | (1,499)           | (1,483)           |
| Net drawdown/(repayment) of hire purchase payables         | 150               | (101)             |
| Net repayment of revolving credit                          | (1,169)           | (5,000)           |
| Proceeds from issuance of shares upon exercise of warrants | -                 | 30,506            |

**B15. Disclosure of Realised and Unrealised Profits**

The breakdown of the realised and unrealised profits as at the end of the financial reporting period is as follows:

|  | <b>THE GROUP</b>  |                   |
|--|-------------------|-------------------|
|  | <b>30-09-2018</b> | <b>30-09-2017</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Total retained earnings (Company and its subsidiaries)   |                   |                   |
| - realised   | 223,616           | 195,312           |
| - unrealised   | (13,915)          | (3,180)           |
|  | 209,701           | 192,132           |
| Less: Consolidation adjustments  | (80,526)          | (79,605)          |
| <b>Total group retained earnings as per unaudited condensed consolidated statement of financial position</b> | <b>129,175</b>    | <b>112,527</b>    |

**B16. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a third interim dividend of 1.5 sen per ordinary share in respect of the financial year ending 31 December 2018. The date of payment and book closure of the said interim dividend will be determined at a later date.

**B17. Material Litigations**

There were no pending material litigations since the date of last audited annual statement of financial position.

**B18. Authorisation for Issue**

The third quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 28 November 2018.

[End of Report]