



JOHORE TIN BERHAD

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

**QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

(UNAUDITED)

This Report is dated 27th February 2018.



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

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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED)

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Period Quarter 31-12-2017 RM'000	Preceding Period Corresponding Quarter 31-12-2016 RM'000	Current Year- To-Date 31-12-2017 RM'000	Preceding Year- To-Date 31-12-2016 RM'000
REVENUE		116,590	118,397	475,488	441,199
Cost of Sales		(99,608)	(96,188)	(405,593)	(367,246)
GROSS PROFIT		16,982	22,209	69,895	73,953
Other incomes		(2,290)	653	2,974	1,828
Administrative expenses		(6,322)	(4,794)	(25,751)	(16,218)
Distribution expenses		(6,687)	(3,213)	(15,784)	(13,551)
Net gain on foreign exchange		2,527	94	4,830	3,540
Finance costs		(289)	(733)	(1,592)	(2,761)
PROFIT BEFORE TAX		3,921	14,216	34,572	46,791
Income tax expense	B6	(2,931)	(4,836)	(7,771)	(11,348)
PROFIT FOR THE PERIOD/YEAR		990	9,380	26,801	35,443
Non-controlling interest		365	1,563	(165)	150
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,355	10,943	26,636	35,593
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		(13)	178	(32)	144
Total other comprehensive income for the period/year		(13)	178	(32)	144
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	B8	1,342	11,121	26,604	35,737
Profit after tax attributable to:					
Owners of the Company		1,355	10,943	26,636	35,593
Non-controlling interest		(365)	(1,563)	165	(150)
		990	9,380	26,801	35,443
Total comprehensive income attributable to:					
Owners of the Company		1,342	11,121	26,604	35,737
Non-controlling interest		(365)	(1,563)	165	(150)
		977	9,558	26,769	35,587
Earnings per share (sen):					
- Basic	B9	0.44	4.40	8.58	14.31
- Diluted	B9	0.44	4.29	8.58	13.94

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 2016 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (UNAUDITED)**

		As at 31 December 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
	NOTE		
<u>ASSETS</u>			
<i>Non-Current Assets</i>			
Property, plant and equipment		110,137	102,953
Investment on associate company		171	-
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		120,975	113,620
<i>Current Assets</i>			
Inventories		97,590	80,453
Trade receivables		76,294	81,689
Other receivables		1,983	4,713
Amount owing from related companies		2,766	1,812
Derivative financial assets	B10	3,836	-
Tax recoverable		3,437	3,072
Cash and cash equivalents		86,331	61,596
		272,237	233,335
TOTAL ASSETS		393,212	346,955
<u>EQUITY AND LIABILITIES</u>			
<i>Share Capital and Reserves</i>			
Share capital		176,816	124,407
Retained earnings		116,267	95,444
Other components of equity		(497)	4,774
Equity Attributable to Owners of the Company		292,592	224,625
Non-controlling interest		45	(365)
TOTAL EQUITY		292,637	224,260

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (UNAUDITED) (cont'd)

		As at 31 December 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
<i>EQUITY AND LIABILITIES (cont'd)</i>			
<i>Non-Current Liabilities</i>			
Long-term borrowings	B11	2,489	4,426
Retirement benefits		377	344
Deferred tax		8,227	8,860
<i>Total Non-Current Liabilities</i>		11,093	13,630
<i>Current Liabilities</i>			
Trade payables		30,430	25,672
Other payables		15,618	17,968
Amount owing to directors		153	147
Derivative financial liabilities	B10	-	651
Short-term borrowings	B11	41,399	62,316
Retirement benefits		300	200
Income tax		710	1,196
Bank overdraft		872	915
<i>Total Current Liabilities</i>		89,482	109,065
<i>TOTAL LIABILITIES</i>		100,575	122,695
<i>TOTAL EQUITY AND LIABILITIES</i>		393,212	346,955
		RM	RM
<i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i>		0.94	0.90

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED)**

	<u>Non-Distributable Reserves</u>				<u>Distributable</u>	<u>Attributable to Owners of the Company RM'000</u>	<u>Non- Controlling Interest RM'000</u>	<u>Total Equity RM'000</u>
	<u>Share Capital RM'000</u>	<u>Share Premium Reserve RM'000</u>	<u>Warrants Reserve RM'000</u>	<u>Foreign Translation Reserve RM'000</u>	<u>Retained Earnings RM'000</u>			
Balance at 1 January 2017	124,407	-	5,233	(459)	95,444	224,625	(365)	224,260
Total comprehensive income for the year	-	-	-	(32)	26,636	26,604	165	26,769
Acquisition of subsidiary	-	-	-	-	-	-	245	245
Issuance of shares upon exercise of warrants	52,409	-	-	-	-	52,409	-	52,409
Dividend paid	-	-	-	-	(11,046)	(11,046)	-	(11,046)
Transfer of reserves upon expiry of warrants	-	-	(5,233)	-	5,233	-	-	-
Balance at 31 December 2017	176,816	-	-	(491)	116,267	292,592	45	292,637
Balance at 1 January 2016	93,305	5,528	5,233	(603)	91,415	194,878	(2,473)	192,405
Total comprehensive income for the year	-	-	-	144	35,593	35,737	(150)	35,587
Dividend paid	-	-	-	-	(3,732)	(3,732)	-	(3,732)
Bonus Issue	31,102	(5,528)	-	-	(25,574)	-	-	-
Effect of change in NCI %	-	-	-	-	(2,258)	(2,258)	2,258	-
Balance at 31 December 2016	124,407	-	5,233	(459)	95,444	224,625	(365)	224,260

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-12-2017 RM'000	Preceding Year-To-Date 31-12-2016 RM'000
Net cash from operating activities	B14	19,693	81,610
Net cash used in investing activities	B14	(15,872)	(9,749)
Net cash from/(used in) financing activities	B14	20,988	(45,579)
Net increase in cash and cash equivalents		24,809	26,282
Adjustment for foreign exchange differentials		(22)	144
Cash and cash equivalents as of beginning of year		60,672	34,246
Cash and cash equivalents as of end of year		85,459	60,672

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

	Current Year-To-Date 31-12-2017 RM'000	Preceding Year-To-Date 31-12-2016 RM'000
Cash and bank balances	85,459	61,587
Bank overdraft	-	(915)
	85,459	60,672

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (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 fourth quarter ended 31 December 2017 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 2016.

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 2016.

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/year:

MFRS and IC Interpretations	Effective Date
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 & Amendments to MFRS 15</i>	
<i>Effective Date of MFRS 15</i>	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 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4</i>	
<i>Insurance Contracts</i>	1 January 2018
Amendments to MFRS 15 <i>Effective Date of MFRS 15 & Clarification to MFRS 15</i>	1 January 2018
<i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 12 <i>Clarification of the Scope of Standard</i>	1 January 2017

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 FOURTH QUARTER ENDED 31 DECEMBER 2017 (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 2016.

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/year 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/year.

A7. Changes in Estimates

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

A8. Dividend Paid

A second interim dividend of 1.0 sen in respect of the financial year ended 31 December 2017, amounting to RM2,847,036 (2016: Nil), had been paid on 17 October 2017 to the depositors registered in the Record of Depositors at the close of business on 4 October 2017.

A9. Subsequent Material Events

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

A10. Contingent Liabilities

	THE COMPANY	
	31-12-2017	31-12-2016
	RM'000	RM'000
Corporate guarantee given to licensed banks for banking facilities	26,062	53,697
Deed guarantee given to a customer for products sold	1,702	9,042
Deed guarantee given to suppliers for products purchased	7,233	2,634

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 FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED) (cont'd)

A12. Operating Segments (Cont'd)

a) Business Segments (Cont'd)

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Group
	RM'000	RM'000	RM'000	RM'000
<u>31 December 2017</u>				
External revenue	-	102,401	373,087	475,488
Inter-segment revenue	-	18,916	13,762	32,678
Dividend income	10,971	-	-	10,971
Management income	410	-	-	410
Total revenue	11,381	121,317	386,849	519,547
Reportable segment (loss)/profit	(1,883)	10,590	18,094	26,801
Reportable segment assets	58,350	129,359	205,503	393,212
<u>31 December 2016</u>				
	RM'000	RM'000	RM'000	RM'000
External revenue	-	98,157	343,042	441,199
Inter-segment revenue	-	22,958	820	23,778
Dividend income	14,001	-	-	14,001
Management income	380	-	-	380
Total revenue	14,381	121,115	343,862	479,358
Reportable segment (loss)/profit	(2,239)	14,326	23,356	35,443
Reportable segment assets	3,024	138,984	204,947	346,955

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.

THE GROUP	Malaysia	Indonesia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>31 December 2017</u>				
Revenue				
External revenue	475,488	-	-	475,488
Inter-segment revenue	32,678	-	(32,678)	-
Dividend income	10,971	-	(10,971)	-
Management income	410	-	(410)	-
Total revenue	519,547	-	(44,059)	475,488
Segment results	47,075	(2)	(10,909)	36,164
Finance costs	(1,592)	-	-	(1,592)
Profit before tax	45,483	(2)	(10,909)	34,572
Tax expense	(7,771)	-	-	(7,771)
Net profit for the year	37,712	(2)	(10,909)	26,801
Other Information:				
Capital expenditure	16,897	-	-	16,897
Depreciation and amortisation	9,169	-	(11)	9,158
Segment assets	591,733	825	(199,346)	393,212
Segment liabilities	172,313	-	(71,738)	100,575

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED) (cont'd)**

A12. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

THE GROUP 31 December 2016	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	441,199	-	-	441,199
Inter-segment revenue	23,778	-	(23,778)	-
Dividend income	14,001	-	(14,001)	-
Management income	380	-	(380)	-
Total revenue	479,358	-	(38,159)	441,199
Segment results	63,764	13	(14,225)	49,552
Finance costs	(2,761)	-	-	(2,761)
Profit before tax	61,003	13	(14,225)	46,791
Tax expense	(11,348)	-	-	(11,348)
Net profit for the year	49,655	13	(14,225)	35,443
Other Information:				
Capital expenditure	10,402	-	-	10,402
Depreciation and amortisation	7,578	-	(5)	7,573
Segment assets	541,394	921	(195,360)	346,955
Segment liabilities	191,039	-	(68,344)	122,695

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:

	THE GROUP	
	Current Year-To-Date 31-12-2017	Preceding Year-To-Date 31-12-2016
	RM	RM
Directors of the Companies		
- Rental of factory	17,200	16,800
- Rental of hostel	12,000	10,480
Related Companies		
- Sales of goods	6,780,625	7,343,686
- Purchases of goods	-	710,927

A Director of a subsidiary has entered into a tenancy agreement with the Group's subsidiary. Both parties had mutually agreed to renew in every two (2) years at a renewed monthly rental of RM1,800 and shall expire on 14 November 2019. Another Director of the Group had entered into a hostel tenancy agreement with the Group's subsidiary and both parties had mutually agreed to renewed in every two (2) years at a renewed monthly 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 FOURTH QUARTER ENDED 31 DECEMBER 2017 (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 RM116.59 million and profit before tax of RM3.92 million for the fourth quarter as compared to preceding year corresponding quarter of RM118.40 million and profit before tax of RM14.22 million respectively. The revenue and profit before tax decreased by RM1.81 million and RM10.30 million respectively as compared to the fourth quarter of the preceding year.

For the tin manufacturing segment, revenue decreased by RM2.47 million from RM29.73 million to RM27.26 million mainly due to lower sales in the edible oil tin industry and the printing services. Current quarter's profit decreased significantly by RM7.32 million from profit before tax of RM6.98 million in the preceding year corresponding quarter to a loss before tax of RM0.34 million, mainly due to higher material and operating costs in the current quarter. Another main reason is the reversal of RM3.01 million that was recognised in the first quarter of the current year as gain on disposal of machinery. The equipment supplier decided that they do not need the equipment and instead of a trade-in, they gave us a discount of RM3.01 million.

For the F&B segment, revenue increased slightly by RM0.66 million from RM88.67 million to RM89.33 million mainly due to higher sales from dairy products. The profit before tax decreased by RM3.07 million from RM7.94 million to RM4.87 million for the current quarter under review, mainly due to higher raw material costs and distribution expenses in the current quarter.

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

The Group has recorded a revenue of RM475.49 million and profit before tax of RM34.57 million for the 12 months' ended 31 December 2017 as compared to preceding year-to-date of RM441.20 million and RM46.79 million respectively. The Group's revenue increased by RM34.29 million and the profit before tax decreased by RM12.22 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM4.20 million from RM98.20 million to RM102.40 million mainly due to higher sales in the edible oil tin industry. Profit before tax decreased by RM4.34 million from RM18.11 million to RM13.77 million mainly due to higher material and operating costs in the current year under review.

For the F&B segment, revenue increased by RM30.09 million from RM343 million to RM373.09 million mainly due to higher sales from dairy products. The profit before tax decreased by RM8.2 million from RM30.92 million to RM22.72 million mainly due to higher raw material cost and allowance for doubtful debts in the current year under review.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's profits before tax decreased by RM4.53 million to RM3.92 million as compared to profit before tax of RM8.45 million in the preceding quarter ended 30 September 2017.

a) Tin Manufacturing Industry

Profit decreased by RM4.14 million from RM3.8 million in the previous quarter as compared to the current quarter's loss before tax of RM0.34 million, mainly due to higher material and operating costs in the current quarter under review. Another main reason is the reversal of RM3.01 million that was recognised in the first quarter of the current year as gain on disposal of machinery. The equipment supplier decided that they do not need the equipment and instead of a trade-in, they gave us a discount of RM3.01 million.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED) (cont'd)**

B2. Variation of Results against Preceding Quarter (cont'd)

b) F&B Industry

Profit before tax decreased slightly from RM4.95 million in the previous quarter as compared to the current quarter's profit before tax of RM4.87 million mainly due to higher raw material and operation costs in the current quarter review.

B3. Prospects of the Group

a) Tin Manufacturing Industry

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material price is on the upward trend and this will put additional pressure on the margin. This segment will continue to be profitable.

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/year under review.

B5. Profit Forecast or Profit Guarantee

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

B6. Tax Expense

	Individual Quarter		Cumulative Quarter	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
Current period/year:				
- Income tax	(364)	1,760	6,816	9,375
- Deferred tax	2,823	4,041	483	2,338
	2,459	5,801	7,299	11,713
Under/(Over)-provision in previous period/year:				
- Income tax	1,587	(1,249)	1,587	(1,029)
- Deferred tax	(1,115)	284	(1,115)	664
	2,931	4,836	7,771	11,348

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	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
Interest income	139	130	620	343
Other income	581	422	2,086	1,271
Interest expense	(289)	(733)	(1,592)	(2,760)
Depreciation and amortisation	(2,005)	(2,122)	(9,158)	(7,573)
(Loss)/Gain on disposal of property, plant and equipment	(3,010)	101	268	211
Realised foreign exchange gain/(loss)	621	1,765	(415)	6,135
Unrealised foreign exchange (loss)/gain	(391)	(1,065)	757	(4,704)
Gain/(Loss) on derivatives financial instruments	2,297	(606)	4,487	(672)
Exceptional items	-	-	-	-

NOTES TO THE FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (UNAUDITED) (cont'd)

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/year.

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/year which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Profit for the period/year (RM'000)	1,355	10,943	26,636	35,593
Weighted average number of ordinary shares ('000 shares)	310,473	248,814	310,473	248,814
Basic Earnings per Share (Sen)	0.44	4.40	8.58	14.31

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	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Profit for the period/year (RM'000)	1,355	10,943	26,636	35,593
Weighted average number of ordinary shares for basic earnings per share ('000 shares)	310,473	248,814	310,473	248,814
Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares)	-	6,488	-	6,488
Weighted average number of ordinary shares ('000 shares)	310,473	255,302	310,473	255,302
Diluted Earnings per Share (Sen)	0.44	4.29	8.58	13.94

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

B10. Derivative Financial Instruments

As at 31 December 2017, 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	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
Forward Contracts (US Dollar)		
Contract/Notional Value	77,965	56,921
Less: Fair Value	81,801	57,572
Gain on Fair Value Changes	(3,836)	(651)

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 FOURTH QUARTER ENDED 31 DECEMBER 2017 (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/year are as follows:

	THE GROUP	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
<i>Current portion (secured):</i>		
Term loans	1,890	1,978
Short-term banking facilities	23,703	30,734
Revolving credit	15,767	29,492
Hire purchase payables (see Note B12 below)	39	112
	41,399	62,316
<i>Non-current portion (secured):</i>		
Term loans	2,452	4,345
Hire purchase payables (see Note B12 below)	37	81
	2,489	4,426
Total Loan and Borrowings	43,888	66,742

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/year are as follows:

	THE GROUP	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
Minimum hire purchase payments	81	205
Less: Future finance charges	(5)	(12)
Present value of hire purchase payables	76	193
Less: <i>Current portion</i> (see Note B11 above)	(39)	(112)
<i>Non-current portion</i> (see Note B11 above)	37	81

B13. Warrants Reserve

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

	THE GROUP	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
Balance at the beginning of year	5,233	5,233
Transfer of reserves upon expiry of warrants	(5,233)	-
Balance at the end of year	-	5,233

NOTES TO THE FINANCIAL INFORMATION
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017 (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:

	THE GROUP	
	Current Year-To-Date 31-12-2017 RM'000	Preceding Year-To-Date 31-12-2016 RM'000
a) Cash Flows from Operating Activities		
(Increase)/Decrease in inventories	(17,258)	50,322
(Increase)/Decrease in trade and other receivables	(888)	(3,580)
Increase/(Decrease) in trade and other payables	3,103	(10,884)
Income tax paid	(11,021)	(9,752)
Income tax refund	1,766	304
b) Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	322	312
Purchase of property, plant and equipment	(16,897)	(10,402)
c) Cash Flows from Financing Activities		
Dividend paid	(11,046)	(3,732)
Net repayment of short-term borrowings	(15,930)	(64,666)
Repayment of term loan	(1,980)	(1,951)
Repayment of hire purchase payables	(118)	(1,910)
Net (repayment)/drawdown of revolving credit	(2,347)	25,012
Proceeds from issuance of shares upon exercise of warrants	52,409	-

B15. Disclosure of Realised and Unrealised Profits

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

	THE GROUP	
	As at 31-12-2017 RM'000	As at 31-12-2016 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	193,359	186,388
- unrealised	(2,978)	(11,857)
	190,381	174,531
Less: Consolidation adjustments	(74,114)	(79,087)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	116,267	95,444

B16. Proposed Dividend

During the current quarter under review, the Board of Directors is pleased to declare a fourth interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2017. 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 fourth quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 27 February 2018.

[End of Report]