

9. OTHER INFORMATION CONCERNING THE JTB GROUP

9.1 Other Approvals, Major Licences and Permits

The other approvals, major licences and permits required for the purpose of conducting the businesses of the JTB Group are listed below:

JTF

Authority	Date of Issue	Type of Licence	Equity condition	Status of Compliance
Royal Customs and Excise Malaysia	12 July 1974	Licence under the Sales Tax Act, 1972 – Manufacturer's Licence	There are no equity conditions imposed	Not applicable
Ministry of Home Affairs	4 December 2000	Printing press licence	There are no equity conditions imposed	Not applicable
MITI	3 November 1979	Manufacturing licence	At least 60% equity to be Malaysian owned, inclusive of 30% for Bumiputera	Met

UNI

Authority	Date of Issue	Type of Licence	Equity condition	Status of Compliance
Royal Customs and Excise Malaysia	23 May 1989	Licence under the Sales Tax Act, 1972 – Manufacturer's Licence	There are no equity conditions imposed	Not applicable
MITI	31 January 2003	Manufacturing licence	There are no equity conditions imposed	Not applicable

KTCF

Authority	Date of Issue	Type of Licence	Equity condition	Status of Compliance
Royal Customs and Excise Malaysia	8 April 1972	Licence under the Sales Tax Act, 1972 – Manufacturer's Licence	There are no equity conditions imposed	Not applicable
MITI	20 June 1993	Manufacturing licence	KTCF is exempted from equity conditions	Not applicable

9. OTHER INFORMATION CONCERNING THE JTB GROUP

9.2 Summary of Landed Properties

Information on the landed properties of the JTB Group as at 31 December 2002 are set out below:

Registered Owner	Postal Address	Title No. / Location	Description / Category of Land Use	Tenure/ Date of Expiry of Leasehold Land	Approximate Age of Building (years)	Land Area (sq. ft.)	Built-up Area (sq. ft.)	NBV as at 31 December 2002 RM
JTF	No. 7, Jalan Gagah, Larkin Industrial Area, 80350 Johor Bahru, Johor	HS(D) 108311, Lot TLO 1936 Mukim Bandar Johor Bahru District of Johor Bahru Johor Darul Takzim	Single-storey detached factory with a double-storey office annexed / Industry	60 years expiring 8 January 2028	15	43,560	14,582	1,023,315
JTF	No. 5, Jalan Gagah, Larkin Industrial Area, 80350 Johor Bahru, Johor	HS(D) 7258, Lot TLO 1883 Mukim Bandar Johor Bahru District of Johor Bahru Johor Darul Takzim	Single-storey detached factory / Not specified ²	60 years expiring 13 January 2025	24	43,560	21,800	242,161
KTCF	No. 5, Jalan Masyuri, Kawasan Perindustrian Kluang, 86000 Kluang, Johor	HS(D) 16323, Lot PTD 23759 Mukim Kluang District of Kluang Johor Darul Takzim	1½ - storey detached factory / Industry	60 years expiring 13 April 2046	17	21,780	16,843	500,709
KTCF	41, Jalan Lau Kim Teck, 86000 Kluang, Johor	HS(D) 31714, Lot MLO 42445 Mukim Kluang District of Kluang Johor Darul Takzim	1½ - storey semi-detached factory / Industry	Freehold	8	5,294	3,635	302,611
KTCF	-	GM 8988, Lot 781 Mukim Sri Gading VIII Parit Baru, District of Batu Pahat Johor Darul Takzim	Agriculture/ Fruits	Freehold	-	106,461	-	73,300
UNI	-	GM 299, Lot 48 Mukim Pengkalan Raja, Batu 29½ District of Pontian Johor Darul Takzim	Agriculture/ Rubber	Freehold	-	395,568	-	456,798
UNI	-	GM 1193, Lot 246 Mukim Senai-Kulai, Seelong, District of Kulai Johor Darul Takzim	Agriculture ¹ / Rubber	Freehold	-	291,732	-	3,478,262

As at 31 December 2002, no revaluation exercise was carried out on the abovementioned properties and no property has been acquired within the preceding two (2) years.

Notes:

- UNI had on 27 February 1997 submitted an application for the conversion of the land status from agriculture to industrial for the parcel of freshhold land situated on Lot 246, EMR 2676, Mukim Senai, Kulai, District of Johor Bahru. UNI obtained the approval-in-principle on the 26 March 2003 for the said land conversion and paid the premium in respect of the land conversion on 8 September 2003.
- The land is currently being used for industrial purposes.

10. FINANCIAL INFORMATION

10.1 Historical Financial Information

The table below has been extracted from the Accountants' Report in Section 11 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the proforma consolidated financial results of the JTB Group for the five (5) financial years ended 31 December 1998 to 2002, prepared on the assumption that the current structure of the Group had been in existence throughout the period under review, the actual consolidated results of JTB for the financial year ended 31 December 2002 and the financial period three (3) months ended 31 March 2003, is as follows:

	←--Proforma for financial year ended 31 December-->					←-----Actual----->	
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	¹ 2002 RM'000	¹ Year ended 31 December 2002 RM'000	Three (3) months ended 31 March 2003 RM'000
Revenue	51,719	60,931	70,173	73,945	74,284	18,451	20,746
Other operating income	10	116	257	110	796	305	71
Changes in inventories of finished goods and work-in- progress	(219)	157	2,324	1,210	71	1,134	224
Raw materials used	(33,242)	(39,335)	(45,352)	(45,528)	(43,730)	(10,874)	(12,758)
Staff costs	(4,949)	(5,722)	(6,479)	(7,403)	(8,072)	(2,664)	(2,271)
Reserve on consolidation recognised as income	-	-	-	-	-	13,484	-
Other operating expenses	(6,374)	(7,274)	(9,166)	(9,755)	(10,316)	(3,376)	(2,822)
Profit before depreciation, interest and tax	6,945	8,873	11,757	12,579	13,033	16,460	3,190
Depreciation of property, plant and equipment	(1,548)	(1,380)	(1,506)	(2,321)	(2,233)	(534)	(519)
Finance costs	(418)	(292)	(313)	(343)	(264)	(54)	(42)
Income from other investments	69	7	324	25	139	48	44
PBT	5,048	7,208	10,262	9,940	10,675	15,920	2,673
Taxation	(1,386)	(111)	(2,606)	(2,548)	(2,490)	(184)	(604)
PAT	3,662	7,097	7,656	7,392	8,185	15,736	2,069
Number of ordinary shares (¹ 000)	36,721	36,721	36,721	36,721	36,721	36,721	36,721
Gross EPS (RM)	0.14	0.20	0.28	0.27	0.29	0.43	² 0.29
Net EPS (RM)	0.10	0.19	0.21	0.20	0.22	0.43	² 0.23

Notes:

- The actual results in 2002 represents the results of the Group after the acquisition of JTF, UNI and KTCF, namely the post-acquisition results of JTF, UNI and KTCF after 30 September 2002, the date of the acquisitions. The subsidiaries are consolidated using acquisition method of accounting. Please refer to Note (ix) of the notes to the proforma consolidated results of JTB Group for the reconciliation of the proforma results to actual results.
- Annualised.

10. FINANCIAL INFORMATION

Notes to the proforma consolidated results of JTB Group:

- (i) The results of JTB have not been included for the years under review prior to financial year ended 31 December 2001 as its first set of audited financial statements were prepared from 22 November 2000 (date of incorporation) to 31 December 2001.
- (ii) The proforma consolidated results of JTB Group have been prepared based on the audited financial statements of JTB, JTF, UNI and KTCF, after making relevant adjustments as considered appropriate for 1998 as follows:

	1998 RM'000
Income tax expense as stated in audited financial statements	2,031
Adjustments to reflect the income tax expense in the respective years	<u>(645)</u>
Adjusted income tax expense as stated in this report	<u>1,386</u>

The adjustments relate to back duty raised by the Inland Revenue Board net of reduction in income tax expense resulted from claim of reinvestment allowances retrospectively.

- (iii) The gross EPS and net EPS are calculated based on proforma PBT and proforma PAT respectively over the number of ordinary shares issued pursuant to the acquisition of JTF, UNI and KTCF, collectively.
- (iv) (a) The increase in revenue in 1999, 2000, 2001, 2002 and for the financial period three (3) months ended 31 March 2003, on annualised basis, was a result of increase in sales volumes and sales to new customers engaged in sweetened condensed milk industry, and also adjustments in selling prices.
- (b) The increase in PBT in 1999 and 2000 was a result of increase in sales volumes, lower cost of imported materials and also due to adjustments in selling prices. The decrease in PBT in 2001 was mainly due to increase in depreciation expense as a result of the change in depreciation method in KTCF from reducing balance method to straight-line method and additions of property, plant and equipment of about RM5 million in JTF and UNI. The drop in PBT in 2001 was also due to the loss of an edible oil business account and reduced orders from the paint-segment customers in view of the use of plastic cans as substitutes for tin cans in JTF. The Group recorded a marginally higher PBT for 2002 as a result of the increase in revenue in UNI and other operating income. The increase in other operating income was due to gain on disposal of property, plant and equipment in both JTF and KTCF as well as rental income from renting of seamer and filter and scrap sales recorded in UNI. There was no significant increase in PBT for the financial period three (3) months ended 31 March 2003, on annualised basis.
- (c) The income tax expense for the year 1998 showed an effective tax rate which was lower than the statutory income tax rate due to claims for reinvestment allowances on qualifying property, plant and equipment. The income tax expense in 1999 comprised mainly deferred income tax. No provision for current income tax was made for 1999 as the income tax was waived by the Inland Revenue Board pursuant to the Income Tax (Amendment) Act, 1999 to facilitate the transition of the income tax assessment from the preceding year system to the current year system. The effective tax rate in 2000, 2001, 2002 and for the financial period three (3) months ended 31 March 2003 was lower than the statutory income tax rate due principally to the gain on disposal of unquoted investment in 2000 which was not taxable for tax purpose and the claim for reinvestment allowances for 2000, 2001, 2002 and for the financial period three (3) months ended 31 March 2003.
- (v) All significant intercompany transactions are eliminated on consolidation.
- (vi) There is no disclosure of segmental information as JTB Group operates primarily within the tin can manufacturing industry and in Malaysia.
- (vii) There were no exceptional or extraordinary items in all the financial years/period under review.
- (viii) There is no allowance made for persons other than members of the issuer.
- (ix) The proforma consolidated results of the Group for the financial year ended 31 December 2002 is reconciled to the actual results as follows:

PAT (proforma)	RM'000 8,185
Less: Pre-acquisition results of JTF, UNI and KTCF	(5,933)
Add: Reserve on consolidation recognised as income	<u>13,484</u>
PAT (actual)	<u>15,736</u>

10. FINANCIAL INFORMATION

10.2 Analysis and Commentary on Financial Information

The management discussion and analysis of the financial conditions and results of operations of the Group have been prepared on the basis that the Group has been in existence for the financial years presented. The following discussion and analysis should be read in conjunction with the Group consolidated financial statements included in Section 10 and 11 of this Prospectus.

10.2.1 Segmental Analysis of Revenue and Profit

Analysis of revenue by company

Company	Year ended 31 December					For the financial period ended 31 March 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
JTB	-	-	-	-	-	-
JTF	29,460	32,286	36,015	35,130	36,360	8,574
UNI	16,788	22,758	27,125	31,339	32,406	11,316
KTCF	7,581	7,934	9,827	9,775	8,234	1,658
	53,829	62,978	72,967	76,244	77,000	21,548
Less: Elimination for inter-company transactions	(2,110)	(2,047)	(2,794)	(2,299)	(2,716)	(802)
Proforma consolidated revenue	51,719	60,931	70,173	73,945	74,284	20,746

Analysis of PBT by company

Company	Year ended 31 December					For the financial period ended 31 March 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
JTB	-	-	-	(1)	(11)	(11)
JTF	2,925	4,113	6,044	5,402	4,702	978
UNI	1,476	2,334	3,186	3,783	5,018	1,620
KTCF	647	761	1,032	756	966	86
	5,048	7,208	10,262	9,940	10,675	2,673
Proforma consolidated PBT	5,048	7,208	10,262	9,940	10,675	2,673

10. FINANCIAL INFORMATION

10.2.2 Overview of Revenue and Profit Growth, Tax Consideration, Exceptional and Extraordinary Items

An overview of the revenue and profit growth and factors contributing including taxation, exceptional and extraordinary items for the past five (5) financial years ended 31 December 1998 to 2002 and for the financial period three (3) months ended 31 March 2003 is in the Accountants' Report which is set out in Section 11 of this Prospectus.

10.2.3 Impact of Interest Rates on Profit

The impact of interest rates on profit is minimal as the JTB Group has a low gearing level for the past five (5) financial years ended 31 December 1998 to 2002 and for the financial period three (3) months ended 31 March 2003. The interest cover against the profit before interest and taxation ranged approximately between 13 times to 64 times.

The following table sets out the interest expense and profit before interest and taxation for the past five (5) financial years ended 31 December 1998 to 2002 and for the financial period three (3) months ended 31 March 2003:

	Year ended 31 December					For the financial period ended 31 March 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Interest expense	(418)	(292)	(313)	(343)	(264)	(42)
Profit before interest and taxation	5,397	7,493	10,251	10,258	10,800	2,671
Interest coverage (times)	12.91	25.66	32.75	29.91	40.91	63.60

10.3 Directors' Declaration on Financial Performance

Save as disclosed in Section 4, 5 and 10 of this Prospectus, the financial performance, position and operations of the Company and/or its subsidiaries are not materially affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had or that the Company and/or its subsidiaries reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Company and/or its subsidiaries;
- (ii) Material capital expenditure commitments;
- (iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Company and/or its subsidiaries; and
- (iv) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

10. FINANCIAL INFORMATION

There has been no substantial increase in revenue during financial year ended 31 December 2002. However, JTB had substantial increase in revenue for the financial years ended 31 December 1998 to 2001 which are illustrated as follows:

- (a) An increase in revenue of approximately 32% during financial year ended 31 December 1998 which was due to the sales of a new product, sweetened condensed milk cans;
- (b) An increase in revenue of approximately 18% during financial year ended 31 December 1999 which was mainly due to the increase in the volume of existing products;
- (c) An increase in revenue of approximately 15% during financial year ended 31 December 2000 which was due to the sales a new product, round cans for edible oil and ghee; and
- (d) An increase in revenue of approximately 5% during financial year ended 31 December 2001 which was mainly due to the increase in volume of existing products.

10.4 Working Capital, Borrowings, Litigations and Contingent Liabilities

10.4.1 Working Capital

The Directors of JTB are of the opinion that after taking into account the cashflow forecast, the banking facilities available and the gross proceeds from the Public Issue, the Company and its subsidiaries will have adequate working capital for its foreseeable future requirements.

10.4.2 Borrowings

As at 29 August 2003, the total bank borrowings of the Group amounted to RM554,159. These borrowings are interest-bearing and comprise the following:

	Payable within twelve (12) months RM	Payable after twelve (12) months RM	Total outstanding RM
Term loan	95,657	458,502	554,159
Bank overdraft	-	-	-
Bankers acceptance	-	-	-
Total	95,657	458,502	554,159

10.4.3 Material Litigations

Save as disclosed in Section 14.5 of this Prospectus, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant or material arbitration proceeding, which has a material effect on the business or financial position of the Company or its subsidiaries and the Directors do not know of any proceeding pending or threatened or of any facts likely to give rise to any proceeding which might materially affect the business or financial position of the Company or its subsidiaries.

10.4.4 Contingent Liabilities

As at 29 August 2003, the JTB Group does not have any material contingent liability that upon materialisation would have a major impact on the profit or net assets of the Group.

10. FINANCIAL INFORMATION**10.5 Future Financial Information****10.5.1 Consolidated Profit Forecast**

Barring any unforeseen circumstances and on the bases and assumptions set out below, the Directors of JTB forecast that the consolidated PAT and minority interest of JTB for the financial year ending 31 December 2003 will be as follows:

Financial Year Ending 31 December	Forecast 2003 RM'000
Consolidated PBT	11,933
Less: Taxation	(2,720)
Consolidated PAT	9,213
Less: Minority interest	-
Consolidated PAT and minority interest	<u>9,213</u>
Gross EPS (RM)	0.27
Net EPS (RM)	0.21
Gross PE Multiple based on the issue price of RM1.35 per ordinary share (times)	5.0
Net PE Multiple based on the issue price of RM1.35 per ordinary share (times)	6.4

Note:

Based on the enlarged issued and paid-up share capital of 43,986,000 JTB Shares

The principal bases and assumptions upon which the above consolidated profit forecast has been prepared are as follows:

- (i) The prevailing economic and political environment in Malaysia and elsewhere will continue and will not have significant adverse effects on the Group's activities to be conducted at forecasted level.
- (ii) There will be no material changes in present legislation and government regulations including taxation, and guidelines of regulatory authorities, which will significantly affect the Group's activities.
- (iii) There will not be any material fluctuation in inflation rates and exchange rates of foreign currencies against the Ringgit Malaysia.
- (iv) Corporate tax rate would remain constant at 28% and the tax liabilities would be paid on a current year basis.
- (v) The budgeted allowance for doubtful debts is adequate to cover any possible loss on uncollectible receivable accounts.
- (vi) Existing financing facilities will remain available and that the level of interest rates will not change materially from those presently prevailing. Additional financing facilities will be obtained at the present prevailing interest rates.
- (vii) There will be no major industrial disputes or major breakdowns in manufacturing facilities or any abnormal factors which will adversely affect the Group's activities.
- (viii) There will be no material acquisition or disposal of property, plant and equipment, and investments other than those budgeted.

10. FINANCIAL INFORMATION

- (ix) There will be no significant changes in the principal activities, accounting policies, management policies, operating policies and management structure of the Group.
- (x) There will be no significant changes in the planned capital expenditure programme of the Group and the programme will be implemented as scheduled
- (xi) There will be no significant changes in the prices of raw materials, labour costs and other overheads from the present level which will adversely affect the performance of the Group.
- (xii) Proceeds from the public issue of 7,265,000 new ordinary shares of RM1 each issued at RM1.35 per share amounting to RM9,807,750 will be received in October 2003.
- (xiii) The proceeds from the public issue will be utilised as follows:

	RM'000
Capital expenditure on property, plant and equipment	7,600
Estimated listing expenses	1,500
Repayment of bank borrowings	550
Working capital	158
	<u>9,808</u>

- (xiv) The estimated listing expenses amounting to RM1,500,000 will be set-off against the share premium account.

The rest of this page is intentionally left blank

10. FINANCIAL INFORMATION

**10.5.2 Reporting Accountants' Letter on the Consolidated Profit Forecast
(Prepared for inclusion in this Prospectus)**

Deloitte KassimChan (AF 0080)
Chartered Accountants
21, Jalan Tun Abdul Razak
Susur 1/1
80000 Johor Bahru, Johor, Malaysia

Tel : +60(7) 2225988
Fax : +60(7) 2247508
deloitte@tm.net.my

**Deloitte
KassimChan**

10 September 2003

The Board of Directors
Johore Tin Berhad
No. 19, Jalan Tun Abdul Razak
Susur 1/1
80000 Johor Bahru
Johor

Dear Sirs

**JOHORE TIN BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER
2003**

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Johore Tin Berhad ("JTB") and its subsidiary companies for the year ending 31 December 2003 for which the Directors are solely responsible, as set out in the Prospectus in connection with the Public Issue of 7,265,000 new ordinary shares of RM1 each at an issue price of RM1.35 per share in JTB, and the listing and quotation of its entire issued and paid-up capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned consolidated profit forecast, insofar as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies normally adopted by JTB and its subsidiary companies.

Yours faithfully



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



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

**Deloitte
Touche
Tohmatsu**

10. FINANCIAL INFORMATION**JOHORE TIN BERHAD
CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS**

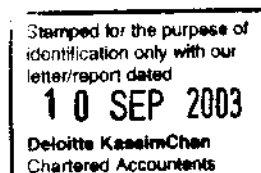
Barring unforeseen circumstances and on the bases and assumptions set out below, the Board of Directors of Johore Tin Berhad forecast that the consolidated profit forecast of Johore Tin Berhad and its subsidiary companies (the Group) for the year ending 31 December 2003 are as follows:

	Forecast 2003 RM'000
Revenue	<u>93,721</u>
Profit before tax	11,933
Income tax expense	<u>(2,720)</u>
Net Profit	<u>9,213</u>
Number of shares in issue ('000)*	43,986
Gross earnings per share (RM)	0.27
Net earnings per share (RM)	0.21
Gross PE Multiple based on issue price of RM1.35 per share (times)	5.0
Net PE Multiple based on issue price of RM1.35 per share (times)	<u>6.4</u>

* Being the enlarged issued and paid-up share capital upon flotation.

The principal bases and assumptions upon which the above consolidated profit forecast has been prepared are as follows:

1. The prevailing economic and political environment in Malaysia and elsewhere will continue and will not have significant adverse effects on the Group's activities to be conducted at forecasted level.
2. There will be no material changes in present legislation and government regulations including taxation, and guidelines of regulatory authorities, which will significantly affect the Group's activities.
3. There will not be any material fluctuation in inflation rates and exchange rates of foreign currencies against the Ringgit Malaysia.
4. Corporate tax rate would remain constant at 28% and the tax liabilities would be paid on a current year basis.

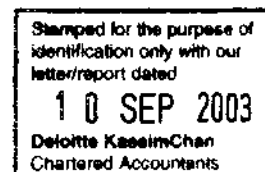


10. FINANCIAL INFORMATION

5. The budgeted allowance for doubtful debts is adequate to cover any possible loss on uncollectible receivable accounts.
6. Existing financing facilities will remain available and that the level of interest rates will not change materially from those presently prevailing. Additional financing facilities will be obtained at the present prevailing interest rates.
7. There will be no major industrial disputes or major breakdowns in manufacturing facilities or any abnormal factors which will adversely affect the Group's activities.
8. There will be no material acquisition or disposal of property, plant and equipment, and investments other than those budgeted.
9. There will be no significant changes in the principal activities, accounting policies, management policies, operating policies and management structure of the Group.
10. There will be no significant changes in the planned capital expenditure programme of the Group and the programme will be implemented as scheduled.
11. There will be no significant changes in the prices of raw materials, labour costs and other overheads from the present level which will adversely affect the performance of the Group.
12. Proceeds from the public issue of 7,265,000 new ordinary shares of RM1 each issued at RM1.35 per share amounting to RM9,807,750 will be received in October 2003.
13. The proceeds from the public issue will be utilised as follows:

	RM'000
Capital expenditure on property, plant and equipment	7,600
Estimated listing expenses	1,500
Repayment of bank borrowings	550
Working capital	158
	<hr/>
	9,808
	<hr/> <hr/>

14. The estimated listing expenses amounting to RM1,500,000 will be set-off against the share premium account.



10. FINANCIAL INFORMATION

10.5.3 Directors' Analysis and Commentary on the Consolidated Profit Forecast

With the Government's efforts and strategic measures to boost the Malaysian economy, backed by the JTB Group's historical track record, the Directors of the JTB Group are confident of achieving continuous growth in the forecast year. For the financial year ending 31 December 2003, the Group's revenue is forecast at approximately RM93.72 million, representing a growth of approximately 26.71% from the preceding year's proforma Group's revenue of approximately RM74.28 million. The expected increase in demand of the Group's products from the food-based industry is the main attribute to the Group's better performance. The PAT for the financial year ending 31 December 2003 is forecast to increase to RM9.21 million from RM8.19 million the previous year. The Group is able to benefit from the economies of scale and cost efficiencies as a result of its expansion and growth.

The Board of JTB has reviewed the bases and assumptions used in arriving at the profit forecast and is of the view that the profit forecast of the Group is achievable in light of the assumptions made including but not limited to the future prospects of the tin can manufacturing industry, future plans and strategies adopted by the Group as well as the Group's level of gearing, liquidity and working capital.

10.5.4 Trade Debtors Ageing Analysis

The trade debtors ageing analysis based on the latest available management accounts as at 29 August 2003 are as follows:

Company	Within the six (6)	Exceeding the six (6)	Total
	months' credit period	months' credit period	
	RM	RM	RM
JTF	11,285,185	626,524	11,911,709
UNI	13,331,900	697,137	14,029,037
KTCF	2,174,011	40,113	2,214,124
	26,791,096	1,363,774	28,154,870
Less: Intercompany balances	(1,474,322)	(297,521)	(1,771,843)
	25,316,774	1,066,253	26,383,027
Provision for bad and doubtful debts	-	(1,066,253)	(1,066,253)
	25,316,774	-	25,316,774

The Directors of JTB are of the view that the outstanding trade debts exceeding the six (6) months' credit period are recoverable and continuous emphasis will be placed to minimise the risk of non-collectibility of current and future trade debts. The management intends to minimise the risk of non-collectibility by ensuring that appropriate action is taken, such as issuing reminder notices, reducing or discontinuing sales to customers with long outstanding debts and taking legal actions, amongst others.

10. FINANCIAL INFORMATION**10.5.5 Sensitivity Analysis****Variation in selling price**

Financial year ending 31 December	Forecast 2003			
	PBT		PAT	
	RM'000	% change	RM'000	% change
As forecasted	11,933		9,213	
Increase 10%	21,305	78.54	15,961	73.24
Increase 5%	16,619	39.27	12,587	36.62
Decrease 5%	7,247	(39.27)	5,839	(36.62)
Decrease 10%	2,561	(78.54)	2,465	(73.24)

Variation in raw material cost

Financial year ending 31 December	Forecast 2003			
	PBT		PAT	
	RM'000	% change	RM'000	% change
As forecasted	11,933		9,213	
Increase 10%	6,175	(48.25)	5,068	(45.00)
Increase 5%	9,054	(24.13)	7,140	(22.50)
Decrease 5%	14,812	24.13	11,286	22.50
Decrease 10%	17,691	48.25	13,359	45.00

Variation in foreign exchange

Financial year ending 31 December	Forecast 2003			
	PBT		PAT	
	RM'000	% change	RM'000	% change
As forecasted	11,933		9,213	
Increase 10%	11,257	(5.66)	8,726	(5.29)
Increase 5%	11,595	(2.83)	8,970	(2.64)
Decrease 5%	12,271	2.83	9,457	2.64
Decrease 10%	12,609	5.66	9,700	5.29

10.6 Dividend Forecast and Policy

It is the policy of the Board of JTB in recommending dividends to allow shareholders to participate in the profits of the Company as well as to leave adequate reserves for its future growth.

Barring any unforeseen circumstances, the Board of JTB expects to declare a gross dividend of 5.0 sen per share for the financial year ending 31 December 2003 based on the enlarged issued and paid-up share capital of 43,986,000 JTB Shares.

10. FINANCIAL INFORMATION

The intended appropriation of the consolidated forecast after taxation in respect of the financial years ending 31 December 2003 would be as follows:

Financial Year ending 31 December	Forecast 2003 RM'000
Consolidated PBT but after MI	11,933
Taxation	(2,720)
Consolidated PAT and MI (RM'000)	<u>9,213</u>
Proposed dividend, net of taxation	<u>(1,583)</u>
Retained profit for the year	<u>7,630</u>
Gross dividend per ordinary share (sen)	5.0
Net dividend per ordinary share (sen)	3.6
Gross dividend yield based on the issue price of RM1.35 per ordinary share (%)	3.7
Net dividend yield based on the issue price of RM1.35 per ordinary share (%)	2.7
Net dividend cover (times)	5.8

Note: Based on the enlarged issued and paid-up share capital of 43,986,000 JTB Shares.

Future dividends may be waived if:

- (a) The Group is in a loss position for the relevant financial period; or
- (b) The Group has insufficient cashflow to meet any dividend payment.

Notwithstanding the above, the Board has full discretion not to propose any future dividends.

The rest of this page is intentionally left blank

10. FINANCIAL INFORMATION

10.7 Proforma Consolidated Balance Sheets

A summary of the proforma consolidated balance sheets of JTB is provided for illustrative purposes only and has been prepared based on the financial statements of JTB and its subsidiaries JTF, UNI and KTCF as at 31 March 2003, and on the assumption that the Restructuring and Flotation Exercise had been effected as at that date, is as follows:

	Note	Audited RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
PROPERTY, PLANT AND EQUIPMENT		15,528	15,528	15,528	23,128
INVESTMENT		636	636	636	636
CURRENT ASSETS					
Inventories		15,548	15,548	15,548	15,548
Trade receivables		25,466	25,466	25,466	25,466
Other receivables and prepaid expenses		2,014	2,014	2,014	2,014
Cash and bank balances		6,456	2,453	12,261	3,114
		<u>49,484</u>	<u>45,481</u>	<u>55,289</u>	<u>46,142</u>
CURRENT LIABILITIES					
Trade payables		3,229	3,229	3,229	3,229
Other payables and accrued expenses		1,754	1,754	1,754	1,754
Amount owing to a director		4	4	4	4
Hire-purchase payables		365	365	365	365
Borrowings		101	101	101	51
Tax liabilities		397	397	397	397
		<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	<u>5,800</u>
NET CURRENT ASSETS		<u>43,634</u>	<u>39,631</u>	<u>49,439</u>	<u>40,342</u>
LONG-TERM AND DEFERRED LIABILITIES					
Hire-purchase payables - non-current portion		22	22	22	22
Borrowings – non-current portion		500	500	500	-
Deferred tax liabilities		853	853	853	853
		<u>(1,375)</u>	<u>(1,375)</u>	<u>(1,375)</u>	<u>(875)</u>
NET ASSETS		<u>58,423</u>	<u>54,420</u>	<u>64,228</u>	<u>63,231</u>
Represented by:					
SHARE CAPITAL	2	36,721	36,721	43,986	43,986
SHARE PREMIUM	2	3,897	3,897	6,440	5,443
UNAPPROPRIATED PROFIT		<u>17,805</u>	<u>13,802</u>	<u>13,802</u>	<u>13,802</u>
		<u>58,423</u>	<u>54,420</u>	<u>64,228</u>	<u>63,231</u>
NTA per share (RM)		<u>1.59</u>	<u>1.48</u>	<u>1.46</u>	<u>1.44</u>

10. FINANCIAL INFORMATION**Notes and assumptions to the proforma consolidated balance sheets of JTB****1. Basis of preparation**

1.1 The proforma consolidated balance sheets of JTB have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements and are based on the audited financial statements of JTB and of its subsidiaries, JTF, UNI and KTCF as of 31 March 2003.

1.2 Proforma Consolidated Balance Sheets

(a) The proforma consolidated balance sheets have been prepared for illustrative purposes only to show the effects on the proforma consolidated balance sheets of JTB as of 31 March 2003 had the following proposals been effected on that date:

Proforma I

JTF will declare 111% tax exempt dividends amounting to RM4,025,891 to its holding company, JTB; and thereafter JTB will declare 10.9% tax exempt dividends amounting to RM4,002,589 to its shareholders.

Proforma II

Proforma II incorporates on a proforma basis the transactions in Proforma I and the public issue of 7,265,000 new ordinary shares of RM1.00 each at an issue price of RM1.35 per share.

Proforma III

Proforma III incorporates on a proforma basis the transactions in Proforma II and the utilisation of proceeds from the public issue.

The proceeds from the public issue will be utilised as follows:

	RM'000
Capital expenditure on property, plant and equipment	7,600
Estimated listing expenses	1,500
Repayment of bank borrowings	550
Working capital	158
	<u>9,808</u>

The estimated listing expenses of RM1,500,000 is charged to the share premium account of which RM502,506 has been paid earlier and charged to the share premium account.

10. FINANCIAL INFORMATION**2. Share capital and share premium account**

	Share Capital RM'000	Share Premium RM'000
As of 31 March 2003	36,721	3,897
Public issue	<u>7,265</u>	<u>2,543</u>
Per proforma II	43,986	6,440
Less: Estimated listing expense	<u>-</u>	<u>(997) *</u>
Per proforma III	<u><u>43,986</u></u>	<u><u>5,443</u></u>
		RM'000
Total estimated listing expense		1,500
Less: Payment of listing expense made earlier		<u>(503)</u>
* Balance		<u><u>997</u></u>

The rest of this page is intentionally left blank

10. FINANCIAL INFORMATION

10.8 Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
Chartered Accountants
21, Jalan Tun Abdul Razak
Susur 1/1
80000 Johor Bahru, Johor, Malaysia

Tel : +60(7) 2225988
Fax : +60(7) 2247508
deloitte@tm.net.my

**Deloitte
KassimChan**

10 September 2003

The Board of Directors
Johore Tin Berhad
No. 19, Jalan Tun Abdul Razak
Susur 1/1
80000 Johor Bahru
Johor

Dear Sirs

JOHORE TIN BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2003

We have reviewed the Proforma Consolidated Balance Sheets of Johore Tin Berhad ("JTB") and its subsidiary companies as of 31 March 2003, together with the notes and assumptions thereto, for which the Directors are solely responsible, as set out in the Prospectus in connection with the Public Issue of 7,265,000 new ordinary shares of RM1 each at an issue price of RM1.35 per share in JTB, and the listing and quotation of its entire issued and paid-up capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets together with the notes thereto, have been properly compiled on the basis set out in the notes thereto and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



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

10. FINANCIAL INFORMATION**JOHORE TIN BERHAD****APPENDIX I****PROFORMA CONSOLIDATED BALANCE SHEETS
OF JOHORE TIN BERHAD
AS OF 31 MARCH 2003**

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effects of the dividend payment, public issue and listing on the assumption that they had been effected on 31 March 2003.

	Note	Audited RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
PROPERTY, PLANT AND EQUIPMENT		15,528	15,528	15,528	23,128
INVESTMENT		636	636	636	636
CURRENT ASSETS					
Inventories		15,548	15,548	15,548	15,548
Trade receivables		25,466	25,466	25,466	25,466
Other receivables and prepaid expenses		2,014	2,014	2,014	2,014
Cash and bank balances		6,456	2,453	12,261	3,114
		<u>49,484</u>	<u>45,481</u>	<u>55,289</u>	<u>46,142</u>
CURRENT LIABILITIES					
Trade payables		3,229	3,229	3,229	3,229
Other payables and accrued expenses		1,754	1,754	1,754	1,754
Amount owing to a director		4	4	4	4
Hire-purchase payables		365	365	365	365
Borrowings		101	101	101	51
Tax liabilities		397	397	397	397
		<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	<u>5,800</u>
NET CURRENT ASSETS		43,634	39,631	49,439	40,342
LONG-TERM AND DEFERRED LIABILITIES					
Hire-purchase payables - non-current portion		22	22	22	22
Borrowings - non-current portion		500	500	500	-
Deferred tax liabilities		853	853	853	853
		<u>(1,375)</u>	<u>(1,375)</u>	<u>(1,375)</u>	<u>(875)</u>
NET ASSETS		<u>58,423</u>	<u>54,420</u>	<u>64,228</u>	<u>63,231</u>

Stamped for the purpose of identification only with our letter/report dated

10 SEP 2003

Deloitte KasimChen
Chartered Accountants

10. FINANCIAL INFORMATION

	Note	Audited RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
Represented by:					
SHARE CAPITAL	2	36,721	36,721	43,986	43,986
SHARE PREMIUM	2	3,897	3,897	6,440	5,443
UNAPPROPRIATED PROFIT		<u>17,805</u>	<u>13,802</u>	<u>13,802</u>	<u>13,802</u>
		<u>58,423</u>	<u>54,420</u>	<u>64,228</u>	<u>63,231</u>
NTA per share (RM)		<u>1.59</u>	<u>1.48</u>	<u>1.46</u>	<u>1.44</u>

Stamped for the purpose of
identification only with our
letter/report dated
10 SEP 2003
Deloitte KasimChen
Chartered Accountants

10. FINANCIAL INFORMATION**NOTES AND ASSUMPTIONS TO THE PROFORMA CONSOLIDATED BALANCE SHEETS OF JOHORE TIN BERHAD ("JTB")****1. Basis of preparation**

1.1 The proforma consolidated balance sheets of JTB have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements and are based on the audited financial statements of Johore Tin Berhad ("JTB") and of its subsidiaries, Johore Tin Factory Sdn. Bhd. ("JTF"), Unican Industries Sdn. Bhd. ("UNI") and Kluang Tin And Can Factory Sdn. Bhd. ("KTCF") as of 31 March 2003.

1.2 Proforma Consolidated Balance Sheets

(a) The proforma consolidated balance sheets have been prepared for illustrative purposes only to show the effects on the proforma consolidated balance sheets of JTB as of 31 March 2003 had the following proposals been effected on that date:-

Proforma I

JTF declares 111% tax exempt dividends amounting to RM4,025,891 to its holding company, JTB; and thereafter JTB declares 10.9% tax exempt dividends amounting to RM4,002,589 to its shareholders.

Proforma II

Proforma II incorporates on a proforma basis the transactions in Proforma I and the public issue of 7,265,000 new ordinary shares of RM1.00 each at an issue price of RM1.35 per share.

Proforma III

Proforma III incorporates on a proforma basis the transactions in Proforma II and the utilisation of proceeds from the public issue.

The proceeds from the public issue will be utilised as follows:

	RM'000
Capital expenditure on property, plant and equipment	7,600
Estimated listing expenses	1,500
Repayment of bank borrowings	550
Working capital	158
	<u>9,808</u>

The estimated listing expenses of RM1,500,000 is charged to the share premium account of which RM502,506 has been paid earlier and charged to the share premium account.

Stamped for the purpose of
identification only with our
letter/report dated
10 SEP 2003
Deloitte KassimChen
Chartered Accountants

10. FINANCIAL INFORMATION**2. Share capital and share premium account**

	Share Capital RM'000	Share Premium RM'000
As of 31 March 2003	36,721	3,897
Public issue	<u>7,265</u>	<u>2,543</u>
Per proforma II	43,986	6,440
Less: Estimated listing expense	<u>-</u>	<u>(997) *</u>
Per proforma III	<u>43,986</u>	<u>5,443</u>
		RM'000
Total estimated listing expense		1,500
Less: Payment of listing expense made earlier		<u>(503)</u>
* Balance		<u>997</u>

Stamped for the purpose of
identification only with our
letter/report dated
10 SEP 2003
Deloitte KassimChen
Chartered Accountants