

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your ordinary shares in Johore Tin Berhad (Company No. 532570-V) ("JTB" or the "Company"), you should at once hand this Abridged Prospectus ("AP") together with the Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject of this AP should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd (Company No. 118401-V), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur ("Share Registrar").

A copy of this AP has been registered with the Securities Commission Malaysia ("SC"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this AP, together with the NPA and RSF has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents. Investors are advised to note that recourse for false and misleading statements or acts made in connection with this AP are directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act, 2007.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting held on 8 October 2012. Approval has been obtained from the Controller of Foreign Exchange (via Bank Negara Malaysia) on 24 September 2012 for the issuance of the Warrants (as defined herein) to non-resident shareholders. Approval has also been obtained from Bursa Malaysia Securities Berhad (Company No. 635998-W) ("Bursa Securities") vide its letter dated 5 September 2012 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares (as defined herein), Warrants and the new JTB Shares (as defined herein) upon the exercise of the Warrants on the Main Market of Bursa Securities. The official quotation for all the new securities will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) that all the Central Depository System accounts of the Entitled Shareholders (as defined herein) and/or their renounees (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List of Bursa Securities and the listing of and quotation for the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

The Board of Directors of JTB have seen and approved all the documentation relating to this Rights Issue with Warrants including this AP, together with the NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This AP, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 24 October 2012. This AP together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither JTB nor OSK Investment Bank Berhad (Company No. 14152-V) ("OSK") shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) made by the Entitled Shareholders and/or their renounee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholders and/or their renounee(s) (if applicable) are residents.

OSK, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.



JOHORE TIN BERHAD

JOHORE TIN BERHAD

(Company No. 532570-V)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 23,326,333 NEW ORDINARY SHARES OF RM1.00 EACH IN JOHORE TIN BERHAD ("JTB" OR THE "COMPANY") ("RIGHTS SHARE(S)") TOGETHER WITH 23,326,333 NEW FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE AND ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM1.00 EACH IN JTB ("JTB SHARE(S)") HELD AT 5.00 P.M. ON 24 OCTOBER 2012 AT AN ISSUE PRICE OF RM1.28 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE ("RIGHTS ISSUE WITH WARRANTS")

Adviser



OSK Investment Bank Berhad (14152-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Wednesday, 24 October 2012 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Thursday, 1 November 2012 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Tuesday, 6 November 2012 at 4.00 p.m.
Last date and time for acceptance and payment	:	Friday, 9 November 2012 at 5.00 p.m. *
Last date and time for excess application and payment	:	Friday, 9 November 2012 at 5.00 p.m. *

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

THIS ABRIDGED PROSPECTUS ("AP") HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ("SC"). THE REGISTRATION OF THIS AP SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS (AS DEFINED HEREIN).

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES (AS DEFINED HEREIN) WITH WARRANTS (AS DEFINED HEREIN) AND THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP:-

"Able Dairies"	: Able Dairies Sdn Bhd (765074-D), a wholly-owned subsidiary of JTB
"Act"	: The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Additional Undertaking(s)"	: Additional irrevocable written undertakings from Genting Perwira Sdn Bhd, Goh Mia Kwong, Lim Hun Swee, Edward Goh Swee Wang, Ng Keng Hoe, Ng Yik Toon @ Ng Yik Koon and Yeow Ah Seng @ Yow Ah Seng to subscribe or cause to subscribe for additional Rights Shares in the event there are Rights Shares not subscribed by other Entitled Shareholders
"Amendments"	: Amendments to the Memorandum and Articles of Association of the Company
"AP"	: This Abridged Prospectus dated 24 October 2012
"BNM"	: Bank Negara Malaysia
"Board"	: Board of Directors of JTB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"CDS"	: Central Depository System
"CDS Account(s)"	: A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositor
"Code"	: The Malaysian Code on Take-Over and Mergers, 2010
"Corporate Exercises"	: Rights Issue with Warrants, Increase in Authorised Share Capital and Amendments, collectively
"Deed Poll"	: The deed poll executed by our Company on 10 October 2012 constituting the Warrants
"EGM"	: Extraordinary General Meeting
"Entitled Shareholder(s)"	: Our shareholder(s) whose names appear in our Record of Depositors on the Entitlement Date
"Entitlement Date"	: 24 October 2012 at 5.00 p.m., being the date and time on which the Entitled Shareholders must be registered in our Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
"Entitlement Undertaking(s)"	: Irrevocable written undertakings from Chua Tai Boon, Genting Perwira Sdn Bhd, Goh Mia Kwong, Lim Hun Swee, Edward Goh Swee Wang, Ng Keng Hoe, Ng Yik Toon @ Ng Yik Koon and Yeow Ah Seng @ Yow Ah Seng to subscribe or cause to subscribe for their respective entitlements of the Rights Shares

DEFINITIONS (CONT'D)

"EPS"	:	Earnings per Share
"Exercise Price"	:	Price at which one (1) Warrant is exercisable into one (1) JTB Share, being RM2.28, subject to such adjustments as may be allowed under the Deed Poll
"F&B Industry"	:	Food and beverage industry relevant to our Group that includes biscuits, edible oil, SCM, pineapple and processed foods
"FPE"	:	Financial period ended / ending, as the case may be
"FYE"	:	Financial year ended / ending, as the case may be
"Increase in Authorised Share Capital"	:	Increase in authorised share capital of our Company from RM100,000,000 comprising 100,000,000 JTB Shares to RM200,000,000 comprising 200,000,000 JTB Shares
"Issue Price"	:	RM1.28 per Rights Share
"JTB" or "Company"	:	Johore Tin Berhad (532570-V)
"JTB Group" or the "Group"	:	JTB and its subsidiary companies
"JTB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM1.00 each in JTB
"JTF"	:	Johore Tin Factory Sendirian Berhad (016986-A), a wholly-owned subsidiary of JTB
"KTCF"	:	Kluang Tin and Can Factory Sdn Bhd (021926-V), a wholly-owned subsidiary of JTB
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	1 October 2012, being the latest practicable date prior to the issuance of this AP
"Market Day(s)"	:	A day on which Bursa Securities is open for trading of securities
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment of the Rights Shares with Warrants
"OSK"	:	OSK Investment Bank Berhad (14152-V)
"PAT"	:	Profit after taxation attributable to equity holders of JTB
"PBT"	:	Profit before taxation
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS (CONT'D)

"Rights Issue with Warrants"	:	Renounceable rights issue of 23,326,333 Rights Shares together with 23,326,333 Warrants on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing Shares held on the Entitlement Date
"Rights Share(s)"	:	New JTB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue with Warrants
"Rules of Bursa Depository"	:	Rules of a central depository as defined in the Securities Industry (Central Depositories) Act, 1991
"SC"	:	Securities Commission Malaysia
"SCM"	:	Sweetened condensed milk
"Unican"	:	Unican Industries Sdn Bhd (174146-A), a wholly-owned subsidiary of JTB
"USD"	:	United States Dollar
"WAMP"	:	Weighted average market price
"Warrant(s)"	:	New free detachable warrants to be issued pursuant to the Rights Issue with Warrants

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to "our Company" and/or "JTB" in this AP are to Johore Tin Berhad. References to "our Group" and/or "JTB Group" are to JTB and its subsidiary companies and references to "we", "us", "our" and "ourselves" are to JTB and where the context does require, shall include our subsidiary companies. All references to "you" in this AP are to our Entitled Shareholders.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Profession
Datuk Kamaludin Bin Yusoff (Chairman / Non-Executive Director)	101, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor	Malaysian	Company Director
Edward Goh Swee Wang (Chief Executive Officer)	Block C, 08-03, Level 8 Stulang View Condominium Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor	Malaysian	Company Director
Yeow Ah Seng @ Yow Ah Seng (Executive Director)	No. 6, Jalan Damai Sunrise Park 86000 Kluang Johor	Malaysian	Company Director
Lim Hun Swee (Executive Director)	37, Bangkit Road #17-01 Singapore 679976	Singaporean	Company Director
Lim Chin Kai (Independent Non-Executive Director)	11, Martia Road #03-10 Villa Martia Singapore 424808	Malaysian	Company Director
Muhamad Feasal Bin Yusoff (Independent Non-Executive Director)	24, Jalan Mawar 53 Taman Mawar 81700 Pasir Gudang Johor	Malaysian	Chartered Accountant

AUDIT COMMITTEE

Name	Designation	Directorship
Lim Chin Kai	Chairman of the Audit Committee	Independent Non-Executive Director
Muhamad Feasal Bin Yusoff	Member of the Audit Committee	Independent Non-Executive Director
Datuk Kamaludin Bin Yusoff	Member of the Audit Committee	Chairman / Non-Executive Director

COMPANY SECRETARY

: Yong May Li (LS0000295)
No.25, Jalan Setia 5/2
Taman Setia Indah
81100 Johor Bahru
Johor

CORPORATE DIRECTORY (CONT'D)

- REGISTERED OFFICE** : Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim
Tel: 607-335 4988
Fax: 607-335 4977
- BUSINESS OFFICE** : PTD 124298, Jalan Kempas Lama
Kampung Seelong Jaya
81300 Skudai
Johor Darul Takzim
Tel: 607-599 8990
Fax: 607-599 8991
Website: www.johoretin.com.my
Email: jtb@johoretin.com.my
- SHARE REGISTRAR** : Tricor Investor Services Sdn. Bhd. (118401-V)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 603-2264 3883
Fax: 603-2282 1886
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs Crowe Horwath (AF 1018)
30-04, Level 30, Menara Landmark
12, Jalan Ngee Heng
80000 Johor Bahru
Johor Darul Takzim
Tel: 607-278 1268
- PRINCIPAL BANKERS** : Public Bank Berhad
Johor Bahru Branch
Level 1 & 12, Public Bank Tower
19, Jalan Wong Ah Fook
80000 Johor Bahru
Johor
Tel: 607-218 6888
- Hong Leong Bank Berhad
Johor Bahru Branch, No. 12 & 16
Jalan Wong Ah Fook
80000 Johor Bahru
Johor
Tel: 607-222 8311
- AmBank (M) Berhad
Johor Bahru - Metropolis Tower Branch
Level 31, Metropolis Tower
Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor
Tel: 607-335 0600

CORPORATE DIRECTORY (CONT'D)

United Overseas Bank (Malaysia) Berhad
1st Floor, No. 8, Jalan Ponderosa 2/1
Taman Ponderosa
81100 Johor Bahru
Johor
Tel: 607-360 6900

**SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Messrs. Lee & Tengku Azrina
13-01, Level 13, Menara Landmark
12, Jalan Ngee Heng
80000 Johor Bahru, Johor
Tel: 607-223 8828

ADVISER : OSK Investment Bank Berhad (14152-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2333 8333

**STOCK EXCHANGE LISTED AND
LISTING SOUGHT** : Main Market of Bursa Securities

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JOHORE TIN BERHAD

(Company No. 532570-V)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor

24 October 2012

Board of Directors:

Datuk Kamaludin Bin Yusoff (*Chairman / Non-Executive Director*)
Edward Goh Swee Wang (*Chief Executive Officer*)
Yeow Ah Seng @ Yow Ah Seng (*Executive Director*)
Lim Hun Swee (*Executive Director*)
Lim Chin Kai (*Independent Non-Executive Director*)
Muhamad Feasal Bin Yusoff (*Independent Non-Executive Director*)

To: The Entitled Shareholders of Johore Tin Berhad

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 23,326,333 RIGHTS SHARES TOGETHER WITH 23,326,333 WARRANTS ON THE BASIS OF ONE (1) RIGHTS SHARE AND ONE (1) WARRANT FOR EVERY THREE (3) EXISTING SHARES HELD AT 5.00 P.M. ON 24 OCTOBER 2012 AT AN ISSUE PRICE OF RM1.28 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

On 8 August 2012, OSK had on behalf of our Board announced that we proposed to undertake, amongst others, a renounceable rights issue of 23,326,333 Rights Shares together with 23,326,333 Warrants on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing Shares held on the Entitlement Date.

Bursa Securities had vide its letter dated 5 September 2012, given its approval for the following:-

- (i) listing of and quotation for the Rights Shares and free detachable Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;
- (ii) admission of the Warrants to be issued pursuant to the Rights Issue with Warrants to the Official List of Bursa Securities; and
- (iii) listing of and quotation for the new JTB Shares to be issued pursuant to the exercise of Warrants on the Main Market of Bursa Securities.

The approval by Bursa Securities is subject to the following conditions:-

No.	Conditions imposed	Status of compliance
(i)	JTB and OSK must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be complied
(ii)	JTB and OSK to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii)	JTB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed;	To be complied
(iv)	JTB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at end of each quarter together with a detailed computation of listing fees payable;	To be complied
(v)	BNM's approval for the issuance of the Warrants to the non-resident entitled shareholders of the Company pursuant to the Rights Issue with Warrants (to furnish Bursa Securities with a copy of the approval letter);	Complied
(vi)	To incorporate the comments made by Bursa Securities in the circular to shareholders; and	Complied
(vii)	JTB is required to ensure full compliance of all the requirements pertaining to the Rights Issue with Warrants as provided under the Listing Requirements at all times	To be complied

The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Controller of Foreign Exchange (via BNM) had, via its letter dated 24 September 2012, approved the issuance of the Warrants to our entitled non-resident shareholders and/or their renounees (if applicable) pursuant to the Rights Issue with Warrants.

Our shareholders had, at an EGM held on 8 October 2012 approved the Corporate Exercises. A certified true extract of the resolutions passed at the said EGM is set out in **Appendix I** of this AP.

On 10 October 2012, OSK had on behalf of our Board announced that the Issue Price for each Rights Share and the Exercise Price for each Warrant have been fixed at RM1.28 and RM2.28, respectively.

On 10 October 2012, OSK had on behalf of our Board announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or OSK.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Particulars

The Rights Issue with Warrants entails an issuance of 23,326,333 Rights Shares together with 23,326,333 Warrants on a renounceable basis of one (1) Rights Share with one (1) Warrant for every three (3) existing JTB Shares held on the Entitlement Date at the Issue Price.

In determining shareholders' entitlements under the Rights Issue with Warrants, any fractional entitlements arising from the Rights Issue with Warrants shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient in the best interest of our Company.

The Rights Issue with Warrants is renounceable in full or in part. Any unsubscribed Rights Shares with Warrants shall be offered to other Entitled Shareholders of JTB under the excess Rights Shares with Warrants application. If the Rights Issue with Warrants is undersubscribed, the Rights Shares with Warrants shall be allotted to the parties who have given their Additional Undertakings.

The Warrants shall only be issued to the Entitled Shareholders and/or their renounee(s) (if applicable) who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants. Should the Entitled Shareholders renounce all or any part of their entitlements to the Rights Shares, they will not be entitled to the Warrants attached thereto. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares. The Warrants will be detached from the Rights Shares immediately upon issue and will be traded separately on the Main Market of Bursa Securities. Any Rights Shares with Warrants not taken up or allotted for any reasons, if any, will be made available for application under the excess Rights Shares with Warrants application.

As you are an Entitled Shareholder and the JTB Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this AP, a NPA notifying you of the crediting of such number of securities into your CDS Account and a RSF to enable you to subscribe for such number of Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares with Warrants and new Shares to be issued upon exercise of the Warrants will be credited directly into the respective CDS Accounts of the successful applicants and exercising warrant holders (as the case may be). No physical share or warrant certificates will be issued but notices of allotment will be despatched to the successful applicants and exercising warrant holders (as the case may be).

Within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities, a notice of allotment will be despatched to you and/or your renounee(s) (if applicable). The Rights Shares and Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

A notice of allotment will be despatched to the exercising warrant holders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment from the date of exercise of the Warrants.

2.2 Basis of determining the Issue Price of the Rights Shares

On 10 October 2012, OSK had on behalf of our Board announced that the Issue Price for each Rights Share has been fixed at RM1.28.

The Issue Price is at a discount of approximately 31.6% to the theoretical ex-rights price of JTB Shares of RM1.87, based on the five (5)-day WAMP of JTB Shares up to and including 9 October 2012, being the last trading day immediately preceding the price-fixing date, of RM2.07. The Issue Price was also arrived at after taking into consideration our funding requirements and the prevailing market price of our Shares.

2.3 Basis of determining the Exercise Price of Warrants

The Warrants are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renounee(s) who subscribe for the Rights Shares.

On 10 October 2012, our Board had resolved to fix the Exercise Price of the Warrants at RM2.28 each. The Exercise Price is at a premium of approximately 21.9% to the theoretical ex-rights price of JTB Shares of RM1.87, based on the five (5)-day WAMP of JTB Shares up to and including 9 October 2012, being the last trading day immediately preceding the price-fixing date of RM2.07.

The Exercise Price was arrived at after taking into consideration our Company's working capital requirements over the next five (5) years and at a price our Board believes is reflective of our Group's future prospects.

2.4 Ranking of the Rights Shares and new Shares arising from the exercise of the Warrants

All the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares except that they shall not be entitled to any dividend, right, allotment, and/or other distribution that may be declared, made or paid prior to the allotment and issue of the Rights Shares.

The new Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they shall not be entitled to any dividend, right, allotment, and/or other distribution that may be declared, made or paid prior to the relevant allotment date of the said new Shares.

2.5 Principal terms of the Warrants

The principal terms of the Warrants are as follows:-

- Issue size : 23,326,333 Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders of JTB on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed.
- Form and denomination : The Warrants which are to be issued with the Rights Shares are immediately detachable upon allotment and issuance of the Rights Shares and will be separately traded. The Warrants will be issued in registered form and constituted by a Deed Poll.
- Exercise price : The exercise price of Warrants is RM2.28, payable in respect of each new Share upon the exercise of the exercise rights but subject always to adjustments in accordance with the provisions of the Deed Poll.
- Mode of exercise : The registered holder of a Warrant is required to lodge a subscription form with our Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
- Exercise period : The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants. Any Warrants, which have not been exercised during the exercise period will thereafter lapse and cease to be valid.
- Exercise rights : Each Warrant carries the entitlement, at any time during the Exercise Period to subscribe for one (1) new JTB Share at the Exercise Price, subject to the adjustments in accordance with the provisions of the Deed Poll.
- Board lot : For the purposes of trading on Bursa Securities, one (1) board lot of Warrants shall comprise 100 units of Warrants carrying the rights to subscribe for 100 new JTB Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities.
- Ranking of new JTB Shares : The new JTB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing JTB Shares, save and except that the new JTB Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new JTB Shares.
- Listing status : Bursa Securities had, on 5 September 2012 approved the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants and new Shares to be issued pursuant to the exercise of the Warrants.
- Rights of the warrant holder(s) : Warrant holders are not entitled to vote in any general meeting of JTB or to participate in any distribution and/ or offer of further securities in our Company unless and until the warrant holder becomes a shareholder by exercising his/ her/its Warrants.

- Adjustments in the exercise price and/ or number of Warrants : The Exercise Price and/or number of unexercised Warrants may be adjusted by our Directors, in consultation with its professional advisers, in the event of alteration to the share capital of our Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll.
- Rights in the Event of Winding Up, Liquidation, Compromise and/ or Arrangement : Where a resolution has been passed for a members' voluntary winding up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then every Warrant holder shall be entitled upon and subject to the provisions of the Deed Poll at any time, within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or within six (6) weeks from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of its/his/her Warrants to our Company by submitting the subscription form duly completed, authorising the debiting of its/his/her Warrants together with payment of the relevant Exercise Price, to elect to be treated as if it/he/she had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights (as defined above) represented by its/his/her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if it/he/she had on such date been the holder of the new JTB Shares to which it/he/she would have been entitled to pursuant to such exercise and the liquidator of our Company, must give effect to such election accordingly and all Exercise Rights, which have not been exercised within the above six (6) weeks of either the passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, will lapse and the Warrants will cease to be valid for any purpose.
- Modification to the terms of the Warrants : Any modification may be effected only by a further deed poll, executed by our Company and expressed to be supplemental hereto and only if the requirement of Clause 5 of the Deed Poll has been complied with and subject to approval of the relevant authorities.
- Mode of Transfer : Any transfer of the Warrants is to be effected in the manner prescribed under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository and any statutory amendments, modifications, or re-enactments for the time being in force.
- Deed Poll : The Warrants are constituted by the Deed Poll executed by the Company on 10 October 2012.
- Governing law : Laws and Regulations of Malaysia.

2.6 Details of other corporate exercises

Save for the Rights Issue with Warrants, our Board confirms that there are no other outstanding corporate exercises intended to be undertaken by us which has been approved by the regulatory authorities but not yet completed as at the LPD.

3. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such number of provisionally allotted Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for such number of Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so. This AP and the RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

3.2 NPA

The provisionally allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last time and date for acceptance and payment

The last time and date for acceptance and payment for the Rights Shares with Warrants is **5.00 p.m. on 9 November 2012**, or such extended time and date as our Board may decide at their absolute discretion. Where the closing date of the acceptance and payment is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedure for full acceptance and payment

Acceptance and payment for the Rights Shares with Warrants provisionally allotted to you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU, EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement, please complete Part I(a) and II of the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883
Fax: 03-2282 1886

so as to arrive **not later than 5.00 p.m. on 9 November 2012**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board at their absolute discretion.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you will be credited into the respective CDS Accounts where the provisionally allotted Rights Shares with Warrants are standing to the credit.

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares and Warrants, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares with Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share, which will be accompanied with one (1) Warrant. Fractions of a Rights Share and/or Warrant arising from the Rights Issue with Warrants will be dealt with by our Board as they may deem fit and expedient in the best interest of our Company.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you (whether in full or in part, as the case may be) is not received by our Share Registrar by 5.00 p.m. on 9 November 2012, being the last time and date for acceptance and payment, or any other extended time and date as may be determined and announced by our Board at their absolute discretion, you will be deemed to have declined the provisional allotment made to you and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with Warrants, and subsequently, to the parties which have given their Additional Undertakings, if the Rights Shares with Warrants are not fully taken up by such applicants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserve the right not to accept or to accept in part only any application without providing any reasons.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MUST BE MADE PAYABLE TO "JTB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED THE RIGHTS SHARES WITH WARRANTS, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING OF THE RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance

You can accept part of your provisionally allotted Rights Shares with Warrants. The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share which will be accompanied with one (1) Warrant.

WHEN YOU ACCEPT ONLY PART OF YOUR PROVISIONAL RIGHTS SHARES WITH WARRANTS, YOU WILL AUTOMATICALLY BE ACCEPTING BOTH THE RIGHTS SHARES AND WARRANTS IN THE PROPORTION OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT. YOU CANNOT ACCEPT THE PROVISIONALLY ALLOTTED RIGHTS SHARES WITH WARRANTS IN ANY OTHER PROPORTIONS.

You must complete Parts I(a) and II of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 3.4** of this AP.

The portion of the provisionally allotted Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the provisional allotment of the Rights Shares with Warrants.

3.6 Procedure for sale or transfer of provisional allotment of Rights Shares with Warrants

As the provisionally allotted Rights Shares with Warrants are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more persons, you may do so through your stockbrokers for the period up to the last time and date for sale or transfer of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) without first having to request for a split of the provisionally allotted Rights Shares with Warrants standing to the credit of your CDS Accounts. To sell or transfer all or part of your entitlement to the provisionally allotted Rights Shares with Warrants, you may sell such entitlement on the open market for the period up to the last time and date for sale of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last time and date for transfer of the provisionally allotted Rights Shares with Warrants (in accordance with the Rules of Bursa Depository).

In selling or transferring all or part of your provisionally allotted Rights Shares with Warrants, you need not deliver any document, including the RSF, to any stockbroker. However, you must ensure that there is sufficient provisionally allotted Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the provisionally allotted Rights Shares with Warrants may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar or from our Registered Office. This AP and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of your provisionally allotted Rights Shares with Warrants, you may still accept the balance of the provisionally allotted Rights Shares with Warrants by completing Parts I(a) and II of the RSF. Please refer to **Section 3.4** of this AP for the procedures for acceptance and payment.

ENTITLED SHAREHOLDERS WHO DISPOSE OF OR TRANSFER THEIR PROVISIONAL RIGHTS SHARES WITH WARRANTS WILL AUTOMATICALLY BE DISPOSING OF OR TRANSFERRING THEIR ENTITLEMENTS TO BOTH THE RIGHTS SHARES AND THE ATTACHED WARRANTS IN THE PROPORTION OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT. THEY CANNOT RETAIN THE PROVISIONALLY ALLOTTED RIGHTS SHARES WHILE DISPOSING OF OR TRANSFERRING THE ATTACHED WARRANTS, OR VICE VERSA, NOR CAN THEY DISPOSE OF OR TRANSFER THEIR ENTITLEMENTS IN ANY PROPORTION OTHER THAN THAT STATED ABOVE.

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3.7 Procedure for excess application of the Rights Shares with Warrants

As an Entitled Shareholder, you may apply for excess Rights Shares with Warrants in addition to the Rights Shares with Warrants provisionally allotted to you by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on 9 November 2012**, being the last time and date for acceptance and payment, or such extended time and date as may be determined by our Board in their absolute discretion.

The minimum number of excess Rights Shares which can be applied for is one (1) Rights Share with one (1) Warrant.

Payment for the excess Rights Shares with Warrants applied for should be made in the same manner as described in **Section 3.4** of this AP, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "**ACCOUNT PAYEE ONLY**" and made payable to "**JTB EXCESS RIGHTS ISSUE ACCOUNT**" and endorsed on the reverse side with your name, address and CDS Account in block letters to be received by our Share Registrar.

Our Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(b) of the RSF, in a fair and equitable basis and in such manner as they deem fit and expedient in the best interest of the Company. As such, it is the intention of our Board to allot the excess Rights Shares with Warrants, if any, in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application; and
- (iv) fourthly, for allocation to Entitled Shareholders and/or renouncee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(b) of the RSF in such manner as it deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in section 3.7(i)- (iv) above are achieved. Our Board also reserves the right to accept any application for excess Rights Shares with Warrants, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED THE EXCESS RIGHTS SHARES WITH WARRANTS, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHT SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

3.8 Procedure for acceptance by renounees

Renounees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Registered Office or from the Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedures for acceptance, selling or transferring of provisionally allotted Rights Shares with Warrants, applying for the excess Rights Shares with Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in **Section 3.4 to 3.7** of this AP. Please refer to the relevant sections for the procedures to be followed.

RENOONEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND RSF CAREFULLY.

3.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with Warrants. You must have a CDS Account in order to subscribe for the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

Where the Rights Shares with Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing JTB Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the provisional allotment of the Rights Shares with Warrants shall mean that you consent to receive such Rights Shares with Warrants as prescribed or deposited securities credited directly into your CDS Account. Hence, the Rights Shares with Warrants will be credited directly into your CDS Account upon allotment and issuance.

Any person who has purchased the provisionally allotted Rights Shares with Warrants as a renouncee or to whom the provisionally allotted Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issuance.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Warrants will be made on a fair and equitable basis.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you will be credited into the respective CDS Accounts where the provisionally allotted Rights Shares with Warrants are standing to the credit.

3.10 Laws of foreign jurisdictions

This AP, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders may collect the AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

Foreign Entitled Shareholders may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

OSK, other experts, our Company and our Board and officers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are or may be subjected to. The foreign Entitled Shareholders and/or their renounee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subjected to. OSK, other experts, our Company and our Board and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders, is or shall become illegal, unlawful, unenforceable, voidable or void in any such jurisdictions.

The foreign Entitled Shareholders and/or their renounee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against us and/or OSK in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders and/or their renounee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms accompanying this AP, the NPA and the RSF, the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) OSK, other experts, our Company and our Board and officers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounee(s) (if applicable) are or may be subject to;
- (ii) they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) they are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) they have respectively received a copy of this AP and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and
- (vi) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this AP, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders and/or their renouncee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. UTILISATION OF PROCEEDS

The Rights Shares to be issued pursuant to the Rights Issue with Warrants is expected to raise gross proceeds of approximately RM29.857 million based on the Issue Price. The proceeds are expected to be utilised in the following manner:-

	RM'000	Estimated timeframe for the utilisation of the proceeds
Purchase of land and construction of new warehouse and factory ⁽¹⁾	15,000	Within eighteen (18) months from the receipt of proceeds
Purchase of machineries and equipment ⁽²⁾	8,000	Within eighteen (18) months from the receipt of proceeds
Upgrading works ⁽³⁾	1,500	Within eighteen (18) months from the receipt of proceeds
Working capital ⁽⁴⁾	4,857	Within twelve (12) months from the receipt of proceeds
Estimated expenses related to the Rights Issue with Warrants ⁽⁵⁾	500	Within one (1) month from the receipt of proceeds
Total	29,857	

Notes:-

⁽¹⁾ As part of our Group's expansion plans, our Board has earmarked approximately RM15.0 million for the purchase of approximately 4 acres of land and the construction of a new warehouse and factory located in Teluk Panglima Garang, Selangor, which is near Able Dairies' existing milk and dairy products manufacturing facility. Able Dairies' facility is running at close to full working space capacity and has been facing storage space constraints of late. As such, we are currently renting additional space from three (3) logistic companies to store our raw materials and finished products at a combined rental cost of approximately RM0.2 million per annum.

The estimated breakdown of the RM15.0 million is set out below:-

	RM'000
Land acquisition cost	5,000
Construction of factory and warehouse	10,000
	<u>15,000</u>

Our management estimates that the land could facilitate the construction of a warehouse and factory with an approximate built-up area of 100,000 square feet, together with an office building with an approximate built-up area of 4,500 square feet ("Proposed Facility"). The Proposed Facility is expected to free up some much needed working space at Able Dairies' facility and will also allow us to include an additional milk canning line at Able Dairies' facility. Based on management's best estimates, the abovementioned extra working space together with the additional milk canning line is expected to increase production capacity by up to 25% from the current output of 95 million cans per annum. Furthermore, our Company should be able to reap savings in rental cost by using the available storage space at the Proposed Facility. As at the LPD, no purchase of new machineries and equipment has been planned for the Proposed Facility.

The land purchase together with the construction of the facilities are expected to be completed within eighteen (18) months from the receipt of funds from the Rights Issue with Warrants, subject to amongst others, the finalisation of negotiations for the land purchase, the finalisation of the valuation exercise on the property and timely approval(s) from the relevant authorities for the factory building plans. As the sale and purchase agreement for the land ("SPA") has yet to be signed and no application has been made to the relevant authorities, the timeline to obtain the necessary approvals in relation to the construction of the new factory cannot be ascertained at this juncture. Our Board will submit all the necessary applications after signing of the SPA and will closely monitor the project implementation to ensure minimal interruption and delay of our Group's expansion plans.

Details of the SPA will be separately announced to Bursa Securities upon signing of the SPA which is expected to be by the end of November 2012.

Any surplus funds after deducting the actual expenses for the land acquisition and construction of the new factory and warehouse will be utilised for our Group's working capital. Conversely, any shortfall of proceeds will be funded from the portion allocated for working capital purposes and/or internally generated funds of our Group.

- (2) Our Group has also earmarked RM8.0 million for the purchase of new machineries and equipment for our existing facilities which are to be allocated in the following manner:-

Location of existing facilities	RM'000
Seelong, Johor	5,400
Teluk Panglima Garang, Selangor	2,600
TOTAL	8,000

The planned purchases are currently still at the negotiation stages and the prices may vary according to the final specifications agreed upon by JTB and the vendors. The respective allocation as set out above represents an estimation by management and the actual utilisation for each existing facility may differ upon finalisation of the negotiations. Any shortfall will be funded by our internally generated funds and/or borrowings. Conversely, any surplus funds allocated for this purpose will be utilised for the working capital of our Group.

- (3) Our Group plans to do upgrading works (ie. flooring of the factory) for our Group's existing facilities in Teluk Panglima Garang in Selangor estimated to cost approximately RM1.5 million.
- (4) Our Group has earmarked approximately RM4.9 million for purchase of raw materials (ie. milk powder, sugar, palm oil and tin plates) which is currently funded by bankers' acceptances and revolving credit facilities.
- (5) Proceeds earmarked for estimated expenses related to the Rights Issue with Warrants shall be utilised as follows:-

	RM'000
Professional fees (ie. principal adviser, reporting accountant, solicitor)	340
Regulatory fees	90
Other incidental expenses in connection with the Rights Issue with Warrants	70
TOTAL	500

Any variation in the actual utilisation from the estimated amount will be adjusted to or from the amount allocated for working capital.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes the proceeds would be placed in deposits with financial institutions or short-term money market instrument(s).

The proceeds to be raised from the exercise of Warrants are dependent on the total number of Warrants to be exercised during the tenure of the Warrants. The gross proceeds expected to be raised from the exercise of Warrants is RM53.184 million based on the Exercise Price. Such proceeds will be used for our Group's working capital requirements.

5. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration of the various options available, our Board is of the view that the Rights Issue with Warrants is an appropriate avenue for JTB, as it will:-

- (i) raise equity capital for JTB and strengthen its capital base;
- (ii) raise funds without incurring interest costs, as compared to borrowings. The funds raised will be utilised for the purposes highlighted in Section 4;
- (iii) provide the Entitled Shareholders of JTB with an opportunity to increase their equity participation in our Company; and
- (iv) the Warrants attached to the Rights Shares are expected to provide the shareholders of JTB with an incentive to subscribe for the Rights Shares. Pursuant thereto, the Entitled Shareholders may also benefit from the potential capital appreciation of the Warrants. In addition, our Company would also be able to raise further proceeds as and when any of the Warrants are exercised.

6. RISK FACTORS

You should carefully consider, in addition to other information contained herein, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue with Warrants.

6.1 Business and operational risks

(i) Industry risk

Our Group is principally involved in the manufacturing of various tins, cans and other containers and printing of tin plates as well as the manufacturing and selling of milk and other related dairy products. Our Group's revenue and operating results could be adversely affected by many factors which include, amongst others, increases in the cost of raw materials and increases in the cost of labour.

We attempt to limit these risks by continuously monitoring the prices of key raw materials, expanding our pool of suppliers and customers whilst continuing to establish long term business relationships with our Group's existing suppliers and customers, expanding the existing business by maintaining the strength of our Group's reputation and the development of new products. Whilst, all these are done in anticipation that our actions will contribute positively to the future earnings of our Group, there can be no assurance that there will be consistent levels of profitability.

(ii) Competition risks

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

In this respect, our Group will continue to take strategic measures and continuous review of the operational efficiency to move ahead of competition by addressing the factors above. Notwithstanding the above, there can be no assurance that our Group will be able to maintain our market share.

(iii) Dependence on key management and skilled personnel

Our Group's continued success will depend to a certain extent upon the skills, experiences, abilities and continued efforts of our key management and skilled personnel. The loss of key personnel in our Group may have an adverse impact on the performance of our Group. Our Group recognises the importance of attracting and retaining our key personnel to support our business operations.

Our Group presently have in place, human resource strategies which include providing competitive and performance-based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities. However, we cannot provide any assurance that the above measures will be successful in attracting and retaining our key management and skilled personnel.

(iv) Foreign exchange risk

Any fluctuation in exchange rates may have an effect on the profitability of our Group. JTB Group is exposed to foreign currency risks on sales and purchases that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily USD and Singapore Dollars.

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

(v) Political, economic and regulatory considerations

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

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

Our Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect our Group's business.

6.2 Risks relating to the Rights Issue with Warrants

(i) Market risk for the Rights Shares and Warrants

The Issue Price of the Rights Shares and the Exercise Price of the Warrants have been determined, after taking into consideration, amongst others, the theoretical ex-rights price of JTB Shares and the par value of our Shares.

The market price of JTB Shares is influenced by, amongst others, prevailing market sentiments, volatility of equity markets, outlook of the property development industry and our financial performance. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price or the theoretical ex-rights price of JTB Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. Additionally, there can be no assurance that the Exercise Price will be "in-the-money" during the exercise period of the Warrants.

(ii) No prior market for Warrants

Prior to the Rights Issue with Warrants, there has been no established trading market for our Warrants. The market price of our Warrants on Bursa Securities will depend on, amongst others, the prevailing stock market sentiments, the volatility of the stock market, interest rate movements, future profitability of our Group, as well as the future prospects of the industry in which our Group operates. No assurance can be given that an active market will develop upon listing of our Warrants on Bursa Securities, or if developed, that such market will sustain. There can also be no assurance that the market price of our Warrants will be maintained at any particular level subsequent to their issue.

(iii) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:-

- (a) force majeure events or events/circumstances, which are beyond the control of our Company, arising prior to the implementation of the Rights Issue with Warrants;
- (b) the parties as set out in Section 9 who have given their irrevocable undertakings to subscribe for their respective entitlements under the Rights Issue with Warrants may not fulfil or be able to fulfil their obligations;
- (c) we are unable to meet the public shareholding spread requirement of the Listing Requirements of which at least 25% of our listed shares are in the hands of the public shareholders; and
- (d) we are unable to meet the public spread requirement of at least 100 holders of Warrants holding not less than one (1) board lot of the Warrants each.

In this respect, our Company will exercise its best endeavours to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants. In the event that the Rights Issue with Warrants is aborted, our Company will repay without interest all monies received from the applications in accordance with Section 243 of the CMSA.

6.3 Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this Section 6. In light of these and other uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY REVIEW AND FUTURE PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a stronger growth of 5.4% in the second quarter of 2012 (Q1 2012: 4.9%) led by the steady performance in all sectors, except agriculture. The services and manufacturing sectors remained the key drivers of growth, growing 6.3% and 5.6% (Q1 2012: 5.3%; 4.4%), respectively. Growth in the services sector was spurred by the wholesale and retail trade, finance and insurance, and communication sub-sectors.

On the domestic front, the Malaysian economy is expected to remain on its growth trajectory in the second half of 2012. This was reflected by the Leading Index, which grew by an average of 2% in the first six months of 2012. Domestic demand, particularly private consumption and investment are expected to drive the economy. On the supply side, growth will be supported by continued expansion in the services and construction sectors.

(Source: Malaysian Economy, Second Quarter 2012, Ministry of Finance)

7.2 Overview and outlook of the F&B Industry in Malaysia

The performance of domestic-oriented industries was supported mainly by the resilience of the consumer-related cluster with the transport equipment and the food, beverage and tobacco segments registering sustained growth rates, in tandem with the firm growth in private consumption. The headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI), moderated to 1.7% in the second quarter (1Q 12: 2.3%), reflecting lower inflation in the food and non-alcoholic beverages and transport categories.

Inflation in the food and non-alcoholic beverages category moderated to 2.7% during the quarter (1Q 12: 3.5%). Prices in the meat and vegetables sub-categories declined by 1.9% and 3.9% respectively (1Q 12: +1.1% and -3.7% respectively) due to the oversupply of these food items. Since May, however, the food supply has begun to normalise. The exceptionally high food prices in the second quarter of 2011 also contributed to the more moderate increase in food inflation.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2012, Bank Negara Malaysia)

Value-added of the manufacturing sector increased 5.6% (Q1 2012: 4.4%). Meanwhile, output of domestic-oriented industries continued to increase 7.5% (Q1 2012: 10%), with most sub-sectors registering favourable growth. In addition, output of food, beverages and tobacco posted a healthy growth of 11.3%, 4.1% and 20.9% respectively.

Prices in the food and non-alcoholic beverages group continued to ease and recorded a smaller growth of 2.7% (Q1 2012: 3.6%), contributing 0.8 percentage point to the CPI increase. The slower increase in food prices was attributed to the decline in the prices of vegetables (-3.9%) and meat (-1.9%) subgroups, following improved market supplies. However, the fish and seafood sub-group increased 7.6% due to weather-induced supply shortage. On the whole, prices in the food at home and food away from home categories increased 2% and 4%, respectively (Q1 2012: 3%; 4.6%).

The Malaysian economy is expected to remain on its growth trajectory in the second half of 2012. This was reflected by the Leading Index, which grew by an average of 2% in the first six months of 2012. Domestic demand, particularly private consumption and investment are expected to drive the economy.

(Source: Malaysian Economy, Second Quarter 2012, Ministry of Finance)

7.3 General overview and outlook of South East Asia Economy and the F&B Industry

In Asia, economic activity expanded at a moderate pace in the second quarter. Growth performance, however, showed divergent trends, mainly reflecting the degree of openness of the economies. Domestic demand continued to provide support to overall economic activity in the region, partially offsetting the weakness in external demand.

Growth in Singapore remained modest at 2.0% (1Q 12:1.5%), as the rebound in the manufacturing sector was offset by a moderation in the construction sector. The Indonesian economy grew by 6.4% (1Q 12: 6.3%), supported by sustained private consumption and stronger investment. Hong Kong's economy grew by 1.1% (1Q 12: 0.7%), as stronger consumption and investment offset a weaker external trade performance.

Headline inflation continued to moderate in most regional economies, mainly on account of lower food and energy prices. The slower pace of increase in inflation was also partly attributable to the favourable base effects from last year's high price index levels. Nevertheless, it remained high in a few economies, particularly India, Hong Kong, and Singapore due to elevated costs of food and housing. Amidst continued uncertainties in the global economy and lower inflationary pressures, several monetary authorities in the region eased monetary policies. The Bangko Sentral ng Pilipinas cut its key policy rate by 25 basis points, reducing overnight borrowing and lending rates to 3.75% and 5.75% respectively, as a benign inflation outlook provided room for it to further lower its interest rates.

Going forward, the global economy faces increasing downside risks, emanating from the developments in several major economies. Policy uncertainty surrounding the European sovereign debt crisis and fiscal issues in the US are expected to weigh on market sentiments and growth prospects. Asia's growth will be affected by the weakening external environment amid modest growth in PR China.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2012, Bank Negara Malaysia)

7.4 Prospects of our Group

JTB is involved in the manufacture of various tins, cans and other containers, as well as printing tin plates via its subsidiaries. Our products include biscuit tins, edible oil and vegetable ghee cans, plastic jerry cans, paint and chemical cans, sweetened condensed milk and other processed food cans. In November 2011, JTB ventured into the manufacturing of dairy products, including sweetened condensed milk and evaporated milk, via the acquisition of Able Dairies.

For the tin cans and other containers segments, growth is expected to be gradual as this industry is matured, and growth is expected to move in tandem with our customers as they expand their businesses.

For the food and beverage segment, our Group will be benefiting from the full year's contribution from Able Dairies in 2012 compared to only 2-months contribution in 2011. In view of the above, the revenue and profit of our Group are expected to increase significantly. Having said that, the existing facilities in Teluk Panglima Garang, used primarily for the operations of Able Dairies, is being utilised to the fullest to meet its existing orders. After taking into consideration the positive market review disclosed above, our Group plans to expand its business with the purchase of land and the construction of warehouse and factory as disclosed in Section 4 of this AP to increase storage and production capacity. However, there can be no assurance that the expansion will be supported by similar increase in demand for our products.

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

(Source: Management of JTB)

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8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

For illustration purpose, the effects of the Rights Issue with Warrants on our share capital, NA per Share, gearing, and EPS are as follows:-

8.1 Share capital

The effects of the Rights Issue with Warrants on our issued and paid-up share capital are as follows:-

	RM	No. of Shares	Par Value RM
Existing issued and paid-up share capital as at the LPD	69,979,000	69,979,000	1.00
<i>Rights Shares to be issued pursuant to the Rights Issue with Warrants</i>	23,326,333	23,326,333	1.00
After issuance of the Rights Shares pursuant to the Rights Issue with Warrants	93,305,333	93,305,333	1.00
<i>New JTB Shares to be issued pursuant to the full exercise of Warrants</i>	23,326,333	23,326,333	1.00
Enlarged issued and paid-up share capital after exercise of Warrants	116,631,666	116,631,666	1.00

8.2 NA per share and gearing

Based on our audited consolidated statements of financial position of JTB as at 31 December 2011, the proforma effects of the Rights Issue with Warrants on our consolidated NA per share and gearing are as follows:-

	Audited as at 31 December 2011 RM'000	Proforma I	Proforma II
		After the Rights Issue with Warrants ⁽¹⁾ RM'000	After Proforma I and full exercise of Warrants ⁽²⁾ RM'000
Share capital	69,979	93,305	116,632
Reserves:			
Share premium reserve	4,600	9,631	40,580
Foreign translation reserve	(513)	(513)	(513)
Warrant reserve	-	1,092	-
Retained earnings	32,160	32,068	32,068
Shareholders' equity/ NA	106,226	135,583	188,767
No. of Shares ('000)	69,979	93,305	116,632
NA per share (RM)	1.52	1.45	1.62
Borrowings (RM'000)	47,131	47,131	47,131
Gearing⁽³⁾ (times)	0.44	0.35	0.25

Notes:-

(1) Based on the issue price of RM1.28 per Rights Share and after deducting estimated expenses of RM500,000 incurred in relation to the Corporate Exercises, breakdown as follows:-

	RM'000
Professional fees (i.e. principal adviser, reporting accountant, solicitor)	340
Regulatory fees	90
Other incidental expenses in connection with the Proposals	70
TOTAL	500

(2) Based on the exercise price of RM2.28 per Warrant.

(3) Gearing ratio = Total borrowings / Shareholders' equity

Please refer to **Appendix III** for further details on the proforma consolidated statements of financial position of JTB as at 31 December 2011 together with the Reporting Accountants' Letter thereon.

8.3 EPS

Based on the assumption that the Rights Issue with Warrants is expected to be completed in fourth quarter of 2012, the EPS of our Group for FYE 31 December 2012 may be diluted as a result of the increase in the number of shares in issue after the Rights Issue with Warrants and as and when the Warrants are being exercised into new Shares.

The Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group as and when the benefits from the utilisation of funds as described in Section 4 are realised.

For illustrative purposes only, based on the consolidated financial statements of JTB for the FYE 31 December 2011, the proforma effects of the Rights Issue with Warrants on the earnings and EPS of our Group assuming that the Rights Issue with Warrants had been effected on 1 January 2011, being the beginning of the FYE 31 December 2011 are as follows:-

	As at 31 December 2011	Proforma I After Rights Issue with Warrants	Proforma II After Proforma I and full exercise of the Warrants
No. of Shares ('000)	69,979	93,305	116,632
Profit for the year attributed to the equity holders of the Company (RM'000)	11,038	11,038	11,038
EPS (RM) ⁽¹⁾	0.16	0.12	0.09

Note:-

(1) $EPS = \text{Profit for the year attributed to the equity holders of the Company} / \text{total no. of Shares.}$

9. IRREVOCABLE UNDERTAKING

Pursuant to the Rights Issue with Warrants, the Company had, on 17 August 2012, procured irrevocable written undertakings from the following substantial shareholders and key management of JTB to subscribe and/or cause to subscribe in full for:-

- (i) their respective entitlements for the Rights Shares; and
- (ii) the remaining 11,055,725 Rights Shares representing approximately 47.39% of the total Rights Shares available for subscription, in the event the Rights Shares are undersubscribed at the closing date for the acceptance;

as disclosed in the table below.

Shareholders and key management of JTB	No. of Shares held as at 31 July 2012	%	Entitlement Undertakings		Additional Undertakings	
			No. of Rights Shares to be subscribed	% of Right Shares	No. of Rights Shares to be subscribed	% of Right Shares
<u>Substantial shareholder</u>						
Chua Tai Boon	5,006,298	7.15	1,668,766	7.15	-	-
Genting Perwira Sdn Bhd	3,707,880	5.30	1,235,960	5.30	1,116,628	4.79
<u>Substantial shareholders and key management of JTB</u>						
Goh Mia Kwong	9,858,739	14.09	3,286,246	14.09	2,951,878	12.65
Lim Hun Swee	8,040,000	11.49	2,680,000	11.49	2,421,206	10.38
Edward Goh Swee Wang	3,538,407	5.06	1,179,469	5.06	1,061,349	4.55
Ng Keng Hoe	3,440,000	4.92	1,146,667	4.92	2,542,816	10.90
<u>Key management of JTB</u>						
Ng Yik Toon @ Ng Yik Koon	1,736,500	2.48	578,833	2.48	519,619	2.23
Yeow Ah Seng @ Yow Ah Seng	1,484,000	2.12	494,667	2.12	442,229	1.89
Total	36,811,824	52.61	12,270,608	52.61	11,055,725	47.39

Accordingly, the abovementioned substantial shareholders and key management of JTB have confirmed vide their letters dated 17 August 2012 that they have sufficient financial resources to subscribe and/or cause to subscribe for their respective Entitlement Undertakings and/or their Additional Undertakings (where applicable) under the Rights Issue with Warrants.

The abovementioned substantial shareholders and key management of JTB have also undertaken to subscribe and/or cause to subscribe in full for any additional entitlements pursuant to the Rights Issue with Warrants, in the event that they have increased their shareholdings in JTB prior to the Entitlement Date of the Rights Issue with Warrants.

After taking into consideration the above Entitlement Undertakings and Additional Undertakings, our Board confirms that the abovementioned shareholders' subscription of the Rights Shares with Warrants will not give rise to any mandatory general offer obligations pursuant to the Code.

The Rights Issue with Warrants will not be undertaken on a minimum subscription basis.

The substantial shareholders and their direct and indirect interests in JTB before and after the Rights Issue with Warrants are set out in Section 4, Appendix II of this AP.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working capital

Our Board is of the opinion that after taking into consideration the cash in hand, funds generated from our operations, banking facilities available as well as the proceeds to be raised from the Rights Issue with Warrants, our Group will have adequate working capital for a period of twelve (12) months from the date of this AP.

10.2 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM32.089 million, all of which are interest-bearing and from local financial institutions, details of which are as follows:-

	Total RM'000
Short term borrowings:-	
Bankers' acceptances	1,875
Foreign currency trade loan	6,202
Foreign currency trust receipts	241
Bill of exchange	3,293
Revolving credit	5,000
Hire purchase and finance lease payable	330
Term loans	2,392
	19,333
Long term borrowings:-	
Hire purchase and finance lease payable	192
Term loans	12,564
	12,756
Total	32,089

As at the LPD, the foreign currency trade loan, foreign currency trust receipts and bill of exchange amounting to approximately USD3.104 million (equivalent to approximately RM9.736 million based on the exchange rate of USD1=RM3.1362) forms part of our Group's foreign short term borrowings. Apart from that, our Group has no other borrowings in foreign currency.

As at the LPD, we do not have any non-interest bearing borrowings.

There has been no default on payment of either interest and/or principal sums in respect of any borrowing throughout the past FYE 31 December 2011, and the subsequent financial period up to the LPD.

10.3 Contingent liabilities and material commitments

Save as disclosed below, as at the LPD, there are no material commitment and/or contingent liability which, upon becoming enforceable, may have a material impact on our Group's financial position:-

	RM '000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	19,660

11. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this AP, the Deed Poll, the NPA and RSF enclosed herewith.

12. ADDITIONAL INFORMATION

You are requested to refer to the attached appendices for additional information.

Yours faithfully,
For and on behalf of the Board of
JOHORE TIN BERHAD



EDWARD GOH SWEE WANG
Chief Executive Officer

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PASSED AT OUR EGM HELD ON 8 OCTOBER 2012

**JOHORE TIN BERHAD (532570-V)
(Incorporated in Malaysia)**

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING DULY HELD AT MELATI HALL, 1ST FLOOR – CLUBHOUSE, PALM RESORT GOLF & COUNTRY CLUB, JALAN PERSIARAN GOLF, OFF JALAN JUMBO, 81250 SENAI, JOHOR ON MONDAY, 8 OCTOBER 2012 AT 10.00 A.M.

The Meeting RESOLVED and passed the following resolutions:-

1. ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 23,326,333 NEW ORDINARY SHARES OF RM1.00 EACH IN JOHORE TIN BERHAD ("JTB") ("RIGHTS SHARE(S)") TOGETHER WITH 23,326,333 NEW FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE AND ONE (1) WARRANT FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF RM1.00 EACH IN JTB ("JTB SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT, subject to the approval of Bank Negara Malaysia, approval-in-principle granted by Bursa Malaysia Securities Berhad ("Bursa Securities") and all other relevant authorities/ parties (if applicable) and the passing of Special Resolutions 1 and 2, approval be and is hereby given to the Directors of the Company for the following:

- (a) to provisionally allot and issue by way of a renounceable rights issue of 23,326,333 Rights Shares at an issue price to be determined and announced later, but in any case, the issue price will not be lower than the par value of the existing ordinary shares of RM1.00 each in JTB on the basis of one (1) Rights Share for every three (3) JTB Shares held together with Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on a date to be determined by the Board of Directors;
- (b) wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("Deed Poll") to be executed, at any time during the "Exercise Period" as defined in the Deed Poll, for one (1) new JTB Share at an exercise price to be determined later, but in any case the exercise price will not be lower than the par value of the then existing ordinary shares of RM1.00 per share;
- (c) to allot and issue such number of new JTB Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such new JTB Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing JTB Shares provided that such new JTB Shares then issued, shall not be entitled to any dividend, right, allotment and/ or other distribution declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said new JTB Shares;

**JOHORE TIN BERHAD (532570-V)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD
ON 8 OCTOBER 2012**

- (d) to allot and issue such further Warrants and new JTB Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities;
- (e) to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the new JTB Shares which may from time to time be allotted and issued upon exercise of the Warrants;

THAT any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Directors shall in their absolute discretion deem expedient in the interest of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 14 September 2012 ("Circular"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares and new JTB Shares arising from exercise of the Warrants will, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividend, right, allotment and/ or other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issue of the Rights Shares or new JTB Shares arising from exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

2. SPECIAL RESOLUTION I

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM100,000,000 COMPRISING 100,000,000 JTB SHARES TO RM200,000,000 COMPRISING 200,000,000 JTB SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT, subject to the approvals of the relevant authorities being obtained and the passing of Ordinary Resolution and Special Resolution 2, approval be and is hereby given to the Board of Directors to increase the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 JTB Shares to RM200,000,000 comprising 200,000,000 JTB Shares by the creation of additional 100,000,000 new JTB Shares.

**JOHORE TIN BERHAD (532570-V)
EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD
ON 8 OCTOBER 2012**

AND THAT the Directors be and are hereby authorised to take all such steps, execute such documents and enter into such transactions, arrangements, agreements as it may be necessary or expedient to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, modifications, variations and/ or amendments as the Board may deem fit, necessary and/ or expedient in the interest of the Company or as may be imposed by any relevant regulatory authority or consequent upon the implementation of the said conditions, modifications, variations and/ or amendments."

3. SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION ("M&A") OF THE COMPANY ("PROPOSED M&A AMENDMENTS")

"THAT, subject to the approvals of the relevant authorities being obtained and the passing of Special Resolution 1 above and in conjunction with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the proposed alterations, modifications, additions and/or deletions to the M&A of the Company ("Proposed M&A Amendments") as set out in Appendix III of the Circular, be hereby approved.

AND THAT the Directors and/or Secretary of the Company be and are/is hereby authorised to take all steps and do all acts, things and deeds which may be considered necessary or expedient in order to implement, finalise and give effect to the Proposed M&A Amendments."

CERTIFIED TRUE COPY



**DIRECTOR
NAME: EDWARD GOH SWEE WANG**



**SECRETARY
NAME: YONG MAY LI (F) (LS0000295)**

Dated: 8 October 2012

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia on 22 November 2000 under the Act as a public limited company. Our Company was incorporated as an investment holding company to facilitate the listing of our Group on the Second Board of Bursa Securities. JTB was listed on 31 October 2003. On 10 October 2006, our Company transferred listing from the Second Board to the Main Market (formerly known as Main Board) of Bursa Securities.

The principal activity of our Company is investment holding, while our subsidiaries are primarily involved in the manufacturing of various tins, cans and other containers and printing of tin plates as well as manufacturing and selling of milk and other related dairy products. Further details of the principal activities of our subsidiary companies are set out in Section 6 of this Appendix.

A summary of our Group's existing facilities is illustrated in the table below:-

Subsidiary	Location	Product line	Size of facility	Production capacity per annum	Output per annum	No. of shifts
Able Dairies	Teluk Panglima Garang, Selangor	SCM / Evaporated milk	65,000 square feet	140 million cans	95 million cans	2
Unican	Teluk Panglima Garang, Selangor	SCM cans	35,000 square feet	300 million cans	93 million cans	1 – 2
Unican and JTF	Kg. Seelong Jaya, Johor	F&B Industry cans Paint & Chemicals cans	230,000 square feet	180 million cans 13 million cans	85 million cans 5 million cans	1 – 2 1
KTCF	Kawasan Perindustrian Kluang, Johor	F&B Industry cans	40,000 square feet	13 million cans	5 million cans	1

Note:-

* Based on the assumption that the factories are fully operational at 20 hours a day, 25 days per month, 12 months per year.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are as follows:-

Type	No. of Shares	Par value (RM)	Total (RM)
Authorised	100,000,000	1.00	100,000,000
Issued and fully paid-up	69,979,000	1.00	69,979,000

3. CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

Details of the changes in our issued and paid-up share capital since incorporation up to the LPD are as follows:-

Date of allotment	No. of ordinary shares allotted	Par Value (RM)	Consideration/ Type of Issue	Cumulative issued and paid-up share capital (RM)
22 November 2000	2	1.00	Subscribers' shares	2
30 September 2002	24,209,448	1.00	Issued at approximately RM1.12 per share for the acquisition of 100% equity interest in JTF	24,209,450
30 September 2002	8,554,580	1.00	Issued at approximately RM1.12 per share for the acquisition of 100% equity interest in Unican	32,764,030
30 September 2002	3,956,970	1.00	Issued at approximately RM1.12 per share for the acquisition of 100% equity interest in KTCF	36,721,000
17 October 2003	7,265,000	1.00	Public issue of RM1.35	43,986,000
4 September 2006	21,993,000	1.00	Bonus issue on the basis of one (1) new Share for every two (2) existing Shares held	65,979,000
24 October 2011	4,000,000	1.00	Special issue of RM1.00 per share together with a cash consideration of RM27 million for the acquisition of 100% equity interest in Able Dairies	69,979,000

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APPENDIX II

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of Substantial Shareholders of our Company as at the LPD, the effects of the Rights Issue with Warrants on the shareholdings of the substantial shareholders of JTB are as follows:-

Assuming all Entitled Shareholders subscribe for their respective entitlement of Rights Shares and no Additional Undertakings were made.

Substantial Shareholder(s)	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%
Goh Mia Kwong	9,859	14.09	4,765	6.81 ⁽¹⁾	13,145	14.09	6,354	6.81 ⁽¹⁾	16,431	14.09	7,942	6.81 ⁽¹⁾
Lim Hun Swee	8,040	11.49	-	-	10,720	11.49	-	-	13,400	11.49	-	-
Ng Keng Hoe	5,940	8.49	560	0.80 ⁽²⁾	7,920	8.49	747	0.80 ⁽²⁾	9,900	8.49	933	0.80 ⁽²⁾
Genting Perwira Sdn Bhd	3,708	5.30	-	-	4,944	5.30	-	-	6,180	5.41	-	-
Edward Goh Swee Wang	3,538	5.06	11,086	15.84 ⁽³⁾	4,718	5.06	14,781	15.84 ⁽³⁾	5,897	5.30	18,476	15.84 ⁽³⁾
Datuk Kamaludin Bin Yusoff	58	0.08	3,729	5.33 ⁽⁴⁾	77	0.08	4,973	5.33 ⁽⁴⁾	97	0.08	6,216	5.33 ⁽⁴⁾
Datin Fawziah Binti Hussein Szally	22	0.03	3,766	5.38 ⁽⁵⁾	29	0.03	5,021	5.38 ⁽⁵⁾	36	0.03	6,276	5.38 ⁽⁵⁾
Total	31,165	44.54			41,553	44.54			51,941	44.54		

Notes:-

* The figures are on the assumptions of rounding to the nearest thousands.

(1) Deemed interested by virtue of the shareholdings of his children in our Company under Section 6A of the Act.

(2) Deemed interested by virtue of the shareholdings of his wife in our Company under Section 6A of the Act.

(3) Deemed interested by virtue of the shareholdings of his father and sister in our Company under Section 6A of the Act.

(4) Deemed interested by virtue of the shareholdings of his spouse in Genting Perwira Sdn Bhd and in our Company under Section 6A of the Act.

(5) Deemed interested by virtue of her shareholdings in Genting Perwira Sdn Bhd and the shareholdings of her spouse in our Company under Section 6A of the Act.

APPENDIX II

Assuming only the following Entitled Shareholders and certain key management subscribe for their Entitlement Undertakings and Additional Undertakings

Substantial Shareholder(s)	Shareholdings as at the LPD		I After the Rights Issue with Warrants		II After I and full exercise of the Warrants							
	Direct		Indirect		Direct		Indirect					
	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%				
Goh Mia Kwong	9,859	14.09	4,765	6.81 ⁽¹⁾	16,097	17.25	7,006	7,006 ⁽¹⁾	22,335	19.15	9,247	7.93 ⁽¹⁾
Lim Hun Swee	8,040	11.49	-	-	13,141	14.08	-	-	18,242	15.64	-	-
Ng Keng Hoe	5,940	8.49	560	0.80 ⁽²⁾	10,463	11.21	560	0.60 ⁽²⁾	14,986	12.85	560	0.48 ⁽²⁾
Genting Perwira Sdn Bhd	3,708	5.30	-	-	6,060	6.50	-	-	8,413	7.21	-	-
Edward Goh Swee Wang	3,538	5.06	11,086	15.84 ⁽³⁾	5,779	6.19	17,324	18.57 ⁽³⁾	8,020	6.88	23,562	20.20 ⁽³⁾
Datuk Kamaludin Bin Yusoff	58	0.08	3,729	5.33 ⁽⁴⁾	58	0.06	6,082	6.52 ⁽⁴⁾	58	0.05	8,435	7.23 ⁽⁴⁾
Datin Fawziah Binti Hussein Szally	22	0.03	3,766	5.38 ⁽⁵⁾	22	0.02	6,118	6.56 ⁽⁵⁾	22	0.02	8,471	7.26 ⁽⁵⁾
Total	31,165	44.54			51,620	55.31			72,076	61.80		

Notes:-

* The figures are on the assumptions of rounding to the nearest thousands.

⁽¹⁾ Deemed interested by virtue of the shareholdings of his children in our Company under Section 6A of the Act.

⁽²⁾ Deemed interested by virtue of the shareholdings of his wife in our Company under Section 6A of the Act.

⁽³⁾ Deemed interested by virtue of the shareholdings of his father and sister in our Company under Section 6A of the Act.

⁽⁴⁾ Deemed interested by virtue of the shareholdings of his spouse in Genting Perwira Sdn Bhd and in our Company under Section 6A of the Act.

⁽⁵⁾ Deemed interested by virtue of her shareholdings in Genting Perwira Sdn Bhd and the shareholdings of her spouse in our Company under Section 6A of the Act.

As at 28 September 2012, Chua Tai Boon has ceased to be a substantial shareholder, holding 2,498,298 JTB Shares, representing 3.57% of the issued and paid-up share capital of JTB.

5. BOARD OF DIRECTORS OF JTB

5.1 Details of the Directors of JTB

Name	Age	Nationality	Profession	Designation	Address
Datuk Kamaludin Bin Yusoff	64	Malaysian	Company Director	Chairman/ Non- Executive Director	101, Jalan SS3/41 Taman Subang 47300 Petaling Jaya Selangor
Edward Goh Swee Wang	49	Malaysian	Company Director	Chief Executive Officer	Block C, 08-03, Level 8 Stulang View Condominium Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor
Yeow Ah Seng @ Yow Ah Seng	59	Malaysian	Company Director	Executive Director	No. 6, Jalan Damai Sunrise Park 86000 Kluang Johor
Lim Hun Swee	60	Singaporean	Company Director	Executive Director	37 Bangkit Road #17-01 Singapore 679976
Lim Chin Kai	54	Malaysian	Company Director	Independent Non- Executive Director	11, Martia Road #03-10 Villa Martia Singapore 424808
Muhamad Feasal Bin Yusoff	42	Malaysian	Chartered Accountant	Independent Non- Executive Director	24, Jalan Mawar 53 Taman Mawar 81700 Pasir Gudang Johor

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APPENDIX II

5.2 Directors' shareholdings

As at the LPD, our Directors and their respective shareholdings in JTB as well as the proforma effects of Rights Issue with Warrants on our Directors' shareholdings of JTB are as follows:-

Assuming all Entitled Shareholders subscribe for their respective entitlement of Rights Shares and no Additional Undertakings were made.

Director(s)	Shareholdings as at the LPD				I				II							
	Direct		Indirect		After the Rights Issue with Warrants		Direct		Indirect		After I and full exercise of the Warrants		Direct		Indirect	
	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%
Datuk Kamaludin Bin Yusoff	58	0.08	3,729	5.33 ⁽¹⁾	77	0.08	4,973	5.33 ⁽¹⁾	97	0.08	6,216	5.33 ⁽¹⁾				
Edward Goh Swee Wang	3,538	5.06	11,086	15.84 ⁽²⁾	4,718	5.06	14,780	15.84 ⁽²⁾	5,897	5.06	18,476	15.84 ⁽²⁾				
Yeow Ah Seng @ Yow Ah Seng	1,484	2.12	-	-	1,979	2.12	-	-	2,473	2.12	-	-				
Lim Hun Swee	8,040	11.49	-	-	10,720	11.49	-	-	13,400	11.49	-	-				
Lim Chin Kai	24	0.03	-	-	32	0.03	-	-	40	0.03	-	-				
Muhamad Feasal Bin Yusoff	-	-	-	-	-	-	-	-	-	-	-	-				
Total	13,144	18.78			17,526	18.78			21,907	18.78						

Notes:-

* The figures are on the assumptions of rounding to the nearest thousands.

(1) Deemed interested by virtue of the shareholdings of his spouse in Genting Penwira Sdn Bhd and in our Company under Section 6A of the Act.

(2) Deemed interested by virtue of the shareholdings of his father and sister in our Company under Section 6A of the Act.

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APPENDIX II

Assuming only the following Entitled Shareholders and certain key management subscribe for their Entitlement Undertakings and Additional Undertakings

Director(s)	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%	No. of Shares* ('000)	%
Datuk Kamaludin Bin Yusoff	58	0.08	3,729	5.33 ⁽¹⁾	58	0.06	6,082	6.52 ⁽¹⁾	58	0.05	8,435	7.23 ⁽¹⁾
Edward Goh Swee Wang	3,538	5.06	11,086	15.84 ⁽²⁾	5,779	6.19	17,324	18.57 ⁽²⁾	8,020	6.88	23,562	20.20 ⁽²⁾
Yeow Ah Seng @ Yow Ah Seng	1,484	2.12	-	-	2,421	2.59	-	-	3,358	2.88	-	-
Lim Hun Swee	8,040	11.49	-	-	13,141	14.08	-	-	18,242	15.64	-	-
Lim Chin Kai	24	0.03	-	-	24	0.03	-	-	24	0.02	-	-
Muhamad Feasal Bin Yusoff	-	-	-	-	-	-	-	-	-	-	-	-
Total	13,144	18.78			21,423	22.95			29,702	25.47		

Notes:-

* The figures are on the assumptions of rounding to the nearest thousands.

⁽¹⁾ Deemed interested by virtue of the shareholdings of his spouse in Genting Penwira Sdn Bhd and in our Company under Section 6A of the Act.⁽²⁾ Deemed interested by virtue of the shareholdings of his father and sister in our Company under Section 6A of the Act.**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Subsidiary companies	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM)	Effective equity interest (%)
Able Dairies	9 March 2007 Malaysia	Manufacturing and selling of milk and other related dairy products	1,500,000	100
JTF	31 December 1973 Malaysia	Manufacturing of various tins, cans and other containers and printing of tin plates	3,626,929	100
KTCF	7 February 1975 Malaysia	Manufacturing of various tins, cans and other containers	695,529	100
Unican	21 September 1988 Malaysia	Manufacturing of various tins, cans and other containers	1,400,000	100

Indirect subsidiary company	Date and place of incorporation	Principal activities	Issued and paid-up share capital (Rp)	Effective equity interest (%)
PT. Medan Johor Tin*	20 August 2003 Indonesia	Manufacturing of various tins, cans, tinplates and other relevant business and import and export commodities	1,800,000,000	100

Note:-

* PT. Medan Johor Tin is 90% owned by JTF and 10% owned by Unican.

As at the LPD, we do not have any associated companies.

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYE 31 December 2009 to 31 December 2011 and the unaudited consolidated financial statements for the six (6) months FPE 30 June 2012 are as follows:-

	AUDITED			Unaudited six (6) months FPE 30 June 2012 RM'000
	FYE 31 DECEMBER			
	2009 RM'000	2010 RM'000	2011 RM'000	
Revenue	107,314	95,563	134,215	115,688
Cost of sales	(90,580)	(76,652)	(106,778)	(94,140)
Gross profit	16,734	18,911	27,437	21,548
Other income	822	1,167	1,105	662
Administrative expenses	(5,911)	(7,311)	(10,197)	(5,213)
Distribution expenses	(2,548)	(2,013)	(3,052)	(4,124)
Other expenses	(351)	(1,477)	-	(1,277)
Results from operating activities	8,746	9,277	15,293	11,596
Finance income	11	8	221	199
Finance costs	(724)	(734)	(1,163)	(1,122)
PBT	8,033	8,551	14,351	10,673
Tax expense	(3,068)	(2,278)	(3,312)	(1,807)
PAT	4,965	6,273	11,039	8,866
Other comprehensive income, net of tax				
- Foreign currency translation	(40)	(63)	9	(28)
Total comprehensive income for the financial year	4,925	6,210	11,048	8,838
PAT attributable to:				
- Owners of the Company	4,965	6,273	11,039	8,866
Total comprehensive income:				
- Owners of the Company	4,925	6,210	11,048	8,838
Earnings before interest, tax, depreciation and amortisation	11,939	12,378	18,877	14,117
Gross profit margin (%)	15.59	19.79	20.44	18.63
PBT margin (%)	7.49	8.95	10.69	9.23
PAT margin (%)	4.63	6.56	8.22	7.66
Number of Shares in issue ('000)	65,979	65,979	69,979	69,979
Basic and diluted EPS (sen)	7.53	9.51	16.56	12.67
Gross dividend per Share (sen)	2.50	3.50	3.80	-

Commentary on the financial performance**Unaudited six (6) months FPE 30 June 2012**

For the FPE 30 June 2012, our Group recorded a revenue and PBT of approximately RM115.688 million and RM10.673 million, respectively. The revenue and PBT for the FPE 30 June 2012 increased by 113.40% and 59.51%, respectively when compared to the corresponding quarter of 2011. The increase in revenue and PBT were mainly contributed from Able Dairies. Able Dairies, a company acquired by JTB in November 2011, is principally involved in the manufacturing and selling of milk and related dairy products.

For the tin manufacturing segment, revenue declined by RM12.500 million to RM41.711 million, mainly due to the consolidation of Able Dairies. Able Dairies was previously a third party customer prior to being acquired and hence its sales were recognised from January 2011 to October 2011. Subsequent to the acquisition, sales to Able Dairies are recognised as inter-company transactions and have to be eliminated upon consolidation of our Group's accounts. The PBT declined by RM2.307 million to RM4.384 million respectively, mainly due to increases in operating costs as well as finance costs.

FYE 31 December 2011

For the FYE 31 December 2011, our Group recorded a revenue of RM134.215 million, representing an increase of 40.45% as compared to the previous year of RM95.563 million. The increase in revenue was due to higher demand from the biscuit industry and edible oil industry pursuant to the tin manufacturing segment. Able Dairies, being a newly acquired subsidiary as of November 2011, also contributed to the increase in revenue by approximately RM28.289 million.

Our Group recorded a higher PBT of RM14.351 million as compared to a PBT of RM8.551 million in the previous year due to the contributions from Able Dairies and smaller amount of allowance for doubtful debts provided when compared to FYE 31 December 2010.

FYE 31 December 2010

For the FYE 31 December 2010, our Group recorded a revenue of RM95.563 million, representing a decrease of 10.95% as compared to the previous year of RM107.314 million. The decrease in revenue was mainly due to lower demand from palm oil industries.

While revenue had declined, our Group however posted a PBT of RM8.551 million in the FYE 31 December 2010 which is a marginal improvement when compared to a RM8.033 million PBT recorded for the previous FYE 31 December 2009. The increase in PBT during the year was primarily due to higher efficiency in manufacturing process which led to lower production costs.

FYE 31 December 2009

For the FYE 31 December 2009, our Group recorded a revenue of RM107.314 million, representing a slight increase of 2.01% as compared to the previous FYE 31 December 2008 of RM105.199 million. The increase was mainly due to increase in sales volume of our Group's products.

Our Group recorded a higher PBT of RM8.033 million as compared to RM3.996 million recorded in the previous FYE 31 December 2008. The increase was mainly due to improved production technique that resulted in lower wastage of raw materials in the production process, coupled together with lower financing costs for the year.

8. HISTORICAL PRICES

The monthly high and low market prices of our Shares as traded on Bursa Securities for the past twelve (12) months from October 2011 to September 2012 are as follows:-

	High RM	Low RM
2011		
October	0.860	0.730
November	0.830	0.780
December	0.810	0.710
2012		
January	0.855	0.770
February	0.830	0.760
March	1.340	0.865
April	1.450	1.180
May	1.460	1.250
June	1.360	1.160
July	1.640	1.280
August	1.950	1.600
September	2.230	1.800

The last transacted price of JTB Shares on 7 August 2012, being the last day on which the JTB Shares were traded, prior to the date of announcement of *inter alia*, the Rights Issue with Warrants, was RM1.77.

The last transacted price of our Shares on 19 October 2012, being the last day on which our Shares were traded prior to the ex-date, was RM1.94.

The last transacted price of our Shares on 19 October 2012, being the latest date prior to the issuance of this AP, was RM1.94.

(Source: Bloomberg)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2011 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON



11 October 2012

The Board of Directors
Johore Tin Berhad
PTD 124298, Jalan Kempas Lama
Kampung Seelong Jaya
81300 Skudai
Johor.

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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80000 Johor Bahru, Malaysia
Main +6 07 2781 268
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www.crowehorwath.com.my
info.jb@crowehorwath.com.my

Strictly Private and Confidential

Dear Sirs/Madam,

**JOHORE TIN BERHAD ("JTB")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

We have reviewed the Proforma Consolidated Statements of Financial Position of JTB and its subsidiaries (the "Group") as at 31 December 2011 together with the accompanying notes thereto, (which we have stamped for the purpose of identification), have been prepared for illustrative purposes, in relation to the renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each ("Rights Share(s)") together with 23,326,333 free detachable warrants ("Warrant(s)") on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing ordinary shares of RM1.00 each held in JTB ("Rights Issue with Warrants").

The Proforma Consolidated Statements of Financial Position, because of its nature, may not be reflective of the Group's actual position. Further, such information does not purport to predict the future financial position of the Group.

DIRECTORS' RESPONSIBILITIES

The board of directors of JTB is solely responsible for the preparation of the Proforma Consolidated Statements of Financial Position as at 31 December 2011.

OUR RESPONSIBILITIES

Our responsibility is to express an opinion as to the proper compilation of the Proforma Consolidated Statements of Financial Position. In providing this opinion, we are not responsible for updating or refreshing any reports or opinions previously issued by us on any financial information used in the compilation of the Proforma Consolidated Statements of Financial Position, nor we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Page 1 of 2

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We conducted our work in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information to the source documents, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Statements of Financial Position as at 31 December 2011 with the Group's management.

We planned and performed our work so as to obtain information and explanations we considered necessary in order to provide us with reasonable assurance that the Proforma Consolidated Statements of Financial Position have been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group and in accordance with Financial Reporting Standards in Malaysia. Our work also involves assessing whether the adjustments made to the information used in the preparation of the Proforma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statements of Financial Position.

OPINION

In our opinion,

- (i) the Proforma Consolidated Statements of Financial Position as at 31 December 2011 have been properly compiled on the basis set out in the accompanying notes;
- (ii) the basis are consistent with the accounting policies normally adopted by the Group in the preparation of its audited consolidated financial statements; and
- (iii) the adjustments made are appropriate for the purposes of preparing the Proforma Consolidated Statements of Financial Position.

OTHER MATTERS

We understand that this letter will be used solely for the purposes of submission to Securities Commission Malaysia and for inclusion into the abridged prospectus. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink that reads "Crowe Horwath" with a long, sweeping underline.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants
11 OCT 2012
Johor Bahru

Page 2 of 2

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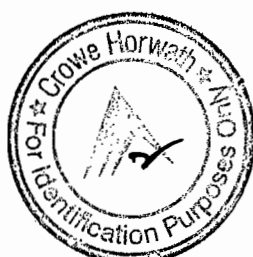
**JOHORE TIN BERHAD ("JTB")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	AUDITED as at 31 DEC 2011 RM'000	Proforma I After Rights Issue with Warrants RM'000	Proforma II After Proforma I and full exercise of the Warrants RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	54,199	78,699	78,699
Goodwill		10,650	10,650	10,650
Other investment		17	17	17
		<u>64,866</u>	<u>89,366</u>	<u>89,366</u>
CURRENT ASSETS				
Inventories		52,843	52,843	52,843
Trade receivables		38,814	38,814	38,814
Other receivables, deposits and prepayment		2,562	2,562	2,562
Tax recoverable		920	920	920
Derivative assets		465	465	465
Fixed deposits in licensed bank		14,854	14,854	14,854
Cash and bank balances	4	17,253	22,110	75,294
		<u>127,711</u>	<u>132,568</u>	<u>185,752</u>
TOTAL ASSETS		<u>192,577</u>	<u>221,934</u>	<u>275,118</u>



JOHORE TIN BERHAD ("JTB")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	AUDITED as at 31 DEC 2011 RM'000	Proforma I After Rights Issue with Warrants RM'000	Proforma II After Proforma I and full exercise of the Warrants RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	5	69,979	93,305	116,632
Reserves:				
Share premium reserve	6	4,600	9,631	40,580
Foreign translation reserve		(513)	(513)	(513)
Warrant reserve	7	-	1,092	-
Retained earnings	8	32,160	32,068	32,068
SHAREHOLDERS' EQUITY		<u>106,226</u>	<u>135,583</u>	<u>188,767</u>
NON-CURRENT LIABILITIES				
Long term borrowings:				
Hire-purchase payables		485	485	485
Term loan - non-current portion		14,307	14,307	14,307
Contingent consideration		4,647	4,647	4,647
Retirement benefits		359	359	359
Deferred tax liabilities		3,660	3,660	3,660
		<u>23,458</u>	<u>23,458</u>	<u>23,458</u>
CURRENT LIABILITIES				
Trade payables		7,009	7,009	7,009
Other payables and accruals		18,292	18,292	18,292
Amount owing to directors		1,035	1,035	1,035
Tax payable		802	802	802
Short term borrowings:				
Hire-purchase payables		336	336	336
Banker acceptance		11,135	11,135	11,135
Bank borrowings		10,046	10,046	10,046
Term loan		3,232	3,232	3,232
Revolving credit		5,000	5,000	5,000
Bank overdrafts		2,590	2,590	2,590
Contingent consideration		3,416	3,416	3,416
		<u>62,893</u>	<u>62,893</u>	<u>62,893</u>
Total Liabilities		<u>86,351</u>	<u>86,351</u>	<u>86,351</u>
TOTAL EQUITY AND LIABILITIES		<u>192,577</u>	<u>221,934</u>	<u>275,118</u>
Ratios				
Number of JTB shares		69,979	93,305	116,632
Net assets per share (RM)		1.52	1.45	1.62
Total Interest-bearing borrowings		47,131	47,131	47,131
Gearing (times)		0.44	0.35	0.25



**JOHORE TIN BERHAD (“JTB”)
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION
AS AT 31 DECEMBER 2011**

1. Basis Of Preparation

The Proforma Consolidated Statements of Financial Position of JTB have been prepared based on the audited Statements of Financial Position of JTB as at 31 December 2011. The Proforma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the following:-

- (i) the renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each (“Rights Share(s)”) together with 23,326,333 new free detachable warrants (“Warrant(s)”) on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing ordinary share(s) of RM1.00 each held in JTB (“Rights Issue with Warrants”); and
- (ii) the utilisation of proceeds from the Rights Issue with Warrants as though they were affected as of that date.

The financial statements used in the preparation of the Proforma Consolidated Statements of Financial Position have been prepared in accordance with Financial Reporting Standards in Malaysia and the auditors’ report on the said financial statements was not qualified.

The Proforma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those adopted by JTB in the preparation of its audited consolidated financial statements.

2. Effects of Rights Shares and Warrants Issued

2.1 Proforma I

Proforma I incorporates the effects whereby 23,326,333 Rights Shares with 23,326,333 Warrants are subscribed for at the issue price of RM1.28 per Rights Share and estimated expenses of RM500,000 in relation to the Rights Issue with Warrants.

2.2 Proforma II

Proforma II incorporates the effects of Proforma I and assuming full exercise of 23,326,333 Warrants at the exercise price of RM2.28 per Warrant to JTB Share.



**JOHORE TIN BERHAD (“JT B”)
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION
AS AT 31 DECEMBER 2011**

3. Property, plant and equipment

	RM'000
As at 31.12.2011 (audited)	54,199
Purchase of land and construction of new warehouse and factory	15,000
Purchase of machineries and equipment	9,500
As per Proforma I and II	<u>78,699</u>

4. Cash and Bank Balances

	RM'000
As at 31.12.2011 (audited)	17,253
Proceeds from Rights Issue with Warrants	29,857
Purchase of land and construction of new warehouse and factory	(15,000)
Purchase of machineries and equipment	(9,500)
Estimated expenses relating to the Rights Issue with Warrants	(500)
As per Proforma I	<u>22,110</u>
Exercise of Warrants to ordinary shares	53,184
As per Proforma II	<u>75,294</u>

5. Share Capital

	RM'000
As at 31.12.2011 (audited)	69,979
Issuance of Rights Shares	23,326
As per Proforma I	<u>93,305</u>
Exercise of Warrants to ordinary shares	23,327
As per Proforma II	<u>116,632</u>



**JOHORE TIN BERHAD (“JTB”)
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION
AS AT 31 DECEMBER 2011**

6. Share Premium Reserve

	RM'000
As at 31.12.2011 (audited)	4,600
Estimated expenses relating to the Rights Issue with Warrants ^(a)	(389)
Issuance of Rights Shares	5,420
	<hr/>
As per Proforma I	9,631
Exercise of Warrants to ordinary shares ^(b)	30,949
	<hr/>
As per Proforma II	<u>40,580</u>

^(a)The estimated expenses of RM389,000 represented 81% of the allocated expenses of RM481,000 which in turn form 96% of the total estimated expenses of RM500,000 for the Corporate Exercises. The basis of 81% is derived by way of applying weighted average method in proportion to the amount of permitted expenses written off against share premium reserve and the amount of estimated expenses charged against the retained earnings, which is based on the recommended practice stated in FRSIC Consensus 13. The allocated expenses of RM481,000 are derived from the 5 days WAMP up to and including 9 Oct 2012 (“WAMP”) over the sum of the WAMP and fair value of the Warrant.

^(b)This amount represents the aggregate of premium paid by the Warrant holders for subscribing the 23,326,333 new ordinary shares of JTB at RM2.28 per ordinary share and the transfer of the amount of Warrants Reserve of RM1,092,000 as shown in Note 7.

7. Warrants Reserve

	RM'000
As at 31.12.2011 (audited)	-
Issuance of Warrants ^(c)	1,092
	<hr/>
As per Proforma I	1,092
Exercise of Warrants to ordinary shares	(1,092)
	<hr/>
As per Proforma II	<u>-</u>



^(c)The amount is based on the issuance of Warrants at a fair value of RM0.08 per Warrant and after deducting estimated expenses of RM19,000. The estimated expenses of RM19,000 represented 4% of the total estimated expenses of RM500,000 for the Corporate Exercises. The basis of 4% is derived from the fair value of the Warrant over the sum of the WAMP and fair value of the Warrant.

**JOHORE TIN BERHAD (“JTJB”)
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION
AS AT 31 DECEMBER 2011**

7. Warrants Reserves (Cont’d)

The allocated fair value of free Warrants credited to a warrant reserve is non-distributable. Warrant reserve is transferred to the share premium account upon the exercise of Warrants.

The Directors have allocated a fair value of RM0.08 per Warrant to the free Warrants. The value of the Warrants is based on the relative fair values of the ordinary shares by reference to the critical assumptions comprising:-

Share price : 5 day WAMP up to and including 9 Oct 2012= RM2.07
Exercise price : RM2.28
Expiry date : 2017
Volatility : Historical volatility of last past 1 year was 10.615%
Dividend : Nil

8. Retained Earnings

	RM’000
As at 31.12.2011 (audited)	32,160
Estimated expenses relating to the Rights Issue with Warrants ^(d)	(92)
As per Proforma I and II	<u>32,068</u>

^(d)The estimated expenses of RM92,000 represented 19% of the allocated expenses of RM481,000 which in turn form 96% of the total estimated expenses of RM500,000 for the Corporate Exercises. The basis of 19% is derived by way of applying weighted average method in proportion to the amount of permitted expenses written off against share premium reserve and the amount of estimated expenses charged against the retained earnings, which is based on the recommended practice stated in FRSIC Consensus 13. The allocated expenses of RM481,000 are derived from the WAMP over the sum of the WAMP and fair value of the Warrant.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON**

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

FINANCIAL REPORT
for the financial year ended 31 December 2011

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JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

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

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after tax for the financial year	<u>11,038,458</u>	<u>2,890,103</u>
Attributable to:-		
Owners of the Company	<u>11,038,458</u>	<u>2,890,103</u>

DIVIDEND

Since the end of the previous financial year the Company, on 20 July 2011, paid a single tier final tax-exempt dividend of 3.50 sen per ordinary share, amounting to RM2,309,265 in respect of the previous financial year.

The directors now recommend the payment of a single tier final tax-exempt dividend of 3.80 sen per ordinary share amounting to RM2,659,202 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised capital of the Company;
- (b) the Company increased its issued and paid-up share capital from RM65,979,000 to RM69,979,000 by the allotment of 4,000,000 new ordinary shares of RM1.00 each at par which form part of the purchase consideration for the acquisition of the entire issued and paid-up capital of Able Dairies Sdn. Bhd.
- (c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No: 532570-V

DIRECTORS' REPORT

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

JOHORE TIN BERHAD(Incorporated in Malaysia)
Company No: 532570-V**DIRECTORS' REPORT****DIRECTORS**

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

DATUK KAMALUDIN BIN YUSOFF
EDWARD GOH SWEE WANG
LIM CHIN KAI
LIM HUN SWEE
MUHAMAD FEASAL BIN YUSOFF
YEOW AH SENG @ YOW AH SENG

Pursuant to Article 120 of the Articles of Association of the Company, Datuk Kamaludin Bin Yusoff and Edward Goh Swee Wang retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2011	BOUGHT	SOLD	AT 31.12.2011
<i>Direct Interest</i>				
DATUK KAMALUDIN BIN YUSOFF	50,000	8,000	-	58,000
EDWARD GOH SWEE WANG	3,538,407	-	-	3,538,407
LIM CHIN KAI	24,000	-	-	24,000
LIM HUN SWEE	7,402,300	-	-	7,402,300
YEOW AH SENG @ YOW AH SENG	1,484,000	-	-	1,484,000
<i>Indirect Interest</i>				
DATUK KAMALUDIN BIN YUSOFF	3,819,380	-	(10,000)	3,809,380
EDWARD GOH SWEE WANG	11,085,739	-	-	11,085,739

By virtue of the directors' shareholdings in the shares of the Company, the abovementioned directors are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosure in Note 38 to the financial statements.

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

AUDITORS

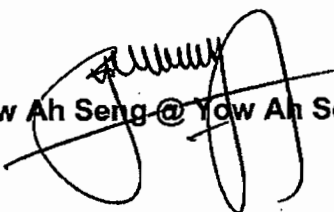
The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 27 APR 2012



Edward Goh Swee Wang



Yeow Ah Seng @ Yow Ah Seng

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

STATEMENT BY DIRECTORS

We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 10 to 91 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2011 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 44, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 27 APR 2012**



Edward Goh Swee Wang



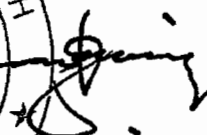
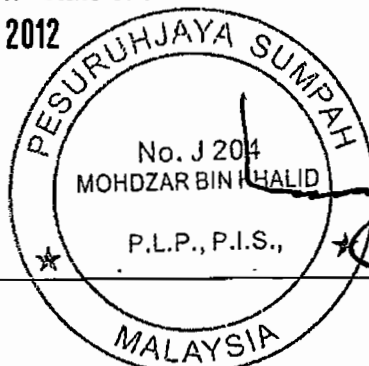
Yeow Ah Seng @ Yow Ah Seng

STATUTORY DECLARATION

I, Edward Goh Swee Wang, I/C No.: 631221-01-5769, being the director primarily responsible for the financial management of Johore Tin Berhad, do solemnly and sincerely declare that the financial statements set out on pages 10 to 91 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Edward Goh Swee Wang, I/C No.: 631221-01-5769,
at Johor Bahru in the state of Johor
on this **27 APR 2012**

Before me



Edward Goh Swee Wang

No. 89, Jalan Trus,
80000 Johor Bahru



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Johor Bahru Office
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No. : 532570-V

Report on the Financial Statements

We have audited the financial statements of Johore Tin Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 91.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHORE TIN BERHAD (CONT'D)

(Incorporated in Malaysia)
Company No. : 532570-V

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which is indicated in Note 5 to the financial statements;
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes;
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 44 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No. : 532570-V

Other Matters

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

A stylized signature of the firm name "Crowe Horwath" in a cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

27 APR 2012

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2011**

	NOTE	THE GROUP		THE COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	105,325,571	69,075,057
Property, plant and equipment	6	54,198,914	41,352,049	3,969	5,429
Amount owing by a subsidiary	7	-	-	9,634,701	9,634,701
Goodwill	8	10,650,327	-	-	-
Other investment	9	16,500	16,500	-	-
		<u>64,865,741</u>	<u>41,368,549</u>	<u>114,964,241</u>	<u>78,715,187</u>
CURRENT ASSETS					
Inventories	10	52,842,849	33,477,169	-	-
Trade receivables	11	38,813,570	34,524,231	-	-
Other receivables, deposits and prepayments	12	2,562,009	1,456,293	-	-
Amount owing by subsidiaries	7	-	-	850,000	500,000
Tax recoverable		920,323	103,658	76,658	103,658
Derivative assets	13	464,630	-	-	-
Fixed deposits in licensed bank	14	14,854,545	-	-	-
Cash and bank balances		17,252,920	12,780,837	552,549	172,291
		<u>127,710,846</u>	<u>82,342,188</u>	<u>1,479,207</u>	<u>775,949</u>
TOTAL ASSETS		<u>192,576,587</u>	<u>123,710,737</u>	<u>116,443,448</u>	<u>79,491,136</u>

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2011 (CONT'D)**

	NOTE	THE GROUP		THE COMPANY	
		2011 RM	2010 RM	2011 RM	2010 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	69,979,000	65,979,000	69,979,000	65,979,000
Reserves	16	36,246,699	28,428,381	19,438,971	13,170,412
SHAREHOLDERS' EQUITY		106,225,699	94,407,381	89,417,971	79,149,412
NON-CURRENT LIABILITIES					
Long term borrowings	17	14,791,753	7,897,010	8,533,741	-
Contingent consideration	18	4,647,143	-	4,647,143	-
Retirement benefits	19	359,000	334,000	-	-
Deferred tax liabilities	20	3,660,000	704,000	-	-
		23,457,896	8,935,010	13,180,884	-
CURRENT LIABILITIES					
Trade payables	21	7,009,418	4,042,520	-	-
Other payables and accruals	22	18,291,789	2,835,216	495,943	341,724
Amount owing to subsidiaries	7	-	-	3,505,000	-
Amount owing to directors	23	1,035,289	388,199	-	-
Tax payable		801,812	416,161	-	-
Short term borrowings	24	29,749,629	10,284,927	6,428,000	-
Bank overdrafts	27	2,589,405	2,373,281	-	-
Contingent consideration	18	3,415,650	-	3,415,650	-
Derivative liabilities	13	-	28,042	-	-
		62,892,992	20,368,346	13,844,593	341,724
TOTAL LIABILITIES		86,350,888	29,303,356	27,025,477	341,724
TOTAL EQUITY AND LIABILITIES		192,576,587	123,710,737	116,443,448	79,491,136

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	NOTE	THE GROUP 2011 RM	2010 RM	THE COMPANY 2011 RM	2010 RM
REVENUE	28	134,215,445	95,562,690	5,582,372	1,140,551
OTHER OPERATING INCOME		1,325,576	1,175,487	-	-
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		1,972,038	(1,174,234)	-	-
RAW MATERIALS AND CONSUMABLES USED		(86,974,304)	(55,582,833)	-	-
EMPLOYEE BENEFITS	29	(15,128,454)	(12,416,246)	(463,877)	(409,625)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	6	(3,363,193)	(3,093,120)	(1,460)	(1,090)
FINANCE COSTS		(1,162,623)	(733,547)	(154,442)	-
OTHER OPERATING EXPENSES		(16,533,979)	(15,187,157)	(844,397)	(327,084)
PROFIT BEFORE TAX	30	14,350,506	8,551,040	4,118,196	402,752
TAX (EXPENSE)/INCOME	31	(3,312,048)	(2,277,654)	(1,228,093)	715
PROFIT AFTER TAX		11,038,458	6,273,386	2,890,103	403,467
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Fair value changes in investments in subsidiaries		-	-	6,607,721	(600,065)
- Foreign currency translation		9,125	(62,571)	-	-
		9,125	(62,571)	6,607,721	(600,065)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		11,047,583	6,210,815	9,497,824	(196,598)

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

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JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONT'D)**

	NOTE	THE GROUP 2011 RM.	2010 RM	THE COMPANY 2011 RM	2010 RM
PROFIT AFTER TAX ATTRIBUTABLE TO :-					
Owners of the Company		<u>11,038,458</u>	<u>6,273,386</u>	<u>2,890,103</u>	<u>403,467</u>
TOTAL COMPREHENSIVE INCOME :-					
Owners of the Company		<u>11,047,583</u>	<u>6,210,815</u>	<u>9,497,824</u>	<u>(196,598)</u>
Earnings per share					
- basic (sen)	32	16.56	9.51		
- diluted (sen)	32	<u>16.56</u>	<u>9.51</u>		

JOHORE TIN BERHAD(Incorporated in Malaysia)
Company No: 532570-V**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

THE GROUP	NOTE	← NON-DISTRIBUTABLE →				DISTRIBUTABLE	Total RM
		Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	RM	
Balance at 1.1.2010		65,979,000	5,520,212	(459,957)	18,806,786		89,846,041
Profit after tax for the financial year		-	-	-	6,273,386		6,273,386
Other comprehensive expense for the financial year, net of tax:		-	-	(62,571)	-		(62,571)
- Foreign currency translation							
Total comprehensive (expense)/ income for the financial year		-	-	(62,571)	6,273,386		6,210,815
Dividend	33	-	-	-	(1,649,475)		(1,649,475)
Balance at 31.12.2010		<u>65,979,000</u>	<u>5,520,212</u>	<u>(522,528)</u>	<u>23,430,697</u>		<u>94,407,381</u>

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

JOHORE TIN BERHAD(Incorporated in Malaysia)
Company No: 532570-V**STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

THE GROUP	NOTE	← NON-DISTRIBUTABLE →				DISTRIBUTABLE	Total RM
		Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM		
Balance at 31.12.2010/1.1.2011		65,979,000	5,520,212	(522,528)	23,430,697	94,407,381	
Issuance of shares		4,000,000	(920,000)	-	-	3,080,000	
Profit after tax for the financial year		-	-	-	11,038,458	11,038,458	
Other comprehensive income for the financial year, net of tax:							
- Foreign currency translation		-	-	9,125	-	9,125	
Total comprehensive income for the financial year		-	-	9,125	11,038,458	11,047,583	
Dividend	33	-	-	-	(2,309,265)	(2,309,265)	
Balance at 31.12.2011		<u>69,979,000</u>	<u>4,600,212</u>	<u>(513,403)</u>	<u>32,159,890</u>	<u>106,225,699</u>	

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

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

THE COMPANY	NOTE	← NON-DISTRIBUTABLE →			DISTRIBUTABLE		Total RM
		Share Capital RM	Share Premium RM	Fair Value Reserve RM	Retained Profits RM		
Balance at 1.1.2010		65,979,000	5,520,212	6,561,706	2,934,567		80,995,485
Profit after tax for the financial year		-	-	-	403,467		403,467
Other comprehensive expense for the financial year, net of tax:							
- Fair value changes in investments in subsidiaries		-	-	(600,065)	-		(600,065)
Total comprehensive (expense)/ income for the financial year		-	-	(600,065)	403,467		(196,598)
Dividend	33	-	-	-	(1,649,475)		(1,649,475)
Balance at 31.12.2010		<u>65,979,000</u>	<u>5,520,212</u>	<u>5,961,641</u>	<u>1,688,559</u>		<u>79,149,412</u>

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

JOHORE TIN BERHAD(Incorporated in Malaysia)
Company No: 532570-V**STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

THE COMPANY	NOTE	←← NON-DISTRIBUTABLE →→			DISTRIBUTABLE		Total RM
		Share Capital RM	Share Premium RM	Fair Value Reserve RM	Retained Profits RM		
Balance at 31.12.2010/1.1.2011		65,979,000	5,520,212	5,961,641	1,688,559		79,149,412
Issuance of shares		4,000,000	(920,000)	-	-		3,080,000
Profit after tax for the financial year		-	-	-	2,890,103		2,890,103
Other comprehensive income for the financial year, net of tax:							
- Fair value changes in investments in subsidiaries		-	-	6,607,721	-		6,607,721
Total comprehensive income for the financial year		-	-	6,607,721	2,890,103		9,497,824
Dividend	33	-	-	-	(2,309,265)		(2,309,265)
Balance at 31.12.2011		<u>69,979,000</u>	<u>4,600,212</u>	<u>12,569,362</u>	<u>2,269,397</u>		<u>89,417,971</u>

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

JOHORE TIN BERHAD

(Incorporated In Malaysia)

Company No: 532570-V

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	NOTE	THE GROUP 2011 RM	2010 RM	THE COMPANY 2011 RM	2010 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		14,350,506	8,551,040	4,118,196	402,752
Adjustments for:-					
Allowance for impairment losses on receivables		591,060	1,032,321	-	-
Dividend income		-	-	(4,732,372)	(640,551)
Depreciation of property, plant and equipment		3,363,193	3,093,120	1,460	1,090
Gain on disposal of plant and equipment		(158,999)	(421,334)	-	-
Gain on foreign exchange - unrealised (non-trade)		(54,729)	-	-	-
Gain on foreign exchange - unrealised (trade)		(150,422)	(47,243)	-	-
Impairment loss on plant and equipment		-	1,417,755	-	-
Interest expenses		1,126,885	733,547	154,442	-
Interest income		(221,360)	(8,003)	-	-
(Gain)/Loss on fair values changes in financial instruments		(492,672)	28,042	-	-
Loss on foreign exchange - unrealised (non-trade)		-	21,280	-	-
Provision for retirement benefits		25,000	72,385	-	-
Plant and equipment written off		56,229	191	-	-
Reversal of allowance for impairment losses on trade receivables		(101,652)	(25,719)	-	-
Operating profit/(loss) before working capital changes		18,333,039	14,447,382	(458,274)	(236,709)
Decrease/(Increase) in inventories		6,288,882	(6,565,726)	-	-
Decrease/(Increase) in trade and other receivables		5,612,062	(3,407,987)	-	-
Increase in amount owing by subsidiaries		-	-	(350,000)	(640,551)
(Decrease)/Increase in trade and other payables		(16,094,717)	635,190	87,029	76,996
Increase/(Decrease) in amount owing to directors		297,090	(102,402)	3,505,000	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		14,436,356	5,006,457	2,783,755	(800,264)

JOHORE TIN BERHAD

(Incorporated In Malaysia)

Company No: 532570-V

**STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	NOTE	THE GROUP 2011 RM	2010 RM	THE COMPANY 2011 RM	2010 RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		14,436,356	5,006,457	2,783,755	(800,264)
Retirement benefits paid		-	(15,438)	-	-
Tax paid		(3,803,794)	(1,799,493)	(18,000)	(18,000)
Tax refund		675,400	880,761	-	195,096
NET CASH FROM/(FOR) OPERATING ACTIVITIES		11,307,962	4,072,287	2,765,755	(623,168)
CASH FLOWS (FOR) /FROM INVESTING ACTIVITIES					
Dividend received		-	-	3,549,279	2,142,696
Interest received		221,360	8,003	-	-
Placement of fixed deposits		(9,500,000)	-	-	-
Proceeds from disposal of plant and equipment		161,022	972,448	-	-
Acquisition of a subsidiary	34	(7,119,081)	-	(18,500,000)	-
Purchase of plant and equipment	35	(1,675,644)	(940,174)	-	(3,699)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(17,912,343)	40,277	(14,950,721)	2,138,997
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(2,309,265)	(1,649,475)	(2,309,265)	(1,649,475)
Interest expenses		(1,059,695)	(733,547)	(87,252)	-
Drawdown of revolving credit		5,000,000	-	5,000,000	-
Drawdown of term loan		10,000,000	-	10,000,000	-
Drawdown of bankers' acceptances		22,946,000	17,283,000	-	-
Net drawdown of short term borrowings		7,205,163	-	-	-
Repayment of bankers' acceptances		(23,022,000)	(13,449,000)	-	-
Repayment of hire purchase obligation		(214,221)	(27,051)	-	-
Repayment of term loans		(2,427,159)	(2,433,868)	(38,259)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		16,118,823	(1,009,941)	12,565,224	(1,649,475)

JOHORE TIN BERHAD(Incorporated in Malaysia)
Company No: 532570-V**STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	NOTE	THE GROUP 2011 RM	2010 RM	THE COMPANY 2011 RM	2010 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,514,442	3,102,623	380,258	(133,646)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		10,407,556	7,363,842	172,291	305,937
Effects of exchange differences		96,062	(58,909)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	<u>20,018,060</u>	<u>10,407,556</u>	<u>552,549</u>	<u>172,291</u>

JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No: 532570-V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

1. GENERAL INFORMATION

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

Registered office : Suite 1301, 13th Floor, City Plaza
Jalan Tebrau
80300 Johor Bahru
Johor

Principal place of business : PTD 124298, Jalan Kempas Lama
Kampung Seelong Jaya
81300 Skudai
Johor

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated **27 APR 2012**

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

3. BASIS OF PREPARATION (CONT'D)

- (a) During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

Annual Improvement to FRSs (2010)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard was applied to the acquisition of a subsidiary during the current financial year of which acquisition-related costs of RM532,740 have been recognised in the consolidated statement of comprehensive income.

The Group has applied FRS 3 (Revised) prospectively. Accordingly, business combinations entered into prior to 1 January 2011 have not been adjusted to comply with this revised standard.

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3. BASIS OF PREPARATION (CONT'D)

- (a) (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent.
- (iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 43(e) to the financial statements. Comparatives are not presented by virtue of the exemption given in the amendments.
- (iv) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes.

The amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

- (b) The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013

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3. BASIS OF PREPARATION (CONT'D)

(b) FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective Date
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

- (c) Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****4. SIGNIFICANT ACCOUNTING POLICIES****(a) Critical Accounting Estimates and Judgements**

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

(i) Depreciation of Property, Plant and Equipment

The estimates of the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

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

(iii) Impairment of Non-Financial Assets

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

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**NOTES TO THE FINANCIAL STATEMENTS
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Reviews are made periodically by management on damaged and obsolete inventories. The Group also adopts the write down policy by marking down the carrying amount of those slow-moving inventories using certain percentages on inventories which are aged more than 3 years. The percentages are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

These reviews require management to consider the future demand for the products, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Trade and Other Receivables

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

(vi) Classification of Leasehold Land

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Critical Accounting Estimates and Judgements (Cont'd)***(vii) Impairment of Goodwill*

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

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

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records gains or losses on available-for-sale equity investments when there is a difference between value of equity, which is derived from one of the established valuation methodologies and the last measured and recorded amount. This requires management to estimate the expected future cash flows of the subsidiaries and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the fair value of the investment.

(ix) Fair Values Estimates for Certain Financial Assets and Liabilities

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2011.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

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

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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

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Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

Business combinations from 1 January 2011 onwards

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

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

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

The Group has applied the FRS 3 (Revised) in accounting for business combinations from 1 January 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard.

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**NOTES TO THE FINANCIAL STATEMENTS
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All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 January 2011 onwards

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

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

(d) Functional and Foreign Currencies*(i) Functional and Presentation Currency*

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Functional and Foreign Currencies (Cont'd)***(ii) Transactions and Balances*

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

(e) Financial Instruments

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

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

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

(i) Financial Assets

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

- *Financial Assets at Fair Value Through Profit or Loss*

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

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

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

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

- *Loans and Receivables Financial Assets*

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Financial Instruments (Cont'd)***(i) Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets*

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

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

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

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

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

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

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Investments***(i) Investments in Subsidiaries*

Investments in subsidiaries are stated at fair value in accordance with FRS139 and are classified as available-for-sale financial asset. Gains and losses arising from changes in fair value of the investment are recognised directly in other comprehensive income and accumulated in the fair value reserve. When the investment is disposal of, the fair value reserve is reclassified from equity to profit or loss.

The Group establishes the fair value of investment annually by using discounted future cash flow analysis refined to reflect the issuer's specific circumstances and others, where appropriate.

(ii) Transferable Golf Club Membership

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

(g) Property, Plant and Equipment

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

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

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

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

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Building and machinery under construction represents assets which are not ready for commercial use at the end of the reporting period. Building and machinery under construction are stated at cost, and are depreciated accordingly when the assets are completed and ready for commercial use.

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

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

(h) Impairment**(i) *Impairment of Financial Assets***

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

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

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

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The carrying values of assets, other than investment in subsidiaries, financial assets and inventories, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

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

(i) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Inventories (Cont'd)**

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

(k) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(k) Income Taxes (Cont'd)**

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

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Provisions

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

(n) Operating Segments

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

(o) Employee Benefits**(i) Short-term Benefits**

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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(o) Employee Benefits (Cont'd)***(ii) Defined Contribution Plans*

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

(iii) Defined Benefit Plans

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

(p) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives its significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(q) Contingent Liabilities**

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

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

(r) Capitalisation of Borrowing Costs

Interest incurred on borrowings to property, plant and equipment is capitalised during the period activities to plan, develop and construct the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

(s) Revenue Recognition

- (i) *Sale of Goods*
Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.
 - (ii) *Dividend Income*
Dividend income from investment is recognised when the right to receive dividend payment is established.
 - (iii) *Management Fee*
Management fee is recognised on an accrual basis.
 - (iv) *Interest Income*
Interest income is recognised on an accrual basis.
 - (v) *Rental Income*
Rental income is recognised on an accrual basis.
-

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****5. INVESTMENTS IN SUBSIDIARIES**

	THE COMPANY	
	2011	2010
	RM	RM
Unquoted shares at fair value	69,075,057	69,675,122
Addition during the year	29,642,793	-
Fair value adjustment on investments in subsidiaries	6,607,721	(600,065)
	<u>105,325,571</u>	<u>69,075,057</u>

Details of the subsidiaries are as follows:-

Name of Company	Effective Equity Interest (%)		Country of Incorporation	Principal Activities
	2011	2010		
Johore Tin Factory Sendirian Berhad ("JTFSB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd. ("UISB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd. *	100	-	Malaysia	Manufacturing and selling of milk and other related dairy products
Subsidiary of Johore Tin Factory Sendirian Berhad				
PT Medan Johor Tin * (held through JTFSB & UISB)	100	100	Indonesia	Manufacturing of various tins, cans, tinplates and other relevant business and import and export commodities

* These subsidiaries are audited by other firm of chartered accountants.

JOHORE TIN BERHAD(Incorporated in Malaysia)
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Net book value	At 1.1.2011		Acquisition of a subsidiary		Additions	Reclassification	Disposals	Written off	Translation Difference	Depreciation Charge	At 31.12.2011
	RM	RM	RM	RM							
Freehold land	9,188,888	-	-	-	-	-	-	-	-	-	9,188,888
Leasehold land	267,150	-	-	-	-	-	-	-	-	(14,302)	252,848
Factory buildings	20,022,627	-	-	-	-	-	-	-	-	(460,027)	19,562,600
Plant and machinery	8,809,831	10,560,300	1,657,043	120,758	(2,022)	(56,229)	474	(2,156,764)	18,933,391		
Mould, tools and factory equipment	458,847	2,076,208	52,500	-	-	-	-	(131,976)	2,455,579		
Electrical installations and substation	647,039	757,811	402	-	-	-	-	(113,774)	1,291,478		
Motor vehicles	842,264	97,532	449,158	-	(1)	-	-	(323,657)	1,065,296		
Office equipment, furniture and fittings	546,909	116,890	19,981	-	-	-	20	(99,968)	583,832		
Renovation	451,994	479,991	-	(4,258)	-	-	-	(62,725)	865,002		
Capital work-in-progress	116,500	-	-	(116,500)	-	-	-	-	-		
	41,352,049	14,088,732	2,179,084	-	(2,023)	(56,229)	494	(3,363,193)	54,198,914		

JOHORE TIN BERHAD(Incorporated in Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	As Previously Reported		As Restated		Additions	Reclassification	Disposals	Written off/ Impairment	Translation Difference	Depreciation Charge	At 31.12.2010
	At 1.1.2010	At 1.1.2010	At 1.1.2010	At 1.1.2010							
Net book value	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Freehold land	9,187,158	-	9,187,158	1,730	-	-	-	-	-	-	9,188,888
Leasehold land	-	281,452	281,452	-	-	-	-	-	-	(14,302)	267,150
Factory buildings	20,482,655	-	20,482,655	-	-	-	-	-	-	(460,028)	20,022,627
Plant and machinery	11,139,808	-	11,139,808	215,462	1,506,982	(548,595)	(1,417,755)	(3,517)	(2,082,554)	8,809,831	
Mould, tools and factory equipment	418,614	-	418,614	132,290	-	-	-	-	(92,057)	458,847	
Electrical installations and substation	748,487	-	748,487	-	-	-	-	-	(101,448)	647,039	
Motor vehicles	474,099	-	474,099	575,800	-	-	-	-	(207,635)	842,264	
Office equipment, furniture and fittings	616,648	-	616,648	31,856	-	(2,519)	(191)	(144)	(98,741)	546,909	
Renovation	221,813	-	221,813	266,536	-	-	-	-	(36,355)	451,994	
Capital work-in-progress	1,506,982	-	1,506,982	116,500	(1,506,982)	-	-	-	-	-	116,500
	44,796,264	281,452	45,077,716	1,340,174	-	(551,114)	(1,417,946)	(3,661)	(3,093,120)	41,352,049	

JOHORE TIN BERHAD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

THE GROUP

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
At 31.12.2011				
Freehold land	9,188,888	-	-	9,188,888
Leasehold land	639,585	(386,737)	-	252,848
Factory buildings	22,595,259	(3,032,659)	-	19,562,600
Plant and machinery	57,387,046	(37,035,900)	(1,417,755)	18,933,391
Mould, tools and factory equipment	5,528,058	(3,072,479)	-	2,455,579
Electrical installations and substation	2,080,219	(788,741)	-	1,291,478
Motor vehicles	3,222,569	(2,157,273)	-	1,065,296
Office equipment, furniture and fittings	1,737,715	(1,153,883)	-	583,832
Renovation	1,650,337	(785,335)	-	865,002
	104,029,676	(48,413,007)	(1,417,755)	54,198,914

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
At 31.12.2010				
Freehold land	9,188,888	-	-	9,188,888
Leasehold land	639,585	(372,435)	-	267,150
Factory buildings	22,595,259	(2,572,632)	-	20,022,627
Plant and machinery	39,465,910	(29,238,324)	(1,417,755)	8,809,831
Mould, tools and factory equipment	2,322,229	(1,863,382)	-	458,847
Electrical installations and substation	1,053,104	(406,065)	-	647,039
Motor vehicles	3,278,128	(2,435,864)	-	842,264
Office equipment, furniture and fittings	1,513,549	(966,640)	-	546,909
Renovation	531,599	(79,605)	-	451,994
Capital work-in-progress	116,500	-	-	116,500
	80,704,751	(37,934,947)	(1,417,755)	41,352,049

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

THE COMPANY

	At 1.1.2011 RM	Additions RM	Depreciation Charge RM	At 31.12.2011 RM
Net book value				
Office equipment, furniture and fittings	5,429	-	(1,460)	3,969

	At 1.1.2010 RM	Additions RM	Depreciation Charge RM	At 31.12.2010 RM
Net book value				
Office equipment, furniture and fittings	2,820	3,699	(1,090)	5,429

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2011			
Office equipment, furniture and fittings	115,786	(111,817)	3,969

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2010			
Office equipment, furniture and fittings	115,786	(110,357)	5,429

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

	THE GROUP	
	2011 RM	2010 RM
Motor vehicles	626,849	686,628
Plant and machinery	569,970	-
	<u>1,196,819</u>	<u>686,628</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The following assets of the Group at net book value have been pledged to financial institutions for banking facilities as disclosed in Notes 24, 26 and 27 to the financial statements are as follows:-

	THE GROUP 2011 RM	2010 RM
Freehold land and buildings	26,938,444	27,348,914

7. AMOUNT OWING BY/(TO) SUBSIDIARIES

	THE COMPANY 2011 RM	2010 RM
<u>Non-current</u>		
<u>Quasi loan</u>		
A subsidiary	9,634,701	9,634,701
<u>Current</u>		
<u>Trade related balances</u>		
Subsidiaries	850,000	500,000
	<u>10,484,701</u>	<u>10,134,701</u>
<u>Current</u>		
<u>Non-trade related balance</u>		
A subsidiary	<u>(3,505,000)</u>	<u>-</u>

Quasi loan

Quasi loans represent advances of which the settlement is neither planned nor likely to occur in the foreseeable future. This amount, in substance, forms part of the Company's net investment in the subsidiaries. The quasi loan is stated at cost less accumulated impairment losses, if any.

Amount owing by/(to) subsidiaries

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

JOHORE TIN BERHAD(Incorporated In Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****8. GOODWILL**

	THE GROUP	
	2011 RM	2010 RM
At 1 January	-	-
Acquisition of a new subsidiary (Note 34)	10,650,327	-
At 31 December	<u>10,650,327</u>	<u>-</u>

(a) The carrying amount of goodwill is allocated to the following cash-generating unit:-

	THE GROUP	
	2011 RM	2010 RM
Foods and beverage	<u>10,650,327</u>	<u>-</u>

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

	GROSS MARGIN		GROWTH RATE		DISCOUNT RATE	
	2011	2010	2011	2010	2011	2010
FOODS AND BEVERAGE	14%	-	0%	-	12%	-

(I) BUDGETED GROSS MARGIN	The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the 3 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(II) GROWTH RATE	Assume zero growth for the subsequent 5 years.
(III) DISCOUNT RATE	The discount rate used is pre-tax and reflect specific risk relating to that operating segment.

JOHORE TIN BERHAD(Incorporated In Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****9. OTHER INVESTMENT**

	THE GROUP	
	2011	2010
	RM	RM
Transferable golf club membership, at cost	<u>16,500</u>	<u>16,500</u>

10. INVENTORIES

	THE GROUP	
	2011	2010
	RM	RM
At cost:-		
Raw materials	35,881,640	20,579,648
Work-in-progress	10,738,136	8,475,048
Finished goods	4,463,377	1,333,405
Goods-in-transit	1,656,423	3,089,068
	<u>52,739,576</u>	<u>33,477,169</u>
At net realisable value:-		
Raw materials	69,028	-
Work-in-progress	29,011	-
Finished goods	5,234	-
	<u>52,842,849</u>	<u>33,477,169</u>

JOHORE TIN BERHAD(Incorporated In Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****11. TRADE RECEIVABLES**

	THE GROUP	
	2011	2010
	RM	RM
Trade receivables	40,572,986	36,015,223
Allowance for impairment losses	(1,759,416)	(1,490,992)
	<u>38,813,570</u>	<u>34,524,231</u>
Allowance for impairment losses at 1 January	1,490,992	484,390
Addition during the financial year	591,060	1,032,321
Reversal of allowance on impairment loss during the financial year	(101,652)	(25,719)
Written off during the financial year	(220,984)	-
Allowance for impairment losses at 31 December	<u>1,759,416</u>	<u>1,490,992</u>

The Group's normal trade credit terms range from 30 to 120 days (2010: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	2011	2010
	RM	RM
Other receivables	93,028	1,220,962
Deposits	216,109	117,256
Prepayments	2,252,872	118,075
	<u>2,562,009</u>	<u>1,456,293</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. DERIVATIVE ASSETS/(LIABILITIES)

	CONTRACT/ NOTIONAL AMOUNT 2011 RM	THE GROUP	
		ASSETS 2011 RM	LIABILITIES 2010 RM
Forward foreign currency contracts	<u>19,025,950</u>	<u>464,630</u>	<u>(28,042)</u>

The Group does not apply hedge accounting.

- (a) Forward foreign currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 1 to 6 months after the end of the reporting period.
- (b) In current financial year, the Group recognised a gain of RM464,630 arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair value of derivative are disclosed in Note 43(d) to the financial statements.

14. FIXED DEPOSITS IN LICENSED BANKS

The fixed deposits in licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.25% to 3.15% per annum. The deposits have maturity period ranging from 1 to 12 months.

Included in deposits in licensed banks of the Group at the end of the reporting period is an amount of RM9,500,000 (2010: Nil) which had been pledged to licensed banks as security for banking facilities granted to the Group.

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****15. SHARE CAPITAL**

	THE GROUP AND THE COMPANY			
	2011 No. of shares	2010 No. of shares	2011 RM	2010 RM
ORDINARY SHARES OF RM1.00 EACH:-				
AUTHORISED	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED AND FULLY PAID-UP				
At 1 January	65,979,000	65,979,000	65,979,000	65,979,000
Issuance of shares	4,000,000	-	4,000,000	-
At 31 December	<u>69,979,000</u>	<u>65,979,000</u>	<u>69,979,000</u>	<u>65,979,000</u>

The Company increased its issued and paid-up share capital from RM65,979,000 to RM69,979,000 by the allotment of 4,000,000 new ordinary shares of RM1.00 each at par which form part of the purchase consideration for the acquisition of the entire issued and paid-up capital of Able Dairies Sdn. Bhd.

16. RESERVES

	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable reserves:-				
- Share premium	4,600,212	5,520,212	4,600,212	5,520,212
- Translation reserve	(513,403)	(522,528)	-	-
- Fair value reserve	-	-	12,569,362	5,961,641
	<u>4,086,809</u>	<u>4,997,684</u>	<u>17,169,574</u>	<u>11,481,853</u>
Distributable reserve:-				
- Retained profits	32,159,890	23,430,697	2,269,397	1,688,559
	<u>36,246,699</u>	<u>28,428,381</u>	<u>19,438,971</u>	<u>13,170,412</u>

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16. RESERVES (CONT'D)***Share premium***

The share premium arose from the issuance of shares by way of private placement and public offer net of share issue expenses. The share premium reserve is not distributable by way of dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

Translation reserve

Translation reserve represents the exchange differences arising from the translation of the financial statements of a foreign subsidiary and is not distributable by way of dividends.

Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of the investment in subsidiaries as disclosed in the accounting policies.

Retained profits

The Company has elected for the irrevocable option for the single tier tax system. Therefore, at the end of the reporting period, the Company will be able to distribute dividends out of its entire retained profits under the single tier tax system.

17. LONG TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Hire purchase payables (Note 25)	484,593	318,200	-	-
Term loans (Note 26)	14,307,160	7,578,810	8,533,741	-
	<u>14,791,753</u>	<u>7,897,010</u>	<u>8,533,741</u>	<u>-</u>

JOHORE TIN BERHAD(Incorporated In Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****18. CONTINGENT CONSIDERATION**

	THE GROUP AND THE COMPANY	
	2011	2010
	RM	RM
Non-current portion	4,647,143	-
Current portion	3,415,650	-
	<u>8,062,793</u>	<u>-</u>

The contingent consideration represents the fair value of the outstanding purchase consideration payable to the vendors of a subsidiary which was acquired during the financial year. The outstanding purchase consideration is contingent upon the achievement of profits guarantee for the financial years ended/ending 31 December 2011 and 2012. The outstanding purchase consideration shall be reduced in the event if the profit guarantee amount has not been achieved by the acquired subsidiary for the abovementioned financial years.

Key assumption used for computing the fair value of the outstanding purchase consideration:

	THE GROUP	
	2011	2010
Discount rate	5%	-
Outstanding purchase consideration - at cost	RM8,500,000	-

19. RETIREMENT BENEFITS

	THE GROUP	
	2011	2010
	RM	RM
At 1 January	334,000	277,053
Addition for the financial year	25,000	72,385
Paid during the financial year	-	(15,438)
At 31 December	<u>359,000</u>	<u>334,000</u>

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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****19. RETIREMENT BENEFITS (CONT'D)**

Key assumptions used for computing the addition for the year.

	THE GROUP	
	2011	2010
Discount rate	4.47%	3.99%
Annual salary increment per worker	RM65.00	RM65.00

20. DEFERRED TAX LIABILITIES

	THE GROUP	
	2011 RM	2010 RM
At 1 January	704,000	1,023,000
Recognised in profit or loss (Note 31)	706,000	(319,000)
Acquisition of a subsidiary (Note 34)	2,250,000	-
At 31 December	<u>3,660,000</u>	<u>704,000</u>

(a) Deferred tax liabilities are attributable to the following items:-

	THE GROUP	
	2011 RM	2010 RM
Deferred tax liabilities:-		
- Accelerated capital allowances	4,548,100	1,929,600
- Other temporary differences	13,700	3,400
Gross deferred tax liabilities	<u>4,561,800</u>	<u>1,933,000</u>
Deferred tax assets:-		
- Unutilised capital allowances		(169,000)
- Unabsorbed tax losses	(756,000)	(852,000)
- Other temporary differences	(145,800)	(208,000)
Gross deferred tax assets	<u>(901,800)</u>	<u>(1,229,000)</u>
Net deferred tax liabilities	<u>3,660,000</u>	<u>704,000</u>

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Company No: 532570-V**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****20. DEFERRED TAX LIABILITIES (CONT'D)**

- (b) The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:-

Deferred tax liabilities:-	Accelerated capital allowances RM	Other temporary differences RM	Total RM
Balance at 1 January 2011	1,929,600	3,400	1,933,000
Recognised in profit or loss	2,618,500	10,300	2,628,800
Balance at 31 December 2011	<u>4,548,100</u>	<u>13,700</u>	<u>4,561,800</u>
Balance at 1 January 2010	2,414,300	3,400	2,417,700
Recognised in profit or loss	(484,700)	-	(484,700)
Balance at 31 December 2010	<u>1,929,600</u>	<u>3,400</u>	<u>1,933,000</u>

Deferred tax assets:-	Unutilised capital allowances RM	Unabsorbed tax losses RM	Other temporary differences RM	Total RM
Balance at 1 January 2011	(169,000)	(852,000)	(208,000)	(1,229,000)
Recognised in profit or loss	169,000	96,000	62,200	327,200
Balance at 31 December 2011	<u>-</u>	<u>(756,000)</u>	<u>(145,800)</u>	<u>(901,800)</u>
Balance at 1 January 2010	(339,000)	(865,000)	(190,700)	(1,394,700)
Recognised in profit or loss	170,000	13,000	(17,300)	165,700
Balance at 31 December 2010	<u>(169,000)</u>	<u>(852,000)</u>	<u>(208,000)</u>	<u>(1,229,000)</u>

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2010: 30 to 120 days).

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	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other payables	11,981,502	559,140	-	-
Accrued expenses	3,218,798	2,143,076	495,943	341,724
Deposits received	3,091,489	133,000	-	-
	<u>18,291,789</u>	<u>2,835,216</u>	<u>495,943</u>	<u>341,724</u>

23. AMOUNT OWING TO DIRECTORS

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

24. SHORT TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Bankers' acceptances	11,135,000	7,751,000	-	-
Foreign currency trade loan	2,846,025	-	-	-
Bills of exchange	3,084,419	-	-	-
Foreign currency trust receipts	4,115,831	-	-	-
Revolving credit	5,000,000	-	5,000,000	-
Hire purchase payables (Note 25)	336,349	146,413	-	-
Term loans (Note 26)	3,232,005	2,387,514	1,428,000	-
	<u>29,749,629</u>	<u>10,284,927</u>	<u>6,428,000</u>	<u>-</u>

Bankers' acceptances, foreign currency trade loan, bills of exchange, foreign currency trust receipts, revolving credit are drawn for period ranging from 30 days to 180 days (2010: 180 days).

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Bankers' acceptances, foreign currency trade loan, bills of exchange, foreign currency trust receipts, revolving credit and term loans are secured by way of:-

- (i) legal charges over the landed properties of the Group;
- (ii) pledge of fixed deposits of the Group as disclosed in Note 14 to the financial statements;
- (iii) personal guarantee by 2 former directors of a subsidiary;
- (iv) personal guarantee by a director of the subsidiary; and
- (v) corporate guarantees from the Company.

25. HIRE PURCHASE PAYABLES

	THE GROUP	
	2011 RM	2010 RM
Minimum hire purchase payment:-		
- not later than one year	373,116	166,993
- later than one year and not later than five years	508,129	335,534
	<u>881,245</u>	<u>502,527</u>
Less : Future finance charges	(60,303)	(37,914)
Present value of hire purchase payables	<u>820,942</u>	<u>464,613</u>

The present value of hire purchase payables is repayable as follows:-

	THE GROUP	
	2011 RM	2010 RM
Current:-		
- not later than one year (Note 24)	336,349	146,413
Non-current:-		
- later than one year and not later than five years (Note 17)	484,593	318,200
	<u>820,942</u>	<u>464,613</u>

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	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current portion:-				
- repayable within one year (Note 24)	3,232,005	2,387,514	1,428,000	-
Non-current portion:-				
- repayable between one and two years	2,127,542	1,823,993	1,428,000	-
- repayable between two and five years	7,171,750	1,699,980	4,284,000	-
- repayable more than five years	5,007,868	4,054,837	2,821,741	-
Total non-current portion (Note 17)	14,307,160	7,578,810	8,533,741	-
	<u>17,539,165</u>	<u>9,966,324</u>	<u>9,961,741</u>	<u>-</u>

The term loans are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements and are repayable as follows:

Term loan 1 at 3 months COF + 0.75% per annum	Repayable in 28 quarterly instalments of RM250,000, effective from June 2006.
Term loan 2 at BLR - 1.75% per annum	Repayable in 180 monthly instalments of RM59,151, effective from March 2008.
Term loan 3 at COF - 1.00% per annum	Repayable in 60 monthly instalments of RM25,000, effective from March 2007.
Term loan 4 at COF - 1.00% per annum	Repayable in 60 monthly instalments of RM58,500, effective from March 2008.
Term loan 5 at COF + 1.15% per annum	Repayable in 83 monthly instalments of RM119,000 and final instalment of RM123,000, effective from December 2011.

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Bank overdrafts of the Group to a limit of RM3,000,000 (2010: RM3,000,000) are repayable on demand and are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements.

28. REVENUE

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Sales of goods	134,215,445	95,562,690	-	-
Dividend income	-	-	4,732,372	640,551
Management fee income	-	-	850,000	500,000
	<u>134,215,445</u>	<u>95,562,690</u>	<u>5,582,372</u>	<u>1,140,551</u>

29. EMPLOYEE BENEFITS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short term employee benefits	14,074,368	11,456,530	443,530	393,230
Contribution to a defined contribution plan	1,054,086	959,716	20,347	16,395
	<u>15,128,454</u>	<u>12,416,246</u>	<u>463,877</u>	<u>409,625</u>

Included in employee benefits is key management personnel compensation as disclosed in Note 38(b) to the financial statements.

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	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before tax is arrived at after charging:-				
Allowance for impairment losses on receivables	591,060	1,032,321	-	-
Audit fee - statutory audit	77,000	72,850	22,000	20,000
- overprovision in prior year	(50)	-	-	-
- special audit	10,000	-	10,000	-
Directors' remuneration of the Company				
- Directors' fee - current year	296,000	254,500	296,000	254,500
- overprovision in prior year	(24,500)	-	(24,500)	-
Directors' remuneration of the subsidiaries				
- Directors' fee	40,000	40,000	-	-
- EPF contributions	256,320	240,960	-	-
- other emoluments	2,340,320	1,996,320	-	-
Impairment of plant and equipment	-	1,417,755	-	-
Interest expenses	1,126,885	733,547	154,442	-
Loss on fair values changes in financial instruments - unrealised	-	28,042	-	-
Loss on foreign exchange - realised (trade)	445,817	549,836	-	-
Loss on foreign exchange - unrealised (non-trade)	-	21,280	-	-
Plant and equipment written off	56,229	191	-	-
Rental expenses	539,860	533,692	-	-

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	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
and after crediting:-				
Dividend income	-	-	4,732,372	640,551
Gain on disposal of plant and equipment	158,999	421,334	-	-
Gain on fair values changes in financial instruments - unrealised	492,672	-	-	-
Gain on foreign exchange - realised (non - trade)	25,405	-	-	-
Gain on foreign exchange - unrealised (non - trade)	54,729	-	-	-
Gain on foreign exchange - unrealised (trade)	150,422	47,243	-	-
Interest income	221,360	8,003	-	-
Rental income	394,000	354,000	-	-
Reversal of allowance for impairment losses on trade receivables	101,652	25,719	-	-

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	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Malaysian income tax				
- Current year	2,609,000	2,598,000	1,228,093	-
- Over provision in prior year	(2,952)	(1,346)	-	(715)
	<u>2,606,048</u>	<u>2,596,654</u>	<u>1,228,093</u>	<u>(715)</u>
Deferred tax (Note 20)				
- Relating to origination/(reversal) of temporary differences	668,800	(266,045)	-	-
- Under/(Over) provision in prior year	37,200	(52,955)	-	-
	<u>706,000</u>	<u>(319,000)</u>	<u>-</u>	<u>-</u>
	<u>3,312,048</u>	<u>2,277,654</u>	<u>1,228,093</u>	<u>(715)</u>

Subject to the agreement with the tax authorities, at the end of the reporting period, the unabsorbed capital and industrial building allowances and unutilised tax losses of the Group are as follows:-

	THE GROUP	
	2011 RM	2010 RM
Unabsorbed capital and industrial building allowances	-	677,000
Unutilised reinvestment allowances	2,195,000	3,195,000
Unutilised tax losses	3,030,000	3,407,000
	<u>5,225,000</u>	<u>7,279,000</u>

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

	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before tax	<u>14,350,506</u>	<u>8,551,040</u>	<u>4,118,196</u>	<u>402,752</u>
Malaysian taxation at statutory rate	3,548,977	2,137,760	1,029,549	100,688
Tax credit in tax attributable to the dividend income	-	26,222	-	26,222
Tax effects of:-				
Expenses disallowed for tax purposes	467,240	377,793	198,544	33,228
Non-taxable income	(10,053)	(160,593)	-	(160,138)
Over provision of income tax in prior year	(2,952)	(1,346)	-	(715)
Under/(Over) provision of deferred tax in prior year	37,200	(52,955)	-	-
Tax incentive utilised	(728,364)	-	-	-
Others	-	(49,227)	-	-
Tax expense/(income) for the financial year	<u>3,312,048</u>	<u>2,277,654</u>	<u>1,228,093</u>	<u>(715)</u>

32. EARNINGS PER SHARE

	THE GROUP	
	2011 RM	2010 RM
Basic		
Net profit attribute to ordinary shareholders	<u>11,038,458</u>	<u>6,273,386</u>
Number of shares in issue as at 31 December (weighted average)	<u>66,645,667</u>	<u>65,979,000</u>
Basic earnings per share (sen)	<u>16.56</u>	<u>9.51</u>

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Diluted earnings per share is equal to the basic earnings per share as there were no potential ordinary shares outstanding in both the previous and current financial years.

33. DIVIDEND

	THE GROUP AND THE COMPANY	
	2011	2010
	RM	RM
Paid:-		
In respect of previous financial year:-		
Single tier final tax exempt dividend of 3.50 sen (2010: 2.50 sen) per ordinary share	<u>2,309,265</u>	<u>1,649,475</u>

34. ACQUISITION OF A SUBSIDIARY

On 24 October 2011, the Company acquired 100% equity interest in Able Dairies Sdn. Bhd.

	THE COMPANY
	2011
	RM
Fair value of consideration paid/payable:	
Cash	18,500,000
Fair value of shares issued (4,000,000 ordinary shares)	3,080,000
Contingent consideration	8,062,793
	<u>29,642,793</u>

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The fair values of the identifiable assets and liabilities of Able Dairies Sdn. Bhd. as at the date of acquisition were:-

	AT DATE OF ACQUISITION	
	CARRYING AMOUNT RM	FAIR VALUE RECOGNISED RM
Property, plant and equipment	14,088,732	14,088,732
Trade and other receivables	12,028,865	12,028,865
Inventories	25,654,562	25,654,562
Cash and cash equivalents	11,380,919	11,380,919
Trade payables and accruals	(35,305,368)	(35,305,368)
Bank borrowings	(6,133,137)	(6,133,137)
Hire purchase payables	(67,110)	(67,110)
Tax payable	(404,997)	(404,997)
Deferred tax liability	(2,250,000)	(2,250,000)
Net identifiable assets and liabilities	<u>18,992,466</u>	<u>18,992,466</u>
Add: Goodwill on acquisition		10,650,327
Total purchase consideration		29,642,793
Less: Issue of shares		(3,080,000)
Less: Cash and cash equivalents of subsidiary acquired		(11,380,919)
Less: Contingent consideration		(8,062,793)
Net cash outflow for acquisition of a subsidiary		<u>7,119,081</u>

The acquired subsidiary has contributed the following results to the Group:-

	2011 RM
Revenue	28,288,719
Profit after tax	<u>6,583,635</u>

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after tax from continuing operations would have been RM250,584,803 and RM39,893,291 respectively.

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	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Cost of plant and equipment purchased	2,179,084	1,340,174	-	3,699
Amount financed through hire purchase	(503,440)	(400,000)	-	-
Cash disbursed for purchase of plant and equipment	<u>1,675,644</u>	<u>940,174</u>	<u>-</u>	<u>3,699</u>

36. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balances	17,252,920	12,780,837	552,549	172,291
Fixed deposits in licensed banks	14,854,545	-	-	-
Bank overdrafts	(2,589,405)	(2,373,281)	-	-
	<u>29,518,060</u>	<u>10,407,556</u>	<u>552,549</u>	<u>172,291</u>
Less: Fixed deposits pledged to banks (Note 14)	(9,500,000)	-	-	-
	<u>20,018,060</u>	<u>10,407,556</u>	<u>552,549</u>	<u>172,291</u>

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The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-executive directors				
- fees	265,000	223,500	245,000	203,500
Executive directors				
- fees	71,000	71,000	51,000	51,000
- salaries and bonuses	2,240,320	1,896,320	-	-
- defined contribution retirement plan	256,320	240,960	-	-
- retirement benefits	100,000	100,000	-	-
	<u>2,932,640</u>	<u>2,531,780</u>	<u>296,000</u>	<u>254,500</u>

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial year by category and in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
Non-executive directors				
Below RM50,000	2	2	1	1
RM50,000 - RM100,000	3	3	3	3
Executive directors				
Below RM50,000	1	-	2	2
RM250,000 - RM300,000	-	1	-	-
RM300,000 - RM350,000	1	-	-	-
RM500,000 - RM550,000	-	1	-	-
RM600,000 - RM650,000	1	-	-	-
RM750,000 - RM800,000	1	2	-	-
RM900,000 - RM950,000	1	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

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(a) The Company had the following transactions with related parties during the financial year:-

	THE COMPANY	
	2011	2010
	RM	RM
Subsidiaries		
Dividends receivable	4,732,372	640,551
Management fees receivable	850,000	500,000
	<u> </u>	<u> </u>
	THE GROUP	
	2011	2010
	RM	RM
Company in which a subsidiary's director has substantial financial interest		
Sales of goods	312,030	-
Purchases of goods	36,800	-
	<u> </u>	<u> </u>
Director of a subsidiary		
Rental of factory premises paid/payable	16,800	16,800
	<u> </u>	<u> </u>

(b) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short-term employee benefits	2,411,320	2,067,320	51,000	51,000
Post-employment benefit				
- Defined contribution plan	256,320	240,960	-	-
	<u>2,667,640</u>	<u>2,308,280</u>	<u>51,000</u>	<u>51,000</u>

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	THE GROUP 2011 RM
Approved and contracted for:- Plant and machinery	<u>124,046</u>

40. CONTINGENT LIABILITIES

	THE COMPANY 2011 RM	2010 RM
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	<u>21,568,620</u>	<u>22,800,090</u>

41. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is organised into the 2 main business segments as follows:-

- (i) Tins and cans segment – involved in the manufacturing of various tins, cans and other containers.
- (ii) Food and beverage – involved in manufacturing and selling of milk and other related dairy products

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

Transfer prices between business segments are at arm's length basis in a manner similar to transactions with third parties.

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	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
2011			
Revenue			
External revenue	105,926,726	28,288,719	134,215,445
Inter-segment revenue	7,645,067	-	7,645,067
Dividend income	4,732,372	-	4,732,372
Total revenue	118,304,165	28,288,719	146,592,884
Eliminations			(12,377,439)
Consolidated revenue			134,215,445
Results			
Segment results	20,413,759	3,620,609	24,034,368
Adjustments and eliminations	(7,794,298)	3,402,574	(4,391,724)
Finance costs	(1,092,238)	(70,385)	(1,162,623)
Tax expense	(2,897,048)	(415,000)	(3,312,048)
	8,630,175	6,537,798	15,167,973
Other material items of income	861,269	507,414	1,368,683
Depreciation of property, plant and equipment	(3,078,611)	(284,582)	(3,363,193)
Other material items of expenses	(470,294)	(176,995)	(647,289)
Other non-cash expenses	(25,000)	-	(25,000)
	5,917,539	6,583,635	12,501,174
Unallocated expenses			(1,462,716)
Consolidated profit after tax			11,038,458

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	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
2011			
Assets			
Segment assets	249,992,006	67,236,631	317,228,637
Eliminations			(125,576,342)
			191,652,295
Unallocated assets			924,292
Consolidated total assets			192,576,587
Liabilities			
Segment liabilities	37,620,468	30,548,055	68,168,523
Eliminations			(30,820,829)
			37,347,694
Unallocated liabilities			49,003,194
Consolidated total liabilities			86,350,888
Other segment items			
Additions to non-current assets other than financial instruments :-			
- Plant and equipment	1,783,338	395,746	2,179,084

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	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
2010			
Revenue			
External revenue	95,562,690	-	95,562,690
Inter-segment revenue	3,196,264	-	3,196,264
Dividend income	640,551	-	640,551
Total revenue	99,399,505	-	99,399,505
Eliminations			(3,836,815)
Consolidated revenue			95,562,690
Results			
Segment results	14,927,245	-	14,927,245
Adjustments and eliminations	(287,015)	-	(287,015)
Finance costs	(733,547)	-	(733,547)
Income tax expense	(2,277,654)	-	(2,277,654)
	11,629,029	-	11,629,029
Other material items of income	1,024,880	-	1,024,880
Depreciation of property, plant and equipment	(3,093,120)	-	(3,093,120)
Other material items of expenses	(2,450,267)	-	(2,450,267)
Other non-cash expenses	(100,427)	-	(100,427)
	7,010,095	-	7,010,095
Unallocated expenses			(736,709)
Consolidated profit after tax			6,273,386

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	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
2010			
Assets			
Segment assets	206,039,127	-	206,039,127
Eliminations			(82,437,477)
			123,601,650
Unallocated assets			109,087
Consolidated total assets			123,710,737
Liabilities			
Segment liabilities	23,352,413	-	23,352,413
Eliminations			(13,351,155)
			10,001,258
Unallocated liabilities			19,302,098
Consolidated total liabilities			29,303,356
Other segment items			
Additions to non-current assets other than financial instruments :-			
- Plant and equipment	1,340,174	-	1,340,174

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(a) Other material items of income consist of the following:-

	THE GROUP	
	2011 RM	2010 RM
Compensation from customers who cancelled sales order	-	215,824
Gain on disposal of plant and equipment	158,999	421,334
Gain on fair values changes in financial Instruments	492,672	-
Interest income	221,360	8,003
Rental income	394,000	354,000
Reversal of allowance for impairment losses on trade receivables	101,652	25,719
	<u>1,368,683</u>	<u>1,024,880</u>

(b) Other material items of expenses consist of the following:-

	THE GROUP	
	2011 RM	2010 RM
Allowance for impairment losses on trade receivables	591,060	1,032,321
Impairment loss on plant and equipment	-	1,417,755
Plant and equipment written off	56,229	191
	<u>647,289</u>	<u>2,450,267</u>

(c) Other non-cash expenses consist of the following:-

	THE GROUP	
	2011 RM	2010 RM
Loss on fair values changes in financial Instruments	-	28,042
Provision for retirement benefits	25,000	72,385
	<u>25,000</u>	<u>100,427</u>

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41. OPERATING SEGMENTS (CONT'D)**GEOGRAPHICAL SEGMENTS**

	REVENUE		NON-CURRENT ASSETS	
	2011 RM	2010 RM	2011 RM	2010 RM
Malaysia	134,215,445	95,432,749	64,847,688	41,325,304
Indonesia	-	129,941	18,053	43,245
	<u>134,215,445</u>	<u>95,562,690</u>	<u>64,865,741</u>	<u>41,368,549</u>

MAJOR CUSTOMERS

The Group has two major customers with individual revenue contribution equal to or more than 10% of Group revenue and cumulatively accounting for 32% (2010: 39%) of Group revenue.

42. MATERIAL LITIGATION

A suit was brought by General Containers Sdn Bhd ("GCSB") against the former director of GCSB, Mr. Tan Chin Wah for breach of fiduciary duties and against the subsidiaries of the Company, Johore Tin Factory Sendirian Berhad and Unican Industries Sdn Bhd ("Defendants") for conspiring to divest GCSB's vital assets and business. A judgement was ruled in favour of the abovementioned Defendants by the Johor Bahru High Court ("High Court") on 29 October 2010. The suit was dismissed by the High Court with costs.

GCSB has appealed against this decision to the Court of Appeal. To-date, no hearing has been fixed for the appeal.

43. FINANCIAL INSTRUMENTS

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

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

(i) Market Risk**(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a nature hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balance will be hedged by the forward foreign currency contracts.

The Group's exposure to foreign currency is as follows:-

THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	OTHER RM	RINGGIT MALAYSIA RM	TOTAL RM
2011					
Financial assets					
Trade receivables	13,130,764	4,746,499	-	20,936,307	38,813,570
Other receivables, deposits and prepayments	20,926	-	-	2,541,083	2,562,009
Cash and bank balances	867,355	-	-	16,385,565	17,252,920
	14,019,045	4,746,499	-	39,862,955	58,628,499
Financial liabilities					
Trade payables	1,509,842	128,800	-	5,370,776	7,009,418
Other payables and accruals	128,654	(5,216)	14,787	18,153,564	18,291,789
Bank borrowings	10,046,275	-	-	37,084,512	47,130,787
	11,684,771	123,584	14,787	60,608,852	72,431,994
Currency exposure	2,334,274	4,622,915	(14,787)	-	6,942,402

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THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	RINGGIT MALAYSIA RM	TOTAL RM
2010				
Financial assets				
Trade receivables	-	3,701,032	30,823,199	34,524,231
Other receivables, deposits and prepayments	938,752	-	517,541	1,456,293
	<u>938,752</u>	<u>3,701,032</u>	<u>31,340,740</u>	<u>35,980,524</u>
Financial liabilities				
Trade payables	1,392,674	74,706	2,575,140	4,042,520
Other payables and accruals	(1,874)	10,856	2,826,234	2,835,216
	<u>1,390,800</u>	<u>85,562</u>	<u>5,401,374</u>	<u>6,877,736</u>
Currency exposure	<u>(452,048)</u>	<u>3,615,470</u>	<u>-</u>	<u>3,163,422</u>

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

	THE GROUP 2011 Increase/ (Decrease) RM	2010 Increase/ (Decrease) RM
Effects on profit after tax		
United States Dollar:-		
- strengthened by 1% (2010: 10%)	23,033	(44,519)
- weakened by 1% (2010: 10%)	(23,033)	44,519
Singapore Dollar:-		
- strengthened by 3% (2010: 2%)	138,747	69,993
- weakened by 3% (2010: 2%)	(138,747)	(69,993)
	THE COMPANY 2011 Increase/ (Decrease) RM	2010 Increase/ (Decrease) RM
Effects on equity		
Indonesia Rupiah:-		
- strengthened by 7% (2010: 4 %)	(63,514)	(39,180)
- weakened by 7% (2010: 4 %)	63,514	39,180

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Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arising from Group's interest-bearing financial liabilities. The Group's policy is to obtain the most favourable interest rates available.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 43(a)(i)(ii) to the financial statements.

Interest rate risk sensitivity analysis

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

	THE GROUP		THE COMPANY	
	2011 Increase/ (Decrease) RM	2010 Increase/ (Decrease) RM	2011 Increase/ (Decrease) RM	2010 Increase/ (Decrease) RM
Effects on profit after tax				
Increase of 100 basis points (bp)	(350,490)	(138,822)	(112,500)	-
Decrease of 100 bp	350,490	138,822	112,500	-

(iii) Equity Price Risk

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

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43. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

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

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by five (5) (2010: three (3)) major customers which constituted approximately 43% (2010: 54%) of its trade receivables as at the end of the reporting period.

The carrying amount of trade receivables represent the Group maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP	
	2011 RM	2010 RM
Singapore	4,746,499	3,701,032
United States	13,130,764	-
Malaysia	20,936,307	30,823,199
	<u>38,813,570</u>	<u>34,524,231</u>

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The ageing analysis of the Group's trade receivables as at 31 December 2011 is as follows:-

	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2011			
Not past due	21,369,374	(131,445)	21,237,929
Past due:			
- less than 3 months	15,556,299	(71,716)	15,484,583
- 3 to 6 months	2,209,009	(232,094)	1,976,915
- over 6 months	1,438,304	(1,324,161)	114,143
	40,572,986	(1,759,416)	38,813,570
	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2010			
Not past due	16,917,147	-	16,917,147
Past due:			
- less than 3 months	12,094,403	-	12,094,403
- 3 to 6 months	3,427,787	-	3,427,787
- over 6 months	3,575,886	(1,490,992)	2,084,894
	36,015,223	(1,490,992)	34,524,231

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

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

No collective impairment allowance is provided as based on the past records the irrecoverable amounts from the sale of goods, is very insignificant.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

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

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

THE GROUP	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2011						
Trade payables	-	7,009,418	7,009,418	7,009,418	-	-
Other payables and accruals	-	18,291,789	18,291,789	18,291,789	-	-
Amount owing to directors	-	1,035,289	1,035,289	1,035,289	-	-
Contingent consideration	-	8,062,793	8,062,793	3,415,650	4,647,143	-
Hire purchase payables	4.94 to 6.10	820,942	881,245	373,116	508,129	-
Term loans	3.11 to 4.55	17,539,165	21,525,043	4,079,346	10,053,548	7,392,149
Bankers' acceptance	3.33 to 4.50	11,135,000	11,135,000	11,135,000	-	-
Foreign currency trade loan	3.20 to 3.37	2,846,025	2,846,025	2,846,025	-	-
Bills of exchange	2.25 to 2.45	3,084,419	3,084,419	3,084,419	-	-
Foreign currency trust receipts	2.35 to 2.40	4,115,831	4,115,831	4,115,831	-	-
Revolving credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Bank overdrafts	7.60	2,589,405	2,589,405	2,589,405	-	-
		81,530,076	85,576,257	62,975,288	15,208,820	7,392,149

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THE GROUP	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2010						
Trade payables	-	4,042,520	4,042,520	4,042,520	-	-
Other payables and accruals	-	2,835,216	2,835,216	2,835,216	-	-
Amount owing to directors	-	388,199	388,199	388,199	-	-
Hire purchase payables	4.94 to 6.10	464,613	502,527	166,993	335,534	-
Term loan	3.11 to 4.55	9,966,324	12,431,251	2,800,919	4,543,346	5,086,986
Bankers' acceptance	3.33 to 4.50	7,751,000	7,751,000	7,751,000	-	-
Bank overdrafts	7.30	2,373,281	2,373,281	2,373,281	-	-
		27,821,153	30,323,994	20,358,128	4,878,880	5,086,986

THE COMPANY	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2011						
Other payables and accruals	-	495,943	495,943	495,943	-	-
Amount owing to subsidiaries	-	3,505,000	3,505,000	3,505,000	-	-
Term loan	4.82	9,961,741	11,867,459	1,908,156	6,944,328	3,014,975
Revolving Credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Contingent consideration	-	8,062,793	8,062,793	3,415,650	4,647,143	-
		27,025,477	28,931,195	14,324,749	11,591,471	3,014,975

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THE COMPANY	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2010				
Other payables and accruals	-	341,724	341,724	341,724

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as bank borrowings plus trade and other payables, amount owing to directors and contingent consideration less cash and cash equivalents.

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The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2011	2010
	RM	RM
Borrowings		
-long term	14,791,753	7,897,010
-short term	29,749,629	10,284,927
Bank overdrafts	2,589,405	2,373,281
Trade payables	7,009,418	4,042,520
Other payables and accruals	18,291,789	2,835,216
Amount owing to directors	1,035,289	388,199
Contingent consideration	8,062,793	-
	<u>81,530,076</u>	<u>27,821,153</u>
Less: Fixed deposits in licensed banks	(14,854,545)	-
Less: Cash and bank balances	(17,252,920)	(12,780,837)
Net debt	<u>49,422,611</u>	<u>15,040,316</u>
Total equity	<u>106,225,699</u>	<u>94,407,381</u>
Debt-to-equity ratio	<u>46.53%</u>	<u>15.93%</u>

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

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	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Financial Assets				
<u>Available-for-sale financial asset</u>				
Investment in subsidiaries	-	-	105,325,571	69,075,057
Amount owing by subsidiary - quasi loan	-	-	9,634,701	9,634,701
	<u>-</u>	<u>-</u>	<u>114,960,272</u>	<u>78,709,758</u>
<u>Loans and receivables financial assets</u>				
Trade receivables	38,813,570	34,524,231	-	-
Other receivables and deposits	309,137	1,338,218	-	-
Amount owing by subsidiaries	-	-	850,000	500,000
Fixed deposits with licensed banks	14,854,545	-	-	-
Cash and bank balances	17,252,920	12,780,837	552,549	172,291
	<u>71,230,172</u>	<u>48,643,286</u>	<u>1,402,549</u>	<u>672,291</u>
Financial Liabilities				
<u>Other financial liabilities</u>				
Trade payables	7,009,418	4,042,520	-	-
Other payables and accruals	18,291,789	2,835,216	495,943	341,724
Amount owing to subsidiaries	-	-	3,505,000	-
Amount owing to directors	1,035,289	388,199	-	-
Borrowings	44,541,382	18,181,937	14,961,741	-
Contingent consideration	8,062,793	-	8,062,793	-
Bank overdrafts	2,589,405	2,373,281	-	-
	<u>81,530,076</u>	<u>27,821,153</u>	<u>27,025,477</u>	<u>341,724</u>
<u>Fair value through profit and loss</u>				
Derivative assets/ (liabilities)	464,630	(28,042)	-	-

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The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for the following:-

	THE GROUP			
	2011 CARRYING AMOUNT RM	FAIR VALUE RM	2010 CARRYING AMOUNT RM	FAIR VALUE RM
Hire purchase payables	820,942	846,307	464,613	481,661

	THE COMPANY			
	2011 CARRYING AMOUNT RM	FAIR VALUE RM	2010 CARRYING AMOUNT RM	FAIR VALUE RM
Amount owing by a subsidiary - quasi loan	9,634,701	#	9,634,701	#

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.
- (iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.
- (iv) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

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43. FINANCIAL INSTRUMENTS (CONT'D)**(d) Fair Values Of Financial Instruments (Cont'd)**

- (v) The interest rates used to discount estimated cash flows, where applicable, is as follows:-

	THE GROUP	
	2011 %	2010 %
Hire purchase payables	2.37 to <u>3.34</u>	2.60 to <u>3.40</u>

- (vi) The fair value of the investments in subsidiaries was determined using the discounted cash flow approach. This calculation uses 10 years' pre-tax cash flow projections approved by the Board of Directors. Cash flows beyond financial year 2012 are extrapolated using the estimated growth rates stated below. Fair value was determined by discounting the future cash flows expected from the operations of the subsidiaries over the next 10 years based on the following key assumptions:-

(aa) The subsidiaries will continue in operations over the next 10 years;

(bb) The growth rate for the respective business segments are as follows:-

<u>Business segments</u>	<u>Average growth rate</u>
Tin Manufacturing	1% to 3%
Foods and beverage	0%

(cc) Gross profit margin is expected to remain constant; and

(dd) Discount rate is based on the weighted average cost of capital at 8%+4% per annum.

The values assigned to the key assumptions represent management's assessment of future trends in the industry which is the subsidiary's operations and is based on both external sources and internal sources (historical data).

- # The fair value cannot be reliably measured due to the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

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The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

- Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2011, the Group's financial instruments carried at fair values are analysed as below:-

THE GROUP	LEVEL 1 RM	LEVEL 2 RM	LEVEL 3 RM	TOTAL RM
2011				
Financial asset				
Derivative assets:				
- forward foreign currency contracts	464,630	-	-	464,630
	<hr/>			
THE COMPANY	LEVEL 1 RM	LEVEL 2 RM	LEVEL 3 RM	TOTAL RM
2011				
Financial asset				
Investments in subsidiaries	-	-	105,325,571	105,325,571
	<hr/>			

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THE COMPANY	INVESTMENTS IN SUBSI- DIARIES RM	TOTAL RM
Balance at 1.1.2011	69,075,057	69,075,057
Acquisition of a subsidiary	29,642,793	29,642,793
Total gain recognised in other comprehensive income	6,607,721	6,607,721
	<hr/>	<hr/>
Balance at 31.12.2011	105,325,571	105,325,571

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

For fair value measurements in level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:-

- (i) A 2% decrease in gross profit margin would have resulted in a decrease in the fair values of the investments in subsidiaries of RM10,779,926.
- (ii) A 1% decrease in the cost of capital used would have resulted in a increase in the fair values of the investments in subsidiaries of RM4,370,355.

Transfer between level 1 and level 2

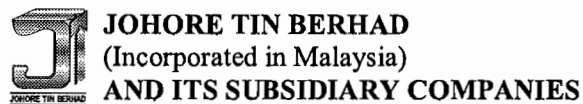
There were no transfers between level 1 and level 2 fair value measurements during the current financial year.

JOHORE TIN BERHAD(Incorporated In Malaysia)
Company No: 532570-V**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011****44. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS**

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

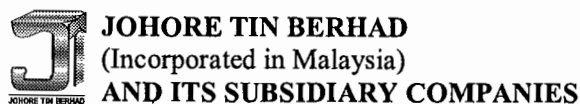
	THE GROUP		THE COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained profits/ (losses):				
- realised	35,122,067	24,136,776	2,269,397	1,688,559
- unrealised	(2,962,177)	(706,079)	-	-
At 31 December	<u>32,159,890</u>	<u>23,430,697</u>	<u>2,269,397</u>	<u>1,688,559</u>

**UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE SIX (6) MONTHS FPE 30
JUNE 2012**



QUARTERLY REPORT

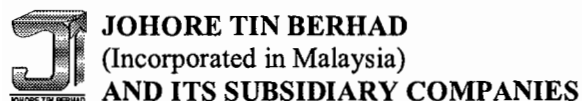
CONTENTS	PAGES
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Condensed Consolidated Statement of Financial Position	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30-06-2012 RM'000	Preceding Year Corresponding Quarter 30-06-2011 RM'000	Current Year- To-Date 30-06-2012 RM'000	Preceding Year- To-Date 30-06-2011 RM'000
Revenue		61,147	28,569	115,688	54,211
Cost of Sales		(49,087)	(22,497)	(94,140)	(42,740)
Gross profit		12,060	6,072	21,548	11,471
Other income		469	152	662	385
Administrative expenses		(2,498)	(1,551)	(5,213)	(3,130)
Distribution expenses		(2,289)	(706)	(4,124)	(1,220)
Other expenses		(463)	(195)	(1,277)	(339)
Results from operating activities		7,279	3,772	11,596	7,167
Finance income		93	9	199	11
Finance costs		(716)	(277)	(1,122)	(487)
Net finance costs		(623)	(268)	(923)	(476)
PROFIT BEFORE TAX		6,656	3,504	10,673	6,691
Tax expense	B7	(1,402)	(1,527)	(1,807)	(2,528)
PROFIT FOR THE PERIOD		5,254	1,977	8,866	4,163
Other comprehensive income, net of tax					
Exchange differences on translating foreign operations		5	13	(28)	21
Total other comprehensive income for the period		5	13	(28)	21
COMPREHENSIVE INCOME FOR THE PERIOD	B8	5,259	1,990	8,838	4,184
Profit attributable to owners of the Company		5,254	1,977	8,866	4,163
Comprehensive income attributable to owners of the Company		5,259	1,990	8,838	4,184
Earnings per share (Sen):					
- Basic and diluted	B9	7.51	3.00	12.67	6.31

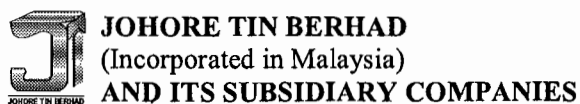
The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012 (UNAUDITED)**

	NOTE	As at 30 June 2012 (Unaudited) RM'000	As at 31 December 2011 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		53,033	54,199
Assets in progress		-	-
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		63,700	64,866
Current Assets			
Inventories		52,476	52,843
Trade receivables		38,531	38,814
Other receivables		8,757	2,562
Tax recoverable		1,630	920
Derivative financial assets	B11	-	465
Cash and cash equivalents		20,040	32,107
		121,434	127,711
Total Assets		185,134	192,577
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		69,979	69,979
Retained earnings	B10	41,026	32,160
Other components of equity		4,059	4,087
Total Equity		115,064	106,226

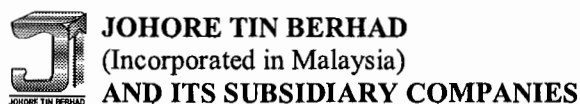
The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012 (UNAUDITED) (cont'd)**

	NOTE	As at 30 June 2012 (Unaudited) RM'000	As at 31 December 2011 (Audited) RM'000
EQUITY AND LIABILITIES (cont'd)			
Non-Current Liabilities			
Long-term borrowings	B13	13,356	14,792
Contingent consideration		-	4,647
Retirement benefits		356	359
Deferred tax		3,864	3,660
Total Non-Current Liabilities		17,576	23,458
Current Liabilities			
Trade payables		11,655	7,009
Other payables		7,128	18,292
Amount owing to related companies		-	-
Amount owing to directors		305	1,035
Short-term borrowings	B13	25,802	29,750
Derivative financial liabilities	B11	386	-
Contingent consideration		4,647	3,416
Income tax		1,227	802
Bank overdraft		1,344	2,589
Total Current Liabilities		52,494	62,893
Total Liabilities		70,070	86,351
Total Equity and Liabilities		185,134	192,577
Net Assets (NA) per share attributable to ordinary equity holders (RM)		1.64	1.52

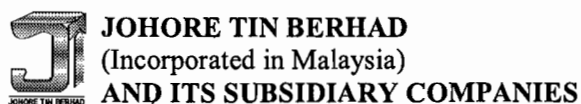
The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

	ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	Non-Distributable Reserves			Retained Earnings RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Translation Reserve RM'000		
Balance at 1 January 2012	69,979	4,600	(513)	32,160	106,226
Total comprehensive income for the period	-	-	(28)	8,866	8,838
Dividend	-	-	-	-	-
Balance at 30 June 2012	69,979	4,600	(541)	41,026	115,064
Balance at 1 January 2011	65,979	5,520	(522)	23,431	94,408
Total comprehensive income for the period	-	-	21	4,163	4,184
Dividend	-	-	-	-	-
Balance at 30 June 2011	65,979	5,520	(501)	27,594	98,592

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes to the quarterly report.



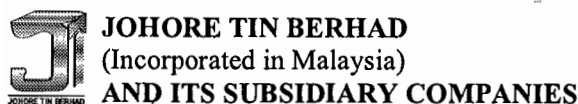
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-06-2012 RM'000	Preceding Year-To-Date 30-06-2011 RM'000
Net cash (used in)/from operating activities	B14	(30)	6,187
Net cash used in investing activities	B14	(4,455)	(1,249)
Net cash (used in)/from financing activities	B14	(6,243)	262
Net (decrease)/increase in cash and cash equivalents		(10,728)	5,200
Adjustment for foreign exchange differentials		(94)	21
Cash and cash equivalents as of beginning of period		29,518	10,407
Cash and cash equivalents as of end of period		18,696	15,628

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

	Current Year-To-Date 30-06-2012 RM'000	Preceding Year-To-Date 30-06-2011 RM'000
Cash and bank balances	20,040	17,518
Bank overdraft	(1,344)	(1,890)
	18,696	15,628

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

**PART A
EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134:
INTERIM FINANCIAL REPORTING (“FRS 134”)**

A1. Basis of Preparation

The unaudited condensed interim financial statements for the second quarter ended 30 June 2012 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 2011.

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”)* has been applied.

The transition from FRS to MFRS has no material impact on the Group’s financial statements.

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 2011.

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

FRS 3 (Revised)	<i>Business Combinations</i>
FRS 127 (Revised)	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 5	<i>Plan to Sell the Controlling Interest in a Subsidiary</i>
Amendments to FRS 7	<i>Improving Disclosures about Financial Instruments</i>
Amendments to FRS 138	<i>Consequential Amendments Arising from FRS 3 (Revised)</i>
IC Int. 4	<i>Determining Whether an Arrangement Contains a Lease</i>
IC Int. 16	<i>Hedge of a Net Investment in a Foreign Operation</i>
IC Int. 17	<i>Distributions of Non-cash Assets to Owners</i>
IC Int. 18	<i>Transfers of Assets from Customers</i>
Amendments to IC Int. 9	<i>Scope of IC Int. 9 and FRS 3 (Revised)</i>
Annual Improvements to FRSs 2010	

The above FRSs and IC Int. will not have any material impact on the Group’s financial statements.



JOHORE TIN BERHAD
(Incorporated in Malaysia)
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**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

A2. Changes in Accounting Policies (cont'd)

b) The Group has yet to apply in advance the following applicable FRSs and IC Int. that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

FRSs and IC Int.	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurements	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Transactions	1 January 2013
FRS 127 (2011) Separate Financial Statements	1 January 2013
Amendments to FRS 7 Disclosures-Transfers of Financial Assets	1 January 2012
Amendments to FRS 112 Recovery of Underlying Assets	1 January 2012
IC Int. 19 Extinguishing Financial Liabilities with Equities Instruments	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group will not be adopting the above FRSs and IC Int. that are effective for the annual periods beginning on or after 1 January 2012.

Following the issuance of MFRS by the MASB on 19 November 2011, the Group will be adopting the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors does not expect any significant impact on the financial statements arising from the adoption.

A3. Audit Qualification

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2011.

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. Changes in Estimates

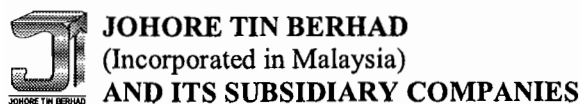
There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting year that have a material effect in the current interim period.

A7. Debt and Equity Securities

There were no issuance, repurchases, and repayments of debt and equity securities for the current financial reporting period.

A8. Dividend Paid

There was no dividend paid during the financial reporting period under review.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

A9. Segmental Reporting

a) Operating Segments

The Group has two 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) Tin Manufacturing *Manufacturing of various tins, cans and other containers.*
- 2) Food and Beverage *Manufacturing and selling of milk and related dairy products.*

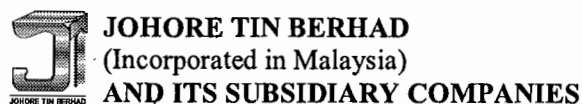
THE GROUP	Tin Manufacturing	Food & Beverage	Total
30 June 2012	RM'000	RM'000	RM'000
External revenue	41,711	73,977	115,688
Inter-segment revenue	9,311	-	9,311
Total revenue	51,022	73,977	124,999
Reportable segment profit	3,006	5,860	8,866
Reportable segment assets	120,617	64,517	185,134

No comparative figure provided for operating segments, as the new subsidiary only acquired at the fourth quarter of year 2011.

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
30 June 2012	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	115,688	-	-	115,688
Inter-segment revenue	9,311	-	(9,311)	-
Total revenue	124,999	-	(9,311)	115,688
Segment results	11,619	(23)	-	11,596
Net Finance costs	(927)	4	-	(923)
Profit before tax	10,692	(19)	-	10,673
Tax expense				(1,807)
Net profit for the period				8,866
Other Information:				
Capital expenditure	1,165	-	-	1,165
Depreciation and amortisation	2,318	5	(1)	2,322
Segment assets	303,428	864	(119,158)	185,134
Segment liabilities	94,511	5	(24,446)	70,070



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

A9. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

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 30 June 2011	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	54,211	-	-	54,211
Inter-segment revenue	1,393	-	(1,393)	-
Total revenue	<u>55,604</u>	<u>-</u>	<u>(1,393)</u>	<u>54,211</u>
Segment results	7,228	(50)	-	7,178
Net Finance costs	(487)	-	-	(487)
Profit before tax	<u>6,741</u>	<u>(50)</u>	<u>-</u>	<u>6,691</u>
Tax expense				(2,528)
Net profit for the period				<u>4,163</u>
Other Information:				
Capital expenditure	1,409	-	-	1,409
Depreciation and amortisation	1,486	-	-	1,486
Segment assets	209,211	962	(82,470)	127,703
Segment liabilities	42,483	11	(13,383)	29,111

A10. Subsequent Material Events

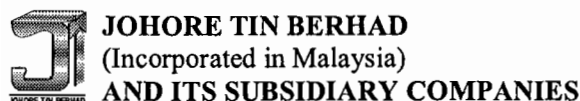
There were no material events subsequent to the end of the current financial reporting period that have not been reflected in the financial statements for the current interim period.

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. Contingent Liabilities

	THE COMPANY	
	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	<u>28,386</u>	<u>21,201</u>



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

A13. Related Party Transactions

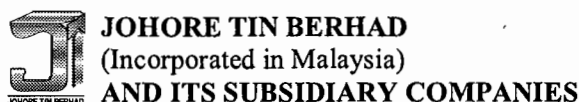
The amount owing to a director is unsecured, interest free advances and repayable on demand. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions. The related parties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

	THE GROUP	
	Current Year-To-Date 30-06-2012 RM	Preceding Year-To-Date 30-06-2011 RM
Director of the Company		
Rental of factory	8,400	8,400
	<hr/>	
	THE GROUP	
	Current Year-To-Date 30-06-2012 RM	Preceding Year-To-Date 30-06-2011 RM
Related Company		
Sales of goods	943,911	312,030
Purchases of goods	29,440	36,800
	<hr/>	

The tenancy period was mutually agreed by both parties for a period of two years and expired on 14 November 2011, which was subsequently renewed on 15 November 2011 for another period of two years.

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 SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

**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 has recorded a revenue of RM61.147 million and profit before tax of RM6.656 million for the second quarter itself as compared to preceding year corresponding quarter of RM28.569 million and RM3.504 million respectively. The increases in revenue and profit before tax of RM40.032 million and RM3.855 million were mainly due to the contribution from the newly acquired subsidiary ("Able Dairies").

For the tin manufacturing industry, the revenue declined by RM7.454 million to RM21.115 million, mainly due to the consolidation of Able Dairies. The profit before tax decreased by RM0.702 million to RM2.802 million due to increase in finance costs.

As for the Food and Beverage ("F&B") industry, the revenue and profit before tax were RM40.032 million and 3.855 million respectively for the current period under review. No comparative for this industry, as the acquisition exercise only took place on 1 November 2011.

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

The Group has recorded a revenue of RM115.688 million and profit before tax of RM10.673 million for the second quarter ended 30 June 2012 as compared to preceding year-to-date of RM54.211 million and RM6.691 million respectively. The increases in revenue and profit before tax of RM73.977 million and RM6.289 million respectively, were mainly due to the contribution from Able Dairies.

For the tin manufacturing industry, the revenue declined by RM12.5 million to RM41.711 million, mainly due to the consolidation of Able Dairies. The profit before tax declined by RM2.307 to RM4.384 million respectively, mainly due to increases in operating cost as well as finance costs.

As for the F&B industry, the revenue and profit before tax were RM73.977 million and 6.289 million respectively for the current year-to-date. No comparative for this industry, as the acquisition exercise only took place on 1 November 2011.

B2. Variation of Results against Preceding Quarter

The Group's profit before tax for the current quarter ended 30 June 2012 was RM6.656 million as compared to RM4.017 million in the preceding quarter ended 31 March 2012.

a) Tin Manufacturing Industry

The increase in profit before tax of RM1.22 million to RM2.802 million was due to decrease in raw materials prices in second quarter as compared to first quarter of year 2012, which lead to profits margin increase.

b) F&B Industry

The increase in profit before tax of RM1.421 million to RM3.855 million was mainly due to increase in demand in second quarter as compared to first quarter.



JOHORE TIN BERHAD
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**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B3. Prospects of the Group

a) Tin Manufacturing Industry

Raw materials prices are expected to decrease in the near-term. Demand is expected to decline for certain industries due to the global economic slowdown, which eventually affect the Group's revenue and profit as a whole.

However, the Group will continue to maintain its profitability for the year of 2012 despite a challenging in global economic situation.

b) F&B Industry

As for current situation, the milk powder price is increasing whereas the sugar price is fluctuating. Amidst the higher prices of raw materials, the demands for dairies products are still strong which will results in higher revenue and profits in near future.

Looking forward to the year ahead, demands are expected to be strong and profitability will be maintained.

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.

As for the profit guarantee, subject to the clauses in the Share Sale Agreement, the newly acquired subsidiary has achieved the profit after tax ("profit guarantee") of not less than RM7 million for the financial year ended 31 December 2011, of which the Vendor has been paid RM3.5 million for the current financial reporting period under review.

B6. Status of Corporate Proposals

a) Status of corporate proposals announced and not completed as at 22 August 2012

On 8 August 2012, the Company had announced that it proposes to undertake the following corporate proposals:

- i) Proposed renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each in Johore Tin Berhad ("JTB") ("Rights Share(s)") together with 23,326,333 free detachable warrants ("Warrant(s)") on the basis of one (1) Rights Share and one (1) Warrant for every three (3) existing ordinary shares of RM1.00 each in JTB Shares held on an entitlement date to be determined later ("Proposed Rights Issue with Warrants")
- ii) Proposed increase in authorised share capital of JTB from RM100,000,000 comprising 100,000,000 JTB Shares to RM200,000,000 comprising 200,000,000 JTB Shares by the creation of an additional 100,000,000 new JTB Shares ("Proposed Increase in Authorised Share Capital"); and
- iii) Proposed amendments to the Memorandum and Articles of Association ("M&A") of JTB ("Proposed M&A Amendments")

Subsequently, OSK Investment Bank Berhad on behalf of the Company, had on 17 August 2012 submitted the applications to the relevant authorities in relation to the Proposed Rights Issue with Warrants for approval.



JOHORE TIN BERHAD
(Incorporated in Malaysia)
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**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B7. Tax Expense

	Individual Quarter		Cumulative Quarter	
	30-06-2012	30-06-2011	30-06-2012	30-06-2011
	RM'000	RM'000	RM'000	RM'000
Current year:				
- Income tax	1,073	874	1,603	1,515
- Deferred tax	329	653	204	1,013
	<u>1,402</u>	<u>1,527</u>	<u>1,807</u>	<u>2,528</u>
Under/(Over) provision in previous year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>1,402</u>	<u>1,527</u>	<u>1,807</u>	<u>2,528</u>

B8. Notes to the Statement of Comprehensive Income

Included in the Statement of Comprehensive Income are as follows:

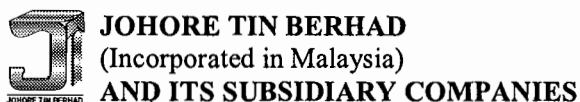
	Individual Quarter		Cumulative Quarter	
	30-06-2012	30-06-2011	30-06-2012	30-06-2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(93)	(9)	(199)	(11)
Other income	(334)	(152)	(527)	(385)
Interest expense	716	277	1,122	487
Depreciation and amortisation	1,165	754	2,322	1,486
(Gain)/Loss on disposal of property, plant and equipment	-	(27)	(15)	(149)
Foreign exchange loss	(506)	144	(173)	282
(Gain)/Loss on derivatives	522	(11)	850	(28)
Exceptional items	-	-	-	-

B9. Earnings Per Share (EPS)

The basic EPS 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	
	30-06-2012	30-06-2011	30-06-2012	30-06-2011
Profit for the period (RM'000)	<u>5,254</u>	<u>1,977</u>	<u>8,866</u>	<u>4,163</u>
Weighted average number of ordinary shares ('000 shares):				
At 1 January	69,979	65,979	69,979	65,979
Effect on ordinary shares issued	-	-	-	-
At 31 December	<u>69,979</u>	<u>65,979</u>	<u>69,979</u>	<u>65,979</u>
Basic EPS (Sen)	<u>7.51</u>	<u>3.00</u>	<u>12.67</u>	<u>6.31</u>

The diluted EPS is not applicable to the Group as there are no dilutive potential ordinary shares during the financial reporting period under review.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B10. Disclosure of Realised and Unrealised Profits

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

	THE GROUP	
	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	120,261	109,439
- unrealised	(4,960)	(2,962)
	115,301	106,477
Less: Consolidation adjustments	(74,275)	(74,317)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	41,026	32,160

B11. Derivative Financial Instruments

As at 30 June 2012, 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 30-06-2012 RM'000	As at 30-12-2011 RM'000
Forward Contracts (US Dollar)		
Contract/Notional Value	19,883	19,026
Less: Fair Value	20,269	19,492
Gain/(Loss) on Fair Value Changes	(386)	464

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.

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 nature 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.

J **JOHORE TIN BERHAD**
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**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B12. Loan and Borrowings

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

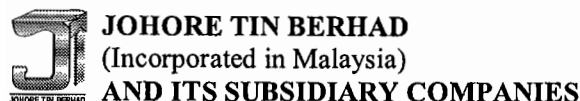
	THE COMPANY		THE GROUP	
	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000
Current portion (secured):				
Term loans	1,433	1,428	2,667	3,232
Bankers' acceptance	-	-	17,790	21,182
Revolving credit	5,000	5,000	5,000	5,000
Hire purchase payables (see Note B13 below)	-	-	345	336
	6,433	6,428	25,802	29,750
Non-current portion (secured):				
Term loans	7,769	8,534	13,046	14,307
Hire purchase payables (see Note B13 below)	-	-	310	485
	7,769	8,534	13,356	14,792
Total loan and borrowings	14,202	14,962	39,158	44,542

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

B13. Hire Purchase Payables

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

	THE GROUP	
	As at 30-06-2012 RM'000	As at 31-12-2011 RM'000
Minimum hire purchase payment	695	881
Less: Future finance charges	(40)	(60)
Present value of hire purchase payables	655	821
Less: Current portion (see Note B12 above)	(345)	(336)
Non-current portion (see Note B12 above)	310	485



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B14. Notes to the Condensed Consolidated Statement of Cash Flows

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

a) Cash Flows from Operating Activities

	THE GROUP	
	Current	Preceding
	Year-To-Date	Year-To-Date
	30-06-2012	30-06-2011
	RM'000	RM'000
Increase in inventories	366	4,085
Decrease in trade and other receivables	(5,668)	(3,089)
Decrease/(Increase) in trade and other payables	3,882	(2,044)
Income tax paid	(2,221)	(911)

b) Cash Flows used in Investing Activities

	THE GROUP	
	Current	Preceding
	Year-To-Date	Year-To-Date
	30-06-2012	30-06-2011
	RM'000	RM'000
Payment of contingent consideration	(3,500)	-
Purchase of property, plant and equipment	(1,165)	(1,409)

c) Cash Flows used in Financing Activities

	THE GROUP	
	Current	Preceding
	Year-To-Date	Year-To-Date
	30-06-2012	30-06-2011
	RM'000	RM'000
Dividend paid	-	-
Repayment of term loan	(1,826)	(1,212)
Net (repayment)/drawdown of bankers' acceptance	(3,301)	2,033
Repayment of hire purchase payables	(166)	(72)

B15. Material Litigations

We refer to the announcement made under item 14.5 of Material Litigations stipulated in the Prospectus dated 19 September 2003.

The suit was brought by General Containers Sdn Bhd ("GCSB") against the former director of GCSB, Mr. Tan Chin Wah for breach of fiduciary duties and against Johore Tin Factory Sdn Bhd and Unican Industries Sdn Bhd ("Defendants") for conspiring to divest GCSB of its vital assets and business. The Johor Bahru High Court ("High Court") has made a judgment in favour of the Defendants on 29 October 2010 when the High Court dismissed the suit with costs.

GCSB has appealed against this decision to the Court of Appeal. Further development of the above matter will be announced on Bursa Malaysia Securities Berhad in due course.

Other than the above, there were no pending material litigations since the date of last audited annual statement of financial position.



JOHORE TIN BERHAD
(Incorporated in Malaysia)
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**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

B16. Proposed Dividend

During the financial reporting period under review, the Directors do not recommend any interim dividend for the financial period ended 30 June 2012.

The final single-tier dividend of 3.8% (31.12.2010: 3.5%), amounting to RM2,659,202 (31.12.2010: RM2,309,265), in respect of the financial year ended 31 December 2011 which was approved by the shareholders at the Annual General Meeting held on 27 June 2012, had been paid on 26 July 2012 to shareholders whose names appears in the Record of Depositors at the close of business on 28 June 2012.

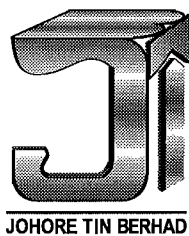
B17. Authorisation for Issue

The interim financial statements were authorised for issued by the Board of Directors in accordance to the Board of Directors meeting held on 29 August 2012.

[End of Report]

DIRECTORS' REPORT

(Prepared for inclusion in this Abridged Prospectus)



JOHORE TIN BERHAD

(Company No. 532570-V)
PTD 124298, Jalan Kempas Lama, Kg. Seelong Jaya,
81300 Skudai, Johor, Malaysia.
Tel : 07-5998990 Fax : 07-5998991
E-mail : johoretin@po.jaring.my

Date: 16 OCT 2012

Registered Office:
Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru, Johor

To: The Shareholders of Johore Tin Berhad ("JTB" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of JTB ("Board"), I wish to report that after making due enquiries in relation to JTB and its subsidiary companies ("Group") during the period between 31 December 2011, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus, that:-

- (a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of JTB; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of JTB.

Yours faithfully,
For and on behalf of the Board
JOHORE TIN BERHAD



EDWARD GOH SWEE WANG
Chief Executive Officer

ADDITIONAL INFORMATION**1. SHARE CAPITAL**

- (i) Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.
- (ii) As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each.
- (iii) All the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares except that they shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the allotment and issue of the Rights Shares.
- (iv) The new Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid prior to the relevant allotment date of the said new Shares.
- (v) As at the date of this AP, no person has been or is entitled to be given an option to subscribe for any securities, shares or debentures in our Company or our subsidiary companies.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:-

Article 104

The Directors shall be paid by way of fees for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine or failing agreement, equally PROVIDED THAT:

- (a) Fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) Salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover; and
- (c) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the general meeting.
- (d) The Directors shall also be paid such travelling, hotel or other expenses as may reasonably be incurred by them in the execution of their duties including such expenses incurred in connection with their attendance at meeting of Directors.
- (e) If by arrangement with the other Directors any Director shall perform or render any duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration, provided that any extra remuneration payable to a:

- (i) non-executive Director shall not include a commission on or percentage of profits or of turnover; and
- (ii) executive Director shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within two (2) years immediately preceding the date of this AP:-

- (i) On 18 August 2011, JTB (as Purchaser) entered into a Share Sale Agreement with Ng Keng Hoe, Lai Shin Lin, Kua Jin Guang @ Kau Kam Eng, Lock Toh Peng (as Vendors) for the acquisition of 1,500,000 shares in Able Dairies with the purchase consideration of RM31,000,000 to be satisfied by cash amounting to RM27,000,000 and the issuance of 4,000,000 new ordinary shares of RM1.00 each in JTB at an issue price of RM1.00 per JTB Share; and
- (ii) Unican (as Vendor) entered into a Sale and Purchase Agreement dated 29 June 2012 with Tong Tiing Huat and Lock Teck Yu (as Purchasers) for the disposal of a piece of land held under GM299 Lot No. 48 in the Mukim Pengkalan Raja for a cash disposal consideration of RM1,430,273.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, neither JTB nor its subsidiary companies have been engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of JTB and/ or its subsidiary companies and the Board has no knowledge of any proceedings pending or threatened against JTB and/ or its subsidiary companies or any fact likely to give rise to any proceeding which may materially and adversely affect the financial position of JTB Group:-

The suit was brought by General Containers Sdn Bhd ("GCSB" or "Plaintiff") against the former director of GCSB, Mr. Tan Chin Wah for breach of fiduciary duties and against JTF and Unican ("Defendants") for conspiring to divest GCSB of its vital assets, business, customers and goodwill vide its statement of claim dated 26 June 1997.

The amount claimed against Unican is for approximately RM463,002, an alleged monetary debt of RM2,000,000 and the cost of repair of a machinery "MAWAG KS 1 Slitter". The amount claimed against JTF is approximately RM638,416. There is also a claim for general damages that were not quantified by the Plaintiff.

The Johor Bahru High Court ("High Court") has made a judgment in favour of the Defendants on 29 October 2010 when the High Court dismissed the suit with costs.

GCSB has appealed against this decision to the Court of Appeal ("COA") and the COA has fixed the hearing date on 8 November 2012. The solicitors are of the opinion that there is a high probability that the appeal against the decision of the High Court will not be successful.

5. GENERAL

- (i) There is no existing or proposed service contract entered or to be entered into by JTB with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.
- (ii) The estimated expenses of this Rights Issue with Warrants is approximately RM500,000, all of which will be borne by our Company.
- (iii) Save as disclosed in Sections 6, 7, 10 of the main body of this AP and Section 7 of Appendix II of this AP and to the best knowledge of our Board, our financial condition and operations are not likely to be affected by any of the following:-
 - (a) material information including special trade factors or risks which are unlikely to be known or anticipated by the general public which could materially affect our profits;
 - (b) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - (c) material commitments for capital expenditure;
 - (d) unusual, infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;
 - (e) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on our Group's revenue or operating income; and
 - (f) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of our Adviser, Company Secretaries, Principal Bankers, Share Registrar, Bloomberg and Solicitors for the Rights Issue with Warrants to the inclusion in this AP of their names in the form and context in which they appear have been given before issuance of this AP and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this AP of its name and letters relating to the Auditors' Report on the audited consolidated financial statements of our Group as at 31 December 2011, Reporting Accountants' letter on the proforma consolidated statements of financial position of our Group as at 31 December 2011, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at the Registered Office of our Company at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this AP:-

- (i) our Memorandum and Articles of Association;

APPENDIX VII

- (ii) our audited consolidated financial statements for the past two (2) FYE 31 December 2010 and 31 December 2011;
- (iii) our unaudited consolidated results for the six (6) months FPE 30 June 2012;
- (iv) the proforma consolidated statements of financial position of our Group as at 31 December 2011 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix III** of this AP;
- (v) the Deed Poll dated 10 October 2012 constituting the Warrants;
- (vi) the Directors' Report as set out in **Appendix VI** of this AP;
- (vii) the material contracts referred to in **Section 3** of this Appendix;
- (viii) the relevant cause papers in respect of the material litigation as referred to in **Section 4** of this Appendix;
- (ix) the consent letters referred to in **Section 6** of this Appendix; and
- (x) the irrevocable undertaking letters from the parties as referred to in **Section 9** of the main body of this AP.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this AP together with its accompanying documents false or misleading.

OSK, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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