

Company No. 532570-V



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

QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

(UNAUDITED)

This Report is dated 29th August 2012.

Company No. 532570-V



JOHORE TIN BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

QUARTERLY REPORT

CONTENTS	PAGES
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Financial Information	6 - 17



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

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		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.

**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 RM'000	Food & Beverage RM'000	Total RM'000
30 June 2012			
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 RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
30 June 2012				
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	<u>42,483</u>	<u>11</u>	<u>(13,383)</u>	<u>29,111</u>

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	Preceding
	Year-To-Date	Year-To-Date
	30-06-2012	30-06-2011
	RM	RM
Director of the Company		
Rental of factory	8,400	8,400

	THE GROUP	
	Current	Preceding
	Year-To-Date	Year-To-Date
	30-06-2012	30-06-2011
	RM	RM
Related Company		
Sales of goods	943,911	312,030
Purchases of goods	29,440	36,800

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.



**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.

**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.



**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.



**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]