

Company No. 532570-V



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

**QUARTERLY REPORT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

**(UNAUDITED)**

**This Report is dated 20<sup>th</sup> November 2013.**

Company No. 532570-V



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

## **QUARTERLY REPORT**

<b>CONTENTS</b>	<b>PAGES</b>
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 THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30-09-2013 RM'000	Preceding Year Corresponding Quarter 30-09-2012 RM'000	Current Year- To-Date 30-09-2013 RM'000	Preceding Year- To-Date 30-09-2012 RM'000
<b>REVENUE</b>		<b>63,473</b>	<b>64,746</b>	<b>176,807</b>	<b>180,434</b>
Cost of Sales		(49,774)	(50,672)	(136,426)	(144,812)
<b>GROSS PROFIT</b>		<b>13,699</b>	<b>14,074</b>	<b>40,381</b>	<b>35,622</b>
Other income		217	1,391	1,011	2,252
Administrative expenses		(2,483)	(3,184)	(10,190)	(8,397)
Distribution expenses		(2,266)	(2,701)	(6,723)	(6,825)
Other expenses		(688)	424	(1,238)	(853)
Finance costs		(312)	(397)	(1,021)	(1,519)
<b>PROFIT BEFORE TAX</b>		<b>8,167</b>	<b>9,607</b>	<b>22,220</b>	<b>20,280</b>
Income tax expense	B7	(2,673)	(1,811)	(5,498)	(3,618)
<b>PROFIT FOR THE PERIOD</b>		<b>5,494</b>	<b>7,796</b>	<b>16,722</b>	<b>16,662</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		(97)	(39)	(90)	(66)
<b>Total other comprehensive income for the period</b>		<b>(97)</b>	<b>(39)</b>	<b>(90)</b>	<b>(66)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	B8	<b>5,397</b>	<b>7,757</b>	<b>16,632</b>	<b>16,596</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		5,530	7,796	16,773	16,662
Non-controlling interest		(36)	-	(51)	-
		<u>5,494</u>	<u>7,796</u>	<u>16,722</u>	<u>16,662</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		5,433	7,757	16,683	16,596
Non-controlling interest		(36)	-	(51)	-
		<u>5,397</u>	<u>7,757</u>	<u>16,632</u>	<u>16,596</u>
Earnings per share (Sen):					
- Basic and Diluted	B9	5.89	11.14	17.92	23.81

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

NOTE	As at 30 September 2013 (Unaudited) RM'000	As at 31 December 2012 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	60,936	58,095
Assets in progress	-	-
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	71,603	68,762
<b>Current Assets</b>		
Inventories	57,139	49,719
Trade receivables	39,458	42,922
Other receivables	11,260	3,529
Amount owing from related companies	2,448	1,532
Tax recoverable	1,484	2,220
Derivative financial assets	-	25
Cash and cash equivalents	39,955	49,784
	151,744	149,731
<b>Total Assets</b>	<b>223,347</b>	<b>218,493</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Share Capital and Reserves</b>		
Share capital	93,305	93,305
Retained earnings	65,246	52,392
Other components of equity	10,084	10,174
<b>Equity Attributable to Owners of the Company</b>	<b>168,634</b>	<b>155,871</b>
Non-controlling interest	(51)	-
<b>Total Equity</b>	<b>168,584</b>	<b>155,871</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

	NOTE	As at 30 September 2013 (Unaudited) RM'000	As at 31 December 2012 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES (cont'd)</u></b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	<b>B13</b>	11,162	12,828
Contingent consideration	<b>A9</b>	-	-
Retirement benefits		369	335
Deferred tax		4,475	4,007
<b>Total Non-Current Liabilities</b>		<b>16,006</b>	<b>17,170</b>
<b>Current Liabilities</b>			
Trade payables		12,145	10,083
Other payables		5,376	7,022
Amount owing to directors		851	764
Short-term borrowings	<b>B13</b>	18,033	21,614
Derivative financial liabilities	<b>B11</b>	256	-
Contingent consideration	<b>A9</b>	-	4,647
Income tax		2,096	1,164
Bank overdraft		-	158
<b>Total Current Liabilities</b>		<b>38,757</b>	<b>45,452</b>
<b>Total Liabilities</b>		<b>54,763</b>	<b>62,622</b>
<b>Total Equity and Liabilities</b>		<b>223,347</b>	<b>218,493</b>
Net Assets (NA) per share attributable to ordinary equity holders (RM)		1.81	1.67

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

Note	<u>Non-Distributable Reserves</u>			<u>Distributable</u>		Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium Reserve RM'000	Warrants Reserve RM'000	Foreign Translation Reserve RM'000	Retained Earnings RM'000			
<b>Balance at 1 January 2013</b>	93,305	5,528	5,233	(587)	52,392	155,871	-	155,871
Acquisition of new subsidiary <b>B14</b>	-	-	-	-	-	-	0	0
Total comprehensive income for the period	-	-	-	(90)	16,773	16,683	(51)	16,632
Dividend	-	-	-	-	(3,919)	(3,919)	-	(3,919)
<b>Balance at 30 September 2013</b>	<b>93,305</b>	<b>5,528</b>	<b>5,233</b>	<b>(677)</b>	<b>65,246</b>	<b>168,635</b>	<b>(51)</b>	<b>168,584</b>
<b>Balance at 1 January 2012</b>	<b>69,979</b>	<b>4,600</b>	<b>-</b>	<b>(513)</b>	<b>32,160</b>	<b>106,226</b>	<b>-</b>	<b>106,226</b>
Total comprehensive income for the period	-	-	-	(66)	16,662	16,596	-	16,596
Dividend	-	-	-	-	(2,659)	(2,659)	-	(2,659)
<b>Balance at 30 September 2012</b>	<b>69,979</b>	<b>4,600</b>	<b>-</b>	<b>(579)</b>	<b>46,163</b>	<b>120,163</b>	<b>-</b>	<b>120,163</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-09-2013 RM'000	Preceding Year-To-Date 30-09-2012 RM'000
Net cash from operating activities	<b>B16</b>	11,446	12,339
Net cash used in investing activities	<b>B16</b>	(10,800)	(4,323)
Net cash used in financing activities	<b>B16</b>	(10,154)	(15,723)
Net decrease in cash and cash equivalents		(9,508)	(7,707)
Adjustment for foreign exchange differentials		(163)	(132)
Cash and cash equivalents as of beginning of period		49,626	29,518
Cash and cash equivalents as of end of period		39,955	21,679

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

	Current Year-To-Date 30-09-2013 RM'000	Preceding Year-To-Date 30-09-2012 RM'000
Cash and bank balances	39,955	21,679
Bank overdraft	-	-
	39,955	21,679

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes to the quarterly report.**



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

---

**PART A**

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

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the third quarter ended 30 September 2013 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 2012.

These condensed consolidated interim financial statements are prepared under historical cost convention, which are in compliance with MFRSs and the requirements of the Companies Act 1965 in Malaysia. These are the Group’s first set of condensed interim financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2012.

*a) The Group has not applied in advance the following applicable new/revised accounting standards (“MFRSs”) and Issues Committee Interpretations (including consequential amendments) (“IC Int.) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:*

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
MFRS 9 <i>Business Combinations</i>	1 January 2015
MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13 <i>Fair Value Measurement</i>	1 January 2013
MFRS 119 <i>Employee Benefits</i>	1 January 2013
MFRS 127 <i>Separate Financial Statements</i>	1 January 2013
Amendments to MFRS 7 <i>Disclosures-Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRS 9 <i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12 <i>Transition Guidance</i>	1 January 2013
Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Annual Improvements to MFRSs 2009 - 2011 Cycle	1 January 2013

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



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

**A3. Audit Qualification**

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2012.

**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. Dividend Paid**

The final single-tier dividend of 4.2% (31.12.2011: 3.8%), amounting to RM3,918,824 (31.12.2011: RM2,659,202), in respect of the financial year ended 31 December 2012, was paid on 29 July 2013 to the depositors registered in the Record of Depositors at the close of business on 5 July 2013.

**A8. Debt and Equity Securities**

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

**A9. Subsequent Material Events**

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

**A10. Contingent Consideration**

	<b>THE COMPANY</b>	
	<b>As at 30-09-2013 RM'000</b>	<b>As at 31-12-2012 RM'000</b>
Current portion	-	4,647
Non-current portion	-	-
	-	4,647

The contingent consideration represents the fair value of the outstanding purchase consideration ("outstanding") payable to the vendors of a subsidiary which was acquired during the financial year. The outstanding is contingent upon the achievement of profits guarantee for the financial year ended/ending 31 December 2011 and 2012. The outstanding shall be reduced in the event if the profit guarantee amount has not been received by the acquired subsidiary for the abovementioned financial years. (Also, please refer to B5 for further information)

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**
**A11. Contingent Liabilities**

	<b>THE COMPANY</b>	
	<b>As at 30-09-2013 RM'000</b>	<b>As at 31-12-2012 RM'000</b>
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	29,825	20,961

**A12. 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) Investment Holdings | <i>Investment holding and provision of management services.</i>      |
| 2) Tin Manufacturing   | <i>Manufacturing of various tins, cans and other containers.</i>     |
| 3) Food and Beverage   | <i>Manufacturing and selling of milk and related dairy products.</i> |

<b>THE GROUP</b>	<b>Investment Holding RM'000</b>	<b>Tin Manufacturing RM'000</b>	<b>Food &amp; Beverage RM'000</b>	<b>Total RM'000</b>
<b><u>30 September 2013</u></b>				
External revenue	-	63,435	113,372	176,807
Inter-segment revenue	-	13,636	-	13,636
Dividend income	8,644	-	-	8,644
Management income	-	-	-	-
Total revenue	8,644	77,071	113,372	199,087
Reportable segment profit	(900)	8,244	9,378	16,722
Reportable segment assets	18,083	124,968	80,296	223,347

<b>THE GROUP</b>	<b>Investment Holding RM'000</b>	<b>Tin Manufacturing RM'000</b>	<b>Food &amp; Beverage RM'000</b>	<b>Total RM'000</b>
<b><u>30 September 2012</u></b>				
External revenue	-	50,881	120,884	171,765
Inter-segment revenue	-	22,680	-	22,680
Dividend income	8,669	-	-	8,669
Management income	-	-	-	-
Total revenue	8,669	73,561	120,884	203,114
Reportable segment profit	(1,583)	7,163	11,082	16,662
Reportable segment assets	11,883	108,296	59,177	179,356

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**
**A12. Segmental Reporting (Cont'd)**
**b) Geographical Segments**

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

<b>THE GROUP 30 September 2013</b>	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External revenue	176,807	-	-	176,807
Inter-segment revenue	13,636	-	(13,636)	-
Dividend income	8,644	-	(8,644)	-
Management income	-	-	-	-
Total revenue	199,087	-	(22,280)	176,807
Segment results	31,909	(22)	(8,646)	23,241
Finance costs	(1,021)	-	-	(1,021)
Profit before tax	30,888	(22)	(8,646)	22,220
Tax expense				(5,498)
Net profit for the period				16,722
<b>Other Information:</b>				
Capital expenditure	6,929	-	-	6,929
Depreciation and amortisation	3,782	3	-	3,785
Segment assets	349,749	699	(127,101)	223,347
Segment liabilities	74,849	7	(20,093)	54,763

<b>THE GROUP 30 September 2012</b>	<b>Malaysia RM'000</b>	<b>Indonesia RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External revenue	171,765	-	-	171,765
Inter-segment revenue	22,680	-	(22,680)	-
Dividend income	8,669	-	(8,669)	-
Management income	-	-	-	-
Total revenue	203,114	-	(31,349)	171,765
Segment results	30,678	(35)	(9,092)	21,551
Finance costs	(1,277)	6	-	(1,271)
Profit before tax	29,401	(29)	(9,092)	20,280
Tax expense				(3,618)
Net profit for the period				16,662
<b>Other Information:</b>				
Capital expenditure	2,511	-	-	2,511
Depreciation and amortisation	3,506	8	(1)	3,513
Segment assets	296,213	814	(117,671)	179,356
Segment liabilities	82,149	5	(22,961)	59,193

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

**A13. 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.

**A14. Related Party Transactions**

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

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 30-09-2013 RM</b>	<b>Preceding Year-To-Date 30-09-2012 RM</b>
<b>Director of the Company</b>		
Rental of factory	12,600	12,600

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 30-09-2013 RM</b>	<b>Preceding Year-To-Date 30-09-2012 RM</b>
<b>Related Company</b>		
Sales of goods	3,356,270	1,364,648
Purchases of goods	957,202	29,440

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 until 14 November 2013.

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

[End of Part A]

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

---

**PART B**

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

**B1. Review of Group Performance**

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

The Group has recorded a revenue of RM63.473 million and profit before tax of RM8.167 million for the third quarter itself as compared to preceding year corresponding quarter of RM64.746 million and RM9.607 million respectively. A decrease in revenue of RM1.273 million as compared to the 3<sup>rd</sup> quarter of the preceding year due to demand decreases in various industries. As a result, profit before tax decreased by RM1.44 million.

For the tin manufacturing industry, the revenue increased by RM2.356 million to RM20.195 million due to demand increase in edible oil industry. However, profit before tax was decreased by RM1.45 million to RM3.125 million due to increases in operating costs and reversal of provision for doubtful debts in previous year's quarter.

As for the Food and Beverage ("F&B") industry, the revenue decreased by RM3.63 million to RM43.277 million. The profit before tax, however, decreased marginally by RM0.372 million to RM5.316 million. Overall, the demand & cost of production are well-maintained as compared to preceding year corresponding quarter.

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

The Group has recorded a revenue of RM176.807 million and profit before tax of RM22.22 million for the 9 months period ended 30 September 2013 as compared to preceding year-to-date of RM180.434 million and RM20.279 million respectively. Despite a minor reduction in revenue of RM3.627 million as compared to the period of the preceding year, profit before tax increased by RM1.941 million, as the Group managed to take advantage of the higher efficiency in its operations during this quarter.

For the tin manufacturing industry, the revenue increased by RM3.885 million to RM63.435 million due to higher demand in biscuit and edible oil industries, while the profit before tax increased by RM1.885 to RM11.07 million due to the increased revenue.

As for the F&B industry, the revenue decreased by RM7.512 million to RM113.372 million mainly due to lower demand in the dairy market. Profit before tax increased marginally by RM0.073 million to RM12.05 million due to higher efficiency in its operations.

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

For the current quarter under review, the Group's profit before tax increased by RM0.403 million to RM8.167 million as compared to RM7.764 million in the preceding quarter ended 30 June 2013.

***a) Tin Manufacturing Industry***

The slight decrease in profit before tax of RM0.95 million to RM3.125 million due to gain on disposal of assets in previous year.

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

The increase in profit before tax of RM1.245 million to RM5.316 million was mainly due to demand increases for the current quarter under review as compared to preceding quarter.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**
**B3. Prospects of the Group**
**a) Tin Manufacturing Industry**

Raw materials prices are expected to increase marginally in the near-term. However, demand is expected to maintain and remain stable.

The Group will continue to maintain its profitability for the year of 2013 despite a challenging global economic situation.

**b) F&B Industry**

Although the milk powder prices have slight fluctuation, we do not foresee any significant changes of the prices in the near future.

The demand for the year 2013 is expected to be strong and this segment will continue to be profitable.

**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 (the "profit guarantee") of not less than RM7 million for the financial year ended 31 December 2011 and RM10 million for the financial year ended 31 December 2012, of which the Vendor has been paid RM5 million (2011: RM3.5 million) for the current financial reporting period under review.

**B6. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

The Company has increased its share capital by 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share, amounting to RM29,857,706.24 from the Rights Issue.

The status of the utilisation of proceeds as at 30 September 2013 are summarised as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation	Utilisation	Timeframe	RM'000	%
	RM'000	RM'000	(Within)		
i) Purchase of land and construction of new warehouse and factory	15,000	5,000	18 months	10,000	66.67
ii) Purchase of machineries and equipment	8,000	7,303	18 months	697	8.71
iii) Upgrading works	1,500	-	18 months	1,500	100.00
iv) Working capital	4,857	3,925	12 months	932	19.19
v) Rights issue expenses	500	500	1 month	-	0.00
	<u>29,857</u>	<u>16,728</u>		<u>13,129</u>	<u>43.97</u>

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**
**B7. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	30-09-2013 RM'000	30-09-2012 RM'000	30-09-2013 RM'000	30-09-2012 RM'000
Current year:				
- Income tax	3,302	1,226	5,028	2,829
- Deferred tax	(630)	608	469	812
	<u>2,672</u>	<u>1,834</u>	<u>5,497</u>	<u>3,641</u>
Under/(Over) provision in previous year:				
- Income tax	1	(23)	1	(23)
- Deferred tax	-	-	-	-
	<u>2,673</u>	<u>1,811</u>	<u>5,498</u>	<u>3,618</u>

**B8. Notes to the Statement of Comprehensive Income**

Included in the Statement of Comprehensive Income are as follows:

	Individual Quarter		Cumulative Quarter	
	30-09-2013 RM'000	30-09-2012 RM'000	30-09-2013 RM'000	30-09-2012 RM'000
Interest income	(186)	(49)	(613)	(248)
Other income	(31)	(1,342)	(398)	(2,004)
Interest expense	312	397	1,021	1,519
Depreciation and amortisation	1,294	1,191	3,785	3,513
(Gain)/Loss on disposal of property, plant and equipment	1	(960)	(114)	(976)
Foreign exchange (gain)/loss	919	(100)	944	(274)
(Gain)/Loss on derivatives	(98)	(654)	256	197
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	
	30-09-2013	30-09-2012	30-09-2013	30-09-2012
Profit for the period (RM'000)	<u>5,494</u>	<u>7,796</u>	<u>16,722</u>	<u>16,662</u>
Weighted average number of ordinary shares ('000 shares):				
At beginning of the period	93,305	69,979	93,305	69,979
Effect on ordinary shares issued	-	-	-	-
At end of the period	<u>93,305</u>	<u>69,979</u>	<u>93,305</u>	<u>69,979</u>
<b>Basic and Diluted EPS (Sen)</b>	<u>5.89</u>	<u>11.14</u>	<u>17.92</u>	<u>23.81</u>

For the financial reporting period under review, the outstanding warrants does not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**
**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:

	<b>THE GROUP</b>	
	<b>As at 30-09-2013 RM'000</b>	<b>As at 31-12-2012 RM'000</b>
Total retained earnings (Company and its subsidiaries)		
- realised	149,491	136,559
- unrealised	(4,814)	(4,687)
	144,677	131,872
Less: Consolidation adjustments	(79,431)	(79,480)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	65,246	52,392

**B11. Derivative Financial Instruments**

As at 30 September 2013, 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:

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 30-09-2013 RM'000</b>	<b>As at 31-12-2012 RM'000</b>
<b>Forward Contracts (US Dollar)</b>		
Fair Value	17,585	7,973
Less: Contract/Notional Value	17,329	7,998
Gain/(Loss) on Fair Value Changes	(256)	25

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 THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

**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 30-09-2013 RM'000	As at 31-12-2012 RM'000	As at 30-09-2013 RM'000	As at 31-12-2012 RM'000
<b>Current portion (secured):</b>				
Term loans	1,433	1,428	1,906	2,128
Bankers' acceptance	-	-	10,705	13,925
Revolving credit	5,000	5,000	5,000	5,000
Hire purchase payables (see Note B13 below)	-	-	422	561
	<u>6,433</u>	<u>6,428</u>	<u>18,033</u>	<u>21,614</u>
<b>Non-current portion (secured):</b>				
Term loans	5,977	7,059	10,669	12,121
Hire purchase payables (see Note B13 below)	-	-	493	707
	<u>5,977</u>	<u>7,059</u>	<u>11,162</u>	<u>12,828</u>
<b>Total loan and borrowings</b>	<u>12,410</u>	<u>13,487</u>	<u>29,195</u>	<u>34,442</u>

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 30-09-2013 RM'000	As at 31-12-2012 RM'000
Minimum hire purchase payments	979	1,357
Less: Future finance charges	(64)	(89)
Present value of hire purchase payables	915	1,268
Less: Current portion (see Note B12 above)	(422)	(561)
Non-current portion (see Note B12 above)	<u>493</u>	<u>707</u>

**B14. Acquisition of Subsidiary**

On 1 February 2013, the Company has incorporated a 80% owned subsidiary, Able Food Sdn Bhd, a company incorporated in Malaysia, comprising 100 issued and fully paid up capital of RM1.00 each at par, for total cash consideration of RM100.00.



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

**B15. Warrants Reserve**

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

	<b>THE GROUP</b>	
	<b>As at 30-09-2013 RM'000</b>	<b>As at 31-12-2012 RM'000</b>
Balance at 1 January 2013/2012	28,487	-
Arising from rights issue with warrants	-	29,857
Applied for warrants issue expenses	-	(370)
Balance at 31 December 2013/2012	28,487	28,487

As at the end of the reporting period under review, no warrants have been exercised.

**B16. Notes to the Condensed Consolidated Statement of Cash Flows**

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

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 30-09-2013 RM'000</b>	<b>Preceding Year-To-Date 30-09-2012 RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
(Decrease)/Increase in inventories	(7,419)	3,246
Decrease in trade and other receivables	(4,332)	(1,000)
Decrease in trade and other payables	715	171
Income tax paid	(4,370)	(4,021)
Income tax refund	1,009	334
<b>b) Cash Flows used in Investing Activities</b>		
Payment of contingent consideration	(5,000)	(3,500)
Proceeds from disposal of property, plant and equipment	417	-
Purchase of property, plant and equipment	(6,829)	(2,511)
<b>c) Cash Flows used in Financing Activities</b>		
Dividend paid	(3,919)	(2,659)
Net (repayment)/drawdown of bankers' acceptance	(3,167)	(9,480)
Repayment of term loan	(1,674)	(2,574)
Repayment of hire purchase payables	(455)	(251)



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED) (cont'd)**

---

**B17. Proposed Dividend**

During the financial reporting period under review, the Board of Directors has declared a single-tier First Interim Dividend of 3%, amounting to RM2,799,160, in respect of the financial year ending 31 December 2013.

The payment date and entitlement date of the First Interim Dividend will be determined at a later date.

**B18. 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 the subsidiaries of the Company, Johore Tin Factory Sendirian Berhad and Unican Industries Sdn Bhd (“Defendants”) for conspiring to divest GCSB of its vital assets and business. A judgment was ruled in favour of the Defendants by the Johor Bahru High Court (“High Court”) on 29 October 2010 when the High Court dismissed the suit with costs.

GCSB has appealed against this decision to the Court of Appeal and was dismissed with costs on 8 November 2012. Subsequently, GCSB has applied for leave to appeal to the Federal Court on 9 September 2013, by a panel of five (5) Federal Court Judges, and the application was dismissed with costs to the Defendants (“the wholly-owned subsidiaries of the Company”).

As a result, GCSB will not be able to appeal any further on this matter.

Other than the above, there were no pending material litigations since the date of last audited annual statement of financial position.

**B19. 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 20 November 2013.

[End of Report]