

Company No. 532570-V



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

QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

(UNAUDITED)

This Report is dated 21st May 2014.

Company No. 532570-V



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

QUARTERLY REPORT

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 31-03-2014 RM'000	Preceding Year Corresponding Quarter 31-03-2013 RM'000	Current Year- To-Date 31-03-2014 RM'000	Preceding Year- To-Date 31-03-2013 RM'000
REVENUE		61,454	51,794	61,454	51,794
Cost of Sales		(48,109)	(40,184)	(48,109)	(40,184)
GROSS PROFIT		13,345	11,610	13,345	11,610
Other income		261	495	261	495
Administrative expenses		(3,408)	(3,325)	(3,408)	(3,325)
Distribution expenses		(2,015)	(2,023)	(2,015)	(2,023)
Other expenses		(309)	(161)	(309)	(161)
Finance costs		(249)	(307)	(249)	(307)
PROFIT BEFORE TAX		7,625	6,289	7,625	6,289
Income tax expense	B7	(2,546)	(721)	(2,546)	(721)
PROFIT FOR THE PERIOD		5,079	5,568	5,079	5,568
Non-controlling interest		(3)	4	(3)	4
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		5,076	5,572	5,076	5,572
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		56	2	56	2
Total other comprehensive income for the period		56	2	56	2
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B8	5,132	5,574	5,132	5,574
Profit after tax attributable to:					
Owners of the Company		5,076	5,572	5,076	5,572
Non-controlling interest		3	(4)	3	(4)
		<u>5,079</u>	<u>5,568</u>	<u>5,079</u>	<u>5,568</u>
Total comprehensive income attributable to:					
Owners of the Company		5,132	5,574	5,132	5,574
Non-controlling interest		3	(4)	3	(4)
		<u>5,135</u>	<u>5,570</u>	<u>5,135</u>	<u>5,570</u>
Earnings per share (sen):					
- Basic and Diluted	B9	5.44	5.97	5.44	5.97

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2014 (UNAUDITED)**

	NOTE	As at 31 March 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment		75,633	76,707
Investment properties		1,634	1,638
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		87,934	89,012
Current Assets			
Inventories		63,096	58,266
Trade receivables		38,463	39,897
Other receivables		3,486	1,426
Amount owing from related companies		1,884	1,476
Tax recoverable		1,813	2,850
Derivative financial assets	B11	-	-
Cash and cash equivalents		40,480	38,266
		149,222	142,181
Total Assets		237,156	213,193
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Share capital		93,305	93,305
Retained earnings	B10	71,342	66,266
Other components of equity		10,104	10,048
Equity Attributable to Owners of the Company		174,751	169,619
Non-controlling interest		131	128
Total Equity		174,882	169,747

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2014 (UNAUDITED) (cont'd)**

	NOTE	As at 31 March 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
<u>EQUITY AND LIABILITIES (cont'd)</u>			
Non-Current Liabilities			
Long-term borrowings	B12	14,093	15,563
Retirement benefits		362	301
Deferred tax		5,577	5,213
Total Non-Current Liabilities		20,032	21,077
Current Liabilities			
Trade payables		13,624	10,248
Other payables		5,510	7,299
Amount owing to directors		832	713
Short-term borrowings	B12	20,199	20,250
Derivative financial liabilities	B11	100	166
Income tax		1,977	1,693
Total Current Liabilities		42,242	40,369
Total Liabilities		62,274	61,446
Total Equity and Liabilities		237,156	213,193
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		1.87	1.82

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (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			
Balance at 1 January 2014	93,305	5,528	5,233	(713)	66,266	169,619	128	169,747
Total comprehensive income for the period	-	-	-	56	5,076	5,132	3	5,135
Dividend	-	-	-	-	-	-	-	-
Balance at 31 March 2014	<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(657)</u>	<u>71,342</u>	<u>174,751</u>	<u>131</u>	<u>174,882</u>
Balance at 1 January 2013	93,305	5,528	5,233	(587)	52,392	155,871	-	155,871
Acquisition of new subsidiary	-	-	-	-	-	-	0	0
Total comprehensive income for the period	-	-	-	2	5,572	5,574	(4)	5,570
Dividend	-	-	-	-	-	-	-	-
Balance at 31 March 2013	<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(585)</u>	<u>57,964</u>	<u>161,445</u>	<u>(4)</u>	<u>161,441</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-03-2014 RM'000	Preceding Year-To-Date 31-03-2013 RM'000
Net cash from operating activities	B15	4,388	4,600
Net cash used in investing activities	B15	(522)	(2,159)
Net cash used in financing activities	B15	(1,642)	(3,766)
Net increase/(decrease) in cash and cash equivalents		2,224	(1,325)
Adjustment for foreign exchange differentials		(125)	(71)
Cash and cash equivalents as of beginning of period		38,381	49,626
Cash and cash equivalents as of end of period		40,480	48,230

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

	Current Year-To-Date 31-03-2014 RM'000	Preceding Year-To-Date 31-03-2013 RM'000
Cash and bank balances	40,480	48,946
Bank overdraft	-	(716)
	40,480	48,230

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (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 first quarter ended 31 March 2014 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 2013.

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 2013.

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:

MFRS and IC Interpretations	Effective Date
MFRS 9 <i>Financial Instruments (2009)</i>	1 January 2015
MFRS 9 <i>Financial Instruments (2010)</i>	1 January 2015
Amendments to MFRS 9 <i>Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2015
Amendments to MFRS 10 <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to MFRS 12 <i>Disclosure of Interests in Other Entities: Investment Entities</i>	1 January 2014
Amendments to MFRS 127 <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to MFRS 132 <i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136 <i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139 <i>Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

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 FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

- A3. Audit Qualification**
There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2013.
- 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**
There was no dividend paid during the financial reporting period under review.
- 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 Liabilities**

	THE COMPANY	
	As at	As at
	31-03-2014	31-12-2013
	RM'000	RM'000
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	20,875	29,915

- 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.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

A12. Segmental Reporting

a) Operating Segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- | | |
|-----------------------|--|
| 1) Investment Holding | <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> |

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Total
31 March 2014	RM'000	RM'000	RM'000	RM'000
External revenue	-	21,526	39,928	61,454
Inter-segment revenue	-	3,579	4,357	7,936
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	-	25,105	44,285	69,390
Reportable segment profit	(268)	3,402	4,492	7,626
Reportable segment assets	14,076	133,698	89,382	237,156

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Total
31 March 2013	RM'000	RM'000	RM'000	RM'000
External revenue	-	21,385	30,409	51,794
Inter-segment revenue	-	5,147	-	5,147
Dividend income	1,015	-	-	1,015
Management income	-	-	-	-
Total revenue	1,015	26,532	30,409	57,956
Reportable segment profit	(244)	3,263	2,549	5,568
Reportable segment assets	22,749	124,142	72,291	219,182

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**
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.

THE GROUP 31 March 2014	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	61,454	-	-	61,454
Inter-segment revenue	7,936	-	(7,936)	-
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	69,390	-	(7,936)	61,454
Segment results	7,824	(10)	60	7,874
Finance costs	(249)	-	-	(249)
Profit before tax	7,575	(10)	60	7,625
Tax expense				(2,546)
Net profit for the period				5,079
Other Information:				
Capital expenditure	642	-	-	642
Depreciation and amortisation	1,721	-	(1)	1,720
Segment assets	374,852	710	(138,406)	237,156
Segment liabilities	89,700	8	(26,344)	63,364

THE GROUP 31 March 2013	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	51,794	-	-	51,794
Inter-segment revenue	5,147	-	(5,147)	-
Dividend income	1,015	-	(1,015)	-
Management income	-	-	-	-
Total revenue	57,956	-	(6,162)	51,794
Segment results	7,605	(12)	(997)	6,596
Finance costs	(307)	-	-	(307)
Profit before tax	7,298	(12)	(997)	6,289
Tax expense				(721)
Net profit for the period				5,568
Other Information:				
Capital expenditure	2,472	-	-	2,472
Depreciation and amortisation	1,232	2	-	1,234
Segment assets	338,195	814	(119,827)	219,182
Segment liabilities	74,829	15	(17,103)	57,741

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

A13. Related Party Transactions

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

	THE GROUP	
	Current Year-To-Date 31-03-2014 RM	Preceding Year-To-Date 31-03-2013 RM
Director of the Company		
Rental of factory	4,200	4,200

	THE GROUP	
	Current Year-To-Date 31-03-2014 RM	Preceding Year-To-Date 31-03-2013 RM
Related Company		
Sales of goods	1,324,800	1,017,005
Purchases of goods	-	54,621

The tenancy period was mutually agreed by both parties for a period of two years and expired on 14 November 2013, which was subsequently renewed on 15 November 2013 for another period of two years until 14 November 2015.

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 FIRST QUARTER ENDED 31 MARCH 2014 (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 recorded a revenue of RM61.45 million and profit before tax of RM7.63 million for the first quarter as compared to preceding year corresponding quarter of RM51.79 million and RM6.29 million respectively. The Group achieved an increase in revenue of RM9.66 million as compared to the first quarter of the preceding year due to increased demand in food & beverage segments. As a result, profit before tax increased by RM1.34 million due to higher revenue.

For the tin manufacturing segment, revenue decreased by RM3.21 million to RM18.18 million due to lower demand in paint and pineapple industries. Profit before tax had decreased marginally by RM0.47 million to RM3.4 million mainly due to foreign exchange differences.

As for the Food and Beverage (“F&B”) segment, revenue increased by RM12.87 million to RM43.28 million, mainly due to higher demand and contribution of revenue from the subsidiary acquired last year. Profit before tax increased by RM1.83 million to RM4.49 million in correspondence to the higher revenue and to the control of the cost of production.

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

The Group has recorded a revenue of RM61.45 million and profit before tax of RM7.63 million for the 3 months’ period ended 31 March 2014 as compared to preceding year-to-date of RM51.79 million and RM6.29 million respectively. The Group achieved an increase in revenue of RM9.66 million as compared to preceding year-to-date due to increased demand in food & beverage segments. As a result, profit before tax increased by RM1.34 million due to higher revenue.

For the tin manufacturing industry, revenue decreased by RM3.21 million to RM18.18 million due to lower demand in paint and pineapple industries. Profit before tax had decreased marginally by RM0.47 million to RM3.4 million mainly due to foreign exchange differences.

As for the Food and Beverage (“F&B”) segment, revenue increased by RM12.87 million to RM43.28 million, mainly due to higher demand and contribution of revenue from the subsidiary acquired last year. Profit before tax increased by RM1.83 million to RM4.49 million in correspondence to the higher revenue and to the control of the cost of production.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group’s profit before tax increased by RM2.7 million to RM7.63 million as compared to RM4.93 million in the preceding quarter ended 31 December 2013.

a) Tin Manufacturing Industry

The increases in profit before tax of RM1.13 million to RM3.4 million were mainly due to foreign exchange differences and decrease in administrative expenses.

b) F&B Industry

The increase in profit before tax of RM1.18 million to RM4.49 million was mainly due to demand increase and the revenue contribution from the subsidiary acquired last year.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

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.

With the stable market demand, profitability is expected to remain constant.

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.

Demand is expected to remain strong but we foresee a very competitive market for our F&B businesses. This segment will be continue to be profitable with a slightly lower margin.

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 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 on 27 November 2012.

The status of the utilisation of proceeds from the rights issue as at 31 March 2014 are summarised as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe (Within)	Deviation	
				RM'000	%
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	8,000	18 months	-	-
iii) Upgrading works	1,500	886	18 months	614	40.94
iv) Working capital	4,857	4,323	12 months	534	11.00
v) Rights issue expenses	500	500	1 month	-	-
	29,857	18,709		11,148	37.34



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

B7. Tax Expense

	Individual Quarter		Cumulative Quarter	
	31-03-2014 RM'000	31-03-2013 RM'000	31-03-2014 RM'000	31-03-2013 RM'000
Current year:				
- Income tax	2,182	998	2,182	998
- Deferred tax	364	(277)	364	(277)
	<u>2,546</u>	<u>721</u>	<u>2,546</u>	<u>721</u>
Under/(Over) provision in previous year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>2,546</u>	<u>721</u>	<u>2,546</u>	<u>721</u>

B8. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2014 RM'000	31-03-2013 RM'000	31-03-2014 RM'000	31-03-2013 RM'000
Interest income	(120)	(203)	(120)	(203)
Other income	(75)	(293)	(75)	(293)
Interest expense	249	307	249	307
Depreciation and amortisation	1,720	1,234	1,720	1,234
(Gain)/Loss on disposal of property, plant and equipment	-	(4)	-	(4)
Foreign exchange (gain)/loss	271	(45)	271	(45)
(Gain)/Loss on derivatives	(66)	(41)	(66)	(41)
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	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Profit for the period (RM'000)	<u>5,076</u>	<u>5,568</u>	<u>5,076</u>	<u>5,568</u>
Weighted average number of ordinary shares ('000 shares):				
At beginning of the period	93,305	93,305	93,305	93,305
Effect on ordinary shares issued	-	-	-	-
At end of the period	<u>93,305</u>	<u>93,305</u>	<u>93,305</u>	<u>93,305</u>
Basic and Diluted EPS (Sen)	<u>5.44</u>	<u>5.97</u>	<u>5.44</u>	<u>5.97</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 FIRST QUARTER ENDED 31 MARCH 2014 (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 31-03-2014 RM'000	As at 31-12-2013 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	156,591	150,446
- unrealised	(5,848)	(5,125)
	150,743	145,321
Less: Consolidation adjustments	(79,401)	(79,055)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	71,342	66,266

B11. Derivative Financial Instruments

As at 31 March 2014, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates.

The details of the foreign currency forward contracts are as follows:

Type of Derivatives	THE GROUP	
	As at 31-03-2014 RM'000	As at 31-12-2013 RM'000
Forward Contracts (US Dollar)		
Fair Value	9,132	10,645
Less: Contract/Notional Value	9,032	10,479
Loss/(Gain) on Fair Value Changes	100	166

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 natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (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 31-03-2014 RM'000	As at 31-12-2013 RM'000	As at 31-03-2014 RM'000	As at 31-12-2013 RM'000
Current portion (secured):				
Term loans	1,433	1,428	1,917	1,893
Bankers' acceptance	-	-	10,211	10,454
Revolving credit	5,000	5,000	5,000	5,000
Hire purchase payables (see Note B13 below)	-	-	3,071	2,903
	<u>6,433</u>	<u>6,428</u>	<u>20,199</u>	<u>20,250</u>
Non-current portion (secured):				
Term loans	5,259	5,623	9,707	10,209
Hire purchase payables (see Note B13 below)	-	-	4,386	5,354
	<u>5,259</u>	<u>5,623</u>	<u>14,093</u>	<u>15,563</u>
Total loan and borrowings	<u>11,692</u>	<u>12,051</u>	<u>34,292</u>	<u>35,813</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 31-03-2014 RM'000	As at 31-12-2013 RM'000
Minimum hire purchase payments	7,506	8,317
Less: Future finance charges	(49)	(60)
Present value of hire purchase payables	<u>7,457</u>	<u>8,257</u>
Less: Current portion (see Note B12 above)	<u>(3,071)</u>	<u>(2,903)</u>
Non-current portion (see Note B12 above)	<u>4,386</u>	<u>5,354</u>



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

B14. Warrants Reserve

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

	THE GROUP	
	As at 31-03-2014 RM'000	As at 31-12-2013 RM'000
Balance at 1 January 2014/2013	28,487	28,487
Arising from rights issue with warrants	-	-
Applied for warrants issue expenses	-	-
Balance at 31 March 2014/2013	28,487	28,487

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

B15. Notes to the Condensed Consolidated Statement of Cash Flows

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

	THE GROUP	
	Current Year-To-Date 31-03-2014 RM'000	Preceding Year-To-Date 31-03-2013 RM'000
a) Cash Flows from Operating Activities		
Decrease in inventories	(4,819)	(498)
Decrease in trade and other receivables	(1,111)	(712)
Decrease/(Increase) in trade and other payables	1,654	(1,647)
Income tax paid	(1,851)	(1,250)
Income tax refund	1,000	1,002
	-	-
b) Cash Flows used in Investing Activities		
Proceeds from disposal of property, plant and equipment	-	111
Purchase of property, plant and equipment	(642)	(2,472)
	-	-
c) Cash Flows used in Financing Activities		
Dividend paid	-	-
Net repayment of bankers' acceptance	(115)	(2,632)
Repayment of term loan	(477)	(728)
Repayment of hire purchase payables	(801)	(157)
	-	-



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (UNAUDITED)**

B16. Proposed Dividend

During the financial reporting period under review, the Directors do not recommend any interim dividend for the financial period ended 31 March 2014.

The Board of Directors had recommended a proposed final single-tier dividend of 2.0%, amounting to RM1,866,106, in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The said proposed dividend, if approved, will be payable on 25 July 2014 to the depositors registered in the Record of Depositors at the close of business on 2 July 2013.

B17. Material Litigations

There were no pending material litigations since the date of last audited annual statement of financial position.

B18. Authorisation for Issue

The first quarter unaudited financial statements were authorised for issued by the Board of Directors in accordance to the Board of Directors meeting held on 21 May 2014.

[End of Report]