

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 2015

(UNAUDITED)

This Report is dated 29th May 2015.

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 2015 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 31-03-2015 RM'000	Preceding Year Corresponding Quarter 31-03-2014 RM'000	Current Year- To-Date 31-03-2015 RM'000	Preceding Year- To-Date 31-03-2014 RM'000
REVENUE		90,778	61,454	90,778	61,454
Cost of Sales		(76,205)	(48,109)	(76,205)	(48,109)
GROSS PROFIT		14,573	13,345	14,573	13,345
Other income		3,670	261	3,670	261
Administrative expenses		(2,966)	(3,408)	(2,966)	(3,408)
Distribution expenses		(3,599)	(2,015)	(3,599)	(2,015)
Other expenses		(5,156)	(309)	(5,156)	(309)
Finance costs		(407)	(249)	(407)	(249)
PROFIT BEFORE TAX		6,115	7,625	6,115	7,625
Income tax expense	B6	(1,391)	(2,546)	(1,391)	(2,546)
PROFIT FOR THE PERIOD		4,724	5,079	4,724	5,079
Non-controlling interest		(743)	(3)	(743)	(3)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		3,981	5,076	3,981	5,076
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		7	56	7	56
Total other comprehensive income for the period		7	56	7	56
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B8	3,988	5,132	3,988	5,132
Profit after tax attributable to:					
Owners of the Company		3,981	5,076	3,981	5,076
Non-controlling interest		743	3	743	3
		4,724	5,079	4,724	5,079
Total comprehensive income attributable to:					
Owners of the Company		3,988	5,132	3,988	5,132
Non-controlling interest		743	3	743	3
		4,731	5,135	4,731	5,135
Earnings per share (sen):					
- Basic and Diluted	B9	4.27	5.44	4.27	5.44

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 2014 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015 (UNAUDITED)**

NOTE	As at 31 March 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, plant and equipment	86,871	82,228
Investment properties	1,617	1,621
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	99,155	94,516
Current Assets		
Inventories	148,177	130,714
Trade receivables	41,999	70,562
Other receivables	3,652	2,962
Amount owing from related companies	5,352	3,749
Tax recoverable	1,584	1,179
Cash and cash equivalents	28,875	25,494
	229,639	234,660
Total Assets	328,794	329,176
<u>EQUITY AND LIABILITIES</u>		
Share Capital and Reserves		
Share capital	93,305	93,305
Retained earnings	81,360	77,379
Other components of equity	10,085	10,077
Equity Attributable to Owners of the Company	184,750	180,761
Non-controlling interest	(89)	(832)
Total Equity	184,661	179,929

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2015 (UNAUDITED) (cont'd)**

	NOTE	As at 31 March 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
<u>EQUITY AND LIABILITIES (cont'd)</u>			
Non-Current Liabilities			
Long-term borrowings	B12	9,374	10,580
Retirement benefits		391	391
Deferred tax		5,481	5,721
Total Non-Current Liabilities		15,246	16,692
Current Liabilities			
Trade payables		14,766	59,539
Other payables		15,388	11,540
Amount owing to directors		844	689
Short-term borrowings	B12	94,984	58,709
Derivative financial liabilities	B11	716	716
Income tax		2,189	1,362
Total Current Liabilities		128,887	132,555
Total Liabilities		144,133	149,247
Total Equity and Liabilities		328,794	329,176
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		1.98	1.94

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (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 2015	93,305	5,528	5,233	(683)	77,379	180,762	(832)	179,930
Total comprehensive income for the period	-	-	-	7	3,981	3,988	743	4,731
Dividend	-	-	-	-	-	-	-	-
Balance at 31 March 2015	<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(676)</u>	<u>81,360</u>	<u>184,750</u>	<u>(89)</u>	<u>184,661</u>
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>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-03-2015 RM'000	Preceding Year-To-Date 31-03-2014 RM'000
Net cash (used in)/from operating activities	B15	(26,723)	4,388
Net cash used in investing activities	B15	(6,450)	(522)
Net cash from/(used in) financing activities	B15	36,547	(1,642)
Net increase in cash and cash equivalents		3,374	2,224
Adjustment for foreign exchange differentials		7	(1425)
Cash and cash equivalents as of beginning of period		25,494	38,381
Cash and cash equivalents as of end of period		28,875	40,480

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

	Current Year-To-Date 31-03-2015 RM'000	Preceding Year-To-Date 31-03-2014 RM'000
Cash and bank balances	28,875	40,480

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (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 2015 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 2014.

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 2014.

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

Amendments to MFRS 10, MFRS 12 AND MFRS 127 (2011) *Investment Entities*
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*
IC Int. 21 *Levies*

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

b) 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 (IFRS 9 issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) <i>Investment Entities - Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptance Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 119 <i>Defined Benefit Plans – Employee Contributions</i>	1 January 2016

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 2015 (UNAUDITED)**

A3. Audit Qualification

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2014.

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. Debt and Equity Securities

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

A7. Changes in Estimates

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

A8. Dividend Paid

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

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
	31-03-2015	31-12-2014
	RM'000	RM'000
Corporate Guarantee given to licensed banks for banking facilities granted to subsidiaries	107,532	81,688

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. 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 - *Investment holding and provision of management services.*
- 2) Tin Manufacturing - *Manufacturing of various tins, cans and other containers.*
- 3) Food and Beverage - *Manufacturing and selling of milk and related dairy products.*

**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**
**A12. Segmental Reporting (Cont'd)
a) Operating Segments (Cont'd)**

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Total
31 March 2015	RM'000	RM'000	RM'000	RM'000
External revenue	-	20,883	69,895	90,778
Inter-segment revenue	-	2,821	7,075	9,896
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	-	23,704	76,970	100,674
Reportable segment (loss)/profit	(438)	1,313	5,240	6,115
Reportable segment assets	5,894	133,120	189,780	328,794
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 (loss)/profit	(268)	3,402	4,492	7,626
Reportable segment assets	14,076	133,698	89,382	237,156

b) Geographical Segments

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

THE GROUP	Malaysia	Indonesia	Elimination	Consolidated
31 March 2015	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	90,778	-	-	90,778
Inter-segment revenue	9,896	-	(9,896)	-
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	100,674	-	(9,896)	90,778
Segment results	6,719	11	(208)	6,522
Finance costs	(407)	-	-	(407)
Profit before tax	6,312	11	(208)	6,115
Tax expense				(1,391)
Net profit for the period				4,724
Other Information:				
Capital expenditure	6,533	-	-	6,533
Depreciation and amortisation	1,896	-	(1)	1,895
Segment assets	502,902	747	(174,855)	328,794
Segment liabilities	200,276	-	(56,573)	143,703



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**

A12. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

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	<u>69,390</u>	<u>-</u>	<u>(7,936)</u>	<u>61,454</u>
Segment results	7,824	(10)	60	7,874
Finance costs	(249)	-	-	(249)
Profit before tax	<u>7,575</u>	<u>(10)</u>	<u>60</u>	<u>7,625</u>
Tax expense				(2,546)
Net profit for the period				<u>5,079</u>
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

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 31-03-2015	Preceding Year-To-Date 31-03-2014
	RM	RM
Director of the Company		
- Rental of factory	4,200	4,200
Related Company		
- Sales of goods	5,191,258	1,324,800
- Purchases of goods	162,370	-

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 2015 (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 RM90.78 million and profit before tax of RM6.12 million for the first quarter as compared to preceding year corresponding quarter of RM61.45 million and profit before tax of RM7.63 million respectively. The revenue increased by RM29.33 million as compared to the first quarter of the preceding year but profit before tax decreased by RM1.51 million.

For the tin manufacturing segment, revenue decreased by RM0.65 million from RM21.53 million to RM20.88 million due to lower demand in the biscuit industry. Profit before tax decreased by RM1.13 million to RM1.31 million for the current year quarter as compared to RM2.44 million in the preceding year corresponding quarter, mainly due to higher material costs arising from higher US Dollar exchange rate in the current year quarter.

For the F&B segment, revenue increased by RM29.97 million from RM39.93 million to RM69.9 million due to higher revenue. However, profit before tax decreased by RM0.13 million from RM5.37 million in the preceding year corresponding quarter as compared to RM5.24 million for the current year quarter under review. This is due to realised foreign exchange losses in the current year quarter.

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

The Group has recorded a revenue of RM90.78 million and profit before tax of RM6.12 million for the 3 months' period ended 31 March 2015 as compared to preceding year-to-date of RM61.45 million and RM7.63 million respectively. The Group achieved an increase in revenue of RM29.33 million as compared to preceding year-to-date but profit before tax decreased by RM1.51 million.

For the tin manufacturing segment, revenue decreased by RM0.65 million from RM21.53 million to RM20.88 million due to lower demand in the biscuit industry. Profit before tax decreased by RM1.13 million from RM1.31 million to RM2.44 million mainly due to higher material costs arising from higher US Dollar exchange rate in current year as compared to preceding year's quarter.

For the F&B segment, revenue increased by RM29.97 million from RM39.93 million to RM69.9 million due to higher sales. However, profit before tax decreased by RM0.13 million from RM5.37 million to RM5.24 million mainly due to realised foreign exchange losses despite higher revenue in the current year.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's profits before tax decreased by RM1.17 million to RM6.12 million as compared to profit before tax of RM7.29 million in the preceding quarter ended 31 December 2014.

a) Tin Manufacturing Industry

Profit before tax for tin manufacturing segment decreased by RM3.12 million from RM4.43 million for the previous quarter as compared to the current quarter of profit before tax of RM1.31 million. The decrease in profit is due to lower revenue and higher material costs in the current quarter.

b) F&B Industry

Profit before tax for the F&B segment increased by RM2.29 million from RM2.95 million for the previous quarter as compared to the current quarter of profit before tax of RM5.24 million. The increased in profit before tax was mainly due to foreign exchange translations and lower material costs in the current quarter.

B3. Prospects of the Group

a) Tin Manufacturing Industry

The prices of raw materials are expected to remain constant in the near-term and the demand is expected to grow marginally. This segment will continue to be profitable.

b) F&B Industry

Demand is expected to remain strong and we foresee a very competitive market. This segment will continue to be profitable despite volatility in raw materials prices. Furthermore, with the planned completion of the new factory and warehouse in the near term, this segment will be able to expand its capacity and improve efficiency and competitiveness in the market.

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.

B6. Tax Expense

	Individual Quarter		Cumulative Quarter	
	31-03-2015 RM'000	31-03-2014 RM'000	31-03-2015 RM'000	31-03-2014 RM'000
Current year:				
- Income tax	1,630	2,182	1,630	2,182
- Deferred tax	(239)	364	(239)	364
	1,391	2,546	1,391	2,546
Under/(Over) provision in previous year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	1,391	2,546	1,391	2,546

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**
B7. 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 2015 are summarised as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation RM'000	Utilisation RM'000	Timeframe (Within)	RM'000	%
i) Purchase of land and construction of new warehouse and factory	15,000	14,727	18 months *	273	0.91
ii) Purchase of machineries and equipment	8,000	8,000	18 months	-	-
iii) Upgrading works	1,500	886	18 months **	614	2.06
iv) Working capital	4,857	4,857	12 months	-	-
v) Rights issue expenses	500	500	1 month	-	-
	<u>29,857</u>	<u>28,970</u>		<u>887</u>	<u>2.97</u>

* Construction of new warehouse and factory has commenced, however, it has started late due to pending approval from relevant authorities. Progressive payment will be made till the completion of the new warehouse and factory. Expected completion will be in 3rd quarter of 2015.

** Further upgrading works in the existing Kuala Langat's factory will only commence after transfer of some machineries into the new warehouse and factory.

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	
	31-03-2015 RM'000	31-03-2014 RM'000	31-03-2015 RM'000	31-03-2014 RM'000
Interest income	(83)	(120)	(83)	(120)
Other income	(394)	(75)	(394)	(75)
Interest expense	407	249	407	249
Depreciation and amortisation	1,895	1,720	1,895	1,720
Gain on disposal of property, plant and equipment	-	-	-	-
Realised foreign exchange loss/(gain)	2,730	(66)	2,730	(66)
Unrealised foreign exchange (gain)/loss	(927)	337	2,730	337
Loss/(Gain) on derivatives	-	(66)	-	(66)
Exceptional items	-	-	-	-

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**
B9. Earnings Per Share

The basic earnings per share 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	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Profit for the period (RM'000)	3,981	5,076	3,981	5,076
Weighted average number of ordinary shares ('000 shares)	93,305	93,305	93,305	93,305
Basic and Diluted Earnings per Share (Sen)	4.27	5.44	4.27	5.44

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.

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 31-03-2015 RM'000	As at 31-12-2014 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	165,092	162,192
- unrealised	(4,555)	(6,588)
	160,537	155,604
Less: Consolidation adjustments	(79,177)	(78,225)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	81,360	77,379

B11. Derivative Financial Instruments

As at 31 March 2015, 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 31-03-2015 RM'000	As at 31-12-2014 RM'000
Forward Contracts (US Dollar)		
Fair Value	13,461	13,461
Less: Contract/Notional Value	12,745	12,745
Loss on Fair Value Changes	716	716

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**
B11. Derivative Financial Instruments (Cont'd)

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.

B12. Loan and Borrowings

The Group's bank loan and borrowings as at the end of the financial reporting period are as follows:

	THE GROUP	
	As at 31-03-2015 RM'000	As at 31-12-2014 RM'000
Current portion (secured):		
Term loans	1,931	1,904
Short-term banking facilities	86,103	49,938
Revolving credit	4,000	4,000
Hire purchase payables (see Note B13 below)	2,950	2,867
	94,984	58,709
Non-current portion (secured):		
Term loans	7,787	8,293
Hire purchase payables (see Note B13 below)	1,587	2,287
	9,374	10,580
Total loan and borrowings	104,358	69,289

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 31-03-2015 RM'000	As at 31-12-2014 RM'000
Minimum hire purchase payments	4,849	5,487
Less: Future finance charges	(312)	(333)
Present value of hire purchase payables	4,537	5,154
Less: Current portion (see Note B12 above)	(2,950)	(2,867)
Non-current portion (see Note B12 above)	1,587	2,287

**NOTES TO THE FINANCIAL INFORMATION
 FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (UNAUDITED)**
B14. Warrants Reserve

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

	THE GROUP	
	As at 31-03-2015 RM'000	As at 31-12-2014 RM'000
Balance at the end of period	5,233	5,233

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 31-03-2015 RM'000	Preceding Year-To-Date 31-03-2014 RM'000
a) Cash Flows from Operating Activities		
Decrease in inventories	(17,463)	(4,819)
Increase/(Decrease) in trade and other receivables	25,977	(1,111)
(Increase)/Decrease in trade and other payables	(39,635)	1,654
Income tax paid	(1,208)	(1,851)
Income tax refund	-	1,000
b) Cash Flows used in Investing Activities		
Purchase of property, plant and equipment	(6,533)	(642)
c) Cash Flows used in Financing Activities		
Net drawdown/(repayment) of short-term borrowings	38,051	(115)
Repayment of term loan	(479)	(447)
Repayment of hire purchase payables	(617)	(801)

B16. Proposed Dividend

During the financial reporting period under review, the Directors did not recommend any interim dividend for the financial period ended 31 March 2015.

The Board of Directors had recommended a proposed final single-tier dividend of 3.5 sen, amounting to RM3,265,686, in respect of the financial year ended 31 December 2014, 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 24 July 2015 to the depositors registered in the Record of Depositors at the close of business on 3 July 2015.

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 29 May 2015.

[End of Report]