

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 2015**

**(UNAUDITED)**

**This Report is dated 24<sup>th</sup> November 2015.**

Company No. 532570-V



## **QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30-09-2015 RM'000	Preceding Year Corresponding Quarter 30-09-2014 RM'000	Current Year-To-Date 30-09-2015 RM'000	Preceding Year-To-Date 30-09-2014 RM'000
<b>REVENUE</b>		<b>97,915</b>	<b>90,661</b>	<b>302,324</b>	<b>210,873</b>
Cost of Sales		(85,792)	(78,938)	(257,192)	(180,066)
<b>GROSS PROFIT</b>		<b>12,123</b>	<b>11,723</b>	<b>45,132</b>	<b>30,807</b>
Other income		2,049	238	6,311	689
Administrative expenses		(3,526)	(3,430)	(9,960)	(10,415)
Distribution expenses		(3,680)	(3,864)	(11,323)	(8,139)
Other expenses		(2,017)	(319)	(8,837)	(913)
Finance costs		(524)	(352)	(1,567)	(956)
<b>PROFIT BEFORE TAX</b>		<b>4,425</b>	<b>3,996</b>	<b>19,756</b>	<b>11,073</b>
Income tax expense	B6	(1,510)	(1,058)	(5,498)	(3,309)
<b>PROFIT FOR THE PERIOD</b>		<b>2,915</b>	<b>2,938</b>	<b>14,258</b>	<b>7,764</b>
Non-controlling interest		373	3	(306)	(3)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>3,288</b>	<b>2,941</b>	<b>13,952</b>	<b>7,761</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		51	21	59	(1)
<b>Total other comprehensive income for the period</b>		<b>51</b>	<b>21</b>	<b>59</b>	<b>(1)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>B8</b>	<b>3,339</b>	<b>2,962</b>	<b>14,011</b>	<b>7,760</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		3,288	2,941	13,952	7,761
Non-controlling interest		(373)	(3)	306	3
		2,915	2,938	14,258	7,764
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		3,339	2,962	14,011	7,760
Non-controlling interest		(373)	(3)	306	3
		2,966	2,959	14,317	7,763
Earnings per share (sen):					
- Basic and Diluted	<b>B9</b>	3.52	3.15	14.95	8.32

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 30 SEPTEMBER 2015 (UNAUDITED)**

NOTE	As at 30 September 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	85,153	82,228
Investment properties	1,609	1,621
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	97,429	94,516
<b>Current Assets</b>		
Inventories	94,648	130,714
Trade receivables	62,329	70,562
Other receivables	10,411	2,962
Amount owing from related companies	2,955	3,749
Tax recoverable	2,762	1,179
Cash and cash equivalents	36,628	25,494
	209,733	234,660
<b>Total Assets</b>	<b>307,162</b>	<b>329,176</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Share Capital and Reserves</b>		
Share capital	93,305	93,305
Retained earnings	88,065	77,379
Other components of equity	10,137	10,077
<b>Equity Attributable to Owners of the Company</b>	<b>191,507</b>	<b>180,761</b>
Non-controlling interest	(526)	(832)
<b>Total Equity</b>	<b>190,981</b>	<b>179,929</b>

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 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**

	NOTE	As at 30 September 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
<b><u>EQUITY AND LIABILITIES (cont'd)</u></b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	<b>B12</b>	7,011	10,580
Retirement benefits		371	391
Deferred tax		5,548	5,721
<b>Total Non-Current Liabilities</b>		<b>12,930</b>	<b>16,692</b>
<b>Current Liabilities</b>			
Trade payables		21,037	59,539
Other payables		10,909	11,540
Amount owing to directors		1,005	689
Derivative financial liabilities	<b>B11</b>	211	716
Short-term borrowings	<b>B12</b>	63,658	58,709
Income tax		3,672	1,362
Bank overdraft		2,759	-
<b>Total Current Liabilities</b>		<b>103,251</b>	<b>132,555</b>
<b>Total Liabilities</b>		<b>116,181</b>	<b>149,247</b>
<b>Total Equity and Liabilities</b>		<b>307,162</b>	<b>329,176</b>
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		2.05	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 THIRD QUARTER ENDED 30 SEPTEMBER 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			
<b>Balance at 1 January 2015</b>	93,305	5,528	5,233	(683)	77,379	180,762	(832)	179,930
Total comprehensive income for the period	-	-	-	59	13,952	14,011	306	14,317
Dividend	-	-	-	-	(3,266)	(3,266)	-	(3,266)
<b>Balance at 30 September 2015</b>	<b>93,305</b>	<b>5,528</b>	<b>5,233</b>	<b>(624)</b>	<b>88,065</b>	<b>191,507</b>	<b>(526)</b>	<b>190,981</b>
<b>Balance at 1 January 2014</b>	93,305	5,528	5,233	(713)	66,266	169,619	128	169,747
Total comprehensive income for the period	-	-	-	(1)	7,761	7,760	3	7,763
Dividend	-	-	-	-	(1,866)	(1,866)	-	(1,866)
<b>Balance at 30 September 2014</b>	<b>93,305</b>	<b>5,528</b>	<b>5,233</b>	<b>(714)</b>	<b>72,161</b>	<b>175,513</b>	<b>131</b>	<b>175,644</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 2014 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-09-2015 RM'000	Preceding Year-To-Date 30-09-2014 RM'000
Net cash from/(used in) operating activities	<b>B15</b>	18,290	(9,048)
Net cash used in investing activities	<b>B15</b>	(8,407)	(6,744)
Net cash (used in)/from financing activities	<b>B15</b>	(1,567)	8,705
Net increase/(decrease) in cash and cash equivalents		8,316	(7,087)
Adjustment for foreign exchange differentials		59	(129)
Cash and cash equivalents as of beginning of period		25,494	38,266
Cash and cash equivalents as of end of period		33,869	31,050

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

	Current Year-To-Date 30-09-2015 RM'000	Preceding Year-To-Date 30-09-2014 RM'000
Cash and bank balances	36,628	31,050
Bank overdraft	(2,759)	-
	33,869	31,050

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

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**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 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:**

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
MFRS 9 <i>Financial Instruments</i> (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) <i>Investment Entities</i> - <i>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.

**A3. Audit Qualification**

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



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**

**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**

The final single-tier dividend of 3.5sen (31.12.2013: 2.0sen), amounting to RM3,265,686 (31.12.2013: RM1,866,107), in respect of the financial year ended 31 December 2014, had been paid on 24 July 2015 to the depositors registered in the Record of Depositors at the close of business on 3 July 2015.

**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**

	<b>THE COMPANY</b>	
	<b>As at</b>	<b>As at</b>
	<b>30-09-2015</b>	<b>31-12-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	67,929	81,688
Deed guarantee given to a customer for products sold	1,260	7,809
Deed guarantee given to a supplier for products purchased	1,297	651

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**
**A12. Segmental Reporting (Cont'd)  
a) Operating Segments (Cont'd)**

<b>THE GROUP</b>	<b>Investment Holding</b>	<b>Tin Manufacturing</b>	<b>Food &amp; Beverage</b>	<b>Total</b>
<b>30 September 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	62,037	240,287	302,324
Inter-segment revenue	-	11,638	11,731	23,369
Dividend income	4,843	-	-	4,843
Management income	-	-	-	-
<b>Total revenue</b>	<b>4,843</b>	<b>73,675</b>	<b>252,018</b>	<b>330,536</b>
Reportable segment (loss)/profit	(1,436)	2,964	12,730	14,258
Reportable segment assets	1,070	129,078	177,014	307,162
<b>30 September 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	64,022	146,851	210,873
Inter-segment revenue	-	11,512	6,050	17,562
Dividend income	3,292	-	-	3,292
Management income	-	-	-	-
<b>Total revenue</b>	<b>3,292</b>	<b>75,534</b>	<b>152,901</b>	<b>231,727</b>
Reportable segment (loss)/profit	(1,107)	5,878	2,993	7,764
Reportable segment assets	12,044	133,919	106,852	252,815

**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</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Elimination</b>	<b>Consolidated</b>
<b>30 September 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External revenue	302,324	-	-	302,324
Inter-segment revenue	23,369	-	(23,369)	-
Dividend income	4,843	-	(4,843)	-
Management income	-	-	-	-
<b>Total revenue</b>	<b>330,536</b>	<b>-</b>	<b>(28,212)</b>	<b>302,324</b>
Segment results	26,340	32	(5,049)	21,323
Finance costs	(1,567)	-	-	(1,567)
<b>Profit before tax</b>	<b>24,773</b>	<b>32</b>	<b>(5,049)</b>	<b>19,756</b>
Tax expense				(5,498)
<b>Net profit for the period</b>				<b>14,258</b>
<b>Other Information:</b>				
Capital expenditure	8,615	-	-	8,615
Depreciation and amortisation	5,705	-	(3)	5,702
Segment assets	478,083	820	(171,741)	307,162
Segment liabilities	165,049	-	(48,868)	116,181



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**

**A12. Segmental Reporting (Cont'd)**

**b) Geographical Segments (Cont'd)**

<b>THE GROUP 30 September 2014</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	210,873	-	-	210,873
Inter-segment revenue	17,564	-	(17,562)	-
Dividend income	3,292	-	(3,292)	-
Management income	-	-	-	-
<b>Total revenue</b>	<b>231,727</b>	<b>-</b>	<b>(20,854)</b>	<b>210,873</b>
Segment results	11,936	31	62	12,029
Finance costs	(956)	-	-	(956)
<b>Profit before tax</b>	<b>10,980</b>	<b>31</b>	<b>62</b>	<b>11,073</b>
Tax expense				(3,309)
<b>Net profit for the period</b>				<b>7,764</b>
<b>Other Information:</b>				
Capital expenditure	7,097	-	-	7,097
Depreciation and amortisation	5,296	-	(3)	5,293
Segment assets	400,763	718	(148,666)	252,815
Segment liabilities	111,153	7	(33,989)	77,171

**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:

	<b>THE GROUP</b>	
	<b>Current Year-To-Date 30-09-2015</b>	<b>Preceding Year-To-Date 30-09-2014</b>
	<b>RM</b>	<b>RM</b>
<b>Director of the Company</b>		
- Rental of factory	12,600	12,600
<b>Related Company</b>		
- Sales of goods	9,934,602	4,269,198
- Purchases of goods	518,481	64,729

The tenancy period was mutually agreed by both parties for a period of two years and expired on 14 November 2015, which was subsequently renewed on 15 November 2015 for another period of two years until 14 November 2017.

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 2015 (UNAUDITED) (cont'd)**

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**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 RM97.91 million and profit before tax of RM4.43 million for the third quarter as compared to preceding year corresponding quarter of RM90.66 million and profit before tax of RM4 million respectively. The revenue and profit before tax increased by RM7.25 million and RM0.43 million respectively as compared to the third quarter of the preceding year.

For the tin manufacturing segment, revenue decreased by RM0.66 million from RM21.05 million to RM20.39 million mainly due to lower demand in the biscuit industry. Profit before tax decreased by RM0.79 million to RM0.54 million for the current year quarter as compared to RM1.33 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 RM7.71 million from RM69.61 million to RM77.32 million due to higher sales. Profit before tax increased by RM1.35 million from RM3.04 million in the preceding year corresponding quarter as compared to RM4.39 million for the current year quarter under review. This is due to better sales margin arising from exchange rate in the current year quarter.

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

The Group has recorded a revenue of RM302.32 million and profit before tax of RM19.76 million for the 9 months' period ended 30 September 2015 as compared to preceding year-to-date of RM210.87 million and RM11.07 million respectively. The Group's revenue and profit before tax increased by RM91.45 million and RM8.69 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue decreased by RM1.98 million from RM64.02 million to RM62.04 million mainly due to lower demand in the biscuit industry. Profit before tax decreased by RM3.44 million from RM7.95 million to RM4.51 million mainly due to high operating costs from the upgrading of factory & machineries and higher material costs arising from higher US Dollar exchange rate in the current year as compared to preceding year's quarter.

For the F&B segment, revenue increased by RM93.44 million from RM146.85 million to RM240.29 million due to higher sales. Profit before tax increased by RM12.74 million from RM4.14 million to RM16.88 million mainly due to the effect of compensation paid during the preceding year corresponding quarter and better sales margin arising from exchange rate in the current year.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**
**B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's profits before tax decreased by RM4.79 million to RM4.43 million as compared to profit before tax of RM9.22 million in the preceding quarter ended 30 June 2015.

**a) Tin Manufacturing Industry**

Profit before tax for tin manufacturing segment decreased by RM2.12 million from RM2.66 million for the previous quarter as compared to the current quarter of profit before tax of RM0.54 million. The decrease in profit is mainly due to higher material costs arising from higher US Dollar exchange rate in the current quarter.

**b) F&B Industry**

Profit before tax for the F&B segment decreased by RM2.86 million from RM7.25 million for the previous quarter as compared to the current quarter of profit before tax of RM4.39 million. The decreased in profit before tax was mainly due to lower revenue in the current quarter.

**B3. Prospects of the Group**
**a) Tin Manufacturing Industry**

The demand for the tin manufacturing industry will remain challenging due to higher material costs arising from the US Dollar exchange. If the exchange rate remains unfavourable in the near term, the Group may have to adjust the selling prices accordingly. This segment will continue to be profitable with a lower margin.

**b) F&B Industry**

Demand is expected to remain strong although 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	
	30-09-2015 RM'000	30-09-2014 RM'000	30-09-2015 RM'000	30-09-2014 RM'000
Current year:				
- Income tax	1,633	946	5,955	3,183
- Deferred tax	162	84	(172)	94
	1,795	1,030	5,783	3,277
(Over)/Under provision in previous year:				
- Income tax	(285)	28	(285)	32
	1,510	1,058	5,498	3,309

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**
**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 30 September 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	15,000	18 months	-	-
ii) Purchase of machineries and equipment	8,000	8,000	18 months	-	-
iii) Upgrading works	1,500	1,161	18 months *	339	1.14
iv) Working capital	4,857	4,857	12 months	-	-
v) Rights issue expenses	500	500	1 month	-	-
	<u>29,857</u>	<u>29,518</u>		<u>339</u>	<u>1.14</u>

\* The utilisation of upgrading works is expected to be utilised in the 4<sup>th</sup> quarter.

**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	
	30-09-2015 RM'000	30-09-2014 RM'000	30-09-2015 RM'000	30-09-2014 RM'000
Interest income	(60)	(127)	(208)	(353)
Other income	(806)	(111)	(1,477)	(336)
Interest expense	524	352	1,567	956
Depreciation and amortisation	1,902	1,802	5,702	5,293
Gain/(Loss) on disposal of property, plant and equipment	-	-	-	-
Realised foreign exchange loss	822	61	5,079	410
Unrealised foreign exchange (gain)/loss	-	-	(927)	337
(Gain)/Loss on derivatives	(505)	248	(459)	29
Exceptional items	-	-	-	-



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**

**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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30-09-2015</b>	<b>30-09-2014</b>	<b>30-09-2015</b>	<b>30-09-2014</b>
Profit for the period (RM'000)	3,288	2,941	13,952	7,761
Weighted average number of ordinary shares ('000 shares)	93,305	93,305	93,305	93,305
<b>Basic and Diluted Earnings per Share (Sen)</b>	<b>3.52</b>	<b>3.15</b>	<b>14.95</b>	<b>8.32</b>

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:

	<b>THE GROUP</b>	
	<b>As at 30-09-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
Total retained earnings (Company and its subsidiaries)		
- realised	170,917	162,192
- unrealised	(4,115)	(6,588)
	166,802	155,604
Less: Consolidation adjustments	(78,737)	(78,225)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	88,065	77,379

**B11. Derivative Financial Instruments**

As at 30 September 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:

<b>Type of Derivatives</b>	<b>THE GROUP</b>	
	<b>As at 30-09-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
<b>Forward Contracts (US Dollar)</b>		
Fair Value	3,297	13,461
Less: Contract/Notional Value	3,086	12,745
Loss on Fair Value Changes	211	716



**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**
**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:

	<b>THE GROUP</b>	
	<b>As at 30-09-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
<b>Current portion (secured):</b>		
Term loans	1,943	1,904
Short-term banking facilities	54,997	49,938
Revolving credit	4,000	4,000
Hire purchase payables (see Note B13 below)	2,718	2,867
	63,658	58,709
<b>Non-current portion (secured):</b>		
Term loans	6,813	8,293
Hire purchase payables (see Note B13 below)	198	2,287
	7,011	10,580
<b>Total loan and borrowings</b>	70,669	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:

	<b>THE GROUP</b>	
	<b>As at 30-09-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
Minimum hire purchase payments	3,104	5,487
Less: Future finance charges	(188)	(333)
Present value of hire purchase payables	2,916	5,154
Less: Current portion (see Note B12 above)	(2,718)	(2,867)
Non-current portion (see Note B12 above)	198	2,287



**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED) (cont'd)**
**B14. Warrants Reserve**

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

	<b>THE GROUP</b>	
	<b>As at</b>	<b>As at</b>
	<b>30-09-2015</b>	<b>31-12-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
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:

	<b>THE GROUP</b>	
	<b>Current</b>	<b>Preceding</b>
	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>30-09-2015</b>	<b>30-09-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Increase/(Decrease) in inventories	36,066	(23,438)
Decrease in trade and other receivables	(2,112)	(3,356)
(Increase)/Decrease in trade and other payables	(37,843)	6,158
Income tax paid	(4,986)	(5,993)
Income tax refund	43	1,060
<b>b) Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(8,615)	(7,097)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(3,266)	(1,866)
Net drawdown of short-term borrowings	6,945	15,289
Repayment of term loan	(1,442)	(1,430)
Repayment of hire purchase payables	(2,238)	(2,333)

**B16. Proposed Dividend**

During the financial reporting period under review, the Directors did not recommend any interim dividend for the financial period ended 30 September 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 third quarter unaudited financial statements were authorised for issued by the Board of Directors in accordance to the Board of Directors meeting held on 24 November 2015.

*[End of Report]*