

Company No. 532570-V



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

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

**(UNAUDITED)**

**This Report is dated 27<sup>th</sup> February 2016.**

Company No. 532570-V



**JOHORE TIN BERHAD**  
(Incorporated in Malaysia)  
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## **QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 31-12-2015 RM'000	Preceding Year Corresponding Quarter 31-12-2014 RM'000	Current Year- To-Date 31-12-2015 RM'000	Preceding Year- To-Date 31-12-2014 RM'000
<b>REVENUE</b>		<b>114,276</b>	<b>105,906</b>	<b>416,600</b>	<b>316,779</b>
Cost of Sales		(104,698)	(90,606)	(361,891)	(270,672)
<b>GROSS PROFIT</b>		<b>9,578</b>	<b>15,300</b>	<b>54,709</b>	<b>46,107</b>
Other income		3,651	(457)	4,818	232
Administrative expenses		(4,613)	(2,148)	(14,573)	(12,563)
Distribution expenses		(2,921)	(4,130)	(14,244)	(12,269)
Other expenses		(1,724)	(574)	(5,417)	(1,487)
Finance costs		(680)	(706)	(2,247)	(1,662)
<b>PROFIT BEFORE TAX</b>		<b>3,291</b>	<b>7,285</b>	<b>23,046</b>	<b>18,358</b>
Income tax expense	<b>B6</b>	(1,888)	(3,031)	(7,385)	(6,339)
<b>PROFIT FOR THE YEAR</b>		<b>1,403</b>	<b>4,254</b>	<b>15,661</b>	<b>12,019</b>
Non-controlling interest		1,946	964	1,641	960
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>3,349</b>	<b>5,218</b>	<b>17,302</b>	<b>12,979</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		22	31	82	30
<b>Total other comprehensive income for the year</b>		<b>22</b>	<b>31</b>	<b>82</b>	<b>30</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<b>B8</b>	<b>3,371</b>	<b>5,249</b>	<b>17,384</b>	<b>13,009</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		3,349	5,218	17,302	12,979
Non-controlling interest		(1,946)	(964)	(1,641)	(960)
		1,403	4,254	15,661	12,019
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		3,371	5,249	17,384	13,009
Non-controlling interest		(1,946)	(964)	(1,641)	(960)
		1,425	4,285	15,743	12,049
Earnings per share (sen):					
- Basic and Diluted	<b>B9</b>	3.59	5.59	18.54	13.91

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 DECEMBER 2015 (UNAUDITED)**

NOTE	As at 31 December 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	99,911	82,228
Investment properties	-	1,621
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	110,578	94,516
<b>Current Assets</b>		
Inventories	130,631	130,714
Trade receivables	78,595	70,562
Other receivables	2,137	2,962
Amount owing from related companies	4,190	3,749
Tax recoverable	3,338	1,179
Cash and cash equivalents	36,917	25,494
	255,808	234,660
<b>Total Assets</b>	<b>366,386</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	91,415	77,379
Other components of equity	10,160	10,078
<b>Equity Attributable to Owners of the Company</b>	<b>194,880</b>	<b>180,762</b>
Non-controlling interest	(2,473)	(832)
<b>Total Equity</b>	<b>192,407</b>	<b>179,930</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 31 DECEMBER 2015 (UNAUDITED) (cont'd)**

	NOTE	As at 31 December 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>	6,516	10,580
Retirement benefits		356	391
Deferred tax		5,881	5,721
<b>Total Non-Current Liabilities</b>		<b>12,753</b>	<b>16,692</b>
<b>Current Liabilities</b>			
Trade payables		37,846	59,539
Other payables		15,945	11,540
Amount owing to directors		1,187	689
Derivative financial liabilities	<b>B11</b>	(21)	716
Short-term borrowings	<b>B12</b>	101,063	58,709
Income tax		2,540	1,361
Bank overdraft		2,666	-
<b>Total Current Liabilities</b>		<b>161,226</b>	<b>132,554</b>
<b>Total Liabilities</b>		<b>173,979</b>	<b>149,246</b>
<b>Total Equity and Liabilities</b>		<b>366,386</b>	<b>329,176</b>
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		2.09	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 FOURTH QUARTER ENDED 31 DECEMBER 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 year	-	-	-	82	17,302	17,384	(1,641)	15,743
Dividend	-	-	-	-	(3,266)	(3,266)	-	(3,266)
<b>Balance at 31 December 2015</b>	<b>93,305</b>	<b>5,528</b>	<b>5,233</b>	<b>(601)</b>	<b>91,415</b>	<b>194,880</b>	<b>(2,473)</b>	<b>192,407</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 year	-	-	-	30	12,979	13,009	(960)	12,049
Dividend	-	-	-	-	(1,866)	(1,866)	-	(1,866)
<b>Balance at 31 December 2014</b>	<b>93,305</b>	<b>5,528</b>	<b>5,233</b>	<b>(683)</b>	<b>77,379</b>	<b>180,762</b>	<b>(832)</b>	<b>179,930</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 FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)**

	NOTE	Current Year-To-Date 31-12-2015 RM'000	Preceding Year-To-Date 31-12-2014 RM'000
Net cash used in operating activities	<b>B15</b>	(4,794)	(28,624)
Net cash used in investing activities	<b>B15</b>	(20,118)	(12,254)
Net cash from financing activities	<b>B15</b>	33,968	28,077
Net increase/(decrease) in cash and cash equivalents		9,056	(12,801)
Adjustment for foreign exchange differentials		(299)	29
Cash and cash equivalents as of beginning of year		25,494	38,266
Cash and cash equivalents as of end of year		34,251	25,494

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

	Current Year-To-Date 31-12-2015 RM'000	Preceding Year-To-Date 31-12-2014 RM'000
Cash and bank balances	36,917	25,494
Bank overdraft	(2,666)	-
	34,251	25,494

**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 FOURTH QUARTER ENDED 31 DECEMBER 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 fourth quarter ended 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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 year 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 year.

**A7. 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.

**A8. Dividend Paid**

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

**A9. Subsequent Material Events**

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

**A10. Contingent Liabilities**

	<b>THE COMPANY</b>	
	<b>As at 31-12-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	108,205	81,688
Deed guarantee given to a customer for products sold	8,858	7,809
Deed guarantee given to a supplier for products purchased	1,224	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. Operating Segments**

**a) Business 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 FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED) (cont'd)**
**A12. Operating Segments (Cont'd)**
**a) Business Segments (Cont'd)**

<b>THE GROUP</b>	<b>Investment Holding</b>	<b>Tin Manufacturing</b>	<b>Food &amp; Beverage</b>	<b>Group</b>
<b>31 December 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	85,833	330,767	416,600
Inter-segment revenue	-	16,722	7,534	24,256
Dividend income	10,259	-	-	10,259
Management income	380	-	-	380
<b>Total revenue</b>	<b>10,639</b>	<b>102,555</b>	<b>338,301</b>	<b>451,495</b>
Reportable segment (loss)/profit	(2,229)	6,734	11,156	15,661
Reportable segment assets	892	129,975	235,519	366,386
<b>31 December 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	88,874	227,905	316,779
Inter-segment revenue	-	16,122	8,820	24,942
Dividend income	3,292	-	-	3,292
Management income	385	-	-	385
<b>Total revenue</b>	<b>3,677</b>	<b>104,996</b>	<b>236,725</b>	<b>345,398</b>
Reportable segment (loss)/profit	(1,875)	9,096	4,798	12,019
Reportable segment assets	7,382	136,261	185,533	329,176

**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>31 December 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External revenue	416,600	-	-	416,600
Inter-segment revenue	24,256	-	(24,256)	-
Dividend income	10,259	-	(10,259)	-
Management income	380	-	(380)	-
<b>Total revenue</b>	<b>451,495</b>	<b>-</b>	<b>(34,895)</b>	<b>416,600</b>
Segment results	35,721	36	(10,464)	25,293
Finance costs	(2,247)	-	-	(2,247)
<b>Profit before tax</b>	<b>33,474</b>	<b>36</b>	<b>(10,464)</b>	<b>23,046</b>
Tax expense				(7,385)
<b>Net profit for the year</b>				<b>15,661</b>
<b>Other Information:</b>				
Capital expenditure	25,480	-	-	25,480
Depreciation and amortisation	7,605	-	(4)	7,601
Segment assets	542,192	845	(176,651)	366,386
Segment liabilities	227,759	-	(53,780)	173,979

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED) (cont'd)**
**A12. Segmental Reporting (Cont'd)**
**b) Geographical Segments (Cont'd)**

<b>THE GROUP 31 December 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	316,779	-	-	316,779
Inter-segment revenue	24,942	-	(24,942)	-
Dividend income	3,292	-	(3,292)	-
Management income	385	-	(385)	-
<b>Total revenue</b>	<b>345,398</b>	<b>-</b>	<b>(28,619)</b>	<b>316,779</b>
Segment results	20,005	18	(3)	20,020
Finance costs	(1,662)	-	-	(1,662)
<b>Profit before tax</b>	<b>18,343</b>	<b>18</b>	<b>(3)</b>	<b>18,358</b>
Tax expense				(6,339)
<b>Net profit for the year</b>				<b>12,019</b>
<b>Other Information:</b>				
Capital expenditure	12,677	-	-	12,677
Depreciation and amortisation	7,143	-	(4)	7,139
Segment assets	491,294	731	(162,849)	329,176
Segment liabilities	194,720	2	(45,475)	149,247

**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 31-12-2015 RM</b>	<b>Preceding Year-To-Date 31-12-2014 RM</b>
<b>Director of the Company</b>		
- Rental of factory	16,800	16,800
<b>Related Company</b>		
- Sales of goods	12,864,478	7,627,272
- Purchases of goods	518,481	-

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 FOURTH QUARTER ENDED 31 DECEMBER 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 RM114.28 million and profit before tax of RM3.29 million for the fourth quarter as compared to preceding year corresponding quarter of RM105.91 million and profit before tax of RM7.29 million respectively. The revenue increased by RM8.37 million but the profit before tax decreased by RM4 million respectively as compared to the fourth quarter of the preceding year.

For the tin manufacturing segment, revenue decreased slightly by RM0.88 million from RM24.68 million to RM23.8 million mainly due to lower demand in the biscuit industry. Profit before tax decreased by RM0.68 million to RM3.13 million for the current quarter as compared to RM3.81 million in the preceding year corresponding quarter, mainly due to higher material costs arising from higher US Dollar exchange rate in the current quarter.

For the F&B segment, revenue increased by RM9.25 million from RM81.23 million to RM90.48 million due to higher sales. However profit before tax decreased by RM3.8 million from RM4.35 million in the preceding year corresponding quarter as compared to RM0.55 million for the current quarter under review mainly due to higher operating costs and foreign exchange losses.

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

The Group has recorded a revenue of RM416.6 million and profit before tax of RM23.05 million for the 12 months' ended 31 December 2015 as compared to preceding year-to-date of RM316.78 million and RM18.36 million respectively. The Group's revenue and profit before tax increased by RM99.82 million and RM4.69 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue decreased by RM2.87 million from RM88.7 million to RM85.83 million mainly due to lower demand in the biscuit industry. Profit before tax decreased by RM4.12 million from RM11.76 million to RM7.64 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 RM102.69 million from RM228.08 million to RM330.77 million due to higher sales. Profit before tax increased by RM8.95 million from RM8.49 million to RM17.44 million mainly due to higher sales in the current year.

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 RM1.14 million to RM3.29 million as compared to profit before tax of RM4.43 million in the preceding quarter ended 30 September 2015.

**a) Tin Manufacturing Industry**

Profit before tax for tin manufacturing segment increased by RM2.59 million from RM0.54 million for the previous quarter as compared to the current quarter of profit before tax of RM3.13 million. The increase in profit is mainly due to gain arising from disposal of properties in the current quarter.

**b) F&B Industry**

Profit before tax for the F&B segment decreased by RM3.84 million from RM4.39 million for the previous quarter as compared to the current quarter of profit before tax of RM0.55 million. The decreased in profit before tax was mainly due to higher operating costs and foreign exchange losses 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 rate. 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.

**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 and uncertainties in global economies.

**B4. Revenue or Profit Estimates**

This is not applicable to the Group for the current financial reporting year under review.

**B5. Profit Forecast or Profit Guarantee**

The profit forecast is not applicable to the Group for the current financial reporting year.

**B6. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	31-12-2015 RM'000	31-12-2014 RM'000	31-12-2015 RM'000	31-12-2014 RM'000
Current year:				
- Income tax	1,564	2,617	7,519	5,800
- Deferred tax	416	425	243	550
	1,980	3,042	7,762	6,350
(Over)/Under provision in previous year:				
- Income tax	(10)	-	(295)	32
- Deferred tax	(82)	(11)	(82)	(43)
	1,888	3,031	7,385	6,339

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 year 2016.

**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	
	31-12-2015 RM'000	31-12-2014 RM'000	31-12-2015 RM'000	31-12-2014 RM'000
Interest income	(154)	(69)	(362)	(422)
Other income	(3,651)	457	(4,819)	(232)
Interest expense	680	706	2,247	1,662
Depreciation and amortisation	1,900	1,846	7,600	7,139
Gain/(Loss) on disposal of property, plant and equipment	3,312	-	3,312	-
Realised foreign exchange loss	1,933	688	7,012	1,097
Unrealised foreign exchange (gain)/loss	(681)	995	(1,608)	1,332
(Gain)/Loss on derivatives	(231)	528	(690)	551
Exceptional items	-	-	-	-



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-12-2015	31-12-2014	31-12-2015	31-12-2014
Profit for the year (RM'000)	3,349	5,218	17,302	12,979
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>3.59</b>	<b>5.59</b>	<b>18.54</b>	<b>13.91</b>

For the financial reporting year 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 year 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 year is as follows:

	THE GROUP	
	As at 31-12-2015 RM'000	As at 31-12-2014 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	171,740	162,184
- unrealised	(3,536)	(6,588)
	168,204	155,596
Less: Consolidation adjustments	(76,789)	(78,217)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	91,415	77,379

**B11. Derivative Financial Instruments**

As at 31 December 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 31-12-2015 RM'000	As at 31-12-2014 RM'000
<b>Forward Contracts (US Dollar)</b>		
Fair Value	3,434	13,461
Less: Contract/Notional Value	3,455	12,745
(Gain)/Loss on Fair Value Changes	(21)	716

**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year are as follows:

	<b>THE GROUP</b>	
	<b>As at 31-12-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
<b>Current portion (secured):</b>		
Term loans	1,950	1,904
Short-term banking facilities	92,604	49,938
Revolving credit	4,001	4,000
Hire purchase payables (see Note B13 below)	2,508	2,867
	101,063	58,709
<b>Non-current portion (secured):</b>		
Term loans	6,324	8,293
Hire purchase payables (see Note B13 below)	192	2,287
	6,516	10,580
<b>Total loan and borrowings</b>	107,579	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 year are as follows:

	<b>THE GROUP</b>	
	<b>As at 31-12-2015 RM'000</b>	<b>As at 31-12-2014 RM'000</b>
Minimum hire purchase payments	2,874	5,487
Less: Future finance charges	(174)	(333)
Present value of hire purchase payables	2,700	5,154
Less: Current portion (see Note B12 above)	(2,508)	(2,867)
Non-current portion (see Note B12 above)	192	2,287



**NOTES TO THE FINANCIAL INFORMATION  
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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>31-12-2015</b>	<b>31-12-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at the end of year	5,233	5,233

As at the end of the reporting year 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>31-12-2015</b>	<b>31-12-2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Increase/(Decrease) in inventories	83	(77,448)
Decrease in trade and other receivables	(9,999)	(32,376)
(Increase)/Decrease in trade and other payables	(13,791)	52,312
Income tax paid	(8,283)	(6,652)
Income tax refund	77	2,170
<b>b) Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(25,480)	(12,677)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(3,266)	(1,866)
Net drawdown of short-term borrowings	44,455	36,432
Repayment of term loan	(1,923)	(1,904)
Repayment of hire purchase payables	(3,050)	(3,104)

**B16. Proposed Dividend**

During the financial reporting year under review, the Directors did not recommend any interim dividend for the financial year ended 31 December 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 fourth quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 27 February 2016.

*[End of Report]*