

Company No. 532570-V



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

QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(UNAUDITED)

This Report is dated 29th August 2016.

Company No. 532570-V



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

QUARTERLY REPORT

CONTENTS	PAGES
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2 - 3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Financial Information	6 - 15



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30-06-2016 RM'000	Preceding Year Corresponding Quarter 30-06-2015 RM'000	Current Year-To-Date 30-06-2016 RM'000	Preceding Year-To-Date 30-06-2015 RM'000
REVENUE		115,357	113,630	206,936	204,408
Cost of Sales		(98,721)	(95,195)	(176,868)	(171,400)
GROSS PROFIT		16,636	18,435	30,068	33,008
Other income		567	593	848	4,262
Administrative expenses		(3,946)	(3,469)	(7,561)	(6,434)
Distribution expenses		(2,981)	(4,044)	(6,812)	(7,643)
Other expenses		3,050	(1,664)	3,289	(6,820)
Finance costs		(797)	(635)	(1,367)	(1,043)
PROFIT BEFORE TAX		12,529	9,216	18,465	15,330
Income tax expense	B6	(2,562)	(2,597)	(3,332)	(3,987)
PROFIT FOR THE PERIOD		9,967	6,619	15,133	11,343
Non-controlling interest		(602)	64	(1,268)	(679)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		9,365	6,683	13,865	10,664
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		27	1	(18)	8
Total other comprehensive income for the period		27	1	(18)	8
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B8	9,392	6,684	13,847	10,672
Profit after tax attributable to:					
Owners of the Company		9,365	6,683	13,865	10,664
Non-controlling interest		602	(64)	1,268	679
		9,967	6,619	15,133	11,343
Total comprehensive income attributable to:					
Owners of the Company		9,392	6,684	13,847	10,672
Non-controlling interest		602	(64)	1,268	679
		9,994	6,620	15,115	11,351
Earnings per share (sen):					
- Basic and Diluted	B9	10.04	7.16	14.86	11.43

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 2015 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (UNAUDITED)**

NOTE	As at 30 June 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, plant and equipment	99,748	100,226
Goodwill on consolidation	10,650	10,650
Other investment	17	17
	110,415	110,893
Current Assets		
Inventories	88,024	130,631
Trade receivables	86,664	81,873
Other receivables	2,281	3,295
Amount owing from related companies	526	-
Tax recoverable	3,703	3,315
Derivative financial assets	57	21
Cash and cash equivalents	47,178	36,919
	228,433	256,054
Total Assets	338,848	366,947
<u>EQUITY AND LIABILITIES</u>		
Share Capital and Reserves		
Share capital	93,305	93,305
Retained earnings	105,280	91,415
Other components of equity	10,142	10,159
Equity Attributable to Owners of the Company	208,727	194,879
Non-controlling interest	(1,205)	(2,473)
Total Equity	207,522	192,406

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (UNAUDITED) (cont'd)

	NOTE	As at 30 June 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
<u>EQUITY AND LIABILITIES (cont'd)</u>			
Non-Current Liabilities			
Long-term borrowings	B12	5,476	6,537
Retirement benefits		488	456
Deferred tax		4,723	5,857
Total Non-Current Liabilities		10,687	12,850
Current Liabilities			
Trade payables		29,698	38,087
Other payables		12,477	16,221
Amount owing to directors		1,042	1,187
Short-term borrowings	B12	72,372	100,989
Income tax		3,271	2,542
Bank overdraft		1,779	2,665
Total Current Liabilities		120,639	161,691
Total Liabilities		131,326	174,541
Total Equity and Liabilities		338,848	366,947
Net Assets (NA) per share attributable to ordinary equity holders of the Company (RM)		2.24	2.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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 2016		93,305	5,528	5,233	(601)	91,415	194,880	(2,473)	192,407
Total comprehensive income for the period		-	-	-	(18)	13,865	13,847	1,268	15,115
Dividend		-	-	-	-	-	-	-	-
Balance at 30 June 2016		<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(619)</u>	<u>105,280</u>	<u>208,727</u>	<u>(1,205)</u>	<u>207,522</u>
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		-	-	-	8	10,664	10,672	679	11,351
Dividend		-	-	-	-	-	-	-	-
Balance at 30 June 2015		<u>93,305</u>	<u>5,528</u>	<u>5,233</u>	<u>(675)</u>	<u>88,043</u>	<u>191,434</u>	<u>(153)</u>	<u>191,281</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 2015 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)**

	NOTE	Current Year-To-Date 30-06-2016 RM'000	Preceding Year-To-Date 30-06-2015 RM'000
Net cash from/(used in) operating activities	B15	44,042	(6,630)
Net cash used in investing activities	B15	(2,910)	(6,483)
Net cash (used in)/from financing activities	B15	(30,350)	9,383
Net increase/(decrease) in cash and cash equivalents		10,782	(3,730)
Adjustment for foreign exchange differentials		371	8
Cash and cash equivalents as of beginning of period		34,246	25,494
Cash and cash equivalents as of end of period		45,399	21,772

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

	Current Year-To-Date 30-06-2016 RM'000	Preceding Year-To-Date 30-06-2015 RM'000
Cash and bank balances	47,178	21,772
Bank overdraft	(1,779)	-
	45,399	21,772

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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 second quarter ended 30 June 2016 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 2015.

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 2015.

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 period:

MFRS and IC Interpretations	Effective Date
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts and Amendments to MFRS 15 Effective Date of MFRS 15</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 127 (2011) <i>Equity Method in Separate Financial Statements</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 SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)**

A3. Audit Qualification

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2015.

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 30-06-2016 RM'000	As at 31-12-2015 RM'000
Corporate guarantee given to licensed banks for banking facilities	67,773	107,771
Deed guarantee given to a customer for products sold	8,165	8,858
Deed guarantee given to suppliers for products purchased	720	1,224

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.*



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NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)

A12. Operating Segments (Cont'd)

a) Business Segments (Cont'd)

THE GROUP	Investment Holding	Tin Manufacturing	Food & Beverage	Group
	RM'000	RM'000	RM'000	RM'000
30 June 2016				
External revenue	-	45,507	161,429	206,936
Inter-segment revenue	-	11,999	550	12,549
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	-	57,506	161,979	219,485
Reportable segment (loss)/profit	(916)	6,453	12,928	18,465
Reportable segment assets	9,408	110,746	218,694	338,848
30 June 2015	RM'000	RM'000	RM'000	RM'000
External revenue	-	41,437	162,971	204,408
Inter-segment revenue	-	7,199	7122	14,321
Dividend income	1,043	-	-	1,043
Management income	-	-	-	-
Total revenue	1,043	48,636	170,093	219,772
Reportable segment (loss)/profit	(928)	3,977	12,281	15,330
Reportable segment assets	1,634	118,611	199,913	320,158

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
	RM'000	RM'000	RM'000	RM'000
30 June 2016				
Revenue				
External revenue	206,936	-	-	206,936
Inter-segment revenue	12,549	-	(12,549)	-
Dividend income	-	-	-	-
Management income	-	-	-	-
Total revenue	219,485	-	(12,549)	206,936
Segment results	19,820	10	2	19,832
Finance costs	(1,367)	-	-	(1,367)
Profit before tax	18,453	10	2	18,465
Tax expense				(3,332)
Net profit for the period				15,133
Other Information:				
Capital expenditure	3,185	-	-	3,185
Depreciation and amortisation	3,665	-	(2)	3,663
Segment assets	503,872	838	(165,862)	338,848
Segment liabilities	227,100	-	(95,774)	131,326



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NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)

A12. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

THE GROUP 30 June 2015	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	204,408	-	-	204,408
Inter-segment revenue	14,321	-	(14,321)	-
Dividend income	1,043	-	(1,043)	-
Management income	-	-	-	-
Total revenue	219,772	-	(15,364)	204,408
Segment results	17,196	20	(1,251)	15,965
Finance costs	(635)	-	-	(635)
Profit before tax	16,561	20	(1,251)	15,330
Tax expense				(3,987)
Net profit for the period				11,434
Other Information:				
Capital expenditure	6,631	-	-	6,631
Depreciation and amortisation	3,802	-	(2)	3,800
Segment assets	485,581	757	(166,180)	320,158
Segment liabilities	172,183	-	(43,406)	128,877

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 30-06-2016 RM	Preceding Year-To-Date 30-06-2015 RM
Directors of the Company		
- Rental of factory	8,400	8,400
- Rental of hostel	6,000	3,000
Related Company		
- Sales of goods	3,466,159	7,091,256
- (Returned)/Purchases of goods	(4,734)	326,108

A Director of a subsidiary has entered into a tenancy agreement with the Group's subsidiary. Both parties had mutually agreed to renew in every two (2) years at a renewed monthly rental of RM1,400 and shall expire on 14 November 2017. Another Director of the Group had entered into a hostel tenancy agreement with the Group's subsidiary and both parties had mutually agreed to renewed in every two (2) years at a renewed monthly rental of RM1,000 and shall expire on 31 March 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 SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)**

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

B1. Review of Group Performance

a) Current Year Quarter compared with Preceding Year Corresponding Quarter

The Group recorded a revenue of RM115.36 million and profit before tax of RM12.53 million for the second quarter as compared to preceding year corresponding quarter of RM113.63 million and profit before tax of RM9.22 million respectively. The revenue increased by RM1.73 million and the profit before tax increased by RM3.31 million respectively as compared to the second quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM2.81 million from RM20.76 million to RM23.57 million mainly due to higher sales in the edible oil industry. Profit before tax increased slightly by RM0.06 million to RM2.72 million for the current quarter as compared to RM2.66 million in the preceding year corresponding quarter, mainly attributed to higher sales revenue.

For the F&B segment, revenue decreased by RM1.29 million from RM93.07 million to RM91.78 million due to lower selling prices arising from a decreased in dairy ingredient costs. The profit before tax increased by RM3.07 million from RM7.25 million in the preceding year corresponding quarter as compared to RM10.32 million for the current quarter under review mainly due to foreign exchange gain on trade settlement.

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

The Group has recorded a revenue of RM206.94 million and profit before tax of RM18.47 million for the 6 months' ended 30 June 2016 as compared to preceding year-to-date of RM204.41 million and RM15.33 million respectively. The Group's revenue increased by RM2.53 million and the profit before tax increased by RM3.14 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM3.86 million from RM41.65 million to RM45.51 million mainly due to higher sales in the edible oil industry. Profit before tax increased by RM2.47 million from RM3.98 million to RM6.45 million mainly attributed to higher sales revenue.

For the F&B segment, revenue decreased by RM1.54 million from RM162.97 million to RM161.43 million due to lower selling prices arising from a decreased in dairy ingredient costs. The profit before tax was increased slightly by RM0.44 million from RM12.49 million to RM12.93 million mainly due to foreign exchange gain on trade settlement in the current year.



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)**

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's profits before tax increased by RM6.59 million to RM12.53 million as compared to profit before tax of RM5.94 million in the preceding quarter ended 31 March 2016.

a) Tin Manufacturing Industry

Profit before tax for tin manufacturing segment decreased by RM1.01 million from RM3.73 million in the previous quarter as compared to the current quarter of profit before tax of RM2.72 million. The decrease in profit is mainly due to reversal of unrealised foreign exchange in the previous quarter and high operating cost in the current quarter.

b) F&B Industry

Profit before tax for F&B segment increased by RM7.71 million from RM2.61 million in the previous quarter as compared to the current quarter of profit before tax of RM10.32 million. The increased in profit before tax was mainly due to foreign exchange impact in the current quarter as compared to previous 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. If the material costs remain 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 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	
	30-06-2016 RM'000	30-06-2015 RM'000	30-06-2016 RM'000	30-06-2015 RM'000
Current period:				
- Income tax	2,625	2,692	4,466	4,322
- Deferred tax	(63)	(95)	(1,134)	(335)
	<u>2,562</u>	<u>2,597</u>	<u>3,332</u>	<u>3,987</u>
(Over)/Under provision in previous year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>2,562</u>	<u>2,597</u>	<u>3,332</u>	<u>3,987</u>

NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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 June 2016 are summarised as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation	Utilisation	Timeframe	RM'000	%
	RM'000	RM'000	(Within)		
i) Purchase of land and construction of new warehouse and factory	15,000	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	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(87)	(65)	(165)	(148)
Other income	(480)	(438)	(683)	(671)
Interest expense	797	635	1,367	1,043
Depreciation and amortisation	1,822	1,905	3,663	3,800
Gain on disposal of property, plant and equipment	56	-	110	-
Realised foreign exchange (gain)/loss	(3,124)	1,527	(3,934)	4,257
Unrealised foreign exchange loss/(gain)	-	-	681	(927)
Loss/(Gain) on derivatives	74	47	(37)	47
Exceptional items	-	-	-	-

NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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:

	Individual Quarter		Cumulative Quarter	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
Profit for the period (RM'000)	9,365	6,683	13,865	10,664
Weighted average number of ordinary shares ('000 shares)	93,305	93,305	93,305	93,305
Basic and Diluted Earnings per Share (Sen)	10.04	7.16	14.86	11.43

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 30-06-2016 RM'000	As at 31-12-2015 RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	188,704	171,716
- unrealised	(5,368)	(3,512)
	183,336	168,204
Less: Consolidation adjustments	(78,056)	(76,789)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	105,280	91,415

B11. Derivative Financial Instruments

As at 30 June 2016, 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 30-06-2016 RM'000	As at 31-12-2015 RM'000
Forward Contracts (US Dollar)		
Fair Value	3,024	3,434
Less: Contract/Notional Value	3,081	3,455
Gain on Fair Value Changes	(57)	(21)

NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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:

	THE GROUP	
	As at 30-06-2016 RM'000	As at 31-12-2015 RM'000
Current portion (secured):		
Term loans	1,962	1,929
Short-term banking facilities	55,541	92,552
Revolving credit	14,500	4,001
Hire purchase payables (see Note B13 below)	369	2,507
	72,372	100,989
Non-current portion (secured):		
Term loans	5,340	6,344
Hire purchase payables (see Note B13 below)	136	193
	5,476	6,537
Total loan and borrowings	77,848	107,526

Except for the above, the Group's other banking facilities (all pertaining to certain subsidiary companies) are secured by way of corporate guarantee issued by the Company.

B13. Hire Purchase Payables

The Group's hire purchase payables as at the end of the financial reporting period are as follows:

	THE GROUP	
	As at 30-06-2016 RM'000	As at 31-12-2015 RM'000
Minimum hire purchase payments	522	2,791
Less: Future finance charges	(17)	(91)
Present value of hire purchase payables	505	2,700
Less: Current portion (see Note B12 above)	(369)	(2,507)
Non-current portion (see Note B12 above)	136	193

NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED) (cont'd)
B14. Warrants Reserve

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

	THE GROUP	
	As at 30-06-2016 RM'000	As at 31-12-2015 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 30-06-2016 RM'000	Preceding Year-To-Date 30-06-2015 RM'000
a) Cash Flows from Operating Activities		
Decrease in inventories	42,607	18,067
Increase in trade and other receivables	(7,683)	(13,853)
Decrease in trade and other payables	(14,293)	(29,893)
Income tax paid	(4,430)	(2,534)
Income tax refund	304	21
b) Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3,185)	(6,631)
c) Cash Flows from Financing Activities		
Net (repayment)/drawdown of short-term borrowings	(36,913)	12,794
Repayment of term loan	(972)	(961)
Drawdown of revolving credit	10,500	-
Repayment of hire purchase payables	(1,597)	(1,408)

B16. Proposed Dividend

During the financial reporting period under review, the Directors did not recommend any interim dividend for the financial period ended 30 June 2016.

The final single-tier dividend of 4 sen, amounted to RM3,732,213, in respect of the financial year ended 31 December 2015, which was approved at the Annual General Meeting of the Company on 30 May 2016, had been paid to shareholders on 29 July 2016.

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 second quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 29 August 2016.

[End of Report]