



JOHORE TIN BERHAD

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

**QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**(UNAUDITED)**

**This Report is dated 23<sup>rd</sup> May 2018.**



**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Period Quarter 31-03-2018 RM'000	Preceding Period Corresponding Quarter 31-03-2017 RM'000	Current Year- To-Date 31-03-2018 RM'000	Preceding Year- To-Date 31-03-2017 RM'000
<b>REVENUE</b>		<b>103,958</b>	<b>102,567</b>	<b>103,958</b>	<b>102,567</b>
Cost of Sales		(89,880)	(86,661)	(89,880)	(86,661)
<b>GROSS PROFIT</b>		<b>14,078</b>	<b>15,906</b>	<b>14,078</b>	<b>15,906</b>
Other incomes		884	3,586	884	3,586
Administrative expenses		(5,168)	(4,093)	(5,168)	(4,093)
Distribution expenses		(3,716)	(2,490)	(3,716)	(2,490)
Net gain on foreign exchange		2,105	898	2,105	898
Finance costs		(248)	(343)	(248)	(343)
<b>PROFIT BEFORE TAX</b>		<b>7,935</b>	<b>13,464</b>	<b>7,935</b>	<b>13,464</b>
Income tax expense	B6	(141)	(2,625)	(141)	(2,625)
<b>PROFIT FOR THE PERIOD</b>		<b>7,794</b>	<b>10,839</b>	<b>7,794</b>	<b>10,839</b>
Non-controlling interest		(177)	(520)	(177)	(520)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>7,617</b>	<b>10,319</b>	<b>7,617</b>	<b>10,319</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Foreign currency translation		(18)	(2)	(18)	(2)
<b>Total other comprehensive income for the period</b>		<b>(18)</b>	<b>(2)</b>	<b>(18)</b>	<b>(2)</b>
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	B8	<b>7,599</b>	<b>10,317</b>	<b>7,599</b>	<b>10,317</b>
<b>Profit after tax attributable to:</b>					
Owners of the Company		7,617	10,319	7,617	10,319
Non-controlling interest		177	520	177	520
		7,794	10,839	7,794	10,839
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		7,599	10,317	7,599	10,317
Non-controlling interest		177	520	177	520
		7,776	10,837	7,776	10,837
<b>Earnings per share (sen):</b>					
- Basic	B9	2.45	4.14	2.45	4.14
- Diluted	B9	2.45	4.03	2.45	4.03

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 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018 (UNAUDITED)**

		As at 31 March 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
	NOTE		
<b><u>ASSETS</u></b>			
<b><i>Non-Current Assets</i></b>			
Property, plant and equipment		109,564	110,934
Investment on associate company		3,357	171
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		<b>123,588</b>	<b>121,772</b>
<b><i>Current Assets</i></b>			
Inventories		91,710	96,673
Trade receivables		81,259	76,666
Other receivables		3,152	3,554
Amount owing from related companies		2,900	2,682
Derivative financial assets	B10	4,318	3,836
Tax recoverable		4,059	3,437
Cash and cash equivalents		76,432	85,459
		<b>263,830</b>	<b>272,307</b>
<b>TOTAL ASSETS</b>		<b>387,418</b>	<b>394,079</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><i>Share Capital and Reserves</i></b>			
Share capital		176,816	176,816
Retained earnings		118,246	113,734
Other components of equity		(509)	(491)
<b>Equity Attributable to Owners of the Company</b>		<b>294,553</b>	<b>290,059</b>
Non-controlling interest		476	54
<b>TOTAL EQUITY</b>		<b>295,029</b>	<b>290,113</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018 (UNAUDITED) (cont'd)**

	NOTE	As at 31 March 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
<b><i>EQUITY AND LIABILITIES (cont'd)</i></b>			
<b><i>Non-Current Liabilities</i></b>			
Long-term borrowings	B11	2,490	2,489
Retirement benefits		377	377
Deferred tax		7,583	8,227
<b><i>Total Non-Current Liabilities</i></b>		<b>10,450</b>	<b>11,093</b>
<b><i>Current Liabilities</i></b>			
Trade payables		19,245	30,427
Other payables		10,176	19,894
Amount owing to directors		150	162
Short-term borrowings	B11	50,718	41,399
Retirement benefits		300	300
Income tax		80	691
Bank overdraft		1,270	-
<b><i>Total Current Liabilities</i></b>		<b>81,939</b>	<b>92,873</b>
<b><i>TOTAL LIABILITIES</i></b>		<b>92,389</b>	<b>103,966</b>
<b><i>TOTAL EQUITY AND LIABILITIES</i></b>		<b>387,418</b>	<b>394,079</b>
		RM	RM
<b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b>		<b>0.95</b>	<b>0.93</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

	<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 2018</b>	176,816	-	-	(491)	113,734	290,059	54	290,113
Total comprehensive income for the period	-	-	-	(18)	7,617	7,599	177	7,776
Acquisition of subsidiary	-	-	-	-	-	-	245	245
Dividend paid	-	-	-	-	(3,105)	(3,105)	-	(3,105)
<b>Balance at 31 March 2018</b>	<b>176,816</b>	<b>-</b>	<b>-</b>	<b>(509)</b>	<b>118,246</b>	<b>294,553</b>	<b>476</b>	<b>295,029</b>
<b>Balance at 1 January 2017</b>	93,305	5,528	5,233	(603)	91,415	194,878	(2,473)	192,405
Total comprehensive income for the period	-	-	-	144	35,593	35,737	(150)	35,587
Dividend paid	-	-	-	-	(3,732)	(3,732)	-	(3,732)
Bonus Issue	31,102	(5,528)	-	-	(25,574)	-	-	-
Effect of change in NCI %	-	-	-	-	(2,258)	(2,258)	2,258	-
<b>Balance at 31 March 2017</b>	<b>124,407</b>	<b>-</b>	<b>5,233</b>	<b>(459)</b>	<b>95,444</b>	<b>224,625</b>	<b>(365)</b>	<b>224,260</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 2017 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

	NOTE	Current Period-To-Date 31-03-2018 RM'000	Preceding Period-To-Date 31-03-2017 RM'000
Net cash (used in)/from operating activities	<b>B14</b>	(9,630)	24,207
Net cash used in investing activities	<b>B14</b>	(4,566)	(10,589)
Net cash from/(used in) financing activities	<b>B14</b>	3,902	(10,949)
Net (decrease)/increase in cash and cash equivalents		(10,294)	26,282
Adjustment for foreign exchange differentials		(3)	144
Cash and cash equivalents as of beginning of year		85,450	34,246
Cash and cash equivalents as of end of period		75,153	60,672

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

	Current Period-To-Date 31-03-2018 RM'000	Preceding Period-To-Date 31-03-2017 RM'000
Cash and bank balances	76,432	61,596
Bank overdraft	(1,270)	(915)
Earmarked bank balance	(9)	(9)
	75,153	60,672

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (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 2018 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 2017.

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 2016 in Malaysia. These are the Group’s second set of condensed interim financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by 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 2017.

**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 107 *Disclosure Initiative*  
Amendments to MFRS 112 *Recognition of Deferred Tax Asset for Unrealised Losses*  
Annual Improvements to MFRSs 2012 – 2014 Cycle:  
Amendments to MFRS 12 *Clarification of the scope of the Standards*

The adoption of 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 MFRS and IC Int that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:**

<b>MFRS and IC Interpretations</b>	<b>Effective Date</b>
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i> & Amendments to MFRS 15	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
IC Interpretation 23 <i>Uncertainties over Income Tax Treatment</i>	1 January 2019
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 15 <i>Effective Date of MFRS 15 &amp; Clarification to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 140 <i>Transfer of Investment Property</i>	1 January 2018

The above MFRSs and IC Int. is expected to have no material impact on the Group’s financial statements upon their initial application.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (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 2017.

**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 third and fourth interim dividends of 0.5 sen and 1 sen respectively, in respect of the financial year ended 31 December 2017, amounting to RM4,657,245 (2017: Nil), had been paid on 9 Jan 2018 and 29 Mar 2018 to the depositors registered in the Record of Depositors at the close of business on 26 December 2017 and 16 March 2018 respectively.

**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>31-03-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to licensed banks for banking facilities	31,623	26,062
Deed guarantee given to a customer for products sold	2,596	1,702
Deed guarantee given to suppliers for products purchased	2,611	7,233

**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 FIRST QUARTER ENDED 31 MARCH 2018 (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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>31 March 2018</u></b>				
External revenue	-	29,659	74,299	103,958
Inter-segment revenue	-	4,160	8,316	12,476
Total revenue	-	33,819	82,615	116,434
Segments (loss)/profit before tax	(456)	3,189	5,202	7,935
Segment assets	40,208	128,067	219,143	387,418
<b><u>31 March 2017</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	-	23,979	78,588	102,567
Inter-segment revenue	-	4,010	-	4,010
Total revenue	-	27,989	78,588	106,577
Segments (loss)/profit before tax	(522)	6,270	7,755	13,464
Segment assets	12,653	125,691	207,937	346,281

**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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>31 March 2018</u></b>				
<b>Revenue</b>				
External revenue	103,958	-	-	103,958
Inter-segment revenue	12,476	-	(12,476)	-
Total revenue	116,434	-	(12,476)	103,958
Segments profit	8,061	(4)	126	8,183
Finance costs	(248)	-	-	(248)
Profit before tax	7,813	(4)	126	7,935
Tax expense	(141)	-	-	(141)
Net profit for the period	7,672	(4)	126	7,794
<b>Other Information:</b>				
Capital expenditure	1,134	-	-	1,134
Depreciation and amortisation	2,515	-	(11)	2,504
Segment assets	584,362	769	(197,713)	387,418
Segment liabilities	161,184	-	(68,795)	92,389

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED) (cont'd)**

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

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

<b>THE GROUP</b> <b>31 March 2017</b>	<b>Malaysia</b> <b>RM'000</b>	<b>Indonesia</b> <b>RM'000</b>	<b>Elimination</b> <b>RM'000</b>	<b>Consolidated</b> <b>RM'000</b>
<b>Revenue</b>				
External revenue	102,567	-	-	102,567
Inter-segment revenue	4,010	-	(4,010)	-
<b>Total revenue</b>	<b>106,577</b>	<b>-</b>	<b>(4,010)</b>	<b>102,567</b>
Segments profit	13,846	-	(39)	13,807
Finance costs	(343)	-	-	(343)
Profit before tax	13,503	-	(39)	13,464
Tax expense	(2,625)	-	-	(2,625)
<b>Net profit for the period</b>	<b>10,878</b>	<b>-</b>	<b>(39)</b>	<b>10,839</b>
<b>Other Information:</b>				
Capital expenditure	13,773	-	-	13,773
Depreciation and amortisation	2,279	-	(11)	2,268
Segment assets	528,487	318	(182,524)	346,281
Segment liabilities	166,188	-	(55,134)	111,054

**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>31-03-2018</b>	<b>31-03-2017</b>
	<b>RM</b>	<b>RM</b>
<b>Directors of the Companies</b>		
- Rental of factory	160,200	4,200
- Rental of hostel	3,000	3,000
<b>Related Companies</b>		
- Sales of goods	1,730,375	990,347

A Director of a subsidiary had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM1,800, and shall expire on 14 November 2019.

A related party of a Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM51,600, and shall expire on 31 December 2019.

Another Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly hostel rental of RM1,000 and shall expire on 31 March 2019.

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 2018 (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 RM103.96 million and profit before tax of RM7.94 million for the first quarter as compared to preceding year corresponding quarter of RM102.57 million and profit before tax of RM13.46 million respectively. The revenue increased by RM1.39 million and the profit before tax decreased by RM5.52 million respectively as compared to the first quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM5.68 million from RM23.98 million to RM29.66 million mainly due to higher sales in the edible oil industry and the printing services. Current quarter's profit decreased by RM3.08 million from profit before tax of RM6.27 million in the preceding year corresponding quarter to RM3.19 million. This is due to one-off gain on disposal of machinery of RM3.01 million in the preceding year's first quarter.

For the F&B segment, revenue decreased by RM4.29 million from RM78.59 million to RM74.30 million mainly due to lower sales from dairy products. The profit before tax decreased by RM2.56 million from RM7.76 million to RM5.20 million for the current quarter under review, mainly due to higher raw material costs and distribution expenses in the current quarter.

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

The Group has recorded a revenue of RM103.96 million and profit before tax of RM7.94 million for the 3 months' ended 31 March 2018 as compared to preceding year-to-date of RM102.57 million and RM13.46 million respectively. The Group's revenue increased by RM1.39 million and the profit before tax decreased by RM5.52 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM5.68 million from RM23.98 million to RM29.66 million mainly due to higher sales in the edible oil industry and the printing services. Profit before tax decreased by RM3.08 million from RM6.27 million to RM3.19 million. This is due to one-off gain on disposal of machinery of RM3.01 million in the preceding year's year-to-date.

For the F&B segment, revenue decreased by RM4.29 million from RM78.59 million to RM74.3 million mainly due to lower sales from dairy products. The profit before tax decreased by RM2.56 million from RM7.76 million to RM5.20 million, mainly due to higher raw material cost and distribution expenses in the current year under review.

**B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's profits before tax increased by RM5.01 million to RM7.94 million as compared to profit before tax of RM2.93 million in the preceding quarter ended 31 December 2017.

***a) Tin Manufacturing Industry***

Profit increased by RM3.53 million from a loss before tax of RM0.34 million in the previous quarter as compared to the current quarter's profit before tax of RM3.19 million. The loss in previous quarter is due to reversal of RM3.01 million one-off gain on disposal of machinery in the preceding year's quarter that was recognised in the first quarter of the previous year.

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED) (cont'd)**

**B2. Variation of Results against Preceding Quarter (cont'd)**

**b) F&B Industry**

Profit before tax increased by RM1.28 million from RM3.96 million in the previous quarter as compared to the current quarter's profit before tax of RM5.20 million due to a decrease in marketing and promotional expenses in the current quarter review.

**B3. Prospects of the Group**

**a) Tin Manufacturing Industry**

Tin manufacturing industry will remain challenging due to an increasingly competitive market. Raw material prices are currently less volatile and this will help to maintain the stability in the market in the near future.

**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	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current period:	RM'000	RM'000	RM'000	RM'000
- Income tax	785	2,578	785	2,578
- Deferred tax	(644)	47	(644)	47
	141	2,625	141	2,625

**B7. 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	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	128	157	128	157
Other income	747	3,429	747	3,429
Interest expense	(248)	(343)	(248)	(343)
Depreciation and amortisation	(2,504)	(2,268)	(2,504)	(2,268)
Gain on disposal of property, plant and equipment	9	3,026	9	3,026
Realised foreign exchange gain/(loss)	1,867	(399)	1,867	(399)
Unrealised foreign exchange (loss)/gain	(244)	1,017	(244)	1,017
Gain on derivatives financial instruments	482	280	482	280
Exceptional items	-	-	-	-

**B8. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

There are no corporate proposals and utilisation of proceeds raised from rights issue announced for the current financial reporting period.



**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (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	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Profit for the period (RM'000)	7,617	10,319	7,617	10,319
Weighted average number of ordinary shares ('000 shares)	310,473	249,119	310,473	249,119
<b>Basic Earnings per Share (Sen)</b>	<b>2.45</b>	<b>4.14</b>	<b>2.45</b>	<b>4.14</b>

The diluted earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares deemed to be issued for no consideration during the financial reporting period which is as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Profit for the period (RM'000)	7,617	10,319	7,617	10,319
Weighted average number of ordinary shares for basic earnings per share ('000 shares)	310,473	249,119	310,473	249,119
Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares)	-	7,085	-	7,085
Weighted average number of ordinary shares ('000 shares)	310,473	256,204	310,473	256,204
<b>Diluted Earnings per Share (Sen)</b>	<b>2.45</b>	<b>4.03</b>	<b>2.45</b>	<b>4.03</b>

There is no dilutive effect of the potential ordinary share convert under warrants issued since the warrants have expired in previous year.

**B10. Derivative Financial Instruments**

As at 31 March 2018, 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	
	31-03-2018	31-12-2017
<b>Forward Contracts (US Dollar)</b>	<b>RM'000</b>	<b>RM'000</b>
Contract/Notional Value	63,915	77,965
Less: Fair Value	(68,233)	(81,801)
Gain on Fair Value Changes	(4,318)	(3,836)

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.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED) (cont'd)**

**B10. Derivative Financial Instruments (Cont'd)**

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.

**B11. 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>31-03-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Current portion (secured):</i>		
Term loans	1,541	1,890
Short-term banking facilities	41,006	23,703
Revolving credit	8,100	15,767
Hire purchase payables (see Note B12 below)	71	39
	<b>50,718</b>	<b>41,399</b>
<i>Non-current portion (secured):</i>		
Term loans	2,303	2,452
Hire purchase payables (see Note B12 below)	187	37
	<b>2,490</b>	<b>2,489</b>
<b>Total Loan and Borrowings</b>	<b>53,208</b>	<b>43,888</b>

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

**B12. 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>31-03-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Minimum hire purchase payments	283	80
Less: Future finance charges	(25)	(4)
Present value of hire purchase payables	258	76
Less: <i>Current portion</i> (see Note B11 above)	(71)	(39)
<i>Non-current portion</i> (see Note B11 above)	187	37

**B13. Warrants Reserve**

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

	<b>THE GROUP</b>	
	<b>31-03-2018</b>	<b>31-12-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at the beginning of year	-	5,233
Transfer of reserves upon expiry of warrants	-	(5,233)
Balance at the end of period	-	-



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED) (cont'd)**

**B14. 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>31-03-2018</b>	<b>31-03-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>a) Cash Flows from Operating Activities</b>		
Decrease/(Increase) in inventories	4,962	(1,545)
(Increase)/Decrease in trade and other receivables	(3,231)	16,517
(Decrease)/ Increase in trade and other payables	(19,646)	1,642
Income tax paid	(2,116)	(2,365)
Income tax refund	98	66
<b>b) Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	9	3,026
Purchase of property, plant and equipment	(1,134)	(13,773)
<b>c) Cash Flows from Financing Activities</b>		
Dividend paid	(4,657)	-
Net drawdown/(repayment) of short-term borrowings	16,290	(10,557)
Repayment of term loan	(498)	(493)
Net drawdown/(repayment) of hire purchase payables	183	(29)
Net repayment of revolving credit	(7,667)	-
Proceeds from issuance of shares upon exercise of warrants	-	130

**B15. Disclosure of Realised and Unrealised Profits**

The breakdown of the realised and unrealised profits as at the end of the financial reporting period is as follows:

	<b>THE GROUP</b>	
	<b>31-03-2018</b>	<b>31-03-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings (Company and its subsidiaries)		
- realised	205,027	193,053
- unrealised	(7,340)	(7,609)
	197,687	185,444
Less: Consolidation adjustments	(79,441)	(79,681)
<b>Total group retained earnings as per unaudited condensed consolidated statement of financial position</b>	<b>118,246</b>	<b>105,763</b>

**B16. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a first interim dividend of 1 sen per ordinary share in respect of the financial year ending 31 December 2018. The date of payment and book closure of the said interim dividend will be determined at a later date.

**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 issue by the Board of Directors in accordance to the Board of Directors meeting held on 23 May 2018.

[End of Report]