



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

**QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(UNAUDITED)

This Report is dated 28th November 2018.

**QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Period Quarter 30-09-2018 RM'000	Preceding Period Corresponding Quarter 30-09-2017 RM'000	Current Year- To-Date 30-09-2018 RM'000	Preceding Year- To-Date 30-09-2017 RM'000
REVENUE		124,442	132,922	343,978	358,897
Cost of Sales		(99,612)	(114,157)	(285,704)	(305,985)
GROSS PROFIT		24,830	18,765	58,274	52,912
Other incomes		980	738	2,366	5,265
Administrative expenses		(4,858)	(8,344)	(14,354)	(19,429)
Distribution expenses		(4,416)	(3,408)	(14,767)	(9,098)
Net (losses)/gains on foreign exchange and financial instruments		204	1,269	(474)	2,303
Finance costs		(234)	(472)	(855)	(1,302)
PROFIT BEFORE TAX		16,506	8,448	30,190	30,651
Income tax expense	B6	(3,646)	(337)	(5,945)	(4,839)
PROFIT FOR THE PERIOD		12,860	8,111	24,245	25,812
Non-controlling interest		(218)	(32)	(525)	(530)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		12,642	8,079	23,720	25,282
OTHER CCCCMPREHENSIVE INCOME					
Foreign currency translation		508	(8)	491	(19)
Total other comprehensive income for the period		508	(8)	491	(19)
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	B7	13,150	8,071	24,211	25,263
Profit after tax attributable to:					
Owners of the Company		12,642	8,079	23,720	25,282
Non-controlling interest		218	32	525	530
		12,860	8,111	24,245	25,812
Total comprehensive income attributable to:					
Owners of the Company		13,150	8,071	24,211	25,263
Non-controlling interest		218	32	525	530
		13,368	8,103	24,736	25,793
Earnings per share (sen):					
- Basic	B9	4.07	2.84	7.64	8.88
- Diluted	B9	4.07	2.80	7.64	8.39

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.

**JOHORE TIN BERHAD** (Co. No. 532570-V)

(Incorporated in Malaysia)

AND ITS SUBSIDIARY COMPANIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018 (UNAUDITED)**

		As at 30 September 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
	NOTE		
<u>ASSETS</u>			
<i>Non-Current Assets</i>			
Property, plant and equipment		109,096	110,934
Investment on associate company		8,271	171
Goodwill on consolidation		10,650	10,650
Other investment		17	17
		128,034	121,772
<i>Current Assets</i>			
Inventories		84,025	96,673
Trade receivables		81,203	76,666
Other receivables		12,193	3,554
Amount owing from related companies		2,857	2,682
Derivative financial assets	B10	-	3,836
Tax recoverable		3,769	3,437
Cash and cash equivalents		86,185	85,459
		270,232	272,307
TOTAL ASSETS		398,266	394,079
<u>EQUITY AND LIABILITIES</u>			
<i>Share Capital and Reserves</i>			
Share capital		176,816	176,816
Retained earnings		129,175	113,734
Other components of equity		-	(491)
Equity Attributable to Owners of the Company		305,991	290,059
Non-controlling interest		824	54
TOTAL EQUITY		306,815	290,113

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 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)

		As at 30 September 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
<i>EQUITY AND LIABILITIES (cont'd)</i>			
<i>Non-Current Liabilities</i>			
Long-term borrowings	B11	2,165	2,489
Retirement benefits		351	377
Deferred tax		8,166	8,227
<i>Total Non-Current Liabilities</i>		10,682	11,093
<i>Current Liabilities</i>			
Trade payables		39,033	30,427
Other payables		11,996	19,894
Amount owing to directors		75	162
Short-term borrowings	B11	27,486	41,399
Retirement benefits		300	300
Derivative financial assets	B10	1,699	-
Income tax		180	691
<i>Total Current Liabilities</i>		80,769	92,873
<i>TOTAL LIABILITIES</i>		91,451	103,966
<i>TOTAL EQUITY AND LIABILITIES</i>		398,266	394,079
		RM	RM
<i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i>		0.99	0.93

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

	<u>Non-Distributable Reserves</u>		<u>Distributable</u>				
	Share Capital RM'000	Warrants Reserve RM'000	Foreign Translation Reserve RM'000	Retained Earnings RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance at 1 January 2018	176,816	-	(491)	113,734	290,059	54	290,113
Total comprehensive income for the period	-	-	491	23,720	24,211	525	24,736
Acquisition of subsidiary	-	-	-	-	-	245	245
Winding up of subsidiary	-	-	-	(517)	(517)	-	(517)
Dividend paid	-	-	-	(7,762)	(7,762)	-	(7,762)
Balance at 30 September 2018	176,816	-	-	129,175	305,991	824	306,815
Balance at 1 January 2017	124,407	5,233	(459)	95,444	224,625	(365)	224,260
Total comprehensive income for the period	-	-	(19)	25,282	25,263	530	25,793
Acquisition of subsidiary	-	-	-	-	-	245	245
Issuance of shares upon exercise of warrants	30,506	-	-	-	30,506	-	30,506
Dividend paid	-	-	-	(8,199)	(8,199)	-	(8,199)
Balance at 30 September 2017	154,913	5,233	(478)	112,527	272,195	410	272,605

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	NOTE	Current Period-To-Date 30-09-2018 RM'000	Preceding Period-To-Date 30-09-2017 RM'000
Net cash from operating activities	B14	39,749	5,333
Net cash used in investing activities	B14	(14,119)	(13,540)
Net cash (used in)/from financing activities	B14	(24,918)	4,090
Net increase/(decrease) in cash and cash equivalents		712	(4,117)
Adjustment for foreign exchange differentials		14	(17)
Cash and cash equivalents as of beginning of year		85,450	60,681
Cash and cash equivalents as of end of period		86,176	56,547

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

	Current Period-To-Date 30-09-2018 RM'000	Preceding Period-To-Date 30-09-2017 RM'000
Cash and bank balances	86,185	57,602
Bank overdraft	-	(1,055)
Earmarked bank balance	(9)	-
	86,176	56,547

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 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:

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 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 & 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 second interim dividends of 0.5 sen in respect of the financial year ending 31 December 2018, amounting to RM1,552,355, had been paid on 28 Septembers 2018 to the depositors registered in the Record of Depositors at the close of business on 19 September 2018.

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	
	30-09-2018	31-12-2017
	RM'000	RM'000
Corporate guarantee given to licensed banks for banking facilities	52,045	26,062
Deed guarantee given to a customer for products sold	44	1,702
Deed guarantee given to suppliers for products purchased	4,571	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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 (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
<u>30 September 2018</u>				
External revenue	-	83,718	260,260	343,978
Inter-segment revenue	-	17,652	28,713	46,365
Dividend	7,349	-	-	7,349
Total revenue	7,349	101,370	288,973	397,692
Segments (loss)/profit before tax	(1,167)	11,360	19,997	30,190
Segment assets	33,362	135,408	229,496	398,266
<u>30 September 2017</u>	RM'000	RM'000	RM'000	RM'000
External revenue	-	75,143	283,754	358,897
Inter-segment revenue	-	14,445	5,684	20,129
Dividend	7,152	-	-	7,152
Total revenue	7,152	89,588	289,438	386,178
Segments (loss)/profit before tax	(1,271)	10,415	16,668	25,812
Segment assets	24,717	132,151	210,320	367,188

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
<u>30 September 2018</u>				
Revenue				
External revenue	343,978	-	-	343,978
Inter-segment revenue	46,365	-	(46,365)	-
Dividend	7,349	-	(7,349)	-
Total revenue	397,692	-	(53,714)	343,978
Segments profit/(loss)	38,252	(8)	(7,199)	31,045
Finance costs	(855)	-	-	(855)
Profit/(Loss) before tax	37,397	(8)	(7,199)	30,190
Tax expense	(5,869)	(76)	-	(5,945)
Net profit/(loss) for the period	31,528	(84)	(7,199)	24,245
Other Information:				
Capital expenditure	5,772	-	-	5,772
Depreciation and amortisation	7,621	-	(11)	7,610
Segment assets	606,222	-	(207,956)	398,266
Segment liabilities	151,468	-	(60,017)	91,451

NOTES TO THE FINANCIAL INFORMATION

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)

A12. Segmental Reporting (Cont'd)

b) Geographical Segments (Cont'd)

THE GROUP 30 September 2017	Malaysia RM'000	Indonesia RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	358,897	-	-	358,897
Inter-segment revenue	20,129	-	20,129)	-
Dividend	7,152	-	(7,152)	-
Total revenue	386,178	-	(27,281)	358,897
Segments profit	39,061	(3)	(7,105)	31,953
Finance costs	(1,302)	-	-	(1,302)
Profit before tax	37,759	(3)	(7,105)	30,651
Tax expense	(4,839)	-	-	(4,839)
Net profit for the period	32,920	(3)	(7,105)	25,812
Other Information:				
Capital expenditure	17,427	-	-	17,427
Depreciation and amortisation	7,164	-	(11)	7,153
Segment assets	550,606	297	(183,715)	367,188
Segment liabilities	150,756	-	(56,173)	94,583

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	
	30-09-2018	30-09-2017
	RM	RM
Directors of the Companies		
- Rental of factory	480,600	12,600
- Rental of hostel	9,000	9,000
Related Companies		
- Sales of goods	5,465,905	6,124,217
- Purchases of goods	171,253	-

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 RM124.44 million and profit before tax of RM16.51 million for the third quarter as compared to preceding year corresponding quarter of RM132.92 million and profit before tax of RM8.45 million respectively. The revenue decreased by RM8.48 million and the profit before tax increased by RM8.06 million respectively as compared to the third quarter of the preceding year.

For the tin manufacturing segment, revenue increased by RM2.34 million from RM26.39 million to RM28.73 million mainly due to higher sales in the edible oil industry, paint industry and the printing of tinplates services. Current quarter's profit before tax increased by RM0.28 million from RM3.80 million in the preceding year corresponding quarter to RM4.08 million.

For the F&B segment, revenue decreased by RM10.83 million from RM106.54 million to RM95.71 million mainly due to lower sales from dairy products. The profit before tax increased by RM7.69 million from RM4.95 million to RM12.64 million for the current quarter under review, mainly due to increase sales in higher margin products mix and no allowance for doubtful debts in the current quarter under review as compared to RM3.59 million in the preceding year corresponding quarter.

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

The Group has recorded a revenue of RM343.98 million and profit before tax of RM30.19 million for the 9 months' ended 30 September 2018 as compared to preceding year-to-date of RM358.90 million and RM30.65 million respectively. The Group's revenue decreased by RM14.92 million and the profit before tax decreased by RM0.46 million respectively as compared to preceding year-to-date.

For the tin manufacturing segment, revenue increased by RM8.58 million from RM75.14 million to RM83.72 million mainly due to higher sales in the biscuit industry, edible oil industry and the printing of tinplates services. Profit before tax decreased by RM2.76 million from RM14.12 million to RM11.36 million. This is due to one-off gain on disposal of machinery of RM3.01 million in the preceding year.

For the F&B segment, revenue decreased by RM23.50 million from RM283.76 million to RM260.26 million mainly due to lower sales from dairy products. The profit before tax increased by RM2.16 million from RM17.84 million to RM20.00 million, mainly due to increase sales in higher margin products mix and no allowance for doubtful debts in the current year under review as compared to RM6.21 million in the preceding year-to-date.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's profits before tax increased by RM10.76 million to RM16.51 million as compared to profit before tax of RM5.75 million in the preceding quarter ended 30 June 2018.

a) Tin Manufacturing Industry

Profit before tax decreased slightly by RM21 thousand from RM4.10 million to RM4.08 million.

b) F&B Industry

Profit before tax increased by RM10.48 million from RM2.16 million in the previous quarter as compared to the current quarter's profit before tax of RM12.64 million due to increase sales in higher margin products mix and favourable foreign exchange rates, as well as decrease in marketing and promotional expenses in the current quarter under review.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED) (cont'd)**

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	
	30-09-2018	30-09-2017	30-09-2018	30-09-2017
Current period:	RM'000	RM'000	RM'000	RM'000
- Income tax	3,563	2,216	6,002	7,180
- Income tax (under-provision)	4	-	4	-
- Deferred tax	79	(1,879)	(61)	(2,341)
	<u>3,646</u>	<u>337</u>	<u>5,945</u>	<u>4,839</u>

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	
	30-09-2018	30-09-2017	30-09-2018	30-09-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	349	165	619	481
Other income	631	573	1,738	1,505
Interest expense	(234)	(472)	(855)	(1,302)
Depreciation and amortisation	(2,546)	(2,541)	(7,610)	(7,153)
Gain on disposal of property, plant and equipment	-	11	9	3,279
Realised foreign exchange gain/(loss)	2,305	(121)	5,280	(1,036)
Unrealised foreign exchange gain/(loss)	2	-	(219)	1,149
(Loss)/ Gain on derivatives financial instruments	(2,099)	1,390	(5,535)	2,190
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 THIRD QUARTER ENDED 30 SEPTEMBER 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	
	30-09-2018	30-09-2017	30-09-2018	30-09-2017
Profit for the period (RM'000)	12,642	8,079	23,720	25,282
Weighted average number of ordinary shares ('000 shares)	310,473	284,704	310,473	284,704
Basic Earnings per Share (Sen)	4.07	2.84	7.64	8.88

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	
	30-09-2018	30-09-2017	30-09-2018	30-09-2017
Profit for the period (RM'000)	12,642	8,079	23,720	25,282
Weighted average number of ordinary shares for basic earnings per share ('000 shares)	310,473	284,704	310,473	284,704
Weighted average number of ordinary shares deemed to be issued for no consideration ('000 shares)	-	3,598	-	16,803
Weighted average number of ordinary shares ('000 shares)	310,473	288,302	310,473	301,507
Diluted Earnings per Share (Sen)	4.07	2.80	7.64	8.39

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 30 September 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	
	30-09-2018 RM'000	31-12-2017 RM'000
Forward Contracts (US Dollar)		
Contract/Notional Value	48,811	77,965
Less: Fair Value	(47,112)	(81,801)
Loss/(Gain) on Fair Value Changes	1,699	(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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

	THE GROUP	
	30-09-2018	31-12-2017
	RM'000	RM'000
Current portion (secured):		
Term loans	832	1,890
Short-term banking facilities	11,985	23,703
Revolving credit	14,598	15,767
Hire purchase payables (see Note B12 below)	71	39
	27,486	41,399
Non-current portion (secured):		
Term loans	2,011	2,452
Hire purchase payables (see Note B12 below)	154	37
	2,165	2,489
Total Loan and Borrowings	29,651	43,888

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:

	THE GROUP	
	30-09-2018	31-12-2017
	RM'000	RM'000
Minimum hire purchase payments	246	80
Less: Future finance charges	(21)	(4)
Present value of hire purchase payables	225	76
Less: Current portion (see Note B11 above)	(71)	(39)
Non-current portion (see Note B11 above)	154	37

B13. Warrants Reserve

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

	THE GROUP	
	30-09-2018	31-12-2017
	RM'000	RM'000
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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

	THE GROUP	
	30-09-2018	30-09-2017
	RM'000	RM'000
a) Cash Flows from Operating Activities		
Decrease/(Increase) in inventories	12,648	(11,754)
Increase in trade and other receivables	(12,298)	(6,885)
Increase/(Decrease) in trade and other payables	1,962	(4,518)
Income tax paid	(6,961)	(8,515)
Income tax refund	111	1,766
b) Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	9	3,332
Purchase of property, plant and equipment	(5,772)	(17,427)
c) Cash Flows from Financing Activities		
Dividend paid	(9,314)	(8,199)
Net repayment of short-term borrowings	(12,731)	(11,633)
Repayment of term loan	(1,499)	(1,483)
Net drawdown/(repayment) of hire purchase payables	150	(101)
Net repayment of revolving credit	(1,169)	(5,000)
Proceeds from issuance of shares upon exercise of warrants	-	30,506

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:

	THE GROUP	
	30-09-2018	30-09-2017
	RM'000	RM'000
Total retained earnings (Company and its subsidiaries)		
- realised	223,616	195,312
- unrealised	(13,915)	(3,180)
	209,701	192,132
Less: Consolidation adjustments	(80,526)	(79,605)
Total group retained earnings as per unaudited condensed consolidated statement of financial position	129,175	112,527

B16. Proposed Dividend

During the current quarter under review, the Board of Directors is pleased to declare a third interim dividend of 1.5 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 third quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 28 November 2018.

[End of Report]