JOHORE TIN BERHAD

COMPANY NO:532570-V
INCORPORATED IN MALAYSIA

ANNUAL REPORT 2011

contents

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of Johore Tin Berhad will be held at Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Wednesday, 27 June 2012 at 9.30 a.m. for the following purposes:

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To declare a Single Tier Final Dividend of 3.8% for the financial year ended 31 December 2011. (Resolution 1)
3. To approve the payment of Directors' fees of RM296,000.00 for the year ended 31 December 2011. (Resolution 2)
4. To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company's Articles of Association:
   (a) Mr. Edward Goh Swee Wang (Resolution 3)
   (b) Datuk Kamaludin Bin Yusoff (Resolution 4)
5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution, with or without modifications:

6. **ORDINARY RESOLUTION** (Resolution 6)
   AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten percent (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof AND THAT authority be and is hereby given to the Directors to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

7. To transact any other business of which due notice shall have been given.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed Single Tier Final Dividend of 3.8% in respect of the financial year ended 31 December 2011, if approved, will be paid on 26 July 2012 to depositors registered in the Record of Depositors at the close of business on 28 June 2012.

A depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 28 June 2012 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
JOHORE TIN BERHAD

YONG MAY LI (f) (LS0000295)
Company Secretary

Johor Bahru,
1 June 2012

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an attorney or an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 72(c) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 21 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES:-

1. **Item 1 of the Agenda**

   This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Item 6 of the Agenda**

   ORDINARY RESOLUTION
   AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   The purpose of this Ordinary Resolution proposed under item 6 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

   The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 22 June 2011. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide f exibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund arising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

statement accompanying notice of annual general meeting

1. Directors who are standing for re-election or re-appointment at the Eleventh Annual General Meeting of Johore Tin Berhad ("The Company"):

   (i) Under Article 120 of the Company's Articles of Association:

   - Mr. Edward Goh Swee Wang
   - Datuk Kamaludin Bin Yusoff

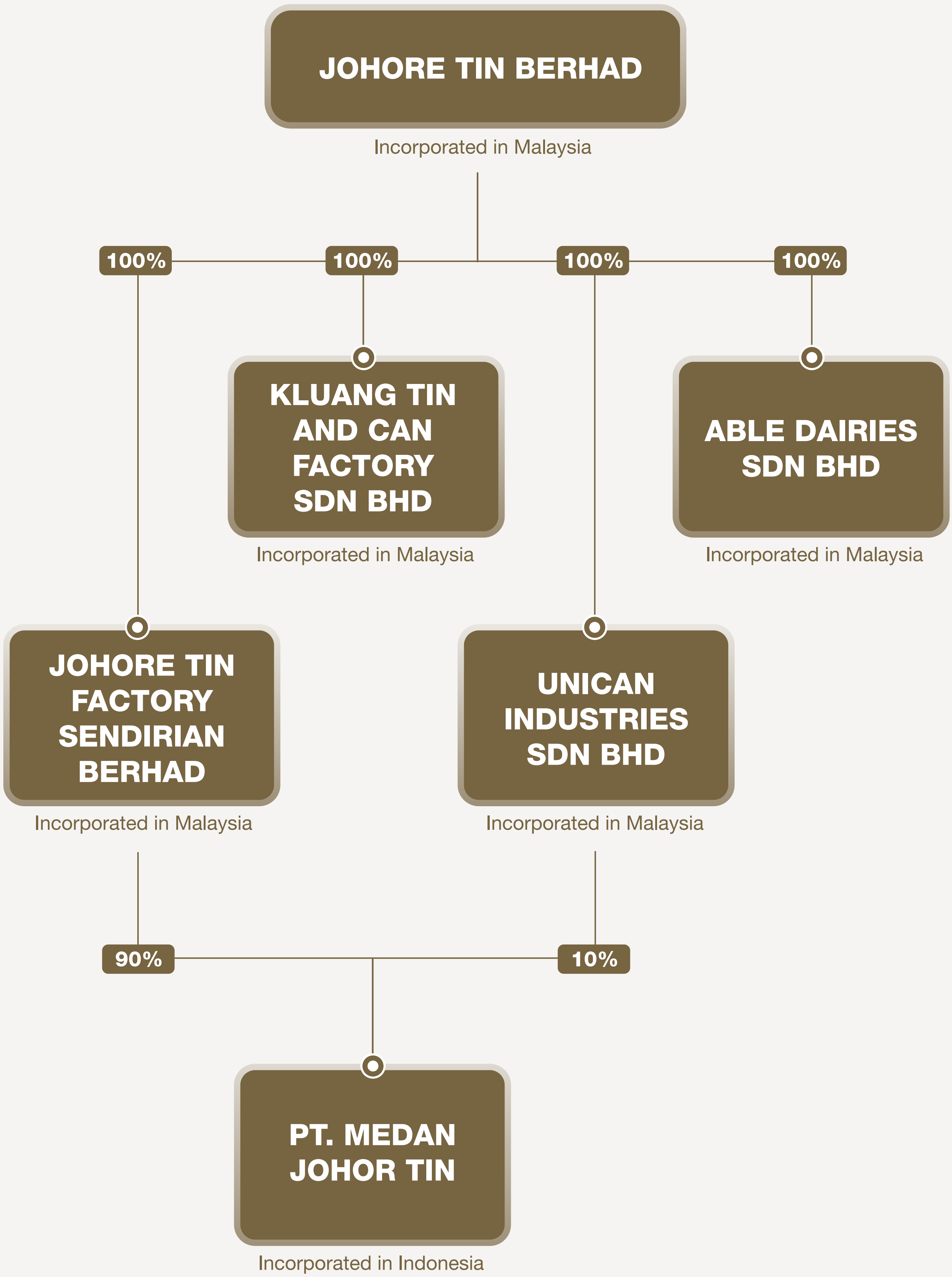
2. Further details of Directors standing for re-election are set out in the Directors' Profile appearing on page 11 of this Annual Report.

3. Particulars of Directors' shareholdings are set out on page 104 of this Annual Report.

corporate information

Directors	:	Datuk Kamaludin Bin Yusoff (Chairman) Mr. Edward Goh Swee Wang (Managing Director) Mr. Yeow Ah Seng @ Yow Ah Seng Mr. Lim Chin Kai En. Muhamad Feasal Bin Yusoff Mr. Lim Hun Swee
Audit Committee	:	Mr. Lim Chin Kai (Chairman/Independent Non-Executive Director) En. Muhamad Feasal Bin Yusoff (Independent Non-Executive Director) Datuk Kamaludin Bin Yusoff (Non-Executive Director)
Remuneration Committee	:	Mr. Lim Chin Kai (Chairman/Independent Non-Executive Director) Mr. Edward Goh Swee Wang (Managing Director) En. Muhamad Feasal Bin Yusoff (Independent Non-Executive Director)
Nomination Committee	:	En. Muhamad Feasal Bin Yusoff (Chairman/Independent Non-Executive Committee Director) Mr. Lim Chin Kai (Independent Non-Executive Director) Datuk Kamaludin Bin Yusoff (Non-Executive Director)
Company Secretary	:	Ms. Yong May Li (LS0000295)
Auditors	:	Crowe Horwath Chartered Accountants 30-04, Level 30, Menara Landmark Mail Box 171 12, Jalan Ngee Heng 80000 Johor Bahru, Johor Tel: +60(7) 278 1268 Fax: +60(7) 278 1238
Share Registrars	:	Tricor Investor Services Sdn. Bhd. Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: +60(3) 2264 3883 Fax: +60(3) 2282 1886
Registered Office	:	Suite 1301, 13th Floor City Plaza, Jalan Tebrau 80300 Johor Bahru, Johor Tel: +60(7) 335 4988 Fax: +60(7) 335 4977
Principal Bankers	:	Public Bank Berhad Hong Leong Bank Berhad AmBank (M) Berhad United Overseas Bank (Malaysia) Bhd
Stock Exchange Listing	:	Main Market of Bursa Malaysia Securities Berhad
Website	:	http://www.johoretin.com.my

corporate structure



chairman's statement

On behalf of the Board of Directors of Johore Tin Berhad, I am pleased to present the Chairman's statement for the year ended 31 December 2011.

FINANCIAL REVIEW

For the year under review, the Group registered a consolidated revenue of RM134.215 million, which represented an increase of over 40% as compared to the revenue of RM95.563 million achieved in the previous year. Profit after tax also increase substantially for the year ended 2011 by over 76% as compared to the previous year. The net profit after tax for 2011 is RM11.038 million compared to RM6.273 million in 2010.

The revenue and profit of the Group in 2011 include the 2-months contribution from Able Dairies Sdn. Bhd., the newly acquired subsidiary and the contributions significantly strengthened the Group's performance for the year.

DIVIDEND

The Board of Directors is pleased to propose a single-tier final dividend of 3.80 sen per ordinary share for the year ended 31 December 2011.

ACQUISITION OF NEW SUBSIDIARY

The acquisition of Able Dairies Sdn. Bhd. ("Able Dairies") was completed at the end of October 2011. Able Dairies is now a wholly-owned subsidiary of Johore Tin Berhad.

I would like to welcome the staff and management of Able Dairies to the Group and I look forward to working together with my new colleagues to bring the Group into greater height in the exciting business of food and beverages.

For the year under review, I am pleased to announce that Able Dairies has more than met the RM7 million of profit guarantee and that Able Dairies has contributed significantly to the Group's overall performance.

PROSPECT

With the global economic situation being so unstable and unpredictable, it is very difficult to foresee how the raw material prices will move in the coming months. Our raw materials such as steel, milk powder and sugar are highly dependent on the global economic well-being. However, all our competitors whether in Malaysia or elsewhere in the world will subject to the same uncertainties. Purchasing decisions will be a key in the overall profitability of the Group as total revenue is expected to increase in the year 2012.

For the tin cans and other containers segments, growth is expected to be gradual as this industry is matured and we are growing with our customers when they expand their business.

For the food and beverage segment, the Group will be benefiting from the full year's contribution from Able Dairies in 2012 compared to only 2-months contribution in 2011. With this, the revenue and profit of the Group are expected to increase significantly.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere appreciation to all our customers, business partners, bankers and shareholders for the support given and for the co-operation shown to all the subsidiaries of the Group in order for us to make 2011 a profitable year.

To the staff and management of each and every subsidiary of the Group, a big thank you for your effort and dedication shown in making 2011 such a great year.

And to all members of the Company's Board of Directors, my gratitude to each of you for the co-operation extended to me in the smooth running of the Board.

Thank you.

DATUK KAMALUDIN BIN YUSOFF
Non-Executive Chairman

Dated: 1 June 2012

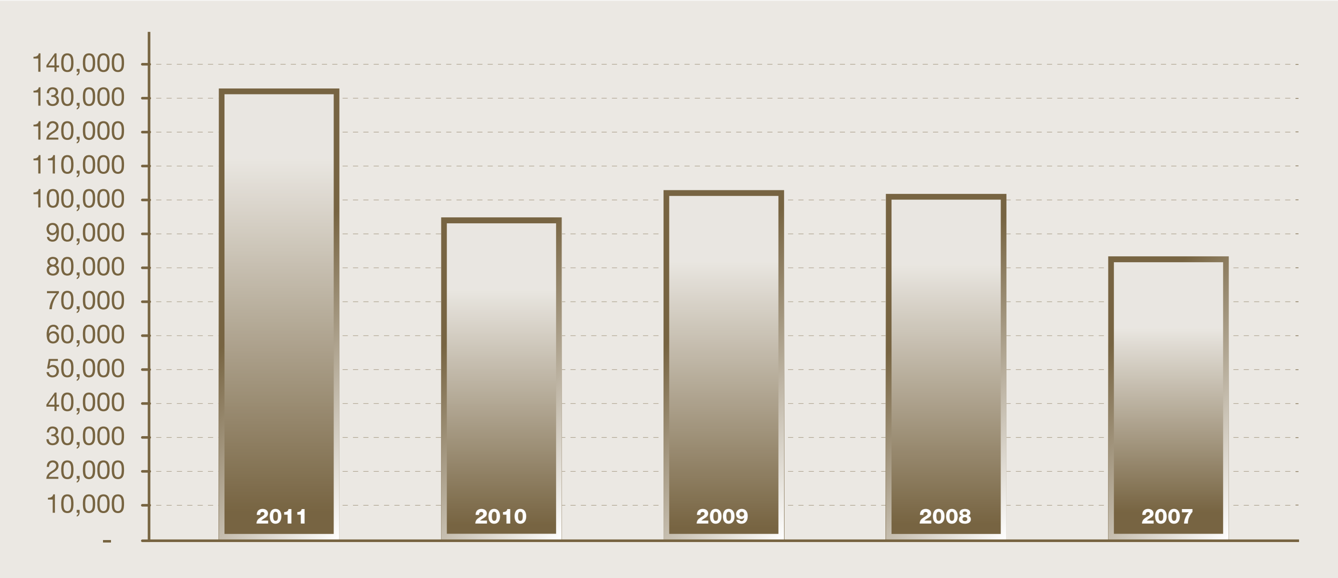
financial highlights

Statement of Comprehensive Income:	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Revenue	134,215	95,563	107,314	105,199	82,764
EBITDA (Earnings/(Loss) Before Interest, Taxes, Depreciation and Amortisation)	18,877	12,378	11,939	8,319	(708)
Finance costs	1,163	734	724	1,269	1,202
Profit/(Loss) before tax	14,659	8,551	8,033	3,996	(4,835)
Profit/(Loss) after tax	11,038	6,273	4,965	4,942	(4,034)
Comprehensive income attributable to the owners	11,048	6,211	4,925	4,909	(4,269)

Statement of Financial Position:	RM'000	RM'000	RM'000	RM'000	RM'000
Total assets	192,577	123,711	114,840	128,653	116,597
Total borrowings	47,131	20,555	16,982	31,938	26,290
Shareholders' equity	106,226	94,407	89,846	85,539	80,630

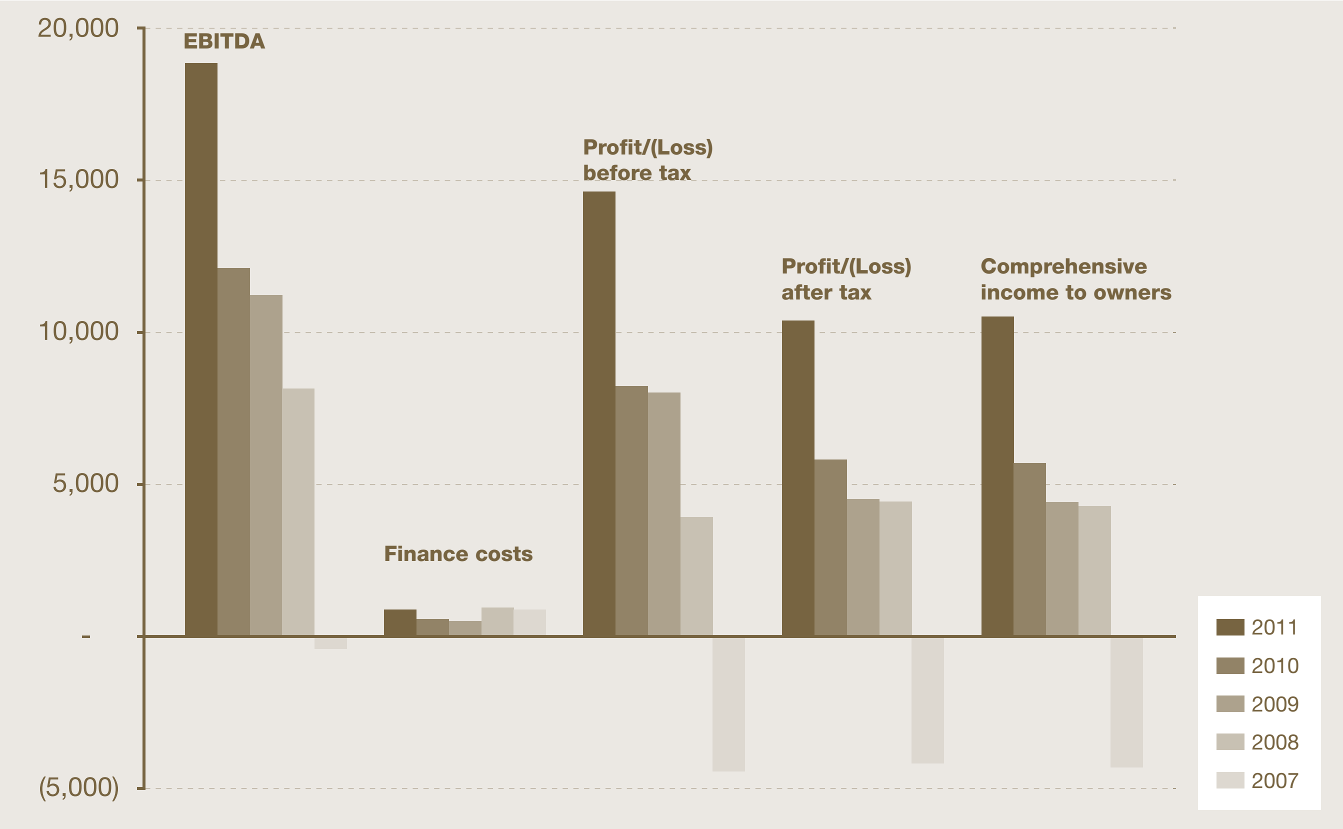
Financial Indicators:					
Return on equity (%)	10.39	6.64	5.53	5.78	(5.00)
Return on total assets (%)	5.73	5.07	4.32	3.84	(3.46)
Gearing ratio (%)	44.37	21.77	18.90	37.34	32.61
Interest cover (times)	16.23	16.86	16.49	6.56	(0.59)
Earnings/(Loss) per share (sen)	16.56	9.51	7.53	7.49	(6.11)
Net assets per share (RM)	1.52	1.43	1.36	1.30	1.22
Gross dividend per share (sen)	3.80	3.50	2.50	1.25	-
Gross dividend yield (%)	5.14	5.38	4.63	3.05	-
Price Earnings (PE) ratio	4.47	6.84	7.18	5.47	(9.00)
Share price as at the end of financial year (RM)	0.74	0.65	0.54	0.41	0.55

REVENUE (RM'000)

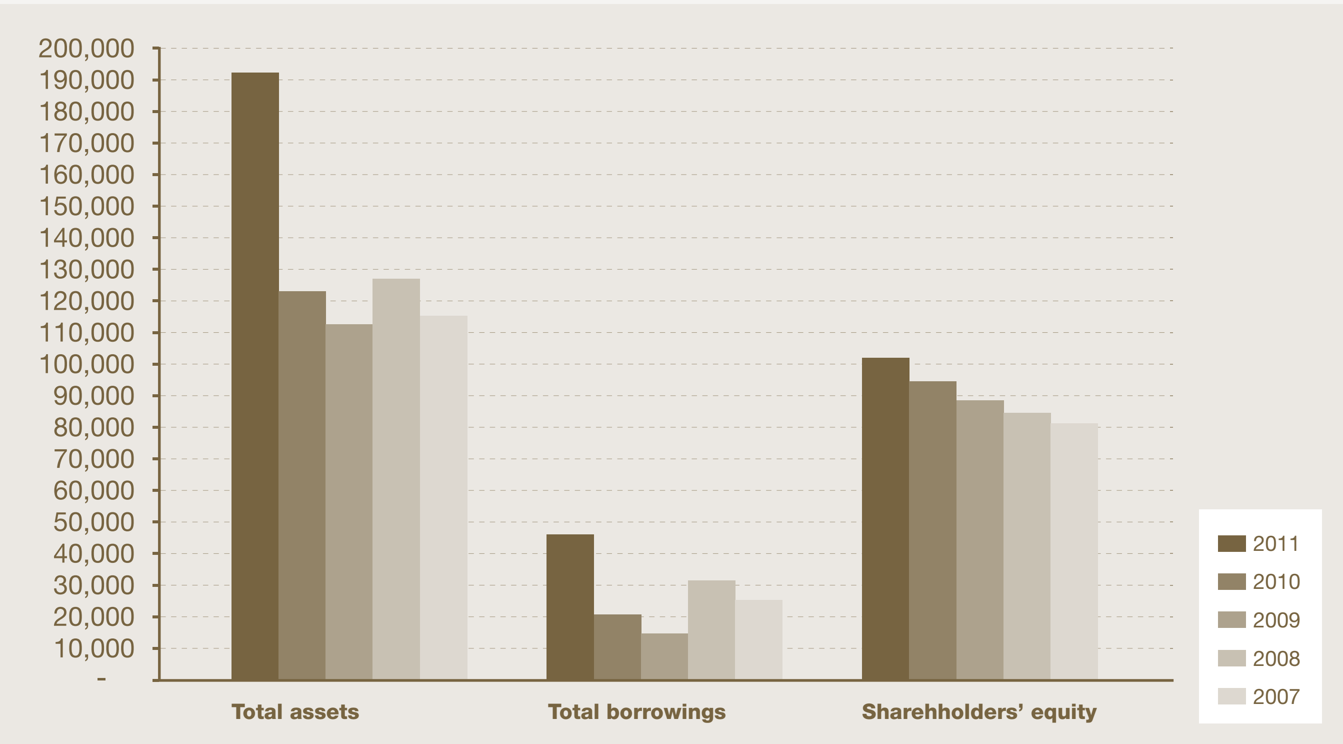


financial highlights (cont'd)

STATEMENT OF COMPREHENSIVE INCOME (RM'000)

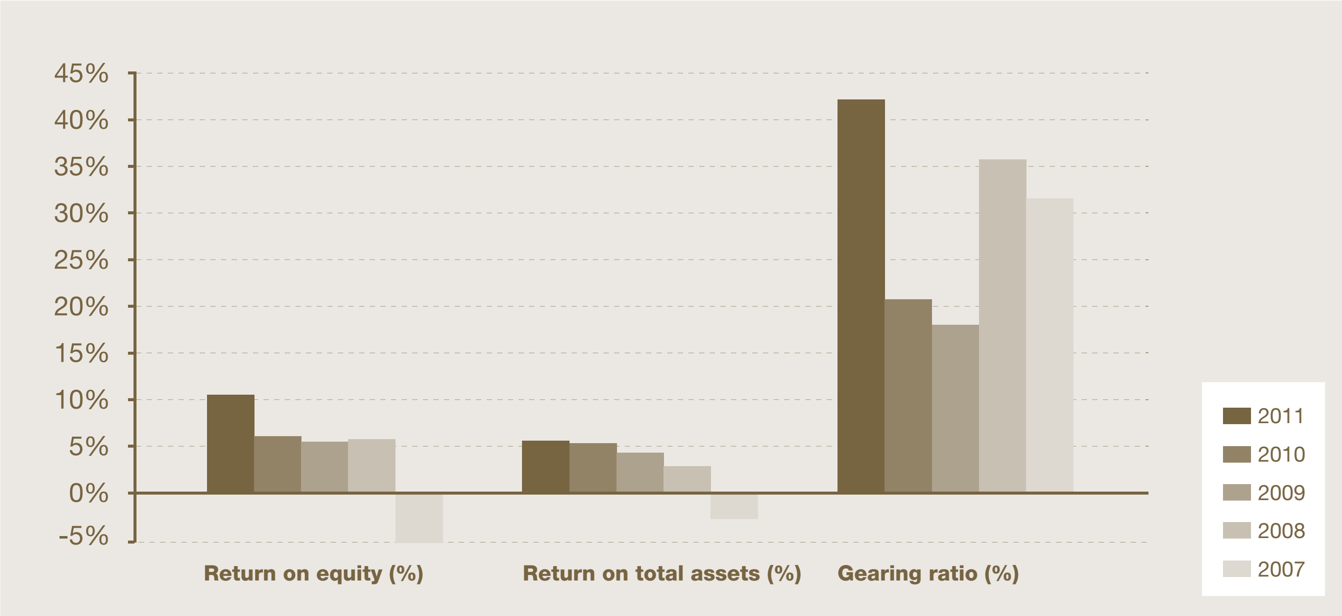


STATEMENT OF FINANCIAL POSITION (RM'000)

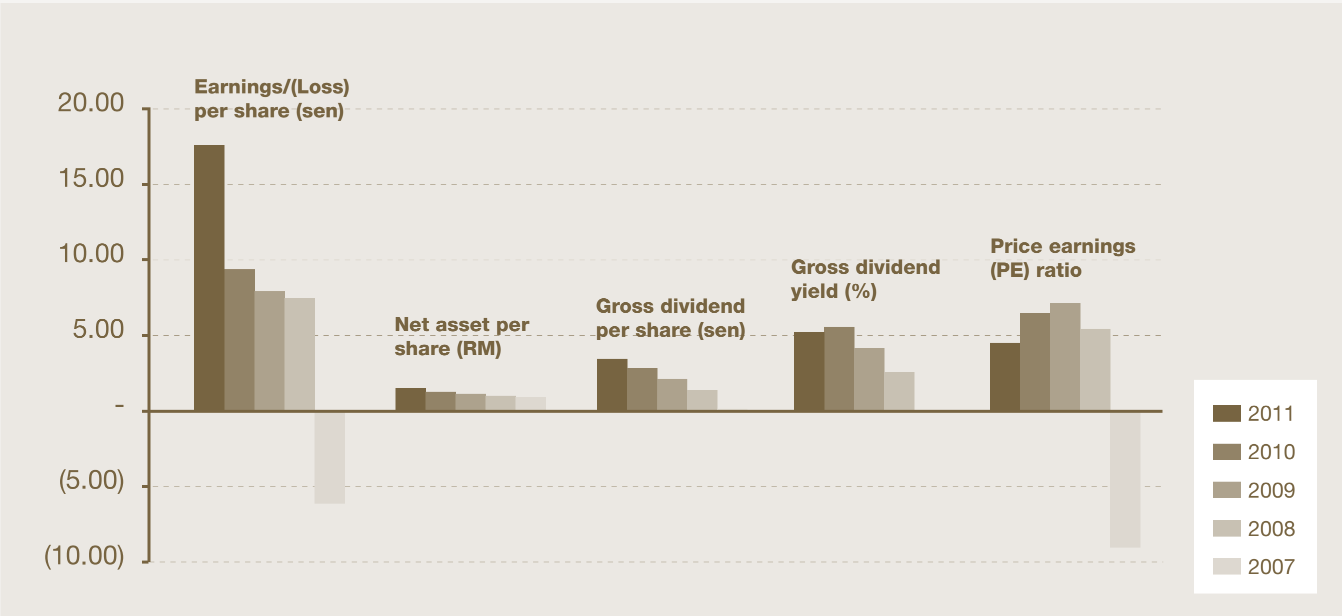


financial highlights (cont'd)

RATIO ANALYSIS



SHARE INFORMATION



profile of directors

	DATUK KAMALUDIN BIN YUSOFF	EDWARD GOH SWEE WANG
Position	Chairman/Non-Executive Director	Managing Director
Age	64	49
Nationality	Malaysian	Malaysian
Qualification	Bachelor of Arts (Hons) in History, University Malaya, Kuala Lumpur, 1974	Business Administration and Mechanical Engineering
Working experience & occupation	- Started his career as Administrative & Diplomatic Officer in the public sector in 1974 and has served in various positions with Ministry of Finance, Ministry of Defence, Road Transport Department and Ministry of Entrepreneur Development	- Holds a Bachelor of Science Degree in Mechanical Engineering and a Master Degree in Business Administration from the Oklahoma State University, United States of America - More than 20 years of working experience in tin can industry - Oversees company planning, development, marketing and overall management
Date of Appointment	August 11, 2008 April 26, 2010 (Chairman)	December 31, 2002
Other directorships of public listed companies	Yoong Onn Corporation Berhad	Nil
Membership of Board Committees	Member of Audit Committee and Nomination Committee	Member of Remuneration Committee
Family relationship with any director and/or major shareholder of JTB	Husband to Datin Fawziah Binti Hussein Sazally who is a director and shareholder of Genting Perwira Sdn. Bhd. which is a substantial shareholder of JTB	Son to Mr. Goh Mia Kwong who is a major shareholder of JTB
Conflict of interest with JTB, if any	Nil	Nil
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil
No. of Board Meetings attended in the financial year	4	4

profile of directors (cont'd)

	YEOW AH SENG @ YOW AH SENG	LIM CHIN KAI
Position	Executive Director	Independent Non-Executive Director
Age	59	54
Nationality	Malaysian	Malaysian
Qualification	Supervision of factory operations and sales	Business Administration and Mechanical Engineering
Working experience & occupation	- Started his career in the tin can manufacturing industry since 1983 - Joined Kluang Tin And Can Factory Sdn. Bhd. in 1988 as Executive Director	- Holds a Bachelor of Science in Mechanical Engineering from Oklahoma State University, USA and a Master Degree of Business Administration from the University of San Franscisco, USA - Joined Walden International Investment Group as Assistant Vice President in 1995. Subsequently, joined Megachem Ltd in 1996 as General Manager and resigned in 2005 as Corporate Services and Investment Director. Later, joined AvantChem Pte Ltd as General Manager / Director and resigned in March 2007 - Currently has ventured into his own business as a Private Investor
Date of Appointment	December 31, 2002	December 31, 2002
Other directorships of public listed companies	Nil	Nil
Membership of Board Committees	Nil	Chairman of Audit Committee and Remuneration Committee, Member of Nomination Committee
Family relationship with any director and/or major shareholder of JTB	Nil	Nil
Conflict of interest with JTB, if any	Nil	Nil
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil
No. of Board Meetings attended in the financial year	4	4

	MUHAMAD FEASAL BIN YUSOFF	LIM HUN SWEE
Position	Independent Non-Executive Director	Non-Executive Director
Age	42	60
Nationality	Malaysian	Singaporean
Qualification	Chartered Accountancy	Management of Factory Operation
Working experience & occupation	- Member of the Association of Chartered Certified Accountants and Malaysian Institute of Accountants - Graduated with a Bachelor of Arts (Hons) majoring in Accounts and Finance from Manchester Metropolitan University, UK - Joined Deloite Touche Tohmatsu in 1995, he then moved to Ernst & Young - Setting up his own practice, Feasal & Co in 2003	- More than 20 years experiences as Managing Director of In-Comix Food Industries Sdn Bhd and retired from the position since July 2009 - Presently, he is the Managing Director of Grand United Marketing Sdn Bhd and Taste N Tasty Food Industries Sdn Bhd
Date of Appointment	December 31, 2002	August 26, 2010
Date of Resignation	Nil	Nil
Other directorships of public listed companies	Nil	Nil
Membership of Board Committees	Chairman of Nomination Committee, Member of Audit Committee and Remuneration Committee	Nil
Family relationship with any director and/or major shareholder of JTB	Nil	Nil
Conflict of interest with JTB, if any	Nil	Nil
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil
No. of Board Meetings attended in the financial year	4	4

audit committee report

The Audit Committee is pleased to present the report of the Audit Committee for the financial year ended 31 December 2011.

1. COMPOSITION OF MEMBERS

The Committee comprises the following members and details of attendance of each member at Committee Meeting held during the year are as follows:

Composition of Committee *(Designation)*	**No. of Committee Meetings Attended**
Lim Chin Kai *(Chairman/ Independent Non-Executive Director)*	4/4
Muhamd Feasal Bin Yusoff *(Independent Non-Executive Director - Member of MIA)*	4/4
Datuk Kamaludin Bin Yusoff *(Non-Executive Director)*	4/4

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

2. MEMBERSHIP

The Audit Committee is appointed by the Board from amongst the directors of the Company and consists of three (3) members comprising of all Audit Committee members being non-executive directors with majority of them being independent directors. The Audit Committee included one Director who is a member of the Malaysian Institute of Accountants (MIA). The Committee members shall be appropriately qualified with sound knowledge and experience in accounting, business, and financial management. The quorum shall be two (2) members and shall comprise independent directors.

3. SECRETARY

The Secretary to the Audit Committee is the Company Secretary.

4. FREQUENCY OF MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider that one is necessary.

5. TERMS OF REFERENCE

5.1 Authority

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

(a) Investigate any activity within the Committee's terms of reference;
(b) Have resources which are reasonably required to enable it to perform its duties;
(c) Have full and unrestricted access to any information pertaining to the Company or the Group;
(d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
(e) Obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers necessary; and
(f) Convene meetings with external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary, but at least twice a year.

5.2 The Duties of the Committee shall be to review the following and report the same to the Board:

(a) Any matters concerning the appointment and dismissal of the external auditors and the audit fee;
(b) The nature and scope of the audit by the external auditors before commencement;
(c) The external auditors' audit report, areas of concern arising from the audit and any other matters the external auditors may wish to discuss (in the absence of management if necessary);
(d) Any financial information for publication, including quarterly and annual financial statements, before submission to the Board, focusing particularly on:
- Changes in implementation of major accounting policy changes
- Significant and unusual events; and
- Compliance with accounting standards and legal requirements
(e) The external auditor's management letter and management's response;
(f) The adequacy of the competency and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;
(g) The audit plan and work programme of internal audit;
(h) Findings of internal audit work and management's response;
(i) Any evaluation on internal controls by auditors;
(j) Extent of cooperation an assistance given by the employee;
(k) The propriety of any related party transactions and conf ict of interest of situations that may arise within the Company or the Group; and
(l) Any other matter as directed by the Board.

6. REPORTING PROCEDURES

The Audit Committee reports to the Board of Directors.

7. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the Audit Committee carried out its duties as set out in its Terms of Reference. The activities undertaken were as follows:

- Reviewed with the external auditors their scope of work and audit plan for the year;
- Reviewed the results of the external audit, the audit report and the management letter, including management's response;
- Reviewed the annual report and audited financial statements of the Group before submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provision of the Companies Act, 1965 and the applicable Approved Accounting Standards;
- Discussed with the external auditors on their assessment of the Company's internal control system. Noted that no major weaknesses were reported by them;
- Reviewed the external audit performance, effectiveness and independence before recommending to the Board for their re-appointment and remuneration;
- Reviewed quarterly financial results to ensure compliance with the Listing Requirements of Bursa Malaysia before recommending them for the Board's approval;
- Reviewed the external auditor's remuneration and made recommendation to the Board for acceptance and for their re-appointment;
- Discussion held with the external auditor excluding the attendance of management of the Company;
- Reviewed and approved the internal auditor's audit plans with the internal auditor;
- Reviewed and approved the quarterly internal audit reports with the internal auditor;
- Reviewed the status report of internal audit activities for the financial year ended 31 December 2011 to ensure all the planned activities were properly carried out;
- Reviewed the recommendations by the internal auditors and corrective actions taken by management in addressing and resolving issues as well as ensuring that all issues are adequately addressed on a timely basis;
- Reviewed and assessed the adequacy of the competency and effectiveness of the systems of internal control and the efficiency of the Group's operations in particular those relating to areas of significant risks;
- Reviewed any related party transactions that may arise within the Company or the Group; and
- Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the Board Meeting, the Chairman of the Audit Committee briefed the Board on the matters discussed at the Audit Committee meetings. The Chairman also briefed the Board on the discussion on the quarterly financial results, the annual Audited Financial Statements and the recommendations of the Committee thereon to the Board to adopt the quarterly financial results and the annual Audited Financial Statements.

8. INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to a professional services firm and the internal auditors reports directly to the Audit Committee, assisting the Audit Committee in discharging its duties and responsibility. The costs incurred for the internal audit function in respect of the financial year ended 31 December 2011 was RM50,000.

The internal audit provides independent, objective assurance and consulting services designed to add value and improve the Company's operations. Internal audit helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, controls and governance processes.

The main responsibilities of the internal auditors are to:

- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system;
- Perform a risk assessment of the Company to identify the business processes within the Company that internal audit should focus on; and
- To perform any ad hoc appraisals, inspections, investigations, examinations, reviews requested by the Audit Committee or senior management as appropriate.

Activities of Internal Audit Function

- Internal audit reports, incorporating audit recommendations and management responses with regards to audit findings relating to the weaknesses in the systems and controls of the respective operations audited, were issued to the Audit Committee and the management of the respective operations.
- The internal audit function also followed up with management on the implementation of the agreed audit recommendations. The extent of compliance is reported to the Audit Committee on a regular basis. The Audit Committee in turn reviews the effectiveness of the system of internal controls in operations and reports the results thereon to the Board.
- Evaluate the relevance, reliability and integrity of financial and management information.
- Assess the means of safeguarding assets and verify their existence.
- Ascertain the extent of compliance with established policies, procedures, plans, laws and regulations.

The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Company's systems of internal control.

This report is made with the approval of the Board dated 30 April 2012.

corporate governance statement

The Board of Directors ("the Board") remains committed to apply the principles and best practices in corporate governance, as a fundamental in discharging its duties and responsibilities, to safeguard long term interest of its shareholders and other stakeholders, as well as to enhance the financial performance and operations of the Group.

The Board is pleased to disclose below the manner in which the Group has applied the Principles set out in Part 1, and on the extent of compliance with the Best Practices set out in Part 2 of the Revised 2007 Malaysian Code on Corporate Governance ("CG Code"), and pursuant to paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

A. BOARD OF DIRECTORS

1. Principal Responsibilities of the Board

Johore Tin Berhad ("The Company") is led and controlled by the Board, which assume the following responsibilities in discharging its stewardship role:

i) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed

The Board delegates certain responsibilities to the Board Committees, in which the members of the Board Committees comprises of a wide spectrum of skills, knowledge and expertise from varied business and educational backgrounds which is vital to the continued success of the Group's business.

The responsibilities of the Chairman and the Managing Director are set out on page 19 of this Annual Report.

ii) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

The Board established a Risk Management Committee, which mainly comprises of Management Team and the Heads of Department, to identifying, evaluating, monitoring and managing significant risks faced by the Group, through the formation of Risk Management Framework.

Detail of the Risk Management Framework is set out on page 27 of this Annual Report.

iii) Succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management

The Board has delegated to the Nomination Committee ("NC") and Remuneration Committee ("RC"). NC is responsible for selecting and recommending the candidates for new appointment, whereas RC is to determine the remuneration packages for both Executive Directors and Non-Executive Directors.

Details of the Board Committees are set out on page 22 of this Annual Report.

A. BOARD OF DIRECTORS (CONT'D)

1. Principal Responsibilities of the Board (cont'd)

iv) Developing and implementing an investor relations programme or shareholder communications policy for the Company

In order to ensure shareholders and investors are well-informed for the latest information and the financial performance of the Group, the Company update all the relevant information through its website at http://www.johoretin.com.my.

Details relating to investor relations are set out on pages 23 and 24 of this Annual Report.

v) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

The Board has delegated to the Audit Committee ("AC") to examine the effectiveness of the Group's internal control systems and management information systems.

The Statement of Internal Control is set out on pages 27 and 28 of this Annual Report.

2. Board Composition and Balance

The Board consists of six (6) members comprising two (2) are Executive Directors, and four (4) are Non-Executive Directors, two (2) of whom are Independent Directors, which fulfills the prescribed requirement for one-third (1/3) of the Board to be independent as stated in paragraph 15.02 of the MMLR of Bursa Securities.

The Executive Directors are responsible for formulating the policies and decisions of the Board, monitoring the day-to-day operations as well as coordinating the business development and corporate strategies of the Group as a whole. The roles of the Independent Non-Executive Directors are to provide unbiased and independent judgment, advice and contributing their knowledge and experience towards the formulation of the policies and decision making, taking into account the best interest of all the stakeholders.

There is a clear division of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman is responsible for heading the Board and concern matters pertaining to the Board as well as monitoring overall conduct of the Group whilst the Managing Director is responsible for overseeing the daily operations, overall management effectiveness and implementing the policies and strategies adopted by the Board.

A brief profile of each Director is set out on pages 11 to 13 of this Annual Report.

A. BOARD OF DIRECTORS (CONT'D)

3. Board Meetings

Board meetings are scheduled at least once every quarter and additional meetings will be held as and when necessary.

Agenda are circulated to the Board in advance of each meeting so as to provide the Directors sufficient time to consider and understand the key issues to be raised at Board meetings.

The dates of the Board meetings held during the financial year under review are as follows:

i) 23 February 2011
ii) 24 May 2011
iii) 24 August 2011
iv) 23 November 2011

The attendances of each Director at the Board meetings are in the following:

Name of Directors *(Designation)*	Attendance
Datuk Kamaludin Bin Yusoff *(Chairman, Non-Executive Director)*	4/4
Edward Goh Swee Wang *(Managing Director)*	4/4
Yeow Ah Seng @ Yow Ah Seng *(Executive Director)*	4/4
Lim Chin Kai *(Independent Non-Executive Director)*	4/4
Muhamad Feasal Bin Yusoff *(Independent Non-Executive Director)*	4/4
Lim Hun Swee *(Non-Executive Director)*	4/4

4. Supply of and Access to Information

The Board has unrestricted access to all information necessary relating to the Group's business and affairs to discharge their duties. The Directors are also furnished with additional information or clarification on matters tabled at Board meetings.

Senior Management may be invited to attend Board meetings when necessary, to reports to the Board on matters relating to their areas of responsibility and highlighting relevant issues and latest information.

All Directors have access to the advice and services of the Company Secretary and Senior Management, and if deemed necessary, may seek independent professional advice, at the expense of the Group in the discharge of their duties.

A. BOARD OF DIRECTORS (CONT'D)

5. Appointment, Retirement and Re-election to the Board

The appointment of new Directors on the Board are made based on the recommendation of the Nomination Committee.

In accordance with the Company's Articles and Association, one-third (1/3) of the Directors shall retire from office at every Annual General Meeting. All Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

6. Director's Training

All the Directors have completed the Mandatory Accreditation Programme ("MAP"). In order for the Directors to discharge their duties with reasonable skills and knowledge, attending relevant training programmes are necessary to keep abreast with latest developments in the industry, on a continuous basis, in compliance with paragraph 15.08 of the MMLR of Bursa Securities.

During the financial year under review, all Directors have attended the seminars or training which stated in the following:

Name of Directors	Workshops / Courses Attended	Date
Datuk Kamaludin Bin Yusoff	2012 Budget & Tax Planning	13 Oct 2011
Edward Goh Swee Wang	2012 Budget & Tax Planning	24 Oct 2011
Yeow Ah Seng @ Yow Ah Seng	2012 Budget & Tax Planning	24 Oct 2011
Lim Chin Kai	2012 Budget & Tax Planning	24 Oct 2011
Muhamad Feasal Bin Yusoff	2012 Budget & Tax Planning	24 Oct 2011
Lim Hun Swee	2012 Budget & Tax Planning	24 Oct 2011

Other than attending the seminars and workshops, the Directors are also well-informed for the updated financial and operational performance of the Group and changes in regulatory and legislations which will affect the Group as a whole.

7. Board Committees

In discharging their fiduciary duties, the Board has delegated certain responsibilities to Board Committees which operate within clearly defined terms of reference as follows:

i) Audit Committee ("AC")

The AC assists the Board in meeting its fiduciary responsibilities regarding financial reporting and strengthens the independence of External Auditors through the ability to communicate with Non-Executive Directors. It also monitors the work of the internal audit function.

The AC Report is set out on pages 14 to 17 of this Annual Report.

A. BOARD OF DIRECTORS (CONT'D)

7. Board Committees (cont'd)

ii) Nomination Committee ("NC")

Apart from identifying, selecting and recommending the candidates for new appointment, the NC is also responsible for assessing the effectiveness of individual Directors, the Board as a whole and the various Committees of the Board.

The members of the NC and the attendance records are as follows:

Name of Directors *(Designation)*	No. of Meetings Attended
Muhamad Feasal Bin Yusoff - Chairman *(Independent Non-Executive Director)*	2/2
Lim Chin Kai *(Independent Non-Executive Director)*	2/2
Datuk Kamaludin Bin Yusoff *(Non-Executive Director)*	2/2

iii) Remuneration Committee ("RC")

The RC recommends to the Board the remuneration packages of each Executive Director. The determination of the remuneration packages of the Non-Executive Directors is decided by the Board as a whole. Individual Directors do not participate in the discussion and decision of their own remuneration.

The RC comprises of the following Directors and their attendance records:

Name of Directors *(Designation)*	No. of Meetings Attended
Lim Chin Kai - Chairman *(Independent Non-Executive Director)*	2/2
Edward Goh Swee Wang *(Managing Director)*	2/2
Muhamad Feasal Bin Yusoff *(Independent Non-Executive Director)*	2/2

B. DIRECTORS' REMUNERATION

1. Objective

The primary objective of the RC is to act as a Committee of the full Board to assist in assessing the remuneration of the Executive Directors to ref ect the responsibility and commitment towards stewardship of the directors and to enable the Company to recruit and retain the Directors needed to achieve the Group's objectives.

B. DIRECTORS' REMUNERATION (CONT'D)

2. Procedures

The RC is responsible for determining and developing the remuneration policy for the Executive Directors. The Committee also recommends and assists the Board in determining the policy for the scope of service agreements for the Executive Directors, termination payments and compensation commitments, as well as the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.

The determination of the remuneration of the Non-Executive Directors is a matter decided by the Board as a whole, with the Non-Executive Directors concerned abstaining from deliberations and voting on their own remuneration.

3. Disclosure

Details of the Directors' remuneration of the Group for the financial year ended 31 December 2011 are stated as follows:

i) The aggregate remuneration of Directors of the Group are as follows:

Salaries and other emoluments	Executive (RM)	Non-Executive (RM)	Total (RM)
Salaries and bonuses	2,596,640	-	2,596,640
Fees	71,000	265,000	336,000
Total	2,667,640	265,000	2,932,640

ii) The number of Directors of the Group whose remuneration falls within the successive band of RM50,000 are as follows:

Directors' remuneration	Executive	Non-Executive	Total
RM50,000 and below	1	2	3
RM50,001 – RM100,000	-	3	3
RM300,001 – RM350,000	1	-	1
RM600,001 – RM650,000	1	-	1
RM750,001 – RM800,000	1	-	1
RM900,001 – RM950,000	1	-	1

C. SHAREHOLDERS AND INVESTORS

1. Communication with Shareholders and Investors Relations

The Board recognises the importance of communication with its shareholders, stakeholders and the public on the affairs of the Group's business. This is done through the circulars to the shareholders, press release and the various announcements made on quarterly financial results to Bursa Securities, as well as the Annual Report which is published after the annual audited financial report submitted to Bursa Securities.

C. SHAREHOLDERS AND INVESTORS (CONT'D)

1. Communication with Shareholders and Investors Relations (cont'd)

In addition, the Company maintains a website http://www.johoretin.com.my to disseminate up-to-date information and to keep shareholders and investors well-informed on the Group's financial performance and operations.

2. Annual General Meeting ("AGM")

The Company's AGM remains the principal forum for dialogue and communication with the shareholders. The shareholders are encouraged to attend the Company's AGM and participate in the proceedings and take the opportunity to raise questions in relation to the operations of the Group. The Directors and Senior Management are available to respond to shareholders' queries. Shareholders who are unable to attend the Company's AGM are allowed to appoint proxies to attend and vote on their behalf.

D. ACCOUNTABILITY AND AUDIT

1. Financial Reporting and Disclosure

In presenting the Company's annual audited financial statements and quarterly announcement of financial results to the shareholders, the Board continues to ensure a balanced, understandable and meaningful assessment of the Group's financial performance and prospects. The AC assists the Board by reviewing the information to be disclosed in the financial report, which is in compliance with the applicable approved accounting standards and statutory requirements, prior to release to Bursa Securities.

2. Internal Control

The Statement of Internal Control is set out on pages 27 and 28 of this Annual Report, which provides an overview of the state of internal control within the Group.

3. Relationship with External Auditors

The Board through the establishment of an AC, maintains a formal and transparent relationship with the External Auditors in seeking their professional advice and ensuring compliance with applicable approved accounting standards.

The External Auditors are invited to attend the AC meetings at least once a year to review and discuss the Group's accounting policies, internal control and audit findings that may require the attention of the Board.

The role of the AC in relation to the Auditors is described in the AC Report set out on pages 14 to 17 of this Annual Report.

D. ACCOUNTABILITY AND AUDIT (CONT'D)

4. Corporate Social Responsibilities ("CSR")

The Board of Johore Tin Group acknowledges the significance of CSR and views CSR as an extension to the Group's efforts in promoting a strong corporate governance culture. The Group is committed to the welfare of its employees, the community and the environment.

During the financial year under review, the Group contributes to various societies, associations and other charitable organisations to assists the community. Contributions were made to the following bodies:

i) Jemaah Pengurus Sekolah R.J.K. (C) Kuo Kuang
ii) Persatuan Kebajikan Rumah Memperbaharui Johor Bahru
iii) Universiti Teknologi Malaysia, Faculty of Chemical Engineering
iv) Persatuan Bekas Pelajar Sekolah Kuo Kuang
v) The Breast Cancer Support Group Johor Bahru, etc

E. OTHER AREAS

1. Conflict of Interest

Conf ict of interest may arise when a Director and/or Shareholder has the opportunity to inf uence the Company's business or other decisions in ways that could lead to personal gain or advantage of any kind.

2. Related Parties and Disclosure of Interests

The Company recognises the important of related party transactions disclosures. As a result, all the Directors had declared themselves whether they have any interests in other corporations which have transactions with the Group. All necessary announcements will be made if the cumulative transactions amount exceeds the threshold limit.

The Audit Committee is tasked to review and report to the Board any related party transactions and conf ict of interest situations that may arise within the Group including any transactions, procedure or course of conduct that raises questions of management integrity.

Detailed of related party transactions are set out in Note 38 to the financial statements on pages 82 and 83 of this Annual Report.

This statement is made in accordance with a Board resolution dated 30 April 2012.

directors' responsibility statement

The Directors are required to prepare the financial statements of the Group and of the Company, in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia, so that to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash f ows for the financial year then ended.

In preparing the financial statements, the Directors have ensured:

- Appropriate accounting policies are adopted and applied them consistently;
- Reasonable and prudent judgments and estimates are made; and
- Applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enables them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors also have overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

This statement is made in accordance with a Board resolution dated 30 April 2012.

statement on internal control

This Statement is made by the Board, in compliance with the Malaysian Code on Corporate Governance (“the Code”) as the best practices of internal control and pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), outlining the nature and scope of internal control of the Group during the financial year.

Board Responsibilities

The Board is committed to maintaining a sound system of internal control to safeguard shareholders’ investment and the Group’s assets. The Board affirms its overall responsibility in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.

The Board also recognises its responsibility for reviewing the adequacy and the integrity of the Group’s internal control systems. Due to inherent limitations of the system of internal control, it can only manage, rather than eliminate, all the possible risk of failure to achieve the Group’s business objectives. As a result, it can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

Risk Management

In order to ensure the effectiveness of the Group’s Risk Management Framework (“RMF”), the Board has delegated the RMF to the risk management committee to identifying, evaluating, monitoring as well as managing those significant risks that faced by the Group throughout the financial year.

The risk management committee comprises of representatives from the top Management and the Heads of Department who meet at least twice a year. The risk management committee is responsible to review and identify any potential risks, in terms of likelihood of occurrence and their impact on the Group’s business, and to manage these risks on an on-going basis through the Management’s action plan. All the risk management processes are documented in the risk registers.

Internal Audit Function

The Board has delegated to the Audit Committee (“AC”) to examine the effectiveness of the Group’s system of internal control and subsequently reported to the Board on a quarterly basis. The internal audit function is outsourced to a professional consulting firm which independently reviews the Group’s system of internal control and risk assessment.

The internal audits are carried out in accordance with the approved internal audit plan and the results of the internal audit reviews are tabled at the AC meetings.

During the financial year, the internal audit function reviewed certain risk areas of the Group and did not reveal any significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Other Key Elements And Processes

The other key elements and processes of the Group's system of internal control are as follows:

- Clearly defined and structured lines of reporting and responsibility within the organisation, including segregation of duties and authorisation levels for all divisions within the Group;
- Regular Management meetings to identify key risk areas, and continually monitor and update the risk register with follow-up action plans;
- Periodical internal audit visits to assess the adequacy and effectiveness of internal controls and risk assessment, to monitor compliance with the procedures, and reviewing and assessing the risks that the Group are exposed to; and
- Assets are safeguarded from unauthorised and improper use.

Review Of The Statement By External Auditors

Pursuant to paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2011, and reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control within the Group.

Conclusion

The Board remains committed towards operating a sound system of internal control, and will continuously review the adequacy and effectiveness of the RMF. For the financial year under review, issues highlighted by the Management and Internal Audit Function as well as the External Auditors in relation to the Group's system of internal control have been adequately addressed.

This statement is made in accordance with a Board resolution dated 30 April 2012.

additional compliance information

The information disclosed below is in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. Utilisation of Proceeds Raised from Public Issue

During the financial year ended 31 December 2011, there were no proceeds raised from corporate proposals.

Disclosed in accordance with Appendix 9C, Part A, item 13 of the MMLR of Bursa Securities.

2. Options or Convertible Securities

No options or convertible securities were issued or exercised during the financial year.

Disclosed in accordance with Appendix 9C, Part A, item 15 of the MMLR of Bursa Securities.

3. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Group did not sponsor any ADR or GDR programme during the financial year ended 31 December 2011.

Disclosed in accordance with Appendix 9C, Part A, item 16 of the MMLR of Bursa Securities.

4. Sanctions and/or Penalties

The Company and its subsidiaries, Directors or management have not been imposed any sanctions and/or penalties by the relevant regulatory bodies.

Disclosed in accordance with Appendix 9C, Part A, item 17 of the MMLR of Bursa Securities.

5. Non-Audit Fees

The amount of non-audit fees payable to external auditors of the Company for review of the Statement on Internal Control for the financial year ended 31 December 2011 amounted to RM3,000.

Disclosed in accordance with Appendix 9C, Part A, item 18 of the MMLR of Bursa Securities.

6. Variation in Results

There were no significance variance between the reported results for the financial year and the unaudited results previously announced by the Company for the financial year ended 31 December 2011.

Disclosed in accordance with Appendix 9C, Part A, item 19 of the MMLR of Bursa Securities.

7. Profit Guarantee

There were no profit guarantees received/given by the Company and its subsidiaries during the financial year.

Disclosed in accordance with Appendix 9C, Part A, item 20 of the MMLR of Bursa Securities.

8. Material Contracts

Since year of 1999, a Director of the Group's subsidiary and the subsidiary of the Group has entered into a tenancy agreement, renewal at every two (2) years, which was mutually agreed by both parties, renewing on 15 November 2011 and expiring on 15 November 2013, at a renewed monthly rental of RM1,400.

There were no other material contracts entered into by the Group involving Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2011 or entered into since the end of the previous financial year.

Disclosed in accordance with Appendix 9C, Part A, item 21 of the MMLR of Bursa Securities.

9. Employee Share Options Scheme ("ESOS")

The Group did not offer any share scheme for employees during the financial year under review.

Disclosed in accordance with Appendix 9C, Part A, item 27 of the MMLR of Bursa Securities.

10. Continuing Education Programme ("CEP")

All Directors have attended numerous seminars or courses during the financial year ended 31 December 2011.

Details of the seminars or courses attended are disclosed in the Corporate Governance Statement, as set out on page 14 of this Annual Report.

Disclosed in accordance with Appendix 9C, Part A, item 28 of the MMLR of Bursa Securities.

11. Internal Audit Function

The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year ended 31 December 2011 was RM50,000. The Statement of Internal Control is set out on page 18 of this Annual Report.

Disclosed in accordance with Appendix 9C, Part A, item 30 of the MMLR of Bursa Securities.

12. Recurrent Related Party Transactions ("RRPT")

During the financial year ended 31 December 2011, the Group has not entered into any recurrent related party transactions of revenue or trading nature.

Disclosed in accordance with paragraph 10.09(1)(b) of the MMLR of Bursa Securities.

13. Share Buy-backs

During the financial year under review, the Company did not enter into any share buy-back transaction.

Disclosed in accordance with paragraph 12.23, Appendix 12D of the MMLR of Bursa Securities.

directors' report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	11,038,458	2,890,103
Attributable to:-		
Owners of the Company	11,038,458	2,890,103

DIVIDEND

Since the end of the previous financial year the Company, on 20 July 2011, paid a single tier final tax-exempt dividend of 3.50 sen per ordinary share, amounting to RM2,309,265 in respect of the previous financial year.

The directors now recommend the payment of a single tier final tax-exempt dividend of 3.80 sen per ordinary share amounting to RM2,659,202 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM65,979,000 to RM69,979,000 by the allotment of 4,000,000 new ordinary shares of RM1.00 each at par which form part of the purchase consideration for the acquisition of the entire issued and paid-up capital of Able Dairies Sdn. Bhd.

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 40 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Datuk Kamaludin Bin Yusoff
Edward Goh Swee Wang
Lim Chin Kai
Lim Hun Swee
Muhamad Feasal Bin Yusoff
Yeow Ah Seng @ Yow Ah Seng

Pursuant to Article 120 of the Articles of Association of the Company, Datuk Kamaludin Bin Yusoff and Edward Goh Swee Wang retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number Of Ordinary Shares Of RM1.00 Each			
	At 1.1.2011	**Bought**	**Sold**	**AT 31.12.2011**
Direct Interest				
Datuk Kamaludin Bin Yusoff	50,000	8,000	-	58,000
Edward Goh Swee Wang	3,538,407	-	-	3,538,407
Lim Chin Kai	24,000	-	-	24,000
Lim Hun Swee	7,402,300	-	-	7,402,300
Yeow Ah Seng @ Yow Ah Seng	1,484,000	-	-	1,484,000
Indirect Interest				
Datuk Kamaludin Bin Yusoff	3,819,380	-	(10,000)	3,809,380
Edward Goh Swee Wang	11,085,739	-	-	11,085,739

DIRECTORS' INTERESTS (CONT'D)

By virtue of the directors' shareholdings in the shares of the Company, the abovementioned directors are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other director holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosure in Note 38 to the financial statements.

Neither during nor at the end of the financial year was the Group and the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

Dated 27 April 2012

EDWARD GOH SWEE WANG

YEOW AH SENG @ YOW AH SENG

independent auditors' report

To The Members of Johore Tin Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Johore Tin Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash f ows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 98.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash f ows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which is indicated in Note 5 to the financial statements;

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes;

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 44 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant

27 April 2012

Johor Bahru

statements of financial position

At 31 December 2011

	NOTE	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	105,325,571	69,075,057
Property, plant and equipment	6	54,198,914	41,352,049	3,969	5,429
Amount owing by a subsidiary	7	-	-	9,634,701	9,634,701
Goodwill	8	10,650,327	-	-	-
Other investment	9	16,500	16,500	-	-
		64,865,741	41,368,549	114,964,241	78,715,187
CURRENT ASSETS					
Inventories	10	52,842,849	33,477,169	-	-
Trade receivables	11	38,813,570	34,524,231	-	-
Other receivables, deposits and prepayments	12	2,562,009	1,456,293	-	-
Amount owing by subsidiaries	7	-	-	850,000	500,000
Tax recoverable		920,323	103,658	76,658	103,658
Derivative assets	13	464,630	-	-	-
Fixed deposits in licensed bank	14	14,854,545	-	-	-
Cash and bank balances		17,252,920	12,780,837	552,549	172,291
		127,710,846	82,342,188	1,479,207	775,949
TOTAL ASSETS		192,576,587	123,710,737	116,443,448	79,491,136

The annexed notes form an integral part of these financial statements.

At 31 December 2011

		The Group		The Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	69,979,000	65,979,000	69,979,000	65,979,000
Reserves	16	36,246,699	28,428,381	19,438,971	13,170,412
SHAREHOLDERS' EQUITY		106,225,699	94,407,381	89,417,971	79,149,412
NON-CURRENT LIABILITIES					
Long term borrowings	17	14,791,753	7,897,010	8,533,741	-
Contingent consideration	18	4,647,143	-	4,647,143	-
Retirement benefits	19	359,000	334,000	-	-
Deferred tax liabilities	20	3,660,000	704,000	-	-
		23,457,896	8,935,010	13,180,884	-
CURRENT LIABILITIES					
Trade payables	21	7,009,418	4,042,520	-	-
Other payables and accruals	22	18,291,789	2,835,216	495,943	341,724
Amount owing to subsidiaries	7	-	-	3,505,000	-
Amount owing to directors	23	1,035,289	388,199	-	-
Tax payable		801,812	416,161	-	-
Short term borrowings	24	29,749,629	10,284,927	6,428,000	-
Bank overdrafts	27	2,589,405	2,373,281	-	-
Contingent consideration	18	3,415,650	-	3,415,650	-
Derivative liabilities	13	-	28,042	-	-
		62,892,992	20,368,346	13,844,593	341,724
TOTAL LIABILITIES		86,350,888	29,303,356	27,025,477	341,724
TOTAL EQUITY AND LIABILITIES		192,576,587	123,710,737	116,443,448	79,491,136

The annexed notes form an integral part of these financial statements.

statements of comprehensive income

For The Financial Year Ended 31 December 2011

	NOTE	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
REVENUE	28	134,215,445	95,562,690	5,582,372	1,140,551
OTHER OPERATING INCOME		1,325,576	1,175,487	-	-
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		1,972,038	(1,174,234)	-	-
RAW MATERIALS AND CONSUMABLES USED		(86,974,304)	(55,582,833)	-	-
EMPLOYEE BENEFITS	29	(15,128,454)	(12,416,246)	(463,877)	(409,625)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	6	(3,363,193)	(3,093,120)	(1,460)	(1,090)
FINANCE COSTS		(1,162,623)	(733,547)	(154,442)	-
OTHER OPERATING EXPENSES		(16,533,979)	(15,187,157)	(844,397)	(327,084)
PROFIT BEFORE TAX	30	14,350,506	8,551,040	4,118,196	402,752
TAX (EXPENSE)/INCOME	31	(3,312,048)	(2,277,654)	(1,228,093)	715
PROFIT AFTER TAX		11,038,458	6,273,386	2,890,103	403,467
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Fair value changes in investments in subsidiaries		-	-	6,607,721	(600,065)
- Foreign currency translation		9,125	(62,571)	-	-
		9,125	(62,571)	6,607,721	(600,065)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		11,047,583	6,210,815	9,497,824	(196,598)
PROFIT AFTER TAX ATTRIBUTABLE TO :					
- Owners of the Company		11,038,458	6,273,386	2,890,103	403,467
TOTAL COMPREHENSIVE INCOME :					
- Owners of the Company		11,047,583	6,210,815	9,497,824	(196,598)
Earnings per share					
- basic (sen)	32	16.56	9.51		
- diluted (sen)	32	16.56	9.51		

The annexed notes form an integral part of these financial statements.

statements of changes in equity

For The Financial Year Ended 31 December 2011

THE GROUP	Note	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	Total RM
			Non-distributable		Distributable	
Balance at 1.1.2010		65,979,000	5,520,212	(459,957)	18,806,786	89,846,041
Profit after tax for the financial year		-	-	-	6,273,386	6,273,386
Other comprehensive expense for the financial year, net of tax:						
- Foreign currency translation		-	-	(62,571)	-	(62,571)
Total comprehensive (expense)/ income for the financial year		-	-	(62,571)	6,273,386	6,210,815
Dividend	33	-	-	-	(1,649,475)	(1,649,475)
Balance at 31.12.2010		65,979,000	5,520,212	(522,528)	23,430,697	94,407,381

THE GROUP	Note	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	Total RM
			Non-distributable		Distributable	
Balance at 31.12.2010/1.1.2011		65,979,000	5,520,212	(522,528)	23,430,697	94,407,381
Issuance of shares		4,000,000	(920,000)	-	-	3,080,000
Profit after tax for the financial year		-	-	-	11,038,458	11,038,458
Other comprehensive income for the financial year, net of tax:						
- Foreign currency translation		-	-	9,125	-	9,125
Total comprehensive income for the financial year		-	-	9,125	11,038,458	11,047,583
Dividend	33	-	-	-	(2,309,265)	(2,309,265)
Balance at 31.12.2011		69,979,000	4,600,212	(513,403)	32,159,890	106,225,699

The annexed notes form an integral part of these financial statements.

statements of changes in equity (cont'd)

For The Financial Year Ended 31 December 2011

THE COMPANY	Note	Share Capital RM	Non-distributable Share Premium RM	Translation Reserve RM	Distributable Retained Profits RM	Total RM
Balance at 1.1.2010		65,979,000	5,520,212	6,561,706	2,934,567	80,995,485
Profit after tax for the financial year		-	-	-	403,467	403,467
Other comprehensive expense for the financial year, net of tax: - Fair value changes in investments in subsidiaries		-	-	(600,065)	-	(600,065)
Total comprehensive (expense)/ income for the financial year		-	-	(600,065)	403,467	(196,598)
Dividend	33	-	-	-	(1,649,475)	(1,649,475)
Balance at 31.12.2010		65,979,000	5,520,212	5,961,641	1,688,559	79,149,412

THE COMPANY	Note	Share Capital RM	Non-distributable Share Premium RM	Translation Reserve RM	Distributable Retained Profits RM	Total RM
Balance at 31.12.2010/1.1.2011		65,979,000	5,520,212	5,961,641	1,688,559	79,149,412
Issuance of shares		4,000,000	(920,000)	-	-	3,080,000
Profit after tax for the financial year		-	-	-	2,890,103	2,890,103
Other comprehensive income for the financial year, net of tax: - Fair value changes in investments in subsidiaries		-	-	6,607,721	-	6,607,721
Total comprehensive income for the financial year		-	-	6,607,721	2,890,103	9,497,824
Dividend	33	-	-	-	(2,309,265)	(2,309,265)
Balance at 31.12.2011		69,979,000	4,600,212	12,569,362	2,269,397	89,417,971

The annexed notes form an integral part of these financial statements.

statements of cash f ows

For The Financial Year Ended 31 December 2011

		The Group		The Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		14,350,506	8,551,040	4,118,196	402,752
Adjustments for:					
Allowance for impairment losses on receivables		591,060	1,032,321	-	-
Dividend income		-	-	(4,732,372)	(640,551)
Depreciation of property, plant and equipment		3,363,193	3,093,120	1,460	1,090
Gain on disposal of plant and equipment		(158,999)	(421,334)	-	-
Gain on foreign exchange - unrealised (non-trade)		(54,729)	-	-	-
Gain on foreign exchange - unrealised (trade)		(150,422)	(47,243)	-	-
Impairment loss on plant and equipment		-	1,417,755	-	-
Interest expenses		1,126,885	733,547	154,442	-
Interest income		(221,360)	(8,003)	-	-
(Gain)/Loss on fair values changes in financial instruments		(492,672)	28,042	-	-
Loss on foreign exchange - unrealised (non-trade)		-	21,280	-	-
Provision for retirement benefits		25,000	72,385	-	-
Plant and equipment written off		56,229	191	-	-
Reversal of allowance for impairment losses on trade receivables		(101,652)	(25,719)	-	-
Operating profit/(loss) before working capital changes		18,333,039	14,447,382	(458,274)	(236,709)
Decrease/(Increase) in inventories		6,288,882	(6,565,726)	-	-
Decrease/(Increase) in trade and other receivables		5,612,062	(3,407,987)	-	-
Increase in amount owing by subsidiaries		-	-	(350,000)	(640,551)
(Decrease)/Increase in trade and other payables		(16,094,717)	635,190	87,029	76,996
Increase/(Decrease) in amount owing to directors		297,090	(102,402)	3,505,000	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		14,436,356	5,006,457	2,783,755	(800,264)

The annexed notes form an integral part of these financial statements.

For The Financial Year Ended 31 December 2011

		The Group		The Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		14,436,356	5,006,457	2,783,755	(800,264)
Retirement benefits paid		-	(15,438)	-	-
Tax paid		(3,803,794)	(1,799,493)	(18,000)	(18,000)
Tax refund		675,400	880,761	-	195,096
NET CASH FROM/(FOR) OPERATING ACTIVITIES		11,307,962	4,072,287	2,765,755	(623,168)
CASH FLOWS (FOR) /FROM INVESTING ACTIVITIES					
Dividend received		-	-	3,549,279	2,142,696
Interest received		221,360	8,003	-	-
Placement of fixed deposits		(9,500,000)	-	-	-
Proceeds from disposal of plant and equipment		161,022	972,448	-	-
Acquisition of a subsidiary	34	(7,119,081)	-	(18,500,000)	-
Purchase of plant and equipment	35	(1,675,644)	(940,174)	-	(3,699)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(17,912,343)	40,277	(14,950,721)	2,138,997
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(2,309,265)	(1,649,475)	(2,309,265)	(1,649,475)
Interest expenses		(1,059,695)	(733,547)	(87,252)	-
Drawdown of revolving credit		5,000,000	-	5,000,000	-
Drawdown of term loan		10,000,000	-	10,000,000	-
Drawdown of bankers' acceptances		22,946,000	17,283,000	-	-
Net drawdown of short term borrowings		7,205,163	-	-	-
Repayment of bankers' acceptances		(23,022,000)	(13,449,000)	-	-
Repayment of hire purchase obligation		(214,221)	(27,051)	-	-
Repayment of term loans		(2,427,159)	(2,433,868)	(38,259)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		16,118,823	(1,009,941)	12,565,224	(1,649,475)

The annexed notes form an integral part of these financial statements.

For The Financial Year Ended 31 December 2011

		The Group		The Company	
		2011	2010	2011	2010
	NOTE	RM	RM	RM	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,514,442	3,102,623	380,258	(133,646)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		10,407,556	7,363,842	172,291	305,937
Effects of exchange differences		96,062	(58,909)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	20,018,060	10,407,556	552,549	172,291

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 1301, 13th Floor, City Plaza Jalan Tebrau 80300 Johor Bahru Johor
Principal place of business	:	PTD 124298, Jalan Kempas Lama Kampung Seelong Jaya 81300 Skudai Johor

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 April 2012.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 3 (Revised) Business Combinations
FRS 127 (Revised) Consolidated and Separate Financial Statements
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)
Annual Improvement to FRSs (2010)

3. BASIS OF PREPARATION (CONT'D)

(a) During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments):- (cont'd)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard was applied to the acquisition of a subsidiary during the current financial year of which acquisition-related costs of RM532,740 have been recognised in the consolidated statement of comprehensive income.

The Group has applied FRS 3 (Revised) prospectively. Accordingly, business combinations entered into prior to 1 January 2011 have not been adjusted to comply with this revised standard.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent.

(iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 43(e) to the financial statements. Comparatives are not presented by virtue of the exemption given in the amendments.

(iv) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes.

The amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

(b) The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013

3. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (cont'd)

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

(c) Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (cont'd)

(i) Depreciation of Property, Plant and Equipment

The estimates of the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash f ows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash f ows.

(iv) Write off/down of inventories

Reviews are made periodically by management on damaged and obsolete inventories. The Group also adopts the write down policy by marking down the carrying amount of those slow-moving inventories using certain percentages on inventories which are aged more than 3 years. The percentages are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

These reviews require management to consider the future demand for the products, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (cont'd)

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash f ows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash f ows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash f ows. The future cash f ows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(viii) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records gains or losses on available-for-sale equity investments when there is a difference between value of equity, which is derived from one of the established valuation methodologies and the last measured and recorded amount. This requires management to estimate the expected future cash f ows of the subsidiaries and to apply a suitable discount rate in order to determine the present value of those cash f ows. The future cash f ows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the fair value of the investment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (cont'd)

(ix) Fair Values Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which require extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2011.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139.

Business combinations from 1 January 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

The Group has applied the FRS 3 (Revised) in accounting for business combinations from 1 January 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard.

Business combinations before 1 January 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are ref ected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill (cont'd)

Business combinations from 1 January 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

  As at the end of the reporting period, there were no financial assets classified under this category.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (cont'd)

(i) Financial Assets (cont'd)

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at fair value in accordance with FRS139 and are classified as available-for-sale financial asset. Gains and losses arising from changes in fair value of the investment are recognised directly in other comprehensive income and accumulated in the fair value reserve. When the investment is disposal of, the fair value reserve is reclassified from equity to profit or loss.

The Group establishes the fair value of investment annually by using discounted future cash f ow analysis refined to ref ect the issuer's specific circumstances and others, where appropriate.

(ii) Transferable Golf Club Membership

Transferable golf club membership is stated at cost less impairment losses, if any.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The principal annual rates used for this purpose are:-

Leasehold land	over the remaining lease period
Factory buildings	2%
Plant and machinery	10 - 12.5%
Mould, tools and factory equipment	10%
Electrical installations and substation	10%
Motor vehicles	20%
Office equipment, furniture and fittings	10 - 25%
Renovation	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Building and machinery under construction represents assets which are not ready for commercial use at the end of the reporting period. Building and machinery under construction are stated at cost, and are depreciated accordingly when the assets are completed and ready for commercial use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will f ow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in the profit or loss.

(h) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash f ows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash f ows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than investment in subsidiaries, financial assets and inventories, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash f ow.

An impairment loss is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(ii) Impairment of Non-Financial Assets (cont'd)

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(i) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, write off/down is made for all damaged, obsolete and slow-moving items. The Group writes off/down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(k) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Taxes (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outf ow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to ref ect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(o) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Defined Benefit Plans

The Group has a non-contributory unfunded retirement benefits scheme for the unionised workers. The retirement benefit provided is based on the terms, which are stated in the agreement signed between the Group and the unionised workers, discounted at the appropriate rate without the use of any actuarial valuation methods.

(p) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives its significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred in (i) or (iv);

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related Parties (cont'd)

(vi) the party is an entity that is controlled, jointly controlled or significantly inf uenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to inf uence, or be inf uenced by, that individual in their dealings with the entity.

(q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outf ow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outf ow occurs so that the outf ow is probable, it will then be recognised as a provision.

(r) Capitalisation of Borrowing Costs

Interest incurred on borrowings to property, plant and equipment is capitalised during the period activities to plan, develop and construct the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

(s) Revenue Recognition

(i) Sale of Goods

Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(iii) Management Fee

Management fee is recognised on an accrual basis.

(iv) Interest Income

Interest income is recognised on an accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue Recognition (cont'd)

(v) Rental Income

Rental income is recognised on an accrual basis.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2011 RM	The Company 2010 RM
Unquoted shares at fair value	69,075,057	69,675,122
Addition during the year	29,642,793	-
Fair value adjustment on investments in subsidiaries	6,607,721	(600,065)
	105,325,571	69,075,057

Details of the subsidiaries are as follows:-

Name of Company	Effective Equity Interest (%) 2011	Effective Equity Interest (%) 2010	Country of Incorporation	Principal Activities
Johore Tin Factory Sendirian Berhad ("JTFSB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd. ("UISB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd. *	100	-	Malaysia	Manufacturing and selling of milk and other related dairy products
Subsidiary of Johore Tin Factory Sendirian Berhad				
PT Medan Johor Tin * (held through JTFSB & UISB)	100	100	Indonesia	Manufacturing of various tins, cans, tinplates and other relevant business and import and export commodities

* These subsidiaries are audited by other firm of chartered accountants.

6. PROPERTY, PLANT AND EQUIPMENT

The Group

Net book value	At 1.1.2011 RM	Acquisition of a subsidiary RM	Additions RM	Reclassification RM	Disposals RM	Written off RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2011 RM
Freehold land	9,188,888	-	-	-	-	-	-	-	9,188,888
Leasehold land	267,150	-	-	-	-	-	-	(14,302)	252,848
Factory buildings	20,022,627	-	-	-	-	-	-	(460,027)	19,562,600
Plant and machinery	8,809,831	10,560,300	1,657,043	120,758	(2,022)	(56,229)	474	(2,156,764)	18,933,391
Mould, tools and factory equipment	458,847	2,076,208	52,500	-	-	-	-	(131,976)	2,455,579
Electrical installations and substation	647,039	757,811	402	-	-	-	-	(113,774)	1,291,478
Motor vehicles	842,264	97,532	449,158	-	(1)	-	-	(323,657)	1,065,296
Office equipment, furniture and fittings	546,909	116,890	19,981	-	-	-	20	(99,968)	583,832
Renovation	451,994	479,991	-	(4,258)	-	-	-	(62,725)	865,002
Capital work-in -progress	116,500	-	-	(116,500)	-	-	-	-	-
	41,352,049	14,088,732	2,179,084	-	(2,023)	(56,229)	494	(3,363,193)	54,198,914

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group

Net book value	As Previously Reported At 1.1.2010 RM	Effects of FRS 117 RM	As Restated At 1.1.2010 RM	Additions RM	Reclassification RM	Disposals RM	Written off/ Impairment RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2010 RM
Freehold land	9,187,158	-	9,187,158	1,730	-	-	-	-	-	9,188,888
Leasehold land	-	281,452	281,452	-	-	-	-	-	(14,302)	267,150
Factory buildings	20,482,655	-	20,482,655	-	-	-	-	-	(460,028)	20,022,627
Plant and machinery	11,139,808	-	11,139,808	215,462	1,506,982	(548,595)	(1,417,755)	(3,517)	(2,082,554)	8,809,831
Mould, tools and factory equipment	418,614	-	418,614	132,290	-	-	-	-	(92,057)	458,847
Electrical installations and substation	748,487	-	748,487	-	-	-	-	-	(101,448)	647,039
Motor vehicles	474,099	-	474,099	575,800	-	-	-	-	(207,635)	842,264
Office equipment, furniture and fittings	616,648	-	616,648	31,856	-	(2,519)	(191)	(144)	(98,741)	546,909
Renovation	221,813	-	221,813	266,536	-	-	-	-	(36,355)	451,994
Capital work-in-progress	1,506,982	-	1,506,982	116,500	(1,506,982)	-	-	-	-	116,500
	44,796,264	281,452	45,077,716	1,340,174	-	(551,114)	(1,417,946)	(3,661)	(3,093,120)	41,352,049

6. PROPERTY, PLANT AND EQUIPMENT(CONT'D)

The Group

At 31.12.2011	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	9,188,888	-	-	9,188,888
Leasehold land	639,585	(386,737)	-	252,848
Factory buildings	22,595,259	(3,032,659)	-	19,562,600
Plant and machinery	57,387,046	(37,035,900)	(1,417,755)	18,933,391
Mould, tools and factory equipment	5,528,058	(3,072,479)	-	2,455,579
Electrical installations and substation	2,080,219	(788,741)	-	1,291,478
Motor vehicles	3,222,569	(2,157,273)	-	1,065,296
Office equipment, furniture and fittings	1,737,715	(1,153,883)	-	583,832
Renovation	1,650,337	(785,335)	-	865,002
	104,029,676	(48,413,007)	(1,417,755)	54,198,914

At 31.12.2010	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	9,188,888	-	-	9,188,888
Leasehold land	639,585	(372,435)	-	267,150
Factory buildings	22,595,259	(2,572,632)	-	20,022,627
Plant and machinery	39,465,910	(29,238,324)	(1,417,755)	8,809,831
Mould, tools and factory equipment	2,322,229	(1,863,382)	-	458,847
Electrical installations and substation	1,053,104	(406,065)	-	647,039
Motor vehicles	3,278,128	(2,435,864)	-	842,264
Office equipment, furniture and fittings	1,513,549	(966,640)	-	546,909
Renovation	531,599	(79,605)	-	451,994
Capital work-in-progress	116,500	-	-	116,500
	80,704,751	(37,934,947)	(1,417,755)	41,352,049

The Company

Net book value	At 1.1.2011 RM	Additions RM	Depreciation Charge RM	At 31.12.2011 RM
Office equipment, furniture and fittings	5,429	-	(1,460)	3,969

Net book value	At 1.1.2010 RM	Additions RM	Depreciation Charge RM	At 31.12.2010 RM
Office equipment, furniture and fittings	2,820	3,699	(1,090)	5,429

6. PROPERTY, PLANT AND EQUIPMENT(CONT'D)

The Company

At 31.12.2011	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	115,786	(111,817)	3,969

At 31.12.2010	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	115,786	(110,357)	5,429

Included in the net book value of the property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	The Group	
	2011 RM	2010 RM
Motor vehicles	626,849	686,628
Plant and machinery	569,970	-
	1,196,819	686,628

The following assets of the Group at net book value have been pledged to financial institutions for banking facilities as disclosed in Notes 24, 26 and 27 to the financial statements are as follows:-

	The Group	
	2011 RM	2010 RM
Freehold land and buildings	26,938,444	27,348,914

7. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Group	
	2011	2010
	RM	RM
Non-current		
Quasi loan		
A subsidiary	9,634,701	9,634,701
Current		
Trade related balances		
Subsidiaries	850,000	500,000
	10,484,701	10,134,701
Current		
Non-trade related balance		
A subsidiary	(3,505,000)	-

Quasi loan

Quasi loans represent advances of which the settlement is neither planned nor likely to occur in the foreseeable future. This amount, in substance, forms part of the Company's net investment in the subsidiaries. The quasi loan is stated at cost less accumulated impairment losses, if any.

Amount owing by/(to) subsidiaries

Trade balance arises from trade transactions, while non-trade balance represents advances, both of which are unsecured, interest-free and repayable on demand.

8. GOODWILL

	The Group	
	2011	2010
	RM	RM
At 1 January	-	-
Acquisition of a new subsidiary (Note 34)	10,650,327	-
At 31 December	10,650,327	-

(a) The carrying amount of goodwill is allocated to the following cash-generating unit:-

	The Group	
	2011	2010
	RM	RM
Foods and beverage	10,650,327	-

8. GOODWILL (CONT'D)

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash f ows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2011	2010	2011	2010	2011	2010
Foods and beverage	14%	-	0%	-	12%	-

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the 3 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.

(ii) Growth rate

Assume zero growth for the subsequent 5 years.

(iii) Discount rate

The discount rate used is pre-tax and ref ect specific risk relating to that operating segment.

9. OTHER INVESTMENT

	The Group	
	2011 RM	2010 RM
Transferable golf club membership, at cost	16,500	16,500

10. INVENTORIES

	The Group 2011 RM	The Group 2010 RM
At cost: -		
Raw materials	35,881,640	20,579,648
Work-in-progress	10,738,136	8,475,048
Finished goods	4,463,377	1,333,405
Goods-in-transit	1,656,423	3,089,068
	52,739,576	33,477,169
At net realisable value: -		
Raw materials	69,028	-
Work-in-progress	29,011	-
Finished goods	5,234	-
	52,842,849	33,477,169

11. TRADE RECEIVABLES

	The Group 2011 RM	The Group 2010 RM
Trade receivables	40,572,986	36,015,223
Allowance for impairment losses	(1,759,416)	(1,490,992)
	38,813,570	34,524,231
Allowance for impairment losses at 1 January	1,490,992	484,390
Addition during the financial year	591,060	1,032,321
Reversal of allowance on impairment loss during the financial year	(101,652)	(25,719)
Written off during the financial year	(220,984)	-
Allowance for impairment losses at 31 December	1,759,416	1,490,992

The Group's normal trade credit terms range from 30 to 120 days (2010: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2011 RM	The Group 2010 RM
Other receivables	93,028	1,220,962
Deposits	216,109	117,256
Prepayments	2,252,872	118,075
	2,562,009	1,456,293

13. DERIVATIVE ASSETS/(LIABILITIES)

	The Group		
	Contract/Notional Amount 2011 RM	Assets 2011 RM	Liabilities 2010 RM
Forward foreign currency contracts	19,025,950	464,630	(28,042)

The Group does not apply hedge accounting.

(a) Forward foreign currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 1 to 6 months after the end of the reporting period.

(b) In current financial year, the Group recognised a gain of RM464,630 arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair value of derivative are disclosed in Note 43(d) to the financial statements.

14. FIXED DEPOSITS IN LICENSED BANKS

The fixed deposits in licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.25% to 3.15% per annum. The deposits have maturity period ranging from 1 to 12 months.

Included in deposits in licensed banks of the Group at the end of the reporting period is an amount of RM9,500,000 (2010: Nil) which had been pledged to licensed banks as security for banking facilities granted to the Group.

15. SHARE CAPITAL

	The Group And The Company			
	2011 No. of shares	2010 No. of shares	2011 RM	2010 RM
Ordinary shares of RM1.00 each:-				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
ISSUED AND FULLY PAID-UP				
At 1 January	65,979,000	65,979,000	65,979,000	65,979,000
Issuance of shares	4,000,000	-	4,000,000	-
At 31 December	69,979,000	65,979,000	69,979,000	65,979,000

The Company increased its issued and paid-up share capital from RM65,979,000 to RM69,979,000 by the allotment of 4,000,000 new ordinary shares of RM1.00 each at par which form part of the purchase consideration for the acquisition of the entire issued and paid-up capital of Able Dairies Sdn.Bhd.

16. RESERVES

	The Group And The Company			
	2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable reserves:-				
- Share premium	4,600,212	5,520,212	4,600,212	5,520,212
- Translation reserve	(513,403)	(522,528)	-	-
- Fair value reserve	-	-	12,569,362	5,961,641
	4,086,809	4,997,684	17,169,574	11,481,853
Distributable reserve:-				
- Retained profits	32,159,890	23,430,697	2,269,397	1,688,559
	36,246,699	28,428,381	19,438,971	13,170,412

Share premium

The share premium arose from the issuance of shares by way of private placement and public offer net of share issue expenses. The share premium reserve is not distributable by way of dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

Translation reserve

Translation reserve represents the exchange differences arising from the translation of the financial statements of a foreign subsidiary and is not distributable by way of dividends.

Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of the investment in subsidiaries as disclosed in the accounting policies.

16. RESERVES (CONT'D)

Retained profits

The Company has elected for the irrevocable option for the single tier tax system. Therefore, at the end of the reporting period, the Company will be able to distribute dividends out of its entire retained profits under the single tier tax system.

17. LONG TERM BORROWINGS

	The Group And The Company			
	2011 RM	2010 RM	2011 RM	2010 RM
Hire purchase payables (Note 25)	484,593	318,200	-	-
Term loans (Note 26)	14,307,160	7,578,810	8,533,741	-
	14,791,753	7,897,010	8,533,741	-

18. CONTINGENT CONSIDERATION

	The Group And The Company	
	2011 RM	2010 RM
Non-current portion	4,647,143	-
Current portion	3,415,650	-
	8,062,793	-

The contingent consideration represents the fair value of the outstanding purchase consideration payable to the vendors of a subsidiary which was acquired during the financial year. The outstanding purchase consideration is contingent upon the achievement of profits guarantee for the financial years ended/ending 31 December 2011 and 2012. The outstanding purchase consideration shall be reduced in the event if the profit guarantee amount has not been achieved by the acquired subsidiary for the abovementioned financial years.

Key assumption used for computing the fair value of the outstanding purchase consideration:

	The Group	
	2011 RM	2010 RM
Discount rate	5%	-
Outstanding purchase consideration - at cost	RM8,500,000	-

19. RETIREMENT BENEFITS

	The Group	
	2011	2010
	RM	RM
At 1 January	334,000	277,053
Addition for the financial year	25,000	72,385
Paid during the financial year	-	(15,438)
At 31 December	359,000	334,000

Retirement benefits represent the Group's obligation in respect of a non-contributory unfunded retirement benefit plan to unionised workers. The amount as at the end of the reporting period approximates the present value of the unfunded obligation.

Key assumptions used for computing the addition for the year.

	The Group	
	2011	2010
	RM	RM
Discount rate	4.47%	3.99%
Annual salary increment per worker	RM65.00	RM65.00

20. DEFERRED TAX LIABILITIES

	The Group	
	2011	2010
	RM	RM
At 1 January	704,000	1,023,000
Recognised in profit or loss (Note 31)	706,000	(319,000)
Acquisition of a subsidiary (Note 34)	2,250,000	-
At 31 December	3,660,000	704,000

(a) Deferred tax liabilities are attributable to the following items:-

	The Group	
	2011	2010
	RM	RM
Deferred tax liabilities:-		
- Accelerated capital allowances	4,548,100	1,929,600
- Other temporary differences	13,700	3,400
Gross deferred tax liabilities	4,561,800	1,933,000
Deferred tax assets:-		
- Unutilised capital allowances	-	(169,000)
- Unabsorbed tax losses	(756,000)	(852,000)
- Other temporary differences	(145,800)	(208,000)
Gross deferred tax assets	(901,800)	(1,229,000)
Net deferred tax liabilities	3,660,000	704,000

20. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:-

Deferred tax liabilities:-	Accelerated Capital Allowances RM	Other Temporary Differences RM	Total RM
1 January 2011	1,929,600	3,400	1,933,000
Recognised in profit or loss	2,618,500	10,300	2,628,800
Balance at 31 December 2011	4,548,100	13,700	4,561,800
Balance at 1 January 2010	2,414,300	3,400	2,417,700
Recognised in profit or loss	(484,700)	-	(484,700)
Balance at 31 December 2010	1,929,600	3,400	1,933,000

Deferred tax assets:-	Unutilised Capital Allowences RM	Unabsorbed Tax Losses RM	Other Temporary Differences RM	Total RM
Balance at 1 January 2011	(169,000)	(852,000)	(208,000)	(1,229,000)
Recognised in profit or loss	169,000	96,000	62,200	327,200
Balance at 31 December 2011	-	(756,000)	(145,800)	(901,800)
Balance at 1 January 2010	(339,000)	(865,000)	(190,700)	(1,394,700)
Recognised in profit or loss	170,000	13,000	(17,300)	165,700
Balance at 31 December 2010	(169,000)	(852,000)	(208,000)	(1,229,000)

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2010: 30 to 120 days).

22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other payables	11,981,502	559,140	-	-
Accrued expenses	3,218,798	2,143,076	495,943	341,724
Deposits received	3,091,489	133,000	-	-
	18,291,789	2,835,216	495,943	341,724

23. AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

24. SHORT TERM BORROWINGS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Bankers' acceptances	11,135,000	7,751,000	-	-
Foreign currency trade loan	2,846,025	-	-	-
Bills of exchange	3,084,419	-	-	-
Foreign currency trust receipts	4,115,831	-	-	-
Revolving credit	5,000,000	-	5,000,000	-
Hire purchase payables (Note 25)	336,349	146,413	-	-
Term loans (Note 26)	3,232,005	2,387,514	1,428,000	-
	29,749,629	10,284,927	6,428,000	-

Bankers' acceptances, foreign currency trade loan, bills of exchange, foreign currency trust receipts, revolving credit are drawn for period ranging from 30 days to 180 days (2010: 180 days).

Bankers' acceptances, foreign currency trade loan, bills of exchange, foreign currency trust receipts, revolving credit and term loans are secured by way of:-

(i) legal charges over the landed properties of the Group;

(ii) pledge of fixed deposits of the Group as disclosed in Note 14 to the financial statements;

(iii) personal guarantee by 2 former directors of a subsidiary;

(iv) personal guarantee by a director of the subsidiary; and

(v) corporate guarantees from the Company.

25. HIRE PURCHASE PAYABLES

	The Group	
	2011	2010
	RM	RM
Minimum hire purchase payment:-		
- not later than one year	373,116	166,993
- later than one year and not later than five years	508,129	335,534
	881,245	502,527
Less : Future finance charges	(60,303)	(37,914)
Present value of hire purchase payables	820,942	464,613

The present value of hire purchase payables is repayable as follows:-

	The Group	
	2011	2010
	RM	RM
Current:-		
- not later than one year (Note 24)	336,349	146,413
Non-current:-		
- later than one year and not later than five years (Note 17)	484,593	318,200
	820,942	464,613

26. TERM LOANS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current portion:-				
- repayable within one year (Note 24)	3,232,005	2,387,514	1,428,000	-
Non-current portion:-				
- repayable between one and two years	2,127,542	1,823,993	1,428,000	-
- repayable between two and five years	7,171,750	1,699,980	4,284,000	-
- repayable more than five years	5,007,868	4,054,837	2,821,741	-
Total non-current portion (Note 17)	14,307,160	7,578,810	8,533,741	-
	17,539,165	9,966,324	9,961,741	-

26. TERM LOANS (CONT'D)

The term loans are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements and are repayable as follows:

Term loan 1 at 3 months COF + 0.75% per annum	Repayable in 28 quarterly instalments of RM250,000, effective from June 2006.
Term loan 2 at BLR - 1.75% per annum	Repayable in 180 monthly instalments of RM59,151, effective from March 2008.
Term loan 3 at COF - 1.00% per annum	Repayable in 60 monthly instalments of RM25,000, effective from March 2007.
Term loan 4 at COF - 1.00% per annum	Repayable in 60 monthly instalments of RM58,500, effective from March 2008.
Term loan 5 at COF + 1.15% per annum	Repayable in 83 monthly instalments of RM119,000 and final instalment of RM123,000, effective from December 2011.

27. BANK OVERDRAFTS

Bank overdrafts of the Group to a limit of RM3,000,000 (2010: RM3,000,000) are repayable on demand and are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements.

28. REVENUE

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Sales of goods	134,215,445	95,562,690	-	-
Dividend income	-	-	4,732,372	640,551
Management fee income	-	-	850,000	500,000
	134,215,445	95,562,690	5,582,372	1,140,551

29. EMPLOYEE BENEFITS

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short term employee benefits	14,074,368	11,456,530	443,530	393,230
Contribution to a defined contribution plan	1,054,086	959,716	20,347	16,395
	15,128,454	12,416,246	463,877	409,625

Included in employee benefits is key management personnel compensation as disclosed in Note 38(b) to the financial statements.

30. PROFIT BEFORE TAX

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before tax is arrived at after charging:-				
Allowance for impairment losses on receivables	591,060	1,032,321	-	-
Audit fee				
- statutory audit	77,000	72,850	22,000	20,000
- overprovision in prior year	(50)	-	-	-
- special audit	10,000	-	10,000	-
Directors' remuneration of the Company				
- Directors' fee - current year	296,000	254,500	296,000	254,500
- overprovision in prior year	(24,500)	-	(24,500)	-
Directors' remuneration of the subsidiaries				
- Directors' fee	40,000	40,000	-	-
- EPF contributions	256,320	240,960	-	-
- other emoluments	2,340,320	1,996,320	-	-
Impairment of plant and equipment	-	1,417,755	-	-
Interest expenses	1,126,885	733,547	154,442	-
Loss on fair values changes in financial instruments - unrealised	-	28,042	-	-
Loss on foreign exchange - realised (trade)	445,817	549,836	-	-
Loss on foreign exchange - unrealised (non-trade)	-	21,280	-	-
Plant and equipment written off	56,229	191	-	-
Rental expenses	539,860	533,692	-	-
and after crediting:-				
Dividend income	-	-	4,732,372	640,551
Gain on disposal of plant and equipment	158,999	421,334	-	-
Gain on fair values changes in financial instruments - unrealised	492,672	-	-	-
Gain on foreign exchange - realised (non - trade)	25,405	-	-	-
Gain on foreign exchange - unrealised (non - trade)	54,729	-	-	-
Gain on foreign exchange - unrealised (trade)	150,422	47,243	-	-
Interest income	221,360	8,003	-	-
Rental income	394,000	354,000	-	-
Reversal of allowance for impairment losses on trade receivables	101,652	25,719	-	-

31. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Malaysian income tax				
- Current year	2,609,000	2,598,000	1,228,093	-
- Over provision in prior year	(2,952)	(1,346)	-	(715)
	2,606,048	2,596,654	1,228,093	(715)
Deferred tax (Note 20)				
- Relating to origination/(reversal) of temporary differences	668,800	(266,045)	-	-
- Under/(Over) provision in prior year	37,200	(52,955)	-	-
	706,000	(319,000)	-	-
	3,312,048	2,277,654	1,228,093	(715)

Subject to the agreement with the tax authorities, at the end of the reporting period, the unabsorbed capital and industrial building allowances and unutilised tax losses of the Group are as follows:-

	The Group	
	2011	2010
	RM	RM
Unabsorbed capital and industrial building allowances	-	677,000
Unutilised reinvestment allowances	2,195,000	3,195,000
Unutilised tax losses	3,030,000	3,407,000
	5,225,000	7,279,000

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before tax	14,350,506	8,551,040	4,118,196	402,752
Malaysian taxation at statutory rate	3,548,977	2,137,760	1,029,549	100,688
Tax credit in tax attributable to the dividend income	-	26,222	-	26,222
Tax effects of:-				
Expenses disallowed for tax purposes	467,240	377,793	198,544	33,228
Non-taxable income	(10,053)	(160,593)	-	(160,138)
Over provision of income tax in prior year	(2,952)	(1,346)	-	(715)
Under/(Over) provision of deferred tax in prior year	37,200	(52,955)	-	-
Tax incentive utilised	(728,364)	-	-	-
Others	-	(49,227)	-	-
Tax expense/(income) for the financial year	3,312,048	2,277,654	1,228,093	(715)

32. EARNINGS PER SHARE

	The Group 2011 RM	The Group 2010 RM
Basic		
Net profit attribute to ordinary shareholders	11,038,458	6,273,386
Number of shares in issue as at 31 December (weighted average)	66,645,667	65,979,000
Basic earnings per share (sen)	16.56	9.51

Diluted earnings per share is equal to the basic earnings per share as there were no potential ordinary shares outstanding in both the previous and current financial years.

33. DIVIDEND

	The Group And The Company 2011 RM	The Group And The Company 2010 RM
Paid:-		
In respect of previous financial year:-		
Single tier final tax exempt dividend of 3.50 sen (2010: 2.50 sen) per ordinary share	2,309,265	1,649,475

34. ACQUISITION OF A SUBSIDIARY

On 24 October 2011, the Company acquired 100% equity interest in Able Dairies Sdn. Bhd.

Fair value of consideration paid/payable:	The Company 2011 RM
Cash	18,500,000
Fair value of shares issued (4,000,000 ordinary shares)	3,080,000
Contingent consideration	8,062,793
	29,642,793

34. ACQUISITION OF A SUBSIDIARY (CONT'D)

The fair values of the identifiable assets and liabilities of Able Dairies Sdn. Bhd. as at the date of acquisition were:-

	At Date Of Acquisition Carrying Amount RM	Fair Value Recognised RM
Property, plant and equipment	14,088,732	14,088,732
Trade and other receivables	12,028,865	12,028,865
Inventories	25,654,562	25,654,562
Cash and cash equivalents	11,380,919	11,380,919
Trade payables and accruals	(35,305,368)	(35,305,368)
Bank borrowings	(6,133,137)	(6,133,137)
Hire purchase payables	(67,110)	(67,110)
Tax payable	(404,997)	(404,997)
Deferred tax liability	(2,250,000)	(2,250,000)
Net identifiable assets and liabilities	18,992,466	18,992,466
Add: Goodwill on acquisition		10,650,327
Total purchase consideration		29,642,793
Less: Issue of shares		(3,080,000)
Less: Cash and cash equivalents of subsidiary acquired		(11,380,919)
Less: Contingent consideration		(8,062,793)
Net cash outf ow for acquisition of a subsidiary		7,119,081

The acquired subsidiary has contributed the following results to the Group:-

	2011 RM
Revenue	28,288,719
Profit after tax	6,583,635

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after tax from continuing operations would have been RM250,584,803 and RM39,893,291 respectively.

35. PURCHASE OF PLANT AND EQUIPMENT

	The Group 2011 RM	The Group 2010 RM	The Company 2011 RM	The Company 2010 RM
Cost of plant and equipment purchased	2,179,084	1,340,174	-	3,699
Amount financed through hire purchase	(503,440)	(400,000)	-	-
Cash disbursed for purchase of plant and equipment	1,675,644	940,174	-	3,699

36. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash f ows, cash and cash equivalents comprise the following items:-

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	17,252,920	12,780,837	552,549	172,291
Fixed deposits in licensed banks	14,854,545	-	-	-
Bank overdrafts	(2,589,405)	(2,373,281)	-	-
	29,518,060	10,407,556	552,549	172,291
Less: Fixed deposits pledged to banks (Note 14)	(9,500,000)	-	-	-
	20,018,060	10,407,556	552,549	172,291

37. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-executive directors				
- fees	265,000	223,500	245,000	203,500
Executive directors				
- fees	71,000	71,000	51,000	51,000
- salaries and bonuses	2,240,320	1,896,320	-	-
- defined contribution retirement plan	256,320	240,960	-	-
- retirement benefits	100,000	100,000	-	-
	2,932,640	2,531,780	296,000	254,500

37. DIRECTORS' REMUNERATION (CONT'D)

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial year by category and in bands of RM50,000 are as follows:-

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-executive directors				
Below RM50,000	2	2	1	1
RM50,000 - RM100,000	3	3	3	3
Executive directors				
Below RM50,000	1	-	2	2
RM250,000 - RM300,000	-	1	-	-
RM300,000 - RM350,000	1	-	-	-
RM500,000 - RM550,000	-	1	-	-
RM600,000 - RM650,000	1	-	-	-
RM750,000 - RM800,000	1	2	-	-
RM900,000 - RM950,000	1	-	-	-

38. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) The Company had the following transactions with related parties during the financial year:-

	The Company	
	2011 RM	2010 RM
Subsidiaries		
Dividends receivable	4,732,372	640,551
Management fees receivable	850,000	500,000

	The Group	
	2011 RM	2010 RM
Company in which a subsidiary's director has substantial financial interest		
Sales of goods	312,030	-
Purchases of goods	36,800	-
Director of a subsidiary		
Rental of factory premises paid/payable	16,800	16,800

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short-term employee benefits	2,411,320	2,067,320	51,000	51,000
Post-employment benefit				
- Defined contribution plan	256,320	240,960	-	-
	2,667,640	2,308,280	51,000	51,000

39. COMMITMENTS

	The Group
	2011
	RM
Approved and contracted for:-	
Plant and machinery	124,046

40. CONTINGENT LIABILITIES

	The Company	
	2011	2010
	RM	RM
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	21,568,620	22,800,090

41. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is organised into the 2 main business segments as follows:-

(i) Tins and cans segment – involved in the manufacturing of various tins, cans and other containers

(ii) Foods and beverage – involved in manufacturing and selling of milk and other related dairy products

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the business segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between business segments are at arm's length basis in a manner similar to transactions with third parties.

41. OPERATING SEGMENTS (CONT'D)

Business Segments

2011	Tin Manufacturing RM	Foods & Beverage RM	Group RM
Revenue			
External revenue	105,926,726	28,288,719	134,215,445
Inter-segment revenue	7,645,067	-	7,645,067
Dividend income	4,732,372	-	4,732,372
Total revenue	118,304,165	28,288,719	146,592,884
Eliminations			(12,377,439)
Consolidated revenue			134,215,445
Results			
Segment results	20,413,759	3,620,609	24,034,368
Adjustments and eliminations	(7,794,298)	3,402,574	(4,391,724)
Finance costs	(1,092,238)	(70,385)	(1,162,623)
Tax expense	(2,897,048)	(415,000)	(3,312,048)
	8,630,175	6,537,798	15,167,973
Other material items of income	861,269	507,414	1,368,683
Depreciation of property, plant and equipment	(3,078,611)	(284,582)	(3,363,193)
Other material items of expenses	(470,294)	(176,995)	(647,289)
Other non-cash expenses	(25,000)	-	(25,000)
	5,917,539	6,583,635	12,501,174
Unallocated expenses			(1,462,716)
Consolidated profit after tax			11,038,458
Assets			
Segment assets	249,992,006	67,236,631	317,228,637
Eliminations			(125,576,342)
			191,652,295
Unallocated assets			924,292
Consolidated total assets			192,576,587
Liabilities			
Segment liabilities	37,620,468	30,548,055	68,168,523
Eliminations			(30,820,829)
			37,347,694
Unallocated liabilities			49,003,194
Consolidated total liabilities			86,350,888
Other segment items			
Additions to non-current assets other than financial instruments :-			
- Plant and equipment	1,783,338	395,746	2,179,084

41. OPERATING SEGMENTS (CONT'D)

Business Segments (cont'd)

2010	Tin Manufacturing RM	Foods & Beverage RM	Group RM
Revenue			
External revenue	95,562,690	-	95,562,690
Inter-segment revenue	3,196,264	-	3,196,264
Dividend income	640,551	-	640,551
Total revenue	99,399,505	-	99,399,505
Eliminations			(3,836,815)
Consolidated revenue			95,562,690
Results			
Segment results	14,927,245	-	14,927,245
Adjustments and eliminations	(287,015)	-	(287,015)
Finance costs	(733,547)	-	(733,547)
Tax expense	(2,277,654)	-	(2,277,654)
	11,629,029	-	11,629,029
Other material items of income	1,024,880	-	1,024,880
Depreciation of property, plant and equipment	(3,093,120)	-	(3,093,120)
Other material items of expenses	(2,450,267)	-	(2,450,267)
Other non-cash expenses	(100,427)	-	(100,427)
	7,010,095	-	7,010,095
Unallocated expenses			(736,709)
Consolidated profit after tax			6,273,386
Assets			
Segment assets	206,039,127	-	206,039,127
Eliminations			(82,437,477)
			123,601,650
Unallocated assets			109,087
Consolidated total assets			123,710,737
Liabilities			
Segment liabilities	23,352,413	-	23,352,413
Eliminations			(13,351,155)
			10,001,258
Unallocated liabilities			19,302,098
Consolidated total liabilities			29,303,356
Other segment items			
Additions to non-current assets other than financial instruments :-			
- Plant and equipment	1,340,174	-	1,340,174

41. OPERATING SEGMENTS (CONT'D)

Business Segments (cont'd)

(a) Other material items of income consist of the following:-

	The Group 2011 RM	The Group 2010 RM
Compensation from customers who cancelled sales order	-	215,824
Gain on disposal of plant and equipment	158,999	421,334
Gain on fair values changes in financial Instruments	492,672	-
Interest income	221,360	8,003
Rental income	394,000	354,000
Reversal of allowance for impairment losses on trade receivables	101,652	25,719
	1,368,683	1,024,880

(b) Other material items of expenses consist of the following:-

	The Group 2011 RM	The Group 2010 RM
Allowance for impairment losses on trade receivables	591,060	1,032,321
Impairment loss on plant and equipment	-	1,417,755
Plant and equipment written off	56,229	191
	647,289	2,450,267

(c) Other non-cash expenses consist of the following:-

	The Group 2011 RM	The Group 2010 RM
Loss on fair values changes in financial instruments	-	28,042
Provision for retirement benefits	25,000	72,385
	25,000	100,427

Geographical Segments

	REVENUE		NON-CURRENT ASSETS	
	2011 RM	2010 RM	2011 RM	2010 RM
Malaysia	134,215,445	95,432,749	64,847,688	41,325,304
Indonesia	-	129,941	18,053	43,245
	134,215,445	95,562,690	64,865,741	41,368,549

Major Customers

The Group has two major customers with individual revenue contribution equal to or more than 10% of Group revenue and cumulatively accounting for 32% (2010: 39%) of Group revenue.

42. MATERIAL LITIGATION

A suit was brought by General Containers Sdn Bhd ("GCSB") against the former director of GCSB, Mr. Tan Chin Wah for breach of fiduciary duties and against the subsidiaries of the Company, Johore Tin Factory Sendirian Berhad and Unican Industries Sdn Bhd ("Defendants") for conspiring to divest GCSB's vital assets and business. A judgement was ruled in favour of the abovementioned Defendants by the Johor Bahru High Court ("High Court") on 29 October 2010. The suit was dismissed by the High Court with costs.

GCSB has appealed against this decision to the Court of Appeal. To-date, no hearing has been fixed for the appeal.

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a nature hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balance will be hedged by the forward foreign currency contracts. The Group's exposure to foreign currency is as follows:-

The Group **2011**	**United States Dollar RM**	**Singapore Dollar RM**	**Other RM**	**Ringgit Malaysia RM**	**Total RM**
Financial assets					
Trade receivables	13,130,764	4,746,499	-	20,936,307	38,813,570
Other receivables, deposits and prepayments	20,926	-	-	2,541,083	2,562,009
Cash and bank balances	867,355	-	-	16,385,565	17,252,920
	14,019,045	4,746,499	-	39,862,955	58,628,499
Financial liabilities					
Trade payables	1,509,842	128,800	-	5,370,776	7,009,418
Other payables and accruals	128,654	(5,216)	14,787	18,153,564	18,291,789
Bank borrowings	10,046,275	-	-	37,084,512	47,130,787
	11,684,771	123,584	14,787	60,608,852	72,431,994
Currency exposure	2,334,274	4,622,915	(14,787)	-	6,942,402

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(i) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

The Group

2010	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
Financial assets				
Trade receivables	-	3,701,032	30,823,199	34,524,231
Other receivables, deposits and prepayments	938,752	-	517,541	1,456,293
	938,752	3,701,032	31,340,740	35,980,524
Financial liabilities				
Trade payables	1,392,674	74,706	2,575,140	4,042,520
Other payables and accruals	(1,874)	10,856	2,826,234	2,835,216
	1,390,800	85,562	5,401,374	6,877,736
Currency exposure	(452,048)	3,615,470	-	3,163,422

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

Effects on profit after tax	The Group 2011 RM Increase/ (Decrease)	The Group 2010 RM Increase/ (Decrease)
United States Dollar:-		
- strengthened by 1% (2010: 10%)	23,033	(44,519)
- weakened by 1% (2010: 10%)	(23,033)	44,519
Singapore Dollar:-		
- strengthened by 3% (2010: 2%)	138,747	69,993
- weakened by 3% (2010: 2%)	(138,747)	(69,993)

Effects on equity	The Company 2011 RM Increase/ (Decrease)	The Company 2010 RM Increase/ (Decrease)
Indonesia Rupiah:-		
- strengthened by 7% (2010: 4 %)	(63,514)	(39,180)
- weakened by 7% (2010: 4 %)	63,514	39,180

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(i) Market Risk (cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash f ows of a financial instrument will f uctuate because of changes in market interest rates. The Group's exposure to interest rate risk arising from Group's interest-bearing financial liabilities. The Group's policy is to obtain the most favourable interest rates available.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 43(a)(i)(ii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
	Increase/	Increase/	Increase/	Increase/
	(Decrease)	(Decrease)	(Decrease)	(Decrease)
Effects on profit after tax	RM	RM	RM	RM
Increase of 100 basis points (bp)	(350,490)	(138,822)	(112,500)	-
Decrease of 100 bp	350,490	138,822	112,500	-

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(ii) Credit Risk (cont'd)

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by five (5) (2010: three (3)) major customers which constituted approximately 43% (2010: 54%) of its trade receivables as at the end of the reporting period.

The carrying amount of trade receivables represent the Group maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2011 RM	2010 RM
Singapore	4,746,499	3,701,032
United States	13,130,764	-
Malaysia	20,936,307	30,823,199
	38,813,570	34,524,231

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2011 is as follows:-

2011	Gross Amount RM	Individual Impairment RM	Carrying Value RM
Not past due	21,369,374	(131,445)	21,237,929
Past due:			
- less than 3 months	15,556,299	(71,716)	15,484,583
- 3 to 6 months	2,209,009	(232,094)	1,976,915
- over 6 months	1,438,304	(1,324,161)	114,143
	40,572,986	(1,759,416)	38,813,570

2010	Gross Amount RM	Individual Impairment RM	Carrying Value RM
Not past due	16,917,147	-	16,917,147
Past due:			
- less than 3 months	12,094,403	-	12,094,403
- 3 to 6 months	3,427,787	-	3,427,787
- over 6 months	3,575,886	(1,490,992)	2,084,894
	36,015,223	(1,490,992)	34,524,231

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(ii) Credit Risk (cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

No collective impairment allowance is provided as based on the past records the irrecoverable amounts from the sale of goods, is very insignificant.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(iii) Liquidity Risk (cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash f ows (including interest payments computed using contractual rates or, if f oating, based on the rates at the end of the reporting period):-

The Group

2011	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
Trade payables	-	7,009,418	7,009,418	7,009,418	-	-
Other payables and accruals	-	18,291,789	18,291,789	18,291,789	-	-
Amount owing to directors	-	1,035,289	1,035,289	1,035,289	-	-
Contingent consideration	-	8,062,793	8,062,793	3,415,650	4,647,143	-
Hire purchase payables	4.94 to 6.10	820,942	881,245	373,116	508,129	-
Term loans	3.11 to 4.55	17,539,165	21,525,043	4,079,346	10,053,548	7,392,149
Bankers' acceptance	3.33 to 4.50	11,135,000	11,135,000	11,135,000	-	-
Foreign currency trade loan	3.20 to 3.37	2,846,025	2,846,025	2,846,025	-	-
Bills of exchange	2.25 to 2.45	3,084,419	3,084,419	3,084,419	-	-
Foreign currency trust receipts	2.35 to 2.40	4,115,831	4,115,831	4,115,831	-	-
Revolving credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Bank overdrafts	7.60	2,589,405	2,589,405	2,589,405	-	-
		81,530,076	85,576,257	62,975,288	15,208,820	7,392,149

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(iii) Liquidity Risk (cont'd)

The Group

2010	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
Trade payables	-	4,042,520	4,042,520	4,042,520	-	-
Other payables and accruals	-	2,835,216	2,835,216	2,835,216	-	-
Amount owing to directors	-	388,199	388,199	388,199	-	-
Hire purchas payables	4.94 to 6.10	464,613	502,527	166,993	335,534	-
Term loans	3.11 to 4.55	9,966,324	12,431,251	2,800,919	4,543,346	5,086,986
Bankers' acceptance	3.33 to 4.50	7,751,000	7,751,000	7,751,000	-	-
Bank overdrafts	7.30	2,373,281	2,373,281	2,373,281	-	-
		27,821,153	30,323,994	20,358,128	4,878,880	5,086,986

The Company

2011	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
Other payables and accruals	-	495,943	495,943	495,943	-	-
Amount owing to subsidiaries	-	3,505,000	3,505,000	3,505,000	-	-
Term loan	4.82	9,961,741	11,867,459	1,908,156	6,944,328	3,014,975
Revolving Credit	4.82	5,000,000	5,000,000	5,000,000	-	-
Contingent consideration	-	8,062,793	8,062,793	3,415,650	4,647,143	-
		27,025,477	28,931,195	14,324,749	11,591,471	3,014,975

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (cont'd)

(iii) Liquidity Risk (cont'd)

The Company

2010	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
Other payables and accruals	-	341,724	341,724	341,724

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as bank borrowings plus trade and other payables, amount owing to directors and contingent consideration less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group 2011 RM	The Group 2010 RM
Borrowings		
- long term	14,791,753	7,897,010
- short term	29,749,629	10,284,927
Bank overdrafts	2,589,405	2,373,281
Trade payables	7,009,418	4,042,520
Other payables and accruals	18,291,789	2,835,216
Amount owing to directors	1,035,289	388,199
Contingent consideration	8,062,793	-
	81,530,076	27,821,153
Less: Fixed deposits in licensed banks	(14,854,545)	-
Less: Cash and bank balances	(17,252,920)	(12,780,837)
Net debt	49,422,611	15,040,316
Total equity	106,225,699	94,407,381
Debt-to-equity ratio	46.53%	15.93%

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

43. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	The Group		The Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Financial Assets				
Available-for-sale financia asset				
Investment in subsidiaries	-	-	105,325,571	69,075,057
Amount owing by subsidiary				
- quasi loan	-	-	9,634,701	9,634,701
	-	-	114,960,272	78,709,758
Loans and receivables financial assets				
Trade receivables	38,813,570	34,524,231	-	-
Other receivables and deposits	309,137	1,338,218	-	-
Amount owing by subsidiaries	-	-	850,000	500,000
Fixed deposits with licensed banks	14,854,545	-	-	-
Cash and bank balances	17,252,920	12,780,837	552,549	172,291
	71,230,172	48,643,286	1,402,549	672,291
Financial Liabilities				
Other financial liabilities				
Trade payables	7,009,418	4,042,520	-	-
Other payables and accruals	18,291,789	2,835,216	495,943	341,724
Amount owing to subsidiaries	-	-	3,505,000	-
Amount owing to directors	1,035,289	388,199	-	-
Borrowings	44,541,382	18,181,937	14,961,741	-
Contingent consideration	8,062,793	-	8,062,793	-
Bank overdrafts	2,589,405	2,373,281	-	-
	81,530,076	27,821,153	27,025,477	341,724
Fair value through profit and loss				
Derivative assets/ (liabilities)	464,630	(28,042)	-	-

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values except for the following:-

	The Group			
	2011		2010	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Hire purchase payables	820,942	846,307	464,613	481,661

	The Company			
	2011		2010	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Amount owing by a subsidiary - quasi loan	9,634,701	#	9,634,701	#

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash f ows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(iv) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

(v) The interest rates used to discount estimated cash f ows, where applicable, is as follows:-

	The Group	
	2011 %	2010 %
Hire purchase payables	2.37 to 3.34	2.60 to 3.40

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments (cont'd)

(vi) The fair value of the investments in subsidiaries was determined using the discounted cash f ow approach. This calculation uses 10 years' pre-tax cash f ow projections approved by the Board of Directors. Cash f ows beyond financial year 2012 are extrapolated using the estimated growth rates stated below. Fair value was determined by discounting the future cash f ows expected from the operations of the subsidiaries over the next 10 years based on the following key assumptions:-

(aa) The subsidiaries will continue in operations over the next 10 years;

(bb) The growth rate for the respective business segments are as follows:-

Business segments	Average growth rate
Tin Manufacturing	1% to 3%
Foods and Beverage	0%

(cc) Gross profit margin is expected to remain constant; and

(dd) Discount rate is based on the weighted average cost of capital at 8%+4% per annum.

The values assigned to the key assumptions represent management's assessment of future trends in the industry which is the subsidiary's operations and is based on both external sources and internal sources (historical data).

The fair value cannot be reliably measured due to the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

(e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2011, the Group's financial instruments carried at fair values are analysed as below:-

The Group 2011	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial asset				
Derivative assets:				
- forward foreign currency contracts	464,630	-	-	464,630

The Company 2011	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial asset				
Investments in subsidiaries	-	-	105,325,571	105,325,571

43. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Hierarchy (cont'd)

Reconciliation of level 3 of the fair value hierarchy

The Company	Investments In Subsidiaries RM	Total RM
Balance at 1.1.2011	69,075,057	69,075,057
Acquisition of a subsidiary	29,642,793	29,642,793
Total gain recognised in other comprehensive income	6,607,721	6,607,721
Balance at 31.12.2011	105,325,571	105,325,571

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

For fair value measurements in level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:-

(i) A 2% decrease in gross profit margin would have resulted in a decrease in the fair values of the investments in subsidiaries of RM10,779,926.

(ii) A 1% decrease in the cost of capital used would have resulted in a increase in the fair values of the investments in subsidiaries of RM4,370,355.

Transfer between level 1 and level 2

There were no transfers between level 1 and level 2 fair value measurements during the current financial year.

44. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained profits/(losses):				
- realised	35,122,067	24,136,776	2,269,397	1,688,559
- unrealised	(2,962,177)	(706,079)	-	-
At 31 December	32,159,890	23,430,697	2,269,397	1,688,559

statement by directors

We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 37 to 98 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2011 and of their results and cash f ows for the financial year ended on that date.

The supplementary information set out in Note 44, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
Dated 27 April 2012

EDWARD GOH SWEE WANG

YEOW AH SENG @ YOW AH SENG

statutory declaration

I, Edward Goh Swee Wang, I/C No.: 631221-01-5769, being the director primarily responsible for the financial management of Johore Tin Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 98 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Edward Goh Swee Wang, I/C No.: 631221-01-5769,
at Johor Bahru in the state of Johor
on this 27 April 2012

Before me

EDWARD GOH SWEE WANG

RUSLY B. MOHD YUNUS P.I.S (No. J112)
COMMISSIONER FOR OATHS

list of properties held

Registered Owner/ Date of Acquisition	Title No./ Address	Description/ Existing Use	Tenure/ Expiry Date of the Lease	Approximate Age of the Building (years)	Land/ Built-up Area (sq. ft.)	Net Book Value as at 31 Dec 2011 (RM)
JTF/ 19.03.1977	HS(D) 7258, Lot TLO 1883 Mukim Bandar Johor Bahru District of Johor Bahru Johor Darul Takzim/ No. 5, Jalan Gagah Larkin Industrial Area 80350 Johor Bahru, Johor	Single-storey detached factory/ Industry	Leasehold - 60 years/ 13 January 2025	35	43,560/ 21,800	145,675
JTF/ 06.06.1988	HS(D) 108311, Lot TLO 1936, Mukim Bandar Johor Bahru, District of Johor Bahru, Johor Darul Takzim/ No. 7, Jalan Gagah Larkin Industrial Area 80350 Johor Bahru, Johor	Single-storey detached factory with a double-storey office annexed/ Industry	Leasehold - 60 years/ 8 January 2028	23	43,560/ 14,582	695,405
UNI/ 10.12.2004	HSD 375445, PTD 124298 Mukim Tebrau, Johor Bahru Johor Darul Takzim/ PTD 124298 Jalan Kempas Lama Kg. Seelong Jaya 81300 Skudai, Johor	Single-storey detached factory/ Industry	Freehold	7	457,380/ 248,533	17,455,226
UNI/ 08.08.2007	GM 2481, Lot 2259 Mukim of Teluk Panglima Garang, District of Kuala Langat, Selangor Darul Ehsan/ Lot 2259, Jalan Helang Off Jalan Kebun Baru Teluk Panglima Garang 42500 Kuala Lumpur	Single-storey detached factory/ Industry	Freehold	5	175,602/ 106,931	9,483,218
UNI/ 26.11.1991	Lot 48, Mukim Pengkalan Raja, Batu 29 ½, District of Pontian, Johor Darul Takzim	Agriculture/ Palm Oil	Freehold	N/A	395,568	469,628
KTC/ 27.12.1982	HS(D) 16323, Lot PTD 23759, Mukim Kluang District of Kluang Johor Darul Takzim/ No. 5, Jalan Masyuri Kawasan Perindustrian Kluang 86000 Kluang, Johor	1 ½-storey detached factory/ Industry	Leasehold - 60 years/ 13 April 2046	26	21,780/ 16,843	398,292

Registered Owner/ Date of Acquisition	Title No./ Address	Description/ Existing Use	Tenure/ Expiry Date of the Lease	Approximate Age of the Building (years)	Land/ Built-up Area (sq. ft.)	Net Book Value as at 31 Dec 2011 (RM)
KTC/ 27.02.1993	GM 8988, Lot 781 Mukim Sri Gading VIII Parit Baru, District of Batu Pahat, Johor Darul Takzim	Agriculture/ Fruits	Freehold	N/A	106,461	73,300
KTC/ 08.01.1996	HS(D) 31714, Lot MLO 42445, Mukim Kluang District of Kluang Johor Darul Takzim/ No. 41, Jalan Lau Kim Teck 86000 Kluang, Johor	1 ½-storey semi-detached factory/ Industry	Freehold	16	5,294/ 3,635	283,596

Disclosed in accordance with Appendix 9C, Part A, item 25 of the MMLR of Bursa Securities.

analysis of shareholdings

As at 30 April 2012

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid-Up Capital	:	RM69,979,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One (1) Vote per Ordinary Share
Number of Shareholders	:	1,390

DISTRIBUTION OF SHAREHOLDINGS

	(Malaysia and Foreign - Combined)			
Size of Holdings	**No. of Holders**	**% of Holders**	**No. of Shares**	**% of Shares**
Less than 100	16	1.151	580	0.001
101 to 1,000	103	7.410	74,864	0.107
1,001 to 10,000	910	65.468	4,161,475	5.947
10,001 to 100,000	304	21.870	9,336,319	13.342
100,001 to 3,498,949 (*)	51	3.670	23,884,081	34.130
3,498,950 and above (**)	6	0.431	32,521,681	46.473
TOTAL	**1,390**	**100.000**	**69,979,000**	**100.000**

* Less than 5% of Issued Shares
** 5% and above of Issued Shares

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Shares
1	GOH MIA KWONG	9,309,243	13.303
2	AMSEC NOMINEES (ASING) SDN BHD		
	- CHUA TAI BOON (CAI DAWEN)	7,006,298	10.012
3	RHB CAPITAL NOMINEES (ASING) SDN BHD		
	- LIM HUN SWEE	4,850,000	6.931
4	GENTING PERWIRA SDN BHD	3,707,880	5.299
5	A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD		
	- ANGKASA AMAN SDN BHD	3,376,057	4.824
6	EDWARD GOH SWEE WANG	3,318,357	4.742
7	ALLIANCEGROUP NOMINEES (ASING) SDN BHD		
	- LIM HUN SWEE	2,552,300	3.647
8	CITIGROUP NOMINEES (ASING) SDN BHD		
	- EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	2,175,200	3.108

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	% of Shares
9	KUA JIN GUANG @ KAU KAM ENG	1,600,000	2.286
10	NG KENG HOE (HUANG QINGHE)	1,440,000	2.058
11	NG YIK TOON @ NG YIK KOON	1,422,500	2.033
12	YEOW AH SENG @ YOW AH SENG	1,329,500	1.900
13	LISA GOH LI LING	1,227,000	1.753
14	LOCK TOH PENG	1,150,000	1.643
15	VERSALITE SDN BHD	870,000	1.243
16	SIA YOCK HUA	825,469	1.180
17	LAI SHIN LIN	560,000	0.80
18	GOH MIA KWONG	549,496	0.785
19	AMANAHRAYA TRUSTEES BERHAD - AMITTIKAL	531,000	0.759
20	LOW LIANG POH	500,000	0.714
21	CHONG LEE FONG	400,000	0.572
22	OSK NOMINEES (TEMPATAN) SDN BERHAD - LEE CHENG LOCK	362,400	0.518
23	AMSEC NOMINEES (TEMPATAN) SDN BHD - CHONG LYE BENG	358,000	0.511
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - LOKE SEE OOI	320,000	0.457
25	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - NG YIK TOON @ NG YIK KOON	314,000	0.449
26	TAN BOON KAIT	308,292	0.441
27	KOAY WAN FING @ KOAY GIAN PENG	300,000	0.429
28	RHB NOMINEES (ASING) SDN BHD - KERRY TRADE PTE LTD	263,000	0.376
29	LOH WAN KHEAT	260,000	0.371
30	LEE TECK LEONG	250,000	0.357
TOTAL		**51,620,292**	**73.765**

As at 30 April 2012

LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	Name of Shareholders	No. Shares	% of Shares	No. Shares	% of Shares
1	GOH MIA KWONG	9,858,739	14.088	4,765,407	6.810
2	LIM HUN SWEE	7,402,300	10.578	-	-
3	AMSEC NOMINEES (ASING) SDN BHD - CHUA TAI BOON (CAI DAWEN)	7,006,298	10.012	-	-
4	GENTING PERWIRA SDN BHD	3,707,880	5.299	-	-
5	EDWARD GOH SWEE WANG	3,538,407	5.056	11,085,739	15.842
6	DATUK KAMALUDIN BIN YUSOFF	58,000	0.083	3,729,380	5.329
7	DATIN FAWZIAH BINTI HUSSEIN SAZALLY	21,500	0.031	3,765,880	5.381

LIST OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. Shares	% of Shares	No. Shares	% of Shares
1	DATUK KAMALUDIN BIN YUSOFF	58,000	0.083	3,729,380	5.329
2	EDWARD GOH SWEE WANG	3,538,407	5.056	11,085,739	15.842
3	YEOW AH SENG @ YOW AH SENG	1,484,000	2.121	-	-
4	LIM CHIN KAI	24,000	0.034	-	-
5	MUHAMAD FEASAL BIN YUSOFF	-	-	-	-
6	LIM HUN SWEE	7,402,300	10.578	-	-

Disclosed in accordance with Appendix 9C, Part A, item 23 of the MMLR of Bursa Securities.

Proxy Form

I/We ____

of ____

being a member/members of **JOHORE TIN BERHAD,** hereby appoint ______________________________

of ____

or failing him/her ____

of ____

or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor, on Wednesday, 27 June 2012 at 9.30 a.m. for the following purposes and any adjournment thereof.

No.	Agenda			
1.	To receive Audited Financial Statements and Reports			
		Resolution	*For	*Against
2.	To approve a Single Tier Final Dividend of 3.8%	1		
3.	To approve Directors' fees	2		
4.	To re-elect the following Directors who retire by rotation pursuant to the Company's Articles of Association:			
	i) Mr. Edward Goh Swee Wang (Article 120)	3		
	ii) Datuk Kamaludin Bin Yusoff (Article 120)	4		
5.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.	5		
6.	To approve the authority pursuant to Section 132D of the Companies Act. 1965.	6		

(* Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this ______________ day of ______________ 2012.

No. of Ordinary Shares Held

____

Signature(s)/Common Seal of Shareholder(s)

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2. Where a member appoints two or more proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.

3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an attorney or an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 72(c) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 21 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
JOHORE TIN BERHAD (COMPANY NO. 532570-V)
SUITE 1301, 13TH FLOOR,
CITY PLAZA, JALAN TEBRAU
80300 JOHOR BAHRU
JOHOR
MALAYSIA

1st fold here

JOHORE TIN BERHAD

COMPANY NO:532570-V
INCORPORATED IN MALAYSIA