JOHORE TIN BERHAD
(532570-V)

Annual Report 2017

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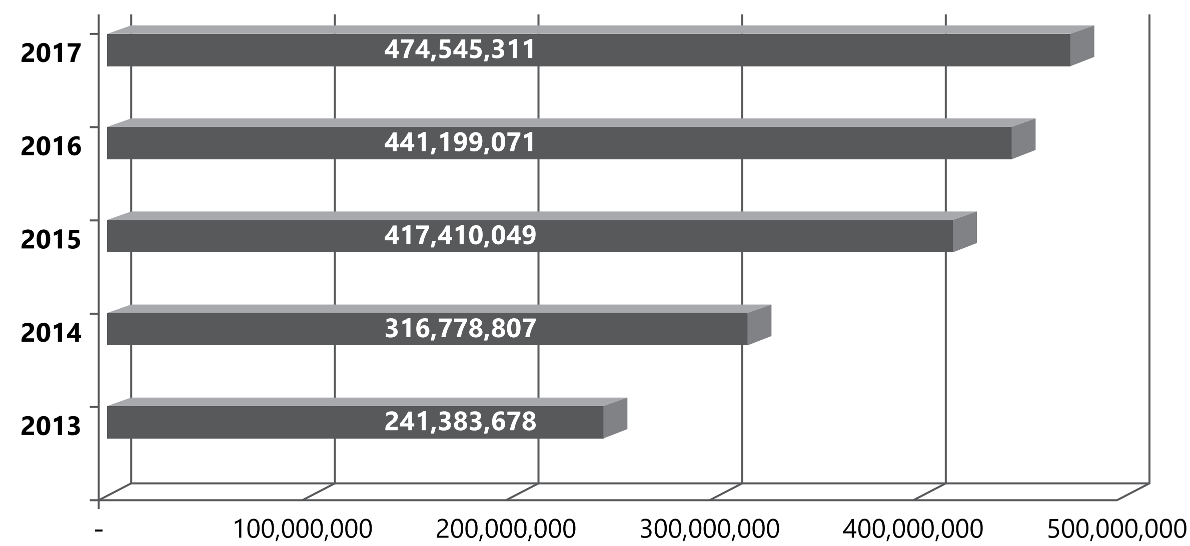
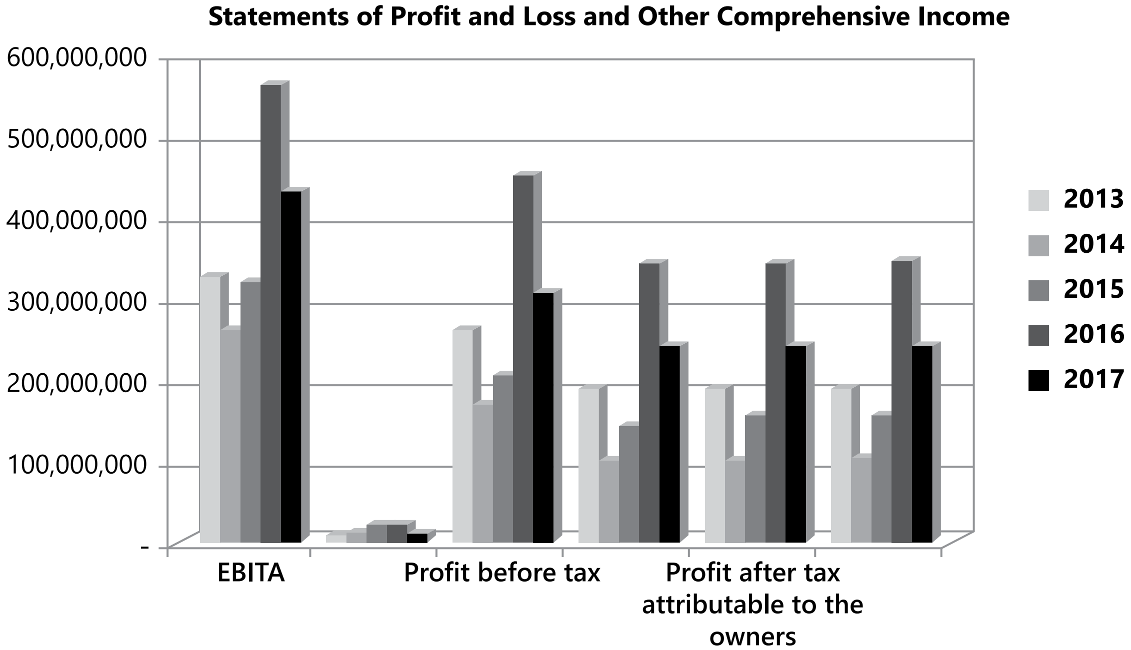
FINANCIAL **HIGHLIGHTS**

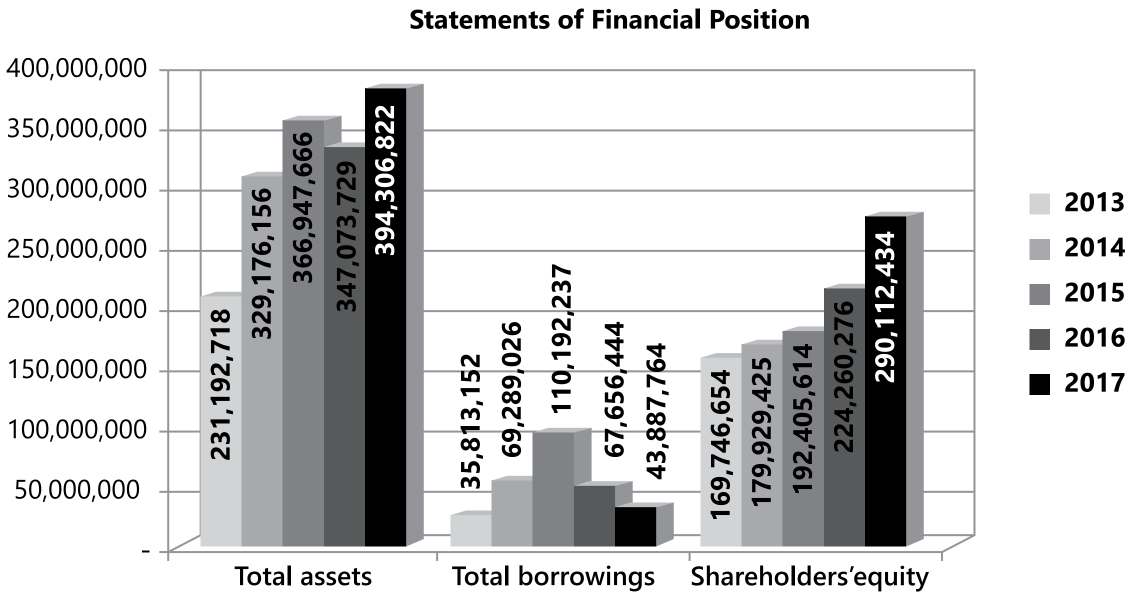
	2013	2014	2015	2016	2017
Statements of Profit or Loss and Other Comprehensive Income:	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	241,384	316,779	417,410	441,199	474,545
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	33,939	27,159	33,415	57,125	44,330
Finance costs	1,549	1,662	2,767	2,760	1,590
Profit before tax	27,147	18,358	23,047	46,791	33,582
Profit after tax	20,520	12,019	15,661	35,443	25,829
Profit after tax attributable to the owners	20,592	12,979	17,302	35,593	25,655
Comprehensive income attributable to the owners	20,466	13,009	17,383	35,737	25,623
Statements of Financial Position:	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Total assets	231,193	329,176	366,948	347,073	394,307
Total borrowings	35,813	69,289	110,192	67,656	43,888
Shareholders' equity	169,747	179,929	192,406	224,260	290,112
Financial Indicators:					
Return on equity (%)	12.09	6.68	8.14	15.80	8.90
Return on total assets (%)	8.88	3.65	4.27	10.21	6.55
Gearing ratio (%)	21.10	38.51	57.27	30.17	15.13
Interest cover (times)	21.91	16.34	12.08	20.70	27.89
Earnings per share (sen)	22.07	13.91	18.54	14.31	8.26
Net assets per share (RM)	1.82	1.93	2.06	0.90	0.93
Gross dividend per share (sen)	5.00	3.50	4.00	1.50	4.00
Gross dividend yield (%)	2.99	2.59	1.91	1.21	3.31
Price Earnings (PE) ratio	7.57	9.71	11.27	8.67	14.64
Share price as at the end of financial year (RM)	1.67	1.35	2.09	1.24	1.21

Revenue



FINANCIAL HIGHLIGHTS cont'd





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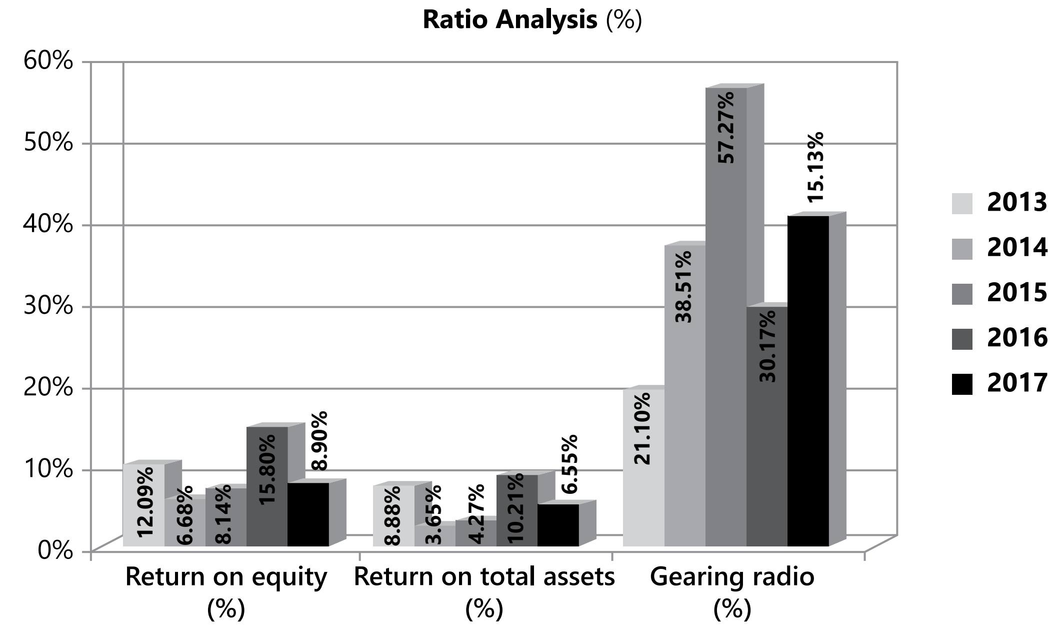

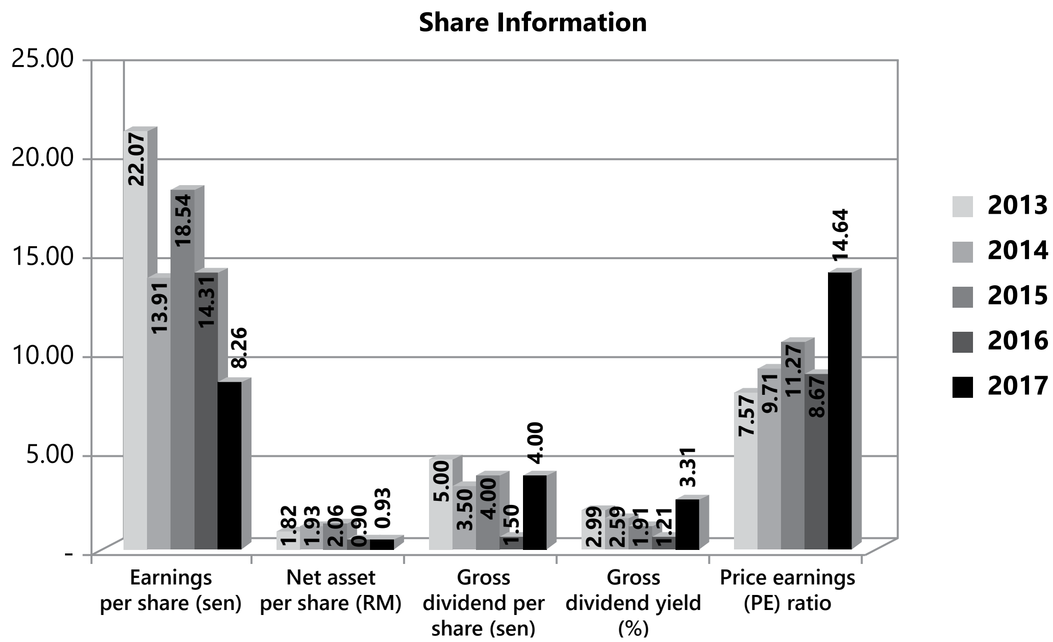

FINANCIAL HIGHLIGHTS
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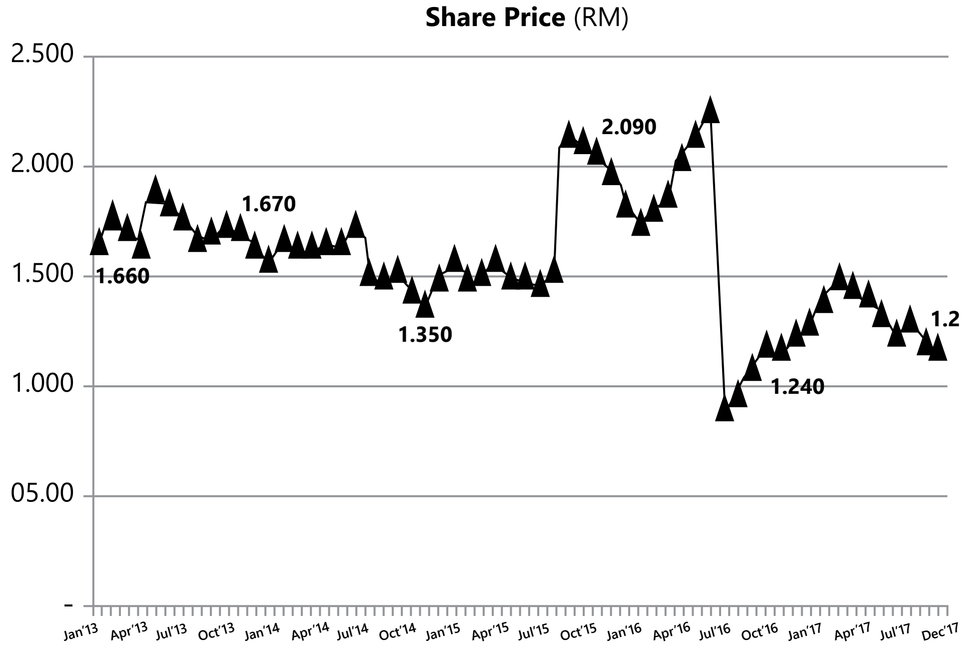

STATEMENT ON **MANAGEMENT DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis ("MD&A") contains information on the Group's current financial position as compared to previous year, in each individual segment. This MD&A also provides analysis of the operational risks that faced by the Group. Last but not least, the Management is providing an insight into the Group's future prospects with the current economic situation.

1. OVERVIEW OF BUSINESS AND OPERATIONS, OBJECTIVES AND STRATEGIES

A. Business and Operations

From the Group's perspective, the principal activities are primarily categorised into two (2) segments, namely the Tin Manufacturing segment and the Food and Beverage ("F&B") segment. The Tin Manufacturing segment involves manufacturing of various tins, cans and other containers and printing of tinplates. The F&B segment involves manufacturing of milk, packing and processing of milk powder and other related dairy products.

For Tin Manufacturing segment, most of the customers are locally based, with minority in Singapore market. The customer base consists of various industries mainly in biscuit, paint and chemical, edible oil and food processing industries. As for the tinplates printing, most of the printed tinplate are for the export market with minority for local customers.

Whilst for F&B segment, majority of the products are exported, mainly in Africa, South East Asia Region and American Continent. The dairy products produced by the Group comprise of sweetened condensed milk, evaporated milk as well as blending and repacking of milk powder in both bulk and consumer packs.

B. Objectives and Strategies

The Board is open to short term opportunities without compromising the Group's long term business objectives. The Board reviews and monitors the financial performance of the Group on regular basis. The Group's objectives includes compliance with local statutory and regulatory requirements, maintaining high quality of products and high level of customers' satisfaction, as well as to achieve the Good Manufacturing Practice ("GMP") standards in order to fulfil customers' product safety requirements.

In order to achieve the Group's business objectives, the Management is required to oversee the day-to-day operations to improve efficiency in term of production process, by monitoring the wastage level and lower rejection rate, in order to be more competitive in the market. The Management's responsibilities include ensuring all the production schedules are planned accordingly, periodical maintenance services on equipment and machineries are done appropriately, and frequent meetings and discussions relating to production matters and improvements are carried out by the relevant operational personnel, as well as continuous innovation of new products to suite the market needs.

MANAGEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS cont'd

2. REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

For the current financial year under review, the Group achieved the revenue of RM474.54 million against previous year's revenue of RM441.20 million with an increase of RM33.34 million. And the profit before tax decreased by RM13.21 million to RM33.58 million as compared to RM46.79 million of the previous year.

For the Tin Manufacturing segment, the revenue increased by RM4.20 million to RM102.40 million from RM98.20 million due to higher demand from customers in the edible oil industry. The revenue for F&B segment increased by RM29.14 million to RM372.14 million from RM343.00 million mainly due to higher sales in milk powder products.

Profit before tax of Tin Manufacturing segment, decreased by RM4.34 million to RM13.77 million from RM18.11 million, mainly due to higher material and operating costs in the current financial year as compared to preceding year. For F&B segment, the profit before tax decreased by RM9.12 million to RM21.8 million from RM30.92 million mainly due to higher raw material costs and impairment loss on trade receivables in the current financial year.

On the investor perspective, the Return On Equity decreased by 6.90% to 8.90% from 15.80% and the Return On Total Assets decreased by 3.66% to 6.55% from 10.21%, mainly due to higher material costs and impairment loss on trade receivables in the current financial year as compared to previous year.

Gearing Ratio was reduced by 15.04% from 30.17% to 15.13% mainly due to lower commitments on short-term trade financings and reduction in long-term loan. Therefore, lower finance costs resulted in higher Interest Cover against the current year's Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of approximately 28 times in the current financial year as compared to 21 times in the previous year.

Earnings Per Share ("EPS") is 8.26 sen for the current financial year as compared to 14.31 sen in the previous year. The reduction in EPS are mainly due to lower current year's profits and the increased in the number of ordinary shares by 61,657,288 from 248,813,698 ordinary shares to 310,470,986 ordinary shares as at the end of the financial year.

Net Assets Per Share ("NAPS") increased by 3 sen to 93 sen for the current financial year against 90 sen in the previous year. The increased in NAPS for the current financial year under review is calculated taking into consideration the net profit after tax and the proceeds from warrants conversion against the increase in the number of ordinary shares.

Price Earnings ("PE") ratio is 14.64 for the current financial year as compared to 8.67 in the previous year. The increase in PE ratio were mainly due to lower current year's profits and the increased in the number of ordinary shares by 61,657,288 from 248,813,698 ordinary shares to 310,470,986 ordinary shares as at the end of the financial year. The share price for the current financial year and the previous year was at RM1.21 and RM1.24 respectively.

The summary of the financial indicators is highlighted on pages 2 to 5 of this Annual Report.

The Tin Manufacturing segment increases its capital expenditure for the current financial year as compared to previous year by investing in new machineries. With the new machineries, the increase in capacity will help to cope with the demands and potential increase in sales.

Due to the limitation on storage space under F&B segment, a new piece of land is purchased during the financial year for an amount of RM6.8 million. Subsequent to the financial year end, a contract has been awarded to GT-Max Construction Sdn. Bhd. to construct 1 unit of 1-storey factory (build-up area of 7,574.03 square metre) attached together with 3-storey office building, 1 unit of guardhouse and waster chamber and 1 unit of electrical substation with a total sum of RM14 million and is expected to be completed by fourth quarter of 2018.

MANAGEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS cont'd

3. REVIEW OF OPERATING ACTIVITIES

The main factors that affected the operating activities in the Tin Manufacturing segment are shortage of labour, increased in raw materials prices and machineries upgrading.

The shortage of labour supply, both local and foreign, has resulted in challenges to complete customers' orders as per schedule. Therefore, more overtime is needed to complete the order on time and leads to an increase in costs. To resolve this issue, we have appointed several recruitment agencies to source for new workforce and currently we are able to cope with the demands and control over the increase in operational costs.

The increased in raw materials prices has affected our profit margin. To remain competitive, we have always maintained our prices to our customers for as long as possible. In the event of continuing increase in raw materials prices, we may have to increase our selling prices to our customers. The weakening of Ringgit Malaysia ("RM") against United States Dollar ("USD") has brought about an increase in our manufacturing cost for our directly imported raw materials as well as increased in prices from our local suppliers using imported materials for their productions. Our operations team is always vigilant and monitors the cost of manufacturing for us to stay competitive in the industry.

Higher maintenance costs are expected as the existing machineries require frequent maintenance and overhaul due to ageing of the machineries. Scarcity of the spare parts is a challenge to the maintenance team when fixing older model of machineries. To resolve these issues, the production has upgraded existing machineries and replaced them with new machineries with higher capacity and outputs.

As for F&B segment, the main factors that affected the operating activities were shortage of labour supply and volatility in raw materials prices.

The labour issue faced by F&B segment is the same as the Tin Manufacturing segment. We are doing our best to attract more workforces into our operations by appointing several recruitment agencies to source for additional workers and as replacement employees who have resigned.

The volatility in dairy and sugar prices continues. This posed a challenge to the management in deciding the quantity and timing of the purchase of these raw materials. As such, the management is in constant contacts and dialogues with the suppliers and traders to gauge the situation of the market in order to make the purchase decisions.

4. REVIEW OF OPERATIONAL RISKS

The following are the main factors that may affect the operational risks of the Group:

A. Business Risk

The Group's revenue and operating results could be adversely affected by many factors which include, amongst others, the costs of raw materials, costs of labour as well as maintenance costs of equipment and machineries.

The Group attempts to mitigate these risks by continuously monitoring the prices of key raw materials, expanding the pool of suppliers and customers whilst continuing to establish long-term business relationship with the existing suppliers and customers, expanding the existing business by enhancing the Group's strength and developing new products. There is no assurance that any of the change to the above factors will not materially affect the performance of the Group as a whole.

MANAGEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS cont'd

4. REVIEW OF OPERATIONAL RISKS (CONT'D)

B. Political, Economic and Regulatory Considerations

The Group's business, prospects, financial condition and level of profitability may be affected by developments in the economic, political and regulatory environment in Malaysia and other countries in which the Group's products have market presence. Any adverse developments or uncertainties in these factors could materially or adversely affect the profitability and business prospects of the Group.

Political and economic uncertainties include but not limited to risk of war, global economic downturn, expropriation, nationalisation, changes in political leadership, changes in investment policies, unfavourable changes in government policies such as changes in interest rates, method of taxation, exchange controls or the introduction of new regulations, import duties and tariffs and re-negotiation or nullification of existing contracts.

The Group will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors that will affect the Group's business.

C. Competition Risks

The Group faces competition from both new entrants and existing players which offer similar products. High product quality, manufacturing efficiency, marketing, reasonable pricing and ranges of products are critical factors towards ensuring the success and sustainability of the business.

The Group will continue to take strategic measures and continuous review of the operational efficiency to move ahead of competition by addressing the factors above. Whereas for the F&B segment, the barriers to entry are mainly the relative high capital investment to set up the manufacturing facilities, established distribution channels, compliance with stringent safety standards and strong research and development capabilities.

As the Group already has existing manufacturing plants with established distribution channels, the Group does not foresee immediate threat of new entrants that will significantly affect the Group's business. The Group hopes to be able to maintain its market share.

D. Foreign Exchange Risks

The Group is exposed to foreign exchange risks on sales and purchases that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily in USD.

The Group will continue to evaluate the need of utilising financial instruments to hedge the currency exposure, taking into consideration the currency involved, exposure period and transaction costs. There can be no assurance that any change in exchange rates will not have a material or adverse effect on the financial position and performance of the Group.

E. Dependence on Key Management and Skilled Personnel

The Group's continued success will depend upon, to a certain extent, the skills, experiences, abilities and continued efforts of the key management personnel. The loss of key management personnel in the Group may have an adverse impact on the performance of the Group.

The Group recognises the importance of attracting and retaining the key management personnel to support the business operations. The Group presently has in place, human resources strategies which include providing competitive and performance-based remuneration and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities.

However, we cannot provide any assurance that the above measures will be successful in attracting and retaining the key management personnel.

MANAGEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS cont'd

5. FORWARD-LOOKING STATEMENTS

The Group is of the view that the businesses will grow steadily in the near future amidst the volatility of raw material prices and the global economic uncertainties.

For Tin Manufacturing segment, demand is expected to grow marginally in this matured and stable industry but will remain challenging in the short-term. The raw material price is expected on the upward trend and this will put additional pressure on the Tin Manufacturing segment's profit margin.

On the other hand, the demand for F&B segment remains strong although the market remains highly competitive. The continued volatility of dairy products prices and the higher priced local sugar compared to international prices creates a challenging environment especially for sweetened condensed milk export from Malaysia. However, the Group believes that this business segment will still be able to sustain its profitability.

The Group sees positive inroad in penetrating the new foreign markets via trade shows as well as through other traders and distributors.

Barring any unforeseen circumstances, the Board believes that the overall prospects and future financial performance of the Group is expected to be favourable in the mid-term.

The Group do not have a dividend policy. Thus, the dividend declares will be dependent on profits generated during each financial year, by taking into consideration future investments on capital expenditure and expansion plan.

For the current financial year, the total dividends of 4 sen (2016: 1.5 sen) per ordinary share have been paid to the shareholders amounted to RM11.60 million (2016: RM4.1 million).

This forward-looking statement is based on current expectations and assumptions made by the Board through the analysis of historical information and trends. The Board is under no obligation to and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

This statement is made in accordance with a Board resolution dated 11 April 2018.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Kamaludin Bin Yusoff
(Chairman/Senior Independent Non-Executive Director)

Mr. Edward Goh Swee Wang
(Chief Executive Officer)

Mr. Yeow Ah Seng @ Yow Ah Seng
(Executive Director)

Mr. Lim Hun Swee
(Executive Director)

Mr. Siah Chin Leong
(Independent Non-Executive Director)

Ms. Ng Lee Thin
(Independent Non-Executive Director)

Mr. Ng Keng Hoe
(Executive Director)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : JOHOTIN
Stock Code : 7167
Website : http://www.johoretin.com.my
E-mail : jtb@johoretin.com.my

REMUNERATION COMMITTEE

Ms. Ng Lee Thin (Chairman)
Mr. Edward Goh Swee Wang (Resigned on 1 Mar 2018)
Mr. Siah Chin Leong
Datuk Kamaludin Bin Yusoff (Appointed on 1 Mar 2018)

RISK MANAGEMENT COMMITTEE

Mr. Siah Chin Leong (Chairman)
Mr. Edward Goh Swee Wang
Mr. Lim Hun Swee
Ms. Lisa Goh Li Ling (Operations Manager)
Mr. Leo Aun Foo (Group Finance Manager)

AUDIT COMMITTEE

Mr. Siah Chin Leong (Chairman)
Datuk Kamaludin Bin Yusoff
Ms. Ng Lee Thin

NOMINATION COMMITTEE

Datuk Kamaludin Bin Yusoff (Chairman)
Mr. Siah Chin Leong
Ms. Ng Lee Thin

COMPANY SECRETARY

Ms. Yong May Li (LS0000295)

EXTERNAL AUDITORS

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Chartered Accountants
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Taman Tun Dr. Ismail Jalan Bakri
84000 Muar, Johor
Tel: +60(6) 952 9939
Fax: +6(06) 952 7328

PRINCIPAL BANKERS

AmBank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Bhd

SHARE REGISTRAR

Tricor Investor & Issuing House Services
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Fax : +60(3) 2783 9222
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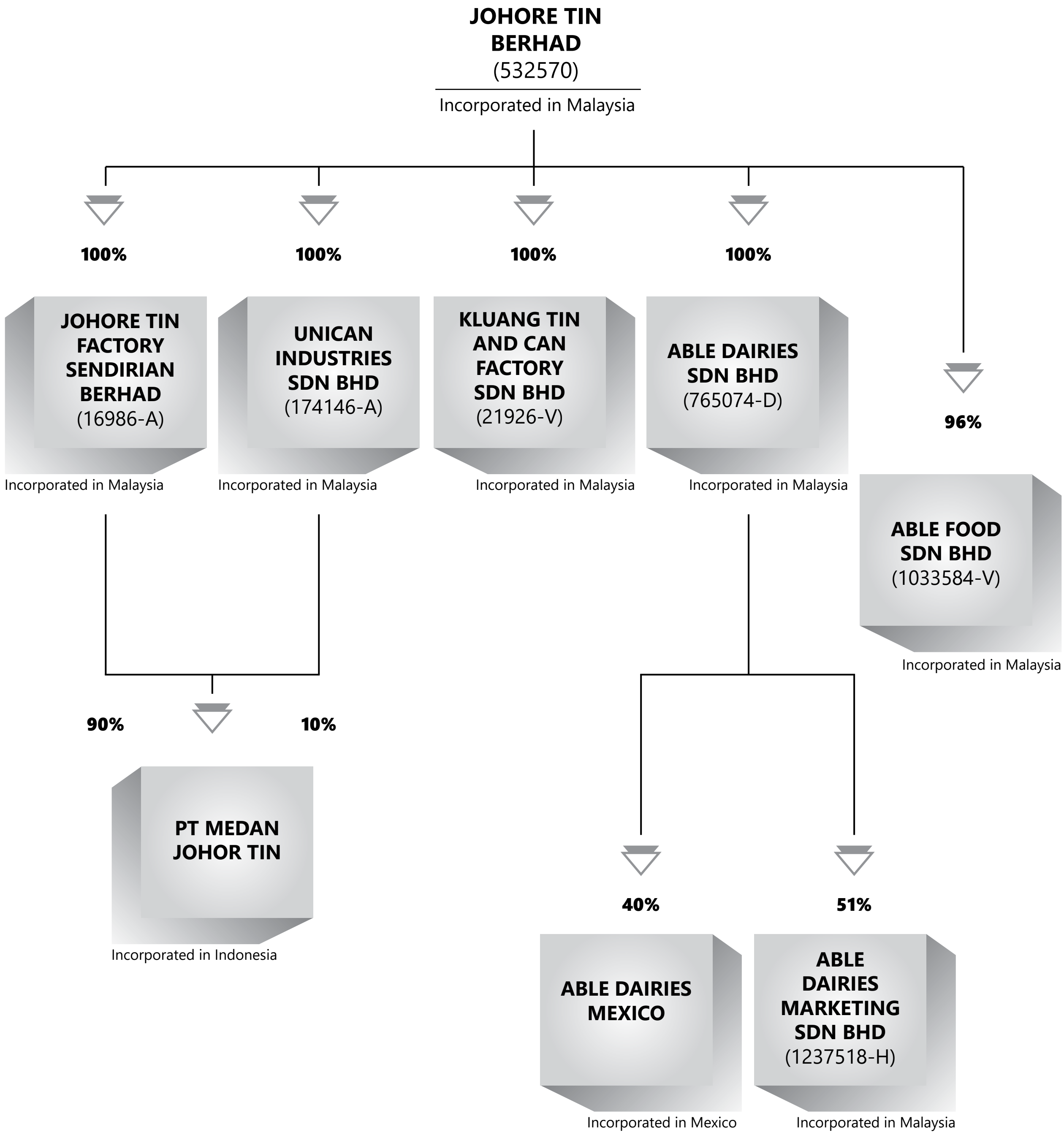
GROUP CORPORATE **STRUCTURE**



PROFILE OF **BOARD OF DIRECTORS**

	Datuk Kamaludin Bin Yusoff	**Siah Chin Leong**
Position	Senior Independent Non-Executive Director (Chairman)	Independent Non-Executive Director
Age / Gender / Nationality	70 / Male / Malaysian	55 / Male / Malaysian
Date of first appointment	11 August 2008 28 April 2010 (Chairman)	18 March 2014
Qualification	- Bachelor of Arts (Hons) in History from University Malaya, Kuala Lumpur (1974)	- Bachelor of Arts in Political Science from York University, Canada (1982 - 1985)
Working experience and occupation	- Started his career as Administration & 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	- Started as Manager in 1988 at the subsidiary of Tasek Maju Realty Sdn. Bhd., a Property Developer and promoted as Executive Director in 1990 - Subsequently, joined Daiman Development Berhad, a Property Developer as General Manager in 2006 and resigned in 2013 - Currently, he is an Advisor of S & L Vintners, a Wine Retailer
Member of board committees	- Nomination Committee (Chairman) - Audit Committee (Member) - Remuneration Committee (Member)	- Audit Committee (Chairman) - Risk Management Committee (Chairman) - Remuneration Committee (Member) - Nomination Committee (Member)
Other directorship in public companies and listed issuers	Yoong Onn Corporation Berhad	No
Family relationship with any director and/or major shareholder of JTB	No	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	4	4

PROFILE OF BOARD OF DIRECTORS
cont'd

	Ng Lee Thin	**Edward Goh Swee Wang**
Position	Independent Non-Executive Director	Chief Executive Officer ("CEO")*
Age / Gender / Nationality	51 / Female / Malaysian	55 / Male / Malaysian
Date of first appointment	6 May 2014	31 December 2002
Qualification	- Bachelor of Economics (Hons) from University Utara Malaysia (1992) - Member of Malaysian Institute of Accountants ("MIA") - Fellow Member of Association of Chartered Certified Accountants ("FCCA")	- Bachelor of Science Degree in Mechanical Engineering and a Master Degree in Business Administration from the Oklahoma State University, United States of America (1988)
Working experience and occupation	- She has more than 20 years of experience in the field of corporate finance, auditing, accounting and taxation - She was the Financial Controller of Binaik Equity Bhd. for 9 years (2001 - 2009) before set up her own firm, Yellow Tax Services Sdn. Bhd. and NLT & Co. in year 2012 and 2015 respectively. Prior to that, she worked with Ernst & Young (1996 - 2001), Chiang & Chiang (1994 - 1995) and Artwright Marketing Sdn. Bhd. (1992 - 1994)	- More than 20 years of working experience in tin can industry - Oversees company planning, development, marketing and overall management
Member of board committees	- Remuneration Committee (Chairman) - Audit Committee (Member) - Nomination Committee (Member)	- Risk Management Committee (Member)
Other directorship in public companies and listed issuers	No	No
Family relationship with any director and/or major shareholder of JTB	No	Son to Mr. Goh Mia Kwong who is a major shareholder of Johore Tin Berhad ("JTB")
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	4	4

* *Mr. Edward Goh Swee Wang is also a Key Senior Management of Unican Industries Sdn. Bhd. (a subsidiary of JTB)*

PROFILE OF BOARD OF DIRECTORS cont'd

	Yeow Ah Seng @ Yow Ah Seng	Lim Hun Swee
Position	Executive Director*	Executive Director
Age / Gender / Nationality	65 / Male / Malaysian	66 / Male / Singaporean
Date of first appointment	31 December 2002	26 August 2010
Qualification	- Supervision of factory operations and sales	- Management of factory operations
Working experience and occupation	- Started his career in the tin can manufacturing industry since 1983 - Joined Kluang Tin And Can Factory Sdn. Bhd. (a subsidiary of JTB) in 1988 as Executive Director - Subsequently appointed as Deputy Managing Director (2015) until now	- 20 years' experience as Managing Director of In-Comix Food Industries Sdn. Bhd. and retired from the position since July 2009
Member of board committees	No	- Risk Management Committee (Member)
Other directorship in public companies and listed issuers	No	Tomypak Holdings Berhad
Family relationship with any director and/or major shareholder of JTB	No	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No
Number of board meetings attended in the financial year	4	4

* *Mr. Yeow Ah Seng @ Yow Ah Seng is also a Key Senior Management of Kluang Tin and Can Factory Sdn. Bhd. (a subsidiary of JTB)*

PROFILE OF BOARD OF DIRECTORS cont'd

	Ng Keng Hoe
Position	Executive Director*
Age / Gender / Nationality	44 / Male / Singaporean
Date of first appointment	1 June 2016
Qualification	- Double Degree in Chemical Engineering (Hons) and Bachelor of Commerce, major in Finance and Marketing from University of Sydney, Sydney (1999)
Working experience and occupation	- Started his career as Chemical Engineer in Sime Darby Edible Products Pte. Ltd. (2000 - 2004) - Subsequently, set up his own company, Able Perfect Sdn. Bhd. as President and Chief Executive Officer
Member of board committees	No
Other directorship in public companies and listed issuers	No
Family relationship with any director and/or major shareholder of JTB	No
Conflict of interests with JTB	No
Conviction for offences within the past 5 years, other than traffic offences	No
Number of board meetings attended in the financial year	3

* *Mr. Ng Keng Hoe is also a Key Senior Management of Able Dairies Sdn. Bhd., Able Food Sdn. Bhd. and Able Dairies Marketing Sdn. Bhd. (the subsidiaries of JTB)*

PROFILE OF
KEY SENIOR MANAGEMENT

	Goh Mia Kwong	Ng Yik Toon @ Ng Yik Koon
Position	Executive Director	Managing Director
Age / Gender / Nationality	79 / Male / Malaysian	69 / Female / Malaysian
Date of first appointment	31 December 1973	15 March 1985
Qualification	- Management of factory operations and marketing	- Supervision of factory operations and sales
Working experience and occupation	- More than 40 years of working experience in tin can industry - Oversees company planning, development, marketing and overall management of Johore Tin Factory Sdn. Bhd. (a subsidiary of JTB)	- Started her career in the tin can manufacturing industry since 1980 - Joined Kluang Tin And Can Factory Sdn. Bhd. (a subsidiary of JTB) in 1988 as Executive Director - Subsequently, appointed as Managing Director (1985) until now
Member of board committees	No	No
Other directorship in public companies and listed issuers	No	No
Family relationship with any director and/or major shareholder of JTB	Father to Mr. Edward Goh Swee Wang who is the CEO of JTB	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No

PROFILE OF KEY SENIOR MANAGEMENT cont'd

	Oh Tat Hooi	**Leo Aun Foo**
Position	Executive Director	Group Finance Manager
Age / Gender / Nationality	49 / Male / Malaysian	41 / Male / Malaysian
Date of first appointment	1 February 2013	1 July 2013
Qualification	- Graduated in Chartered Institute of Marketing, Selangor (CIM) (1995) - Member of Institute of Marketing Malaysia (IMM) (2004)	- Professional Degree holder of the Association of Chartered Certified Accountants ("ACCA") - Member of the Malaysian Institute of Accountants ("MIA") and Fellow member of the Association of Chartered Certified Accountants ("FCCA")
Working experience and occupation	- Started his career as Planner in tin can industry since 1989 - Oversees factory operations, sales and marketing as well as in-charge of plant set-up - He has more than 15 years of working experience in tin can industry and 8 years in dairy operations - Appointed as General Manager, jointly set up with JTB in incorporating Able Food Sdn. Bhd. (a subsidiary of JTB) in 2013	- Studied at several colleges and completed ACCA on self-studied basis (1999 - 2003) - Worked as Accounts Receivable Executive in Credit Control Department at hospitality industry (2003 - 2005) - Hired as Audit Manager in mid-sized audit firm (2006 - 2008) - Joined JTB as Group Accountant (2008) and promoted as Group Finance Manager (2013) until now
Member of board committees	No	- Risk Management Committee (Member)
Other directorship in public companies and listed issuers	No	No
Family relationship with any director and/or major shareholder of JTB	No	No
Conflict of interests with JTB	No	No
Conviction for offences within the past 5 years, other than traffic offences	No	No

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 2016 and applicable approved accounting standards in Malaysia, so as 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 flows for the financial year then ended.

In preparing the financial statements, the Directors have ensured:

- Adopted appropriate accounting policies and applying 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 2016.

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 resoulution dated 11 April 2018.

SUSTAINABILITY **STATEMENT**

The Board of Directors ("the Board") recognises the importance of corporate social responsibility and the increasing demand from the stakeholders to focus more on social aspects of the business. The objective is to improve the Group's awareness of risks and opportunities in term of material Economic, Environmental and Social, so that to create the benefits and long term value to the stakeholders and society at large. As a result, the Board has delegated the role and responsibility to the Risk and Management Committee ("RMC") to identify, monitor and manage those sustainability matters of the risks and opportunities relating to the Group's business and operations as a whole.

The following statement, as sets out the manner in which the Group has applied the relevant information and guidance from the Sustainability Reporting Guide ("the Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the extent of compliance recommendation advocated therein pursuant to paragraphs 9.45(2) and paragraph 29, Part A of Appendix 9C, as well as paragraph 6.2 of Practice Note 9 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities.

A. ECONOMIC

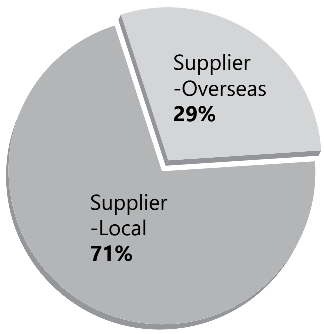
1. Procurement Practice

The Board believes that the practice of supporting local suppliers could lead to job creations and therefore improving the unemployment rate of the country and sustaining growth in the local economy.

In 2017, around 70% of the Group's suppliers are local companies. The Group's procurement policy is to give priority to local suppliers to be competitive and to provide goods and services.

In 2018, the Board commits to continue working with the local suppliers to improve their competitiveness against the foreign suppliers in order to sustain the procurement policy of buying from local suppliers.

Procurement Practice



B. ENVIRONMENTAL

1. Compliance (Environmental)

The Board places high importance in maintaining the compliance under the Environmental Quality Act, 1974 ("EQA"). Non-compliance may lead to impaired reputation and the additional costs for potential clean-up and unnecessary penalties imposed.

The Group has undertaken a project to improve the ventilation exhaust system of the printing department in 2018. Upon the completion of this project, the employees will enjoy a more pleasant working environment.

The Board will continue its efforts to ensure compliance to the relevant environmental laws and regulations, with the target of no penalty from the relevant authorities, both monetary value of fines and non-monetary sanctions.

SUSTAINABILITY STATEMENT cont'd

C. SOCIAL

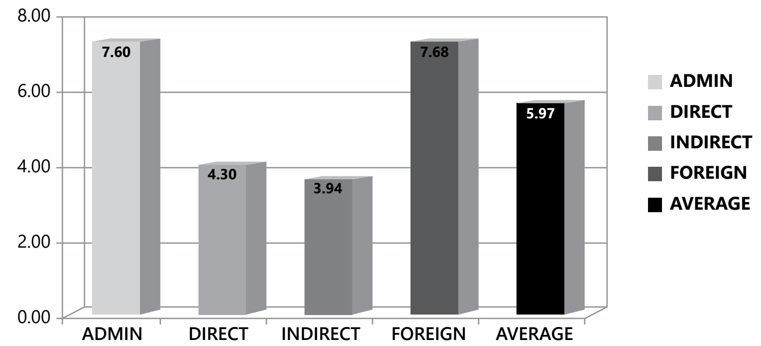
1. Labour Practices

The Group will continue to strive to maintain low employees' turnover by providing attractive welfare and benefits to its employees. Among the welfare of the employees is the importance of improving their knowledge and skills as well as understanding their responsibilities.

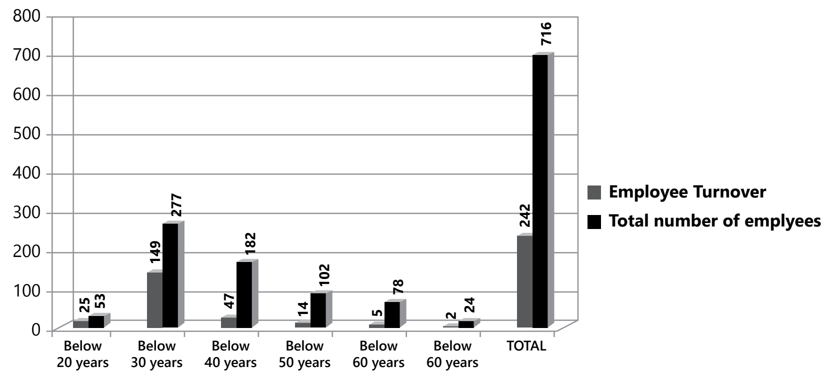
In 2018, the Board targets to provide an average of 6.5 hours of trainings per employee. And the target of employee turnover is below 30%.

The following are diagrams indicating the average training hour per annum per employee and total number and rate of employee turnover (by age group and gender) for 2017 as reference:

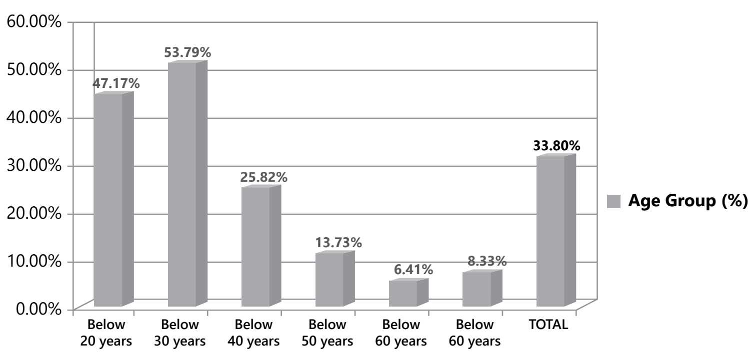
Average Training Hour per annum per Employee (2017)



Number of Employee Turnover by age group (2017)



Rate of Employee Turnover by age group (2017)

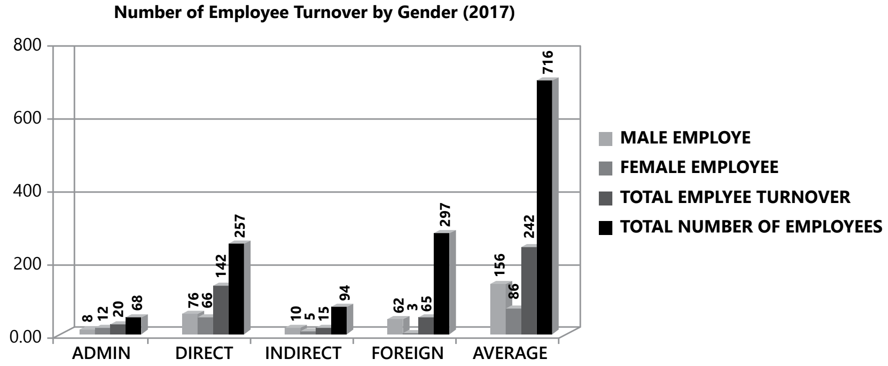


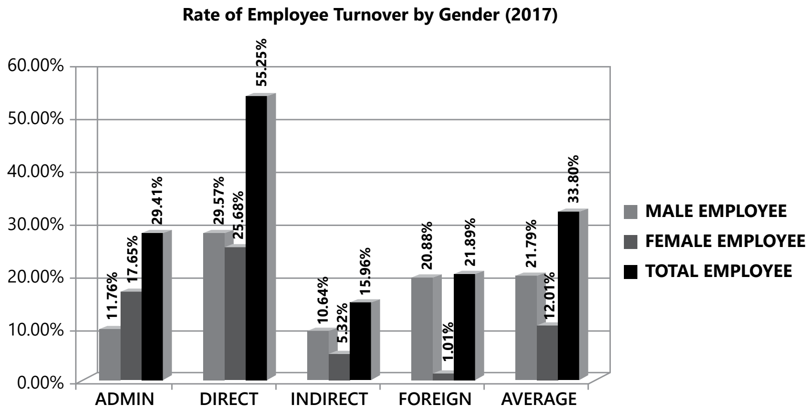
SUSTAINABILITY STATEMENT
cont'd

C. SOCIAL (CONT'D)

1. Labour Practices (Cont'd)

The following are the diagrams indicate the average training hour per annum per employee and total number and rate of employee turnover (by age group and gender) for 2017 as reference: (Cont'd)





2. Corporate Social Responsibility

The Board acknowledges the significance of Corporate Social Responsibility ("CSR") and views CSR as an extension to the Group's efforts in promoting a strong culture of engaging with society. The Group pledges to continue with its contribution to various societies, associations and other non-profit charitable organisations.

The Board continues its endeavour to ensure wider community benefits from our efforts in enhancing the value and commitment towards greater social responsibility and sustainability.

This statement is made in accordance with a Board resolution dated 11 April 2018.

AUDIT COMMITTEE **REPORT**

The Board presents the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its function for the Group in 2017.

1. COMPOSITION AND ATTENDANCE

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors and included one (1) Director who is a member of the Malaysian Institute of Accountants ("MIA"). No alternate director is appointed as a member of the AC. This meets the requirements of paragraph 15.09(1)(a), (b), (c)(i) and 15.09(2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements").

All members of the AC are financially literate and appropriately qualified with sound knowledge and experience in accounting, business, and financial management. The details of attendance of each member at Committee Meetings held during the year are as follows:

Composition of Committee (Designation)	**Number of Committee Meetings Attended**
Siah Chin Leong (Chairman/Independent Non-Executive Director)	5/5
Datuk Kamaludin Bin Yusoff (Senior Independent Non-Executive Director)	5/5
Ng Lee Thin (Independent Non-Executive Director)	5/5

The meetings were appropriately structured through the use of agendas and board papers containing information relevant to the matters for deliberation, which were distributed to members with sufficient notification.

The Board assesses the performance of the AC and its members through an annual evaluation. The Board is satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities effectively and efficiently in accordance with the Terms of Reference of the AC.

2. MEETINGS

The Committee had convened a total of five (5) meetings during the financial year 2017. Meetings shall be held not less than four (4) times a year. The External Auditors ("EA") may request a meeting if they consider that one is necessary.

The Chief Executive Officer ("CEO") and other Board members were invited to the AC meeting to facilitate direct communications as well as to provide clarification on audit issues and the Group's operations. The representative of Internal Auditors ("IA") shall normally attend the meetings and the Group Financial Manager was invited to brief the AC on specific issues and areas arising from the quarterly and audit reports. The presence of the EA will be by invitation as and when required.

The Secretary to the AC is the Company Secretary. Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board for notation. During Board Meetings, the Chairman of the AC briefed the Board on the matters discussed at the AC meetings. The Chairman also briefed the Board on the discussions on the quarterly financial results, the annual Audited Financial Statements and the recommendations of the Committee to the Board for the adoption of the quarterly financial results and the annual Audited Financial Statements.

AUDIT COMMITTEE REPORT
cont'd

3. TERMS OF REFERENCE

3.1 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 EA 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 EA, IA or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary, but at least twice a year.

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

(a) Any matters concerning the appointment, any questions of resignation or dismissal of the EA and the audit fee;
(b) The nature and scope of the audit by the EA before commencement;
(c) The EA's audit report, areas of concern arising from the audit and any other matters the EA may wish to discuss (in the absence of management if necessary);
(d) Any financial information for publication, including quarterly financial results and annual Audited Financial Statements, before submission to the Board, focusing particularly on:
   - Changes in the implementation of major accounting policy changes;
   - Significant and unusual events; and
   - Compliance with accounting standards and legal requirements.
(e) The EA'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 and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit;
(h) Findings of internal audit work and management's response;
(i) Any evaluation on internal controls by auditors;
(j) To review and recommend the Risk Management and sustainability matters for approval by the Board;
(k) To recommend to the Board on proposed changes in risk management policies and strategies, as and when necessary;
(l) To liaise with IA and EA in respect of their conduct of the audit/review of the Company's risk management process;
(m) To review reports to ensure compliance with risk management policies and provide recommendation where necessary;
(n) Extent of cooperation and assistance given by the employees;
(o) The propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group;
(p) To observe a cooling-off period of at least two (2) years for a former key audit partner prior to the appointment as a member of Audit Committee; and
(q) Any other matter as defined by the Board from time to time.

AUDIT COMMITTEE REPORT
cont'd

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the principal activities undertaken by the AC were summarised as follows:

(a) Overseeing the Company's financial reporting, the AC reviewed the quarterly financial statements for the 4th quarter of 2016, 1st, 2nd, 3rd and 4th quarters of 2017 at its meeting held on 22 February 2017, 29 May 2017, 24 August 2017, 28 November 2017 and 27 February 2018 respectively before recommending them for the Board's consideration and approval for release to the public;

(b) On 22 February 2017, 28 November 2017 and 27 February 2018, the AC had conducted private session meetings with the EA without the presence of the CEO, Management and employees of the Company to discuss the issues faced by EA in commencement and course of their audit;

(c) On 7 April 2017, the AC had reviewed and discussed with the EA on the Audited Financial Statements of the Group for the year ended 31 December 2017. The review was to ensure that the Audited Financial Statements were drawn up in accordance with the provision of the Companies Act, 2016 and the Malaysian Financial Reporting Standards ("MFRS");

(d) On 28 November 2017, the AC had reviewed with the EA their scope of work and audit plan prior to the commencement of the audit;

(e) On 27 February 2018, the AC had deliberated and reviewed the results of the external audit, the audit report and the management letter, including management's response in relation to the Audited Financial Statements of the Group for the financial year ended 31 December 2017. AC also had reviewed the EA's remuneration and made recommendation to the Board for acceptance;

(f) Crowe Horwath ("CH") had confirmed that they had continuously complied with the relevant ethical requirement regarding independent through the conduct of the audit engagement in accordance with the International Federation of Accountant's Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice). The AC had reviewed the EA's performance, effectiveness, independence, remuneration, and level of non-audit services. Being satisfied with CH performance, the AC had recommended to the Board for approval on the re-appointment of CH as EA for the financial year ending 31 December 2018.
The Board at its meeting on 27 February 2018 had approved on the AC's recommendation, to re-appoint CH as EA of the Company for the financial year ending 31 December 2018, subject to the shareholder's approval to be sought at the forthcoming 17th Annual General Meeting;

(g) The AC had reviewed and approved the internal audit reports which IA had presented to the AC on 22 February 2017, 29 May 2017, 24 August 2017 and 28 November 2017. The reports contained the findings, status and progress of the internal audits, audit recommendations provided by the IA and corrective actions taken by the Management in addressing and resolving issues. The areas covered by the IA in 2017 consists of:
- Production
- Warehouse and inventories
- Purchasing
- Risk Management Framework – Annual review of the implementation;

(h) On 28 November 2017, the AC had reviewed the internal audit review plan for year 2018 and recommended for the Board's consideration and approval;

(i) Reviewed any related party transactions that may arose within the Company or the Group;

(j) Reviewed and assessed the adequacy of the competency and effectiveness of the systems of risk management and internal control and the efficiency of the Group's operations in particular those relating to areas of significant risks; and

(k) Reviewed and assessed the adequacy of the competency and effectiveness of the IA and EA functions in delivering the professional services to the Company.

AUDIT COMMITTEE REPORT
cont'd

5. INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS

The Company has outsourced its internal audit and risk management functions to Messrs SQM, a professional services firm as IA, which is tasked with the aim of providing assurance and assisting the AC and the Board in reviewing the adequacy and effectiveness of the internal control systems and risk management in the Company.

The internal audit function is a source to assist the AC and the Board to strengthen and improve current management and operating style in pursuit of best practices. The costs incurred for the internal audit function outsourced in respect of the financial year ended 31 December 2017 was RM66,000.

The main responsibilities of the IA are to:
- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control systems and processes;
- Perform a risk assessment of the Company to identify the business processes within the Company that internal audit should focus on; and
- Perform any ad hoc appraisals, inspections, investigations, examinations and reviews requests of the AC or senior management as appropriate.

Activities of Internal Audit Function
- Prepare 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 AC and the Management of the respective operations;
- Follow up with Management on the implementation of the agreed audit recommendations. The extent of compliance is reported to the AC on a regular basis. The AC 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; and
- 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 and risk management.

This report is made with the approval of the Board dated 11 April 2018.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("the Board") is committed to ensure that a high standard of corporate governance are practiced throughout the Group as a fundamental part of discharging its duties and responsibilities, to safeguard and enhance the long-term interests of its shareholders and other stakeholders.

The Board is pleased to present the following statement, as sets out the manner in which the Group has applied the three (3) main principles in the Malaysian Code on Corporate Governance 2017 ("MCCG") and the extent of compliance recommendation advocated therein pursuant to paragraphs 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

A. BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for oversight of Management comprising the Chief Executive Officer ("CEO"), Executive Directors and the Department Heads within the Group, which includes directing, overseeing and monitoring the Management, ethical conducts and regulatory compliances, as well as to raise questions to the Management on certain key areas based on information provided.

The following are the key responsibilities of the Board, in discharging its stewardship role:

a. Overseeing the conduct of the Group's business

The Board delegates certain responsibilities to the Board Committees, in which the members of the Board Committees comprise 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 CEO is responsible for the day-to-day operations, overall management effectiveness, implementation of the policies and strategies adopted by the Board and seeking for long-term growth to achieve the Group's objectives as well as enhancing the shareholders' and other stakeholders' value.

b. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

Management Committee ("MC") comprises mainly of the Top Management Team and the Department Heads, to identify, evaluate, monitor and manage significant risks faced by the Group, through the formation of Risk Management Framework ("RMF"). The Internal Auditors and Audit Committee ("AC") reviews the risk management profile and policies formulated by the MC and makes relevant recommendations to the Board for approval.

The Board also established Risk Management Committee ("RMC") to define and review the risk management strategies, policies and risk tolerance of the Group.

The systems of internal control have been implemented to reduce the risks of failure and to achieve the Group's objective.

Details of the RMF and RMC are set out on pages 36 and 38 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

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

The Board has established the Nominating Committee ("NC") and Remuneration Committee ("RC"). NC is responsible for selecting and recommending the candidates for new appointment as Directors, whereas RC is to determine the remuneration packages for Executive Directors of the Group.

Details of the NC and RC are set out on pages 32 to 34 of this Annual Report respectively.

d. Overseeing the development and implementation of a communication policy for the Group

In order to ensure shareholders, investors and other stakeholders are well-informed for the latest information and financial performance and results of the Group, all updates will be available, as soon as practicable, after the announcement was made to Bursa Malaysia, at our official website at http://www.johoretin.com.my.

e. Reviewing the adequacy and integrity of Risk Management and Internal Control System and Management Information System of the Group

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

The details pertaining to the Group's Risk Management and Internal Control System and the review of its effectiveness are set out on pages 36 to 38 of this Annual Report.

II. Code of Ethics and Conduct for Directors

The Board acknowledges the importance of establishing a corporate culture which governs the high standard of ethic and good conduct of the Directors. As a result, the Board has formalised the ethical standards through the Code of Ethics and Conduct ("CEC") which provides rules and guidelines which governs the high standard of ethic and good conduct of the Directors.

In term of personality and behaviour, the CEC promotes honesty and integrity when dealing with people within or outside the organisation, and to avoid conflict of interest when dealing with customers or suppliers. Whereas in term of documentation and information, the CEC provides guidelines on record-keeping and highlight the importance of confidential information or insider trading, as well as compliance with various relevant law & regulations, for which it may have major impact on the Group as a whole. The CEC also strengthen the awareness of protection and proper use of Group's assets or properties.

The CEC shall be reviewed and updated periodically should there be regulations changes or practical issues which are not covered by the present Code.

Besides the employees and Directors of the Group required adhere to the high ethical standards within the Group, the External Auditors and Internal Auditors are also required to declare themselves to comply with the relevant ethical requirements in term of independence and integrity of the engagement team on yearly basis.

The Board has yet to be finalising the Whistle-Blowing Policy, but the Group provides briefings and handbook to all its employees of the Group. Any violation, improper conduct or wrongdoing by any employee, the Group shall not tolerate with any such behaviour and disciplinary action will be taken against the wrongdoers, if subsequent investigation has been concluded that they were founded guilty.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. The Role of Chairman and CEO

There is a clear division of responsibilities between the Chairman and the CEO, to ensure a balance of power and authority.

The Chairman, who is an Independent Non-Executive Director, is responsible for leading the Board and monitors the functions of the Management as well as the Board Committees. Whilst the CEO is responsible for overseeing the day-to-day operations, overall management effectiveness, implementation of the policies and strategies adopted by the Board and seeking for long-term growth to achieve the Group's objectives.

IV. Role of Company Secretary

Ms. Yong May Li is the Company Secretary of the Company since 2003. She is a secretary licensed by Companies Commission of Malaysia ("CCM") since October 1992 and an Affiliate Member of the Malaysian Institute of Chartered Secretaries and Administrators. She is qualified to act as Company Secretary under Section 235(2) of the Companies Act, 2016.

The Company Secretary plays an advisory role to the Board in relation to the compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is keeping abreast of the regulatory changes, latest development in corporate governance and other relevant matters, to ensure the Directors are well-informed to those changes at each Board meeting. She has also attended the continuous professional development programmes as required by the CCM.

All Agendas for each Board meeting were circulated to the Board members at least seven (7) days in advance to enable sufficient time to peruse through the meeting documents.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging her duties.

V. Professional Development and Continuous Education for Directors

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(3) of the Listing Requirements of Bursa Securities.

During the financial year under review, all Directors have attended the seminars or trainings as stated below:

Name of Directors	Workshops / Courses Attended	Date
Datuk Kamaludin Bin Yusoff	- 2018 National Budget & Tax Planning Conference	6 Nov 2017
Edward Goh Swee Wang	- Food Allergen Management Training - A Systematic Approach to Develop & Implement a Highly Effective Customised KPI System	25 May 2017 17 Nov 2017
Yeow Ah Seng @ Yow Ah Seng	- 2018 National Budget & Tax Planning Conference	7 Nov 2017
Lim Hun Swee	- ESG Seminar for FTSEGood Bursa Malaysia	18 Sep 2017
Siah Chin Leong	- ESG Seminar for FTSEGood Bursa Malaysia - 2018 National Budget & Tax Planning Conference	18 Sep 2017 7 Nov 2017
Ng Lee Thin (f)	- ESG Seminar for FTSEGood Bursa Malaysia - 2018 Budget Seminar	18 Sep 2017 27 Nov 2017
Ng Keng Hoe	- A Systematic Approach to Develop & Implement a Highly Effective Customised KPI System	17 Nov 2017

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

VI. Board Charter

The Board Charter of the Group, which sets out clearly, amongst others, the roles and responsibilities of the Board and Board Committees, the composition and process of the Board.

The following are the key matters that highlighted in the Group's Board Charter:
(a) Structure and membership;
(b) A formal schedule of matters reserved for the Board;
(c) A position description of the role of Chairman, CEO, and Executive Directors, as well as Non-Executive Directors;
(d) An appointment of Board Committees;
(e) Directors' orientation and education programme; and
(f) An independent professional advice.

The Board Charter shall be reviewed periodically and updated in accordance with any changes in regulations or listing requirements that may have an impact on the discharge of the Board's responsibilities.

The details of the Board Charter are published in our Company's official website at http://www.johoretin.com.my/cg/board-charter.

VII. Size and Composition of the Board

The Board consists of seven (7) Directors, comprising four (4) Executive Directors, and three (3) Independent Non-Executive Directors, having fulfills the prescribed requirement for at least two (2) or one-third (1/3) of the Board (whichever is higher) are Independent Directors as stated in paragraph 15.02(2) of the Listing Requirements of Bursa Securities.

The Company has departed from the Practice 4.1 of MCCG, as the Independent Non-Executive Directors accounted for only 42.86% of the Board, where the best practice is at least half of the Board comprises Independent Directors. The Board is of the view that to seek for suitable candidates to fill the vacancy as Independent Director while to promote gender diversity. The normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge should remain a priority.

The current Board composition is classified in the following categories:

Composition	Male	Female	Total
Executive Director	4	–	4
Independent Non-Executive Director	2	1	3
Total	6	1	7

Age Group	Male	Female	Total
40 - 49 years	1	–	1
50 - 59 years	2	1	3
60 - 69 years	2	–	2
70 - 79 years	1	–	1
Total	6	1	7

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

VII. Size and Composition of the Board

The current Board composition is classified in the following categories:

Race / Ethnicity	Male	Female	Total
Malay	1	–	1
Chinese	5	1	6
Total	6	1	7

Nationality	Male	Female	Total
Malaysian	4	1	5
Foreigner	2	–	2
Total	6	1	7

VIII. Independent Directors

During the financial year under review, the NC has assessed the contribution and performance of the Independent Directors. The criteria set out in Paragraph 1.01 of the Listing Requirements of Bursa Securities were also used to assess the independence of Independent Director.

The Board is satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to act in the best interests of the Group during deliberations at Board meetings.

Under the Practice 4.2 of MCCG, the tenure of an Independent Director should not exceed a cumulative term of more than nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to either the re-designation of the director as a Non-Independent Director or seek for shareholders' approval to continue in office as an Independent Non-Executive Director.

In 2017, Datuk Kamaludin Bin Yusoff, the Chairman of the Board has served the Board for a cumulative period of more than nine (9) years. The Board is in the opinion that it will seek for shareholders' approval at the forthcoming Annual General Meeting for him to continue serving as the Chairman of the Board and a Senior Independent Non-Executive Director of the Company, due to his active participating and supporting the Board's activities and continuous providing valuable suggestions and opinions through his experience to the Board for decision making.

The tenures of services of all Directors are set out in their respective Profile of Board of Directors on pages 13 to 16 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

IX. Nominating Committee

The Nominating Committee ("NC") comprises three (3) members, all of whom are Independent Non-Executive Directors. The NC is chaired by the Senior Independent Non-Executive Director.

The Term of Reference of NC comprise of the following:

(a) Recommend to the Board new candidates for directorship and members for the Board's Committees. Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
(b) Assist the Board to review annually the required mix of skills and experience and other qualities of the Directors; and
(c) Assist the Board to assess annually the effectiveness of the Board as a whole and the Board's Committees, as well as contribution of each individual Director.

Summary of activities of NC in discharge of its duties for the financial year are as follows:
(a) Appointed new candidate as a Director to the Board according to the nomination process, if any;
(b) Reviewed the required mix of skills, experience, independence and diversity (including gender diversity) of the Board; and
(c) Assessed the quantitative and qualitative performance criteria for evaluation of the performance of each member of the Board annually.

The nomination process for the appointment of new Directors does not limit to the recommendations from existing Board members, management or major shareholders, but will also consider utilising independent sources to identify suitable qualified candidates via recruitment agencies.

The Board does take into consideration the fundamental criteria pertaining to the recruitment/appointment (including re-election/re-appointment) of Directors, the relevant skills and experiences, industrial knowledge, education background, character and integrity as well as expertise and professionalism.

The NC is responsible for assessing and evaluating the performance of the Board and Board Committees on an annual basis in relation to their performance and contribution toward the needs of the Company. The evaluation took into consideration the competency, experience, character, integrity and time availability, including the mix of skills.

A peer assessment will be conducted via evaluation form which will circulate to each Director. The area of assessment for individual Director, Chairman of the Board and Chairman of Board Committees includes the contribution to interaction, quality of input and understanding of role.

The Company Secretary will compile and present the result of the analysis to the NC. The NC will then report the results to the Board for notation. The NC also will assess the performance of the Board as a whole and Board Committees. The areas of assessment for the Board include the Board structure, Board operations and Board Chairman's roles and responsibilities.

In 2017, the NC concluded that the overall performance of each individual director was rated as "Strong", while the overall performance of the Board and the Board Committees Chairman were rated as "Consistently Good".

X. Diversity Policy

The Board yet to have a gender diversity policy, however, the Board has appointed one (1) woman Director in 2014, as an Independent Non-Executive Director to participate on the Board and Board Committees' activities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

XI. Remuneration Committee

The primary objective of the Remuneration Committee ("RC") is to assist the Board in assessing and reviewing the remuneration packages of the Executive Directors to reflect 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.

The RC is responsible for determining and developing the remuneration policy for the Executive Directors. The RC 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 directors' fees for both Executive Directors and Non-Executive Directors are recommended by the Board as a whole, subject to the shareholders' approval at the forthcoming Annual General Meeting ("AGM"). The member's allowance and meetings allowance for Board and Board Committees, which form part of the director fees, are based on each position held by the members in the Board and Board Committees, together with the attendance of the meeting conducted throughout the year.

The Board has considered the Guidance to Practice 6.2 of MCCG, the RC should comprise only Non-Executive Directors and a majority of them must be Independent Directors. Subsequent to the financial year end, the RC has re-structured and appoints Datuk Kamaludin Bin Yusoff as the RC member, while Mr. Edward Goh Swee Wang steps down as the RC member, with effective from 1 March 2018.

Details disclosure on a named basis, for the Directors' remuneration of the Group and the Company for the financial year ended 31 December 2017 is as below:

The Group	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Emoluments (RM)	Benefit-in-kinds (RM)	Total (RM)
Executive Directors						
Edward Goh Swee Wang	718,000	674,000	150,000	180,935	31,150	1,754,085
Yeow Ah Seng @ Yow Ah Seng	311,000	300,000	74,000	137,739	9,600	832,339
Lim Hun Swee	274,000	46,000	127,000	61,100	–	508,100
Ng Keng Hoe	453,000	250,000	123,500	96,360	21,250	944,110
Non-Executive Directors						
Datuk Kamaludin Bin Yusoff	–	–	88,000	–	–	88,000
Siah Chin Leong	–	–	92,000	–	–	92,000
Ng Lee Thin	–	–	89,000	–	–	89,000
Total remuneration	**1,756,000**	**1,270,000**	**743,500**	**476,134**	**62,000**	**4,307,634**

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

XI. Remuneration Committee (Cont'd)

Details disclosure, on a named basis, for the Directors' remuneration of the Group and the Company for the financial year ended 31 December 2017 are as below: (Cont'd)

The Company	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Emoluments (RM)	Benefit-in-kinds (RM)	Total (RM)
Executive Directors						
Edward Goh Swee Wang	–	–	30,000	–	–	30,000
Yeow Ah Seng @ Yow Ah Seng	–	–	24,000	–	–	24,000
Lim Hun Swee	274,000	46,000	27,000	54,600	–	401,600
Ng Keng Hoe	–	–	23,500	–	–	23,500
Non-Executive Directors						
Datuk Kamaludin Bin Yusoff	–	–	88,000	–	–	88,000
Siah Chin Leong	–	–	92,000	–	–	92,000
Ng Lee Thin	–	–	89,000	–	–	89,000
Total remuneration	**274,000**	**46,000**	**373,500**	**54,600**	**–**	**748,100**

The following is the top 5 senior management of the Group whose remuneration falls within the successive band of RM50,000 for the financial year ended 31 December 2017:

	Range of Remuneration (RM)
Edward Goh Swee Wang	RM1,750,001 – RM1,800,000
Ng Keng Hoe	RM900,001 – RM950,000
Goh Mia Kwong	RM800,001 – RM850,000
Yeow Ah Seng @ Yow Ah Seng	RM800,001 – RM850,000
Lim Hun Swee	RM500,001 – RM550,000

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors and included one (1) Director who is a member of the Malaysian Institute of Accountants ("MIA"). No alternate director is appointed as a member of the AC. This meets the requirements of paragraph 15.09(1)(a), (b), (c)(i) and 15.09(2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR").

Details of the Audit Committee are set out in the Audit Committee Report on pages 23 to 26 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT cont'd

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework

The Board has ultimate responsibility to ensure the Risk Management Committee ("RMC") review and monitor closely on those potential risks that are faced by the Group in order to achieve the business objective. The RMC is chaired by an Independent Non-Executive Director, followed by the CEO, Executive Director, Operations Manager and Group Finance Manager. The Board is recognises the important of good corporate governance to have majority of the RMC to comprise of Independent Directors, and will be discussing this issue at the forthcoming meeting.

Overall, the Board is of the view that the system of risk management and internal control are operating, in all material aspects, adequately and effectively within the Group's business and operations. The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance to timely dissemination of information to shareholders and other stakeholders in order to enhance investor relations of the Group. By doing so, the Group maintains a website to disseminate latest and up-to-date information and to keep shareholders and other stakeholders well-informed on the Group's financial performance, financial analysis, quarter/annual reports, corporate governance and any other corporate proposals, as soon as practicable, once the announcement is made to Bursa.

The Board monitors all price or market sensitive information and made the necessary announcement to public should the information is material. Price sensitive information defined as any information which relates to the following matters or is of concern to the Group and is not generally known or published by the Group for general information but which if published or known is likely to materially affect the share price of the Company in the market or the decision of a holder of securities of the Company or an investor in determining his choice of action.

II. Conduct of General Meetings

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 results and operations of the Group. The Board of Directors and Management are available to respond to shareholders' queries. The Board encourages those shareholders who are unable to attend the AGM to appoint any person(s) as their proxy(ies) to participate, queries and vote on their behalf at the AGM.

The notice of AGM and Annual Report will be dispatched to the shareholders at least 28 days before the date of meeting.

Since 15th AGM, the Board has passed a resolution by way of poll voting. Messrs. Tricor Investor and Issuing House Services Sdn. Bhd. was appointed as poll administrator and Messrs. SQM was appointed as scrutineers. Where the duty of the poll administrator is to conduct the polling process and the scrutineers is to verify the poll result of the resolution. Upon verification of the poll result, the scrutineers will read out the poll result and the Chairman will declare whether the resolution was carried.

This report is made with the approval of the Board dated 11 April 2018.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Johore Tin Berhad ("the Group") is committed in maintaining a sound risk management and internal control system. The Management will also continue to take appropriate measures to strengthen the system of risk management and internal control under the control and monitoring by the Chief Executive Officer ("CEO") of the Group.

This Statement is made in pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The following Statement outlines the nature and scope of risk management and internal control system of the Group during the financial year under review.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of risk management and internal control, and for reviewing the overall adequacy and integrity of the system.

The system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve business goals and objectives within the tolerable levels that are accepted by the Board and Management. The possibility risk of failure in terms of human error, poor judgment in decision-making, control processes being deliberately circumvented by employees and others, and the occurrence of unforeseeable circumstances can only be prevented or reduced in order to achieve the business objectives of the Group. As a result, it can only provide reasonable, but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board is responsible to ensure the Risk Management Framework ("RMF") is clear and effective, with proper segregation of authority, responsibility and accountability. The details of the key internal control processes are highlighted below.

The RMF was established and delegated by the CEO to the Management Committee ("MC") which is chaired by the Operations Manager and with the committee members consists of all the Head of Departments, in identifying, evaluating, monitoring as well as managing those significant risks that are faced by the Group. The outcome will be reported to the CEO for decision making purpose.

In 2017, the MC met once this year to discuss on issues mainly on products quality risk, storage risk, machineries risk, new/substitute products risk, human resources risk and information technology system risk. Most of the risks are on-going and the relevant Head of Departments monitor closely and ensure all risks are well-managed within the Group. Besides the yearly meeting, the Management meets with the Head of Departments on weekly basis, to discuss day-to-day operations issue. All meetings are minuted for future reference.

A Risk Management Committee ("RMC") comprises of Independent Non-Executive Director, CEO, Executive Director, Operations Manager and Finance Manager. The RMC is chaired by an Independent Non-Executive Director and meets at least two (2) times in a year. The outcome will reported to the Board for deliberation and approval.

The salient terms of reference of the RMC are as follows:

(a) To define, review & recommend risk management strategies, policies and risk tolerance for the Board's decision making;

(b) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;

(c) To ensure adequate infrastructure and resources are in place for effective risk management (i.e. ensuring the staff responsible for implementing risk management systems perform those duties independently of the Group's risk taking activities; and

(d) To perform any other functions in relation to the risk management as and when identified by the RMC and the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

RISK MANAGEMENT FRAMEWORK (CONT'D)

In 2017, the RMC continues to focus on operational risks in term of human resources integration and manpower issues. By integrating all human resources management and policies, it requires more resources in term of time and cost to standardise all the rules and regulations of human resources. Thus, experience human resource personnel are needed to ensure integration and standardisation are run smoothly without compromising the existing rights and benefits of the employees.

As for the manpower issue, due to the remote location of the factory may not be as desire as the town city, thus the recruitment of employee is a challenge to the Group to obtain qualified, skilled and experience staff. However, the Group is optimistic over the manpower issue.

In addition, the risk of transfer pricing were discussed at the RMC meeting to ensure all transactions are fair and justifiable when dealing with related companies. The relevant staff is require to keep all the documentation properly and obtain updates and information relating to transfer pricing through media, authorities website and attending seminar on regular basis.

The RMC also reviewed, evaluated and discussed, through the Risk Register and the Risk Matrix, the matters pertaining to the key corporate risks that may affect the Group's decision making.

For the financial year under review, the RMC is satisfied with the risks findings and recommended to the Board for its deliberation and approval at the Board meeting.

INTERNAL AUDIT

The internal audit function provides assessments as to whether risks, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled.

The internal audit functions had been outsourced to an independent professional services firm, Messrs SQM. Internal audit is carried out periodically in all the subsidiaries in accordance with the annual internal audit plan which is reviewed by Audit Committee ("AC") and then deliberated and approved by the Board before its implementation. The internal audit review contained the findings, status and progress, recommendations and management responses which were reviewed directly by the AC and reported to the Board for approval on a quarterly basis.

During the financial year under review, the internal audit mainly focused on packaging & trading of milk powder and its related products, namely Able Food Sdn. Bhd., which was carried out by the internal auditor on production, warehousing, inventories and purchasing cycles, as well as update on overall risk assessment for Able Food Sdn. Bhd. on key operational risks where all issues and recommendations by the internal auditors were resolved by the Management. The risk profile & risk register will be updated to the AC for review and the AC will recommend to the Board for approval.

Overall, there were no significant weaknesses which resulted in material losses, contingencies or uncertainties that require disclosure in the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

KEY INTERNAL CONTROL PROCESSES

The key elements of the Group's internal control system are described below:

(a) A well-defined organisational structure with clear lines of responsibility and segregation of duties as well as clearly defined level of authority within the Group;

(b) Sufficient insurance coverage to the Group's major assets against theft or disaster that may result in material losses, and to safeguard the best interests of its shareholders, investors and other stakeholders;

(c) Proper rules and procedures in terms of hiring and termination of employees, performance appraisal, staff complaints and deficiencies, to ensure high level of efficiency in the workplace;

(d) MC comprising Senior Management and the Department Heads, meet at least once a year, to discuss and identify key risk areas, and deliberate on the risk management and update the risk register with follow-up action plans; and

(e) A code of ethic for all employees, which defines the ethical standards and work conduct required within the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2017, and have reported to the Board that nothing has come to their attention that cause them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

CONCLUSION

The Board is of the view that the Group's risk management and system of internal control are in place for the financial year under review and up to the date of approval of this Statement, is satisfactory and sufficient to safeguard the Group's assets, as well as the best interests of its shareholders, investors and other stakeholders.

The Board has also received reasonable assurance from the CEO and Group Finance Manager that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group as a whole. The assurance has been given based on the risk management and internal control system maintained by the Group, internal audit reports provided by the independent Internal Auditors and the management letter, which highlighted minor deficiencies by the External Auditors.

This statement is made in accordance with a Board resolution dated 11 April 2018.

ADDITIONAL **COMPLIANCE INFORMATION**

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

1. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE

The proceeds raised from the Right Issue by way of issuance of 23,326,333 new ordinary shares of RM1.00 each at an issue price of RM1.28 each per share was completed on 27 November 2012 and has been fully utilised as per proposed utilisation.

Other than the above, there were no proceeds raised from corporate proposals during the financial year ended 31 December 2017.

(Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Securities.)

2. AUDIT AND NON-AUDIT SERVICES

The amount of audit fees payable to external auditors of the Company amounted to RM35,000 (2016: RM33,000). As for the Group, the total amount of audit fees payable to external auditors amounted to RM190,000 (2016: RM173,000).

The total amount of non-audit fees payable to external auditors of the Company for the financial year ended 31 December 2017 is the review of the Statement on Risk Management and Internal Control, amounted to RM5,000 (2016: RM22,000), but none in this year for act as Reporting Accountant for proposed share split and bonus issue.

(Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Securities.)

3. MATERIAL CONTRACTS

Since year of 1999, a Director of a subsidiary has entered into a tenancy agreement with the respective subsidiary company of the Group. Both parties had mutually agreed to renew the tenancy agreement in every two (2) years. The last renewal on 15 November 2017 and shall expire on 14 November 2019, at a renewed monthly rental of RM1,800 (RM2016: RM1,400).

Another subsidiary company's Director had entered into a hostel tenancy agreement with the respective subsidiary of the Group and both parties had mutually agreed to renew the tenancy agreement in every two (2) years. The last renewal on 1 April 2017 and shall expire on 31 March 2019, at a renewed monthly rental of RM1,000.

Other than the above, 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 2017 or entered into since the end of the previous financial year.

(Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Securities.)

ADDITIONAL
RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

4. 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 Listing Requirements of Bursa Securities.)

5. CONTINUING EDUCATION PROGRAMME ("CEP")

All Directors have attended numerous seminars or courses during the financial year ended 31 December 2017.

Details of the seminars or courses attended are disclosed in the Corporate Governance Statement, as set out on page 29 of this Annual Report.

(Disclosed in accordance with Appendix 9C, Part A, item 28 of the Listing Requirements of Bursa Securities.)

6. 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 2017 was RM66,000 (2016: RM66,000).

The Statement of Risk Management and Internal Control is set out on pages 36 to 38 of this Annual Report.

(Disclosed in accordance with Appendix 9C, Part A, item 30 of the Listing Requirements of Bursa Securities.)

7. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

During the financial year ended 31 December 2017, the Group does not have a shareholders' mandate for recurrent related party transactions. As a result, all relevant and necessary announcements related to recurrent related party transactions had been made once they reached the threshold limit.

All recurrent related party transactions entered were in the ordinary course of business and were carried out on the terms and conditions that were not materially different from those transactions with unrelated parties.

Details of the recurrent related party transactions are disclosed and set out in Note 39 (b) on page 104 of this Annual Report.

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

8. 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 Listing Requirements 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 2017.

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.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after tax for the financial year	25,828,941	9,455,849
Attributable to:-		
Owners of the Company	25,655,061	9,455,849
Non-controlling interests	173,880	–
	25,828,941	9,455,849

DIVIDENDS

Dividend paid and declared by the Company since 31 December 2016 are as follows:-

(a) A final dividend of 1.5 sen per ordinary share amounting to RM4,099,341 in respect of the financial year ended 31 December 2016 was declared on 12 April 2017 and subsequently paid on 27 June 2017. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 15 June 2017.

(b) A first interim dividend of 1.5 sen per ordinary share amounting to RM4,099,341 in respect of the financial year ended 31 December 2017 was declared on 29 May 2017 and subsequently paid on 27 June 2017. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 15 June 2017.

(c) A second interim dividend of 1 sen per ordinary share amounting to RM2,847,037 in respect of the financial year ended 31 December 2017 was declared on 24 August 2017 and subsequently paid on 17 October 2017. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 4 October 2017.

(d) A third interim dividend of 0.5 sen per ordinary share amounting to RM1,552,353 in respect of the financial year ended 31 December 2017 was declared on 28 November 2017 and subsequently paid on 9 January 2018. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 26 December 2017.

(e) A fourth interim dividend of 1 sen per ordinary share amounting to RM3,104,710 in respect of the financial year ended 31 December 2017 was declared on 1 March 2018 and subsequently paid on 29 March 2018. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 16 March 2018. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2018.

DIRECTORS' REPORT
cont'd

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up capital from RM124,406,849 to RM176,815,544 by way of issuance of 61,657,288 new ordinary shares from the exercise of warrants at an exercise price of RM0.85 per Warrant. The new shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

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

OPTIONS GRANTED OVER UNISSUED SHARES

Warrants

61,657,288 Warrants were exercised and 545,944 Warrants were lapsed during the financial year. As at 31 December 2017, no Warrants remain unexercised as they were expired on 24 November 2017.

The summary of the movements of Warrants is as follows:

		Number of Warrants			
Issue Date	**Expiry Date**	**At 1.1.2017**	**Exercised**	**Lapsed**	**At 31.12.2017**
27.11.2012	24.11.2017	62,203,232	(61,657,288)	(545,944)	–

The ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution declared, made or paid prior to the relevant date of allotment and issuance of the new shares arising from the exercise of Warrants. Further details on the Warrants are detailed in Note 17 to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure 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 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 ensure that any current assets, 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

At the date of this report, there does not exist:-

(a) 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

(b) 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 in which this report is made.

DIRECTORS' REPORT
cont'd

DIRECTORS

The name of directors of the Company who served during the financial year until the date of this report are as follows:-

Edward Goh Swee Wang
Yeow Ah Seng @ Yow Ah Seng
Datuk Kamaludin Bin Yusoff
Lim Hun Swee
Ng Keng Hoe
Ng Lee Thin (f)
Siah Chin Leong

The name of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Goh Mia Kwong
Ng Yik Toon @ Ng Yik Koon (f)
Oh Tat Hooi
Tan Boon Kait
Yong Swee Choong (Appointed on 4.7.2017)
Mau Djen, SE

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares				
	At 1.1.2017	**Bought**	**Warrants Exercised**	**Sold**	**At 31.12.2017**
The Company					
Direct Interest					
Datuk Kamaludin Bin Yusoff	632,800	50,000	–	–	682,800
Edward Goh Swee Wang	13,914,336	–	742,584	–	14,656,920
Lim Hun Swee	35,239,999	–	–	–	35,239,999
Ng Keng Hoe	25,623,733	–	4,442,666	–	30,066,399
Yeow Ah Seng @ Yow Ah Seng	5,276,442	–	–	–	5,276,442
Siah Chin Leong	2,666	–	–	–	2,666
The Company					
Indirect Interest					
Datuk Kamaludin Bin Yusoff	11,674,772	–	800,160	–	12,474,932
Edward Goh Swee Wang	35,949,026	–	–	–	35,949,026
Ng Keng Hoe	1,991,109	–	–	–	1,991,109

By virtue of Edward Goh Swee Wang, Lim Hun Swee and Ng Keng Hoe's shareholding in the Company, they are deemed to have an interest in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT
cont'd

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 remuneration 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 or related corporation) 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 disclosed in Note 39 to the financial statements.

Neither during nor at the end of the financial year was the Group or 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.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 38 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers, or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 45 to the financial statements.

AUDITORS

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

The auditors' remuneration are disclosed in Note 33 to the financial statements.

Signed in accordance with a resolution of the directors dated 11 April 2018

Edward Goh Swee Wang **Yeow Ah Seng @ Yow Ah Seng**

INDEPENDENT **AUDITORS' REPORT**

to the members of Johore Tin Berhad (Company No.: 532570-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Johore Tin Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 50 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Goodwill impairment Refer to Note 9 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
We focused on this area because the Group carries significant goodwill. The Group's assessment of impairment of goodwill is a judgemental process which requires estimates concerning the forecast future cash flows associated with the goodwill held in determining the value in use.	Our procedures included, amongst others:- • Reviewed the reasonableness of assumptions, either individually or as a whole, provide a reasonable basis for the fair value measurements and disclosures. • Determined the method valuation chosen by management is appropriate and identify if there are any indicators of possible management bias. • Developed stress tests on certain key assumptions used and assess the range estimate for all 'reasonable outcomes'. • Established that if there is any foreseeable reasonable possible change in key assumptions that will trigger the recoverable amount to be lower than the carrying amount.

INDEPENDENT AUDITORS' REPORT
to the members of Johore Tin Berhad
(Company No.: 532570-V) cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Impairment of Trade Receivables Refer to Note 11 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
We focused on this area because the Group carries significant amount of RM79,567,756 trade receivables as at financial year end. There is judgement in the identification of doubtful debts and assumptions used in making of impairment losses.	Our procedures included, amongst others: • Test the reliability and accuracy of ageing report. • To assess the reasonableness of impairment losses provided by management. • Evaluated the sufficiency and reasonableness of impairment provided by management.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
to the members of Johore Tin Berhad (Company No.: 532570-V) cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
to the members of Johore Tin Berhad (Company No.: 532570-V) cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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

Ng Kim Hian
Approval No: 02506/04/2019 J
Chartered Accountant

Muar, Johor Darul Takzim
11 April 2018

STATEMENTS OF **FINANCIAL POSITION**
as at 31 December 2017

		THE GROUP		THE COMPANY	
		2017	**2016**	**2017**	**2016**
	NOTE	**RM**	**RM**	**RM**	**RM**
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	**–**	–	**137,835,506**	137,496,347
Investment in associate	6	**171,040**	–	**–**	–
Property, plant and equipment	7	**110,934,551**	102,953,105	**138,475**	219,438
Other investment	8	**16,500**	16,500	**–**	–
Goodwill	9	**10,650,327**	10,650,327	**–**	–
		121,772,418	113,619,932	**137,973,981**	137,715,785
CURRENT ASSETS					
Inventories	10	**96,672,515**	80,453,447	**–**	–
Trade receivables	11	**79,567,756**	83,501,184	**–**	–
Other receivables, deposits and prepayments	12	**3,561,929**	4,831,468	**–**	–
Amount owing by subsidiaries	13	**–**	–	**6,572,951**	6,494,000
Current tax assets		**3,437,336**	3,072,042	**280,168**	286,118
Derivative assets	14	**3,835,850**	–	**–**	–
Fixed deposits with licensed bank	15	**22,257**	21,696	**–**	–
Cash and bank balances		**85,436,761**	61,573,960	**49,308,922**	2,518,888
		272,534,404	233,453,797	**56,162,041**	9,299,006
TOTAL ASSETS		**394,306,822**	347,073,729	**194,136,022**	147,014,791

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

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2017
cont'd

		THE GROUP		THE COMPANY	
	NOTE	2017 RM	2016 RM	2017 RM	2016 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	**176,815,544**	124,406,849	**176,815,544**	124,406,849
Reserves	17	**113,242,650**	100,218,067	**6,775,860**	9,918,083
Equity attributable to owners of the Company		**290,058,194**	224,624,916	**183,591,404**	134,324,932
Non-controlling interests		**54,240**	(364,640)	**–**	–
TOTAL EQUITY		**290,112,434**	224,260,276	**183,591,404**	134,324,932
NON-CURRENT LIABILITIES					
Long-term borrowings	18	**2,488,870**	4,425,897	**–**	1,318,454
Retirement benefits	19	**377,000**	344,000	**–**	–
Deferred tax liabilities	20	**8,227,256**	8,859,611	**42,000**	78,000
		11,093,126	13,629,508	**42,000**	1,396,454
CURRENT LIABILITIES					
Trade payables	21	**30,562,136**	25,671,743	**–**	–
Other payables and accruals	22	**15,519,481**	18,087,240	**629,741**	510,257
Amount owing to directors	23	**162,261**	147,391	**–**	–
Amount owing to shareholders	24	**245,000**	–	**–**	–
Bank overdraft	25	**–**	914,916	**–**	–
Retirement benefits	19	**300,000**	200,001	**–**	–
Current tax liabilities		**691,674**	1,195,668	**–**	–
Derivative liabilities	14	**–**	651,355	**–**	–
Short-term borrowings	26	**41,398,894**	62,315,631	**8,320,524**	10,783,148
Provisions	29	**2,669,463**	–	**–**	–
Dividend payable	30	**1,552,353**	–	**1,552,353**	–
		93,101,262	109,183,945	**10,502,618**	11,293,405
TOTAL LIABILITIES		**104,194,388**	122,813,453	**10,544,618**	12,689,859
TOTAL EQUITY AND LIABILITIES		**394,306,822**	347,073,729	**194,136,022**	147,014,791

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

STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the financial year ended 31 December 2017

		THE GROUP		THE COMPANY	
	NOTE	2017 RM	2016 RM	2017 RM	2016 RM
REVENUE	31	**474,545,311**	441,199,071	**11,380,802**	14,380,646
OTHER OPERATING INCOME		**13,158,939**	8,701,297	**135,419**	8,822
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		**1,856,048**	1,105,608	**–**	–
RAW MATERIALS AND CONSUMABLE USED		**(379,585,946)**	(343,901,653)	**–**	–
EMPLOYEE BENEFITS	32	**(33,811,432)**	(29,022,223)	**(1,177,180)**	(1,060,595)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		**(9,158,237)**	(7,573,460)	**(86,992)**	(92,566)
FINANCE COSTS		**(1,589,718)**	(2,759,931)	**(370,260)**	(449,532)
OTHER OPERATING EXPENSES		**(31,833,180)**	(20,957,444)	**(461,940)**	(645,020)
PROFIT BEFORE TAX	33	**33,581,785**	46,791,265	**9,419,849**	12,141,755
INCOME TAX EXPENSE	34	**(7,752,844)**	(11,348,063)	**36,000**	–
PROFIT AFTER TAX		**25,828,941**	35,443,202	**9,455,849**	12,141,755
OTHER COMPREHENSIVE INCOME Items that may be reclassified subsequently to profit or loss					
Foreign exchange translation differences		**(32,406)**	143,673	**–**	–
		(32,406)	143,673	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**25,796,535**	35,586,875	**9,455,849**	12,141,755

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the financial year ended 31 December 2017 cont'd

		THE GROUP		THE COMPANY	
		2017	**2016**	**2017**	**2016**
	NOTE	**RM**	**RM**	**RM**	**RM**
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		**25,655,061**	35,593,437	**9,455,849**	12,141,755
Non-controlling interests		**173,880**	(150,235)	**–**	–
		25,828,941	35,443,202	**9,455,849**	12,141,755
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**25,622,655**	35,737,110	**9,455,849**	12,141,755
Non-controlling interests		**173,880**	(150,235)	**–**	–
		25,796,535	35,586,875	**9,455,849**	12,141,755
EARNINGS PER SHARE (SEN)					
- basic	35	**8.26**	14.31		
- diluted	35	**8.26**	13.94		

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

STATEMENTS OF
CHANGES IN EQUITY
for the financial year ended 31 December 2017

		← NON-DISTRIBUTABLE →				DISTRIBUTABLE			
THE GROUP	**NOTE**	**Share Capital RM**	**Share Premium RM**	**Foreign Exchange Translation Reserve RM**	**Warrants Reserve RM**	**Retained Profits RM**	**Attributable to Owner of the Company RM**	**Non-Controlling Interest ("NCI") RM**	**Total Equity RM**
Balance at 1.1.2016		93,305,333	5,528,136	(602,592)	5,232,757	91,414,945	194,878,579	(2,472,965)	192,405,614
Profit after tax for the financial year		–	–	–	–	35,593,437	35,593,437	(150,235)	35,443,202
Other comprehensive income for the financial year									
- Foreign exchange translation differences		–	–	143,673	–	–	143,673	–	143,673
Total comprehensive income for the financial year		–	–	143,673	–	35,593,437	35,737,110	(150,235)	35,586,875
Contribution by and distribution to owners of the Company									
- Issuance of bonus shares		31,101,516	(5,528,136)	–	–	(25,573,380)	–	–	–
- Dividends	36	–	–	–	–	(3,732,213)	(3,732,213)	–	(3,732,213)
- Effects of change in NCI		–	–	–	–	(2,258,560)	(2,258,560)	2,258,560	–
Total transaction with owners		31,101,516	(5,528,136)	–	–	(31,564,153)	(5,990,773)	2,258,560	(3,732,213)
Balance at 31.12.2016		124,406,849	–	(458,919)	5,232,757	95,444,229	224,624,916	(364,640)	224,260,276

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2017
cont'd

THE GROUP	NOTE	Share Capital RM	NON-DISTRIBUTABLE Foreign Exchange Translation Reserve RM	NON-DISTRIBUTABLE Warrants Reserve RM	DISTRIBUTABLE Retained Profits RM	Attributable to Owner of the Company RM	Non-Controlling Interest ("NCI") RM	Total Equity RM
Balance at 31.12.2016/1.1.2017		**124,406,849**	**(458,919)**	**5,232,757**	**95,444,229**	**224,624,916**	**(364,640)**	**224,260,276**
Profit after tax for the financial year		–	–	–	25,655,061	25,655,061	173,880	25,828,941
Acquisition of new subsidiary by NCI		–	–	–	–	–	245,000	245,000
Other comprehensive income for the financial year								
- Foreign exchange translation differences		–	(32,406)	–	–	(32,406)	–	(32,406)
Total comprehensive income for the financial year		–	(32,406)	–	25,655,061	25,622,655	418,880	26,041,535
Contribution by and distribution to owners of the Company								
- Issuance of shares upon exercise warrants		52,408,695	–	–	–	52,408,695	–	52,408,695
- Dividends	36	–	–	–	(12,598,072)	(12,598,072)	–	(12,598,072)
- Transfer of reserves upon expiry of warrants		–	–	(5,232,757)	5,232,757	–	–	–
Total transaction with owners		52,408,695	–	(5,232,757)	(7,365,315)	39,810,623	–	39,810,623
Balance at 31.12.2017		**176,815,544**	**(491,325)**	**–**	**113,733,975**	**290,058,194**	**54,240**	**290,112,434**

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2017
cont'd

			NON-DISTRIBUTABLE		DISTRIBUTABLE	
THE COMPANY	**NOTE**	**Share Capital RM**	**Share Premium RM**	**Warrants Reserve RM**	**Retained Profits RM**	**Total Equity RM**
Balance at 1.1.2016		93,305,333	5,528,136	5,232,757	21,849,164	125,915,390
Profit after tax and total comprehensive income for the financial year		–	–	–	12,141,755	12,141,755
Distribution to owners of the Company						
- Issuance of bonus shares		31,101,516	(5,528,136)	–	(25,573,380)	–
- Dividends	36	–	–	–	(3,732,213)	(3,732,213)
Balance at 31.12.2016/1.1.2017		**124,406,849**	**–**	**5,232,757**	**4,685,326**	**134,324,932**
Profit after tax and total comprehensive income for the financial year		**–**	**–**	**–**	**9,455,849**	**9,455,849**
Contribution by and distribution to owners of the Company						
- Issuance of shares upon exercise of warrants		**52,408,695**	**–**	**–**	**–**	**52,408,695**
- Dividends	36	**–**	**–**	**–**	**(12,598,072)**	**(12,598,072)**
- Transfer of reserves upon expiry of warrants		**–**	**–**	**(5,232,757)**	**5,232,757**	**–**
Balance at 31.12.2017		**176,815,544**	**–**	**–**	**6,775,860**	**183,591,404**

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2017

		THE GROUP		THE COMPANY	
	NOTE	2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		**33,581,785**	46,791,265	**9,419,849**	12,141,755
Adjustments for:-					
Impairment losses on trade receivables	11	**8,412,910**	93,666	**–**	–
Dividends income		**–**	–	**(10,970,802)**	(14,000,646)
Depreciation of property, plant and equipment		**9,158,237**	7,573,460	**86,992**	92,566
Gain on disposal of property, plant and equipment		**(268,404)**	(210,555)	**–**	–
Unrealised (gain)/loss on foreign exchange		**(723,068)**	1,781,950	**–**	–
(Gain)/Loss on fair value changes on financial instruments		**(4,487,205)**	671,855	**–**	–
Inventories written off		**986,475**	–	**–**	–
Inventories written down		**206,938**	–	**–**	–
Interest expense		**1,589,718**	2,759,931	**370,260**	449,532
Interest income		**(620,077)**	(342,903)	**(135,419)**	(8,822)
Provision for retirement benefits	19	**145,215**	93,234	**–**	–
Reversal of impairment losses on trade receivables	11	**(117,361)**	(62,802)	**–**	–
Reversal of inventories previously written down	10	**–**	(144,314)	**–**	–
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**47,865,163**	59,004,787	**(1,229,120)**	(1,325,615)
(Increase)/Decrease in inventories		**(17,412,481)**	50,321,905	**–**	–
Increase in trade and other receivables		**(5,506,145)**	(3,579,579)	**–**	–
Increase in amount owing by subsidiaries		**–**	–	**(78,951)**	(1,170,000)
Increase/(Decrease) in trade and other payables		**5,616,819**	(10,884,021)	**119,484**	(58,272)
Increase/(Decrease) in amount owing to directors		**14,870**	(1,039,716)	**–**	–
CASH FROM/(FOR) OPERATIONS		**30,578,226**	93,823,376	**(1,188,587)**	(2,553,887)
Interest received		**620,077**	342,903	**135,419**	8,822
Interest paid		**(1,589,718)**	(2,759,931)	**(370,260)**	(449,532)
Income tax paid		**(11,020,639)**	(9,752,450)	**(30,050)**	(31,050)
Income tax refund		**1,766,152**	303,985	**36,000**	36,000
Retirement benefits paid		**(12,216)**	(5,233)	**–**	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**20,341,882**	81,952,650	**(1,417,478)**	(2,989,647)

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

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2017
cont'd

	NOTE	THE GROUP 2017 RM	THE GROUP 2016 RM	THE COMPANY 2017 RM	THE COMPANY 2016 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		**–**	–	**10,970,802**	14,000,646
Acquisition of associate		**(171,040)**	–	**–**	–
Placement of bank balance earmarked		**–**	(1,762)	**–**	–
Proceeds from disposal of property, plant and equipment		**321,687**	311,774	**–**	–
Purchase of property, plant and equipment	37	**(17,160,032)**	(10,401,714)	**(6,029)**	–
Additional investment in an existing subsidiary	5	**–**	–	**–**	(4,000,000)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(17,009,385)**	(10,091,702)	**10,964,773**	10,000,646
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		**(11,045,719)**	(3,732,213)	**(11,045,719)**	(3,732,213)
(Repayment)/Drawdown of bill payables		**(1,372,519)**	1,667,685	**–**	–
(Repayment)/Drawdown of bankers' acceptance		**(3,933,000)**	778,000	**–**	–
Drawdown of foreign currency trust receipts		**85,691,411**	50,341,893	**–**	–
Repayment of foreign currency trust receipts		**(85,793,326)**	(115,786,167)	**–**	–
Drawdown of revolving credit		**17,002,798**	33,012,954	**17,002,798**	13,350,000
Repayment of revolving credit		**(29,872,108)**	(8,000,849)	**(19,350,000)**	(8,000,849)
Repayment of hire purchase obligations		**(117,602)**	(1,909,921)	**–**	–
Repayment of term loans		**(1,980,443)**	(1,950,672)	**(1,433,876)**	(1,434,252)
Advance to a subsidiary		**–**	–	**–**	(4,334,000)
Repayment to subsidiaries		**–**	–	**–**	(629,550)
Advances from shareholders		**245,000**	–	**–**	–
Proceeds from issuance of shares upon exercise of warrants		**52,408,695**	–	**52,408,695**	–
Proceeds from issuance of shares by subsidiary to non-controlling interest		**245,000**	–	**–**	–
Contribution granted from holding company		**–**	–	**(339,159)**	–
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**21,478,187**	(45,579,290)	**37,242,739**	(4,780,864)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**24,810,684**	26,281,658	**46,790,034**	2,230,135
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**(32,406)**	143,673	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**60,671,753**	34,246,422	**2,518,888**	288,753
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37	**85,450,031**	60,671,753	**49,308,922**	2,518,888

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

NOTES TO THE
FINANCIAL STATEMENTS
for the financial year ended 31 December 2017

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in 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 11 April 2018.

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.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)
Amendments to MFRS 107 : Disclosure Initiative
Amendments to MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 - 2016 Cycles:
- Amendments to MFRS 12 : Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (including the Consequential Amendments)			Effective Date
MFRS 9	:	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15	:	Revenue from Contracts with Customers	1 January 2018
MFRS 16	:	Leases	1 January 2019
MFRS 17	:	Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration			1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments			1 January 2019
Amendments to MFRS 2	:	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	:	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9	:	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15	:	Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15	:	Clarification to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119	:	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	:	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140	:	Transfer of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 - 2016 Cycles:			
• Amendments to MFRS 1	:	Deletion of Short-term Exemptions for First-time Adopters	1 January 2018
• Amendments to MFRS 128	:	Measuring an Associate or Joint Ventures at Fair Value	
Annual Improvements to MFRS Standards 2015 - 2017 Cycles			1 January 2019

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:- (Cont'd)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The initial application of MFRS 9 is not expected to have any material impact to the financial statements of the Group and the Company for the current financial year and prior periods as the Group and the Company will apply the standard retrospectively from 1 January 2018 with the practical expedients permitted under the standard, and that the comparatives (i.e. current period financial information) will not be restated.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial 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. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) 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 expense and deferred tax balances in the year in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM691,674 (2016: RM1,195,668).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require management to consider the future demand for the products, technical assessment and subsequent events. 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 2 years (food and beverage segment) and 3 years (tin manufacturing segment) respectively. The percentages are derived based on the past historical movement trend of the inventories and judgement of the directors and management.

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

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. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(d) Impairment of Trade Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its trade receivables and analyses their ageing profile, 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 flows 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. The carrying amount of trade receivables as at the reporting date is disclosed in Note 11 to the financial statements.

(e) 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 impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The carrying amount of available-for-sales equity investments as at the reporting date is disclosed in Note 8 to the financial statements.

(f) 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 flows 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 flows. The future cash flows 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. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires 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.

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company 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.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

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 of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognised any gain or loss on disposal in profit or loss which 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.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). 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 MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. 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.

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 in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Functional and Foreign Currencies

(a) 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.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange 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.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

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 except for those business combinations that occurred before the date of transition (1 January 2011) which are treated as assets and liabilities of the Company and are not retranslated.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operations and are recognised in other comprehensive income.

4.5 Financial Instruments

Financial assets and financial liabilities 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 financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

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

(a) 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.

(i) 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 Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity investments

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

(iii) 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.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iv) 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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

(i) Financial liabilities at 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.

(ii) Other financial liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017 cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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

(d) Derivatives Financial Instruments

Derivatives financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is categorised as at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the host contract.

(e) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments

(a) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(b) Investment in Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

(c) Transferable Golf Club Membership

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

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 flow 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 property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a 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%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment

(a) 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 flows of the asset.

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 flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and 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, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Leased Assets

(a) Finance Assets

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis (tin manufacturing segment) and weighted average cost (food and beverage segment) method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes the cost of materials, labour and an appropriate proportion of production overheads. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

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

4.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits 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 with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft.

4.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow 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 reflect 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. The unwinding of the discount is recognised as interest expense in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) 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.

(c) Defined Benefit Plans

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

4.14 Income Taxes

(a) Current Tax

Current tax assets and liabilities are expected amount of income taxes recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for temporary differences other than those that arise 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 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 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 the related tax benefits will be realised.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Income Taxes (Cont'd)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or 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 taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

4.15 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 outflow 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, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.16 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.

4.17 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise warrants.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.20 Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable, net of returns, goods and services tax, cash and trade discounts.

(a) Sales of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Dividend Income

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

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(e) Management Fee

Management fee is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017 cont'd

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2017 RM	THE COMPANY 2016 RM
Unquoted shares, at cost		
At 1 January	**103,517,850**	99,517,850
Addition during the financial year	**–**	4,000,000
At 31 December	**103,517,850**	103,517,850
Contributions to subsidiaries:-		
At 1 January	**33,978,497**	33,978,497
Addition during the financial year	**339,159**	–
At 31 December	**34,317,656**	33,978,497
	137,835,506	137,496,347

Contributions to subsidiaries represent advances of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts, in substance, form part of the Company's net investment in the subsidiaries. The contributions are stated at cost less accumulated impairment losses, if any.

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent (%) 2017	2016	Principal Activities
Subsidiaries of the Company				
Johore Tin Factory Sendirian Berhad ("JTFSB")	Malaysia	**100**	100	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd. ("UISB")	Malaysia	**100**	100	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	Malaysia	**100**	100	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd. ("ADSB")	Malaysia	**100**	100	Manufacturing and selling of milk and other related dairy products
Able Food Sdn. Bhd.	Malaysia	**96**	96	Trading of milk and other related dairy products
Subsidiaries of ADSB				
Able Dairies Marketing Sdn. Bhd.	Malaysia	**51**	–	Wholesale of dairy products
Subsidiaries of JTFSB				
PT Medan Johor Tin *	Indonesia	**100**	100	Dormant

* This subsidiary is audited by other firm of chartered accountants.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

5. INVESTMENTS IN SUBSIDIARIES

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	EFFECTIVE EQUITY INTEREST		THE GROUP	
	2017	**2016**	**2017**	**2016**
	%	**%**	**RM**	**RM**
Able Food Sdn. Bhd.	**4**	4	**(314,084)**	(364,640)
Able Dairies Marketing Sdn. Bhd.	**49**	–	**368,324**	–
			54,240	(364,640)

(b) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	ABLE FOOD SDN. BHD.	
	2017	**2016**
	RM	**RM**
<u>At 31 December</u>		
Non-current assets	**648,411**	670,038
Current assets	**50,386,035**	61,918,664
Current liabilities	**(58,886,542)**	(71,704,695)
Net liabilities	**(7,852,096)**	(9,115,993)
<u>Financial year ended 31 December</u>		
Revenue	**139,479,778**	134,907,617
Profit/(Loss) after tax and total comprehensive income/(expense) for the financial year	**1,263,897**	(751,175)
Total comprehensive income/(expense) attributable to non-controlling interests	**50,556**	(30,047)
Net cash flows from operating activities	**19,970,791**	52,552,338
Net cash flows for investing activities	**(65,753)**	(141,133)
Net cash flows for financing activities	**(12,955,754)**	(57,054,973)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017 cont'd

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:- (Cont'd)

	ABLE DAIRIES MARKETING SDN. BHD. 2017 RM
At 31 December	
Non-current assets	59,007
Current assets	10,006,895
Current liabilities	(9,309,220)
Net assets	756,682
Financial period ended 31 December	
Revenue	10,731,866
Profit after tax and total comprehensive income for the financial period	251,682
Total comprehensive income attributable to non-controlling interest	123,324
Net cash flows from operating activities	1,187,675
Net cash flows for investing activity	(64,296)
Net cash flows from financing activity	500,000

6. INVESTMENTS IN ASSOCIATES

	THE GROUP 2017 RM	2016 RM
Unquoted shares, at cost	171,040	–

Name of Associate	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2017 %	2016 %	Principal Activities
Able Dairies Mexico	Mexico	40	–	Wholesale of dairy products

Summarised financial information has not been presented as the associate is not individually material to the Group. The associate was newly incorporated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP 2017	At 1.1.2017 RM	Additions (Note 37) RM	Reclassification RM	Disposal RM	Depreciation Charges RM	At 31.12.2017 RM
Carrying amount						
Freehold land	**15,430,213**	**6,843,143**	**(445,200)**	**–**	**–**	**21,828,156**
Leasehold land	**46,154**	**–**	**–**	**–**	**(1,539)**	**44,615**
Factory buildings	**41,530,819**	**407,636**	**(1,869,435)**	**–**	**(896,581)**	**39,172,439**
Plant and machinery	**38,700,927**	**7,159,940**	**2,314,635**	**(1,050)**	**(6,518,594)**	**41,655,858**
Moulds, tools and factory equipment	**1,457,349**	**53,093**	**–**	**–**	**(329,095)**	**1,181,347**
Electrical installations and substation	**1,278,417**	**71,920**	**–**	**–**	**(261,639)**	**1,088,698**
Motor vehicles	**1,174,613**	**361,698**	**–**	**(52,233)**	**(510,455)**	**973,623**
Office equipment, furniture and fittings	**1,322,687**	**183,963**	**–**	**–**	**(281,027)**	**1,225,623**
Renovation	**2,011,926**	**618,973**	**–**	**–**	**(359,307)**	**2,271,592**
Capital work-in-progress	**–**	**1,492,600**	**–**	**–**	**–**	**1,492,600**
	102,953,105	**17,192,966**	**–**	**(53,283)**	**(9,158,237)**	**110,934,551**

THE GROUP 2016	At 1.1.2016 RM	Additions (Note 37) RM	Reclassification RM	Disposal RM	Depreciation Charges RM	At 31.12.2016 RM
Carrying amount						
Freehold land	15,238,983	191,230	–	–	–	15,430,213
Leasehold land	47,693	–	–	–	(1,539)	46,154
Factory buildings	17,230,823	1,180,551	23,665,348	–	(545,903)	41,530,819
Plant and machinery	31,319,410	7,232,580	5,482,768	(5,333)	(5,328,498)	38,700,927
Moulds, tools and factory equipment	1,717,157	71,196	–	–	(331,004)	1,457,349
Electrical installations and substation	1,550,209	17,508	–	–	(289,300)	1,278,417
Motor vehicles	907,865	836,394	–	(95,885)	(473,761)	1,174,613
Office equipment, furniture and fittings	1,424,345	210,289	–	–	(311,947)	1,322,687
Renovation	1,641,468	661,966	–	–	(291,508)	2,011,926
Building in progress	23,665,348	–	(23,665,348)	–	–	–
Machinery in progress	5,482,768	–	(5,482,768)	–	–	–
	100,226,069	10,401,714	–	(101,218)	(7,573,460)	102,953,105

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

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

THE GROUP 2017	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Carrying Amount RM
Freehold land	**21,828,156**	**–**	**–**	**21,828,156**
Leasehold land	**76,930**	**(32,315)**	**–**	**44,615**
Factory buildings	**44,505,274**	**(5,332,835)**	**–**	**39,172,439**
Plant and machinery	**105,555,109**	**(62,481,496)**	**(1,417,755)**	**41,655,858**
Moulds, tools and factory equipment	**6,175,534**	**(4,994,187)**	**–**	**1,181,347**
Electrical installations and substation	**3,432,337**	**(2,343,639)**	**–**	**1,088,698**
Motor vehicles	**3,695,692**	**(2,722,069)**	**–**	**973,623**
Office equipment, furniture and fittings	**3,751,097**	**(2,525,474)**	**–**	**1,225,623**
Renovation	**4,521,381**	**(2,249,789)**	**–**	**2,271,592**
Capital work-in-progress	**1,492,600**	**–**	**–**	**1,492,600**
	195,034,110	**(82,681,804)**	**(1,417,755)**	**110,934,551**

THE GROUP 2016	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Carrying Amount RM
Freehold land	15,430,213	–	–	15,430,213
Leasehold land	76,930	(30,776)	–	46,154
Factory buildings	45,967,073	(4,436,254)	–	41,530,819
Plant and machinery	97,239,702	(57,121,020)	(1,417,755)	38,700,927
Moulds, tools and factory equipment	6,122,441	(4,665,092)	–	1,457,349
Electrical installations and substation	3,360,417	(2,082,000)	–	1,278,417
Motor vehicles	3,850,293	(2,675,680)	–	1,174,613
Office equipment, furniture and fittings	3,567,134	(2,244,447)	–	1,322,687
Renovation	3,902,408	(1,890,482)	–	2,011,926
	179,516,611	(75,145,751)	(1,417,755)	102,953,105

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

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

THE COMPANY 2017	At 1.1.2017 RM	Additions RM	Depreciation Charges RM	At 31.12.2017 RM
Carrying amount				
Office equipment, furniture and fittings	**219,438**	**6,029**	**(86,992)**	**138,475**

THE COMPANY 2016	At 1.1.2016 RM	Depreciation Charges RM	At 31.12.2016 RM
Carrying amount			
Office equipment, furniture and fittings	312,004	(92,566)	219,438

THE COMPANY	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2017			
Office equipment, furniture and fittings	**584,643**	**(446,168)**	**138,475**
2016			
Office equipment, furniture and fittings	578,614	(359,176)	219,438

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

	THE GROUP 2017 RM	2016 RM
Motor vehicles	**98,556**	213,774

The carrying amount of property, plant and equipment pledged as securities for banking facilities are as follows:-

	THE GROUP 2017 RM	2016 RM
Factory building	**5,537,142**	5,675,364

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

8. OTHER INVESTMENT

	THE GROUP	
	2017	**2016**
	RM	**RM**
Transferable golf club membership, at cost	**16,500**	16,500

Other investment of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the investment.

9. GOODWILL

	THE GROUP	
	2017	**2016**
	RM	**RM**
At cost		
At 1 January/31 December	**10,650,327**	10,650,327

(a) The carrying amounts of goodwill allocated to cash-generating unit as follows:-

	THE GROUP	
	2017	**2016**
	RM	**RM**
Food and beverage	**10,650,327**	10,650,327

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no 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 flows from cash-generating unit 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	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	%	**%**	**%**	**%**	**%**	**%**
Food and beverage	**16**	19	**–**	–	**8**	8

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

9. GOODWILL (CONT'D)

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no 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 flows from cash-generating unit 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:- (Cont'd)

(i) Budgeted gross margin - Average gross margin achieved in 3 financial years immediately before the budgeted period

(ii) Growth rate - Assume no growth for the subsequent 5 years

(iii) Discount rate (pre-tax) - Reflects specific risks relating to the relevant cash-generating unit

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external source and internal historical data.

(c) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to be exceeded its recoverable amount.

10. INVENTORIES

	THE GROUP	
	2017	**2016**
	RM	**RM**
At cost:-		
Raw materials	**52,920,250**	47,736,450
Work-in-progress	**13,059,211**	12,486,621
Finished goods	**10,594,045**	7,372,040
Goods-in-transit	**19,900,822**	12,858,336
	96,474,328	80,453,447
At net realisable value:-		
Raw materials	**99,298**	–
Work-in-progress	**98,780**	–
Finished goods	**109**	–
	96,672,515	80,453,447
Recognised in profit or loss:-		
Inventories recognised as cost of sales	**405,041,349**	367,037,968
Amount written down to net realisable value	**206,938**	–
Reversal of inventories previously written-down	**–**	(144,314)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

11. TRADE RECEIVABLES

	THE GROUP	
	2017	**2016**
	RM	**RM**
Trade receivables:-		
Third parties	**86,549,970**	84,924,672
Related party	**2,902,313**	1,811,699
	89,452,283	86,736,371
Impairment losses on receivables	**(9,884,527)**	(3,235,187)
	79,567,756	83,501,184
Impairment losses on receivables:-		
At 1 January	**3,235,187**	3,204,323
Addition during the financial year	**8,412,910**	93,666
Written off during the financial year	**(1,646,209)**	–
Reversal during the financial year	**(117,361)**	(62,802)
At 31 December	**9,884,527**	3,235,187

Amount owing by a related party is unsecured, interest-free and repayable on demand.

The Group's normal trade terms range from cash term to 120 days credit (2016: 30 to 120 days credit). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP	
	2017	**2016**
	RM	**RM**
Other receivables:-		
Third parties	**77,881**	101,026
Related party	**8,060**	159,847
Goods and services tax recoverable	**1,683,678**	795,470
	1,769,619	1,056,343
Deposits	**1,468,907**	3,593,314
Prepayments	**323,403**	181,811
	3,561,929	4,831,468

The amount owing by a related party is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

13. AMOUNT OWING BY SUBSIDIARIES

	THE COMPANY	
	2017	**2016**
	RM	**RM**
Current		
Trade balance	**2,238,951**	2,160,000
Non-trade balance	**4,334,000**	4,334,000
	6,572,951	6,494,000

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

14. DERIVATIVE ASSETS/(LIABILITIES)

	THE GROUP		
2017	**Contract/ Notional Amount RM**	**Derivative Assets RM**	**Derivative Liabilities RM**
Forward foreign exchange contracts	**73,058,197**	**3,835,850**	**–**
2016			
Forward foreign exchange contracts	56,600,074	–	(651,355)

The Group does not apply hedge accounting.

The Group uses forward foreign exchange contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The settlement dates on forward foreign exchange contracts range between 1 to 12 (2016: 2 to 10) months after the end of the reporting period.

15. FIXED DEPOSITS WITH LICENSED BANK

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.33% to 2.58% (2016: 2.33% to 3.24%) per annum. The fixed deposits have maturity period ranging from 1 to 12 months (2016: 1 to 12 months) for the Group.

NOTES TO THE FINANCIAL STATEMENTS
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16. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2017 Number of shares	**2016 Number of shares**	**2017 RM**	**2016 RM**
Authorised				
At 1 January				
Ordinary shares of RM1.00 each	**N/A**	200,000,000	**N/A**	200,000,000
Subdivided to RM0.50 each	**N/A**	200,000,000	**N/A**	–
At 31 December	**N/A**	400,000,000	**N/A**	200,000,000

N/A Not applicable pursuant to Companies Act 2016 which came into operation on 31 January 2017 as disclosed in item (b) below.

	2017 Number of shares	**2016 Number of shares**	**2017 RM**	**2016 RM**
Issued And Fully Paid-Up Ordinary shares with no par value (2016: par value of RM1.00 each)				
At 1 January	**248,813,698**	93,305,333	**124,406,849**	93,305,333
Subdivided to RM0.50 each	**–**	93,305,333	**–**	–
Bonus issued	**–**	62,203,032	**–**	31,101,516
Issuance of new shares upon warrants exercised	**61,657,288**	–	**52,408,695**	–
At 31 December	**310,470,986**	248,813,698	**176,815,544**	124,406,849

(a) the holder of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company; and

(b) on 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016.

17. RESERVES

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries.

(b) Warrants Reserve

The Warrants reserves arose from the allocation of proceeds from the issuance of Warrants by reference to the fair value of the Warrants and net of expenses incurred in relation to the rights issue in the previous financial year.

On 19 September 2016, a total of 38,876,899 free Warrants have been issued pursuant to the share split and bonus issue. The Warrants were granted listing and quotation on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2016.

There were adjustments of exercise price from RM2.28 per Warrant to RM0.85 per Warrant after completion of share split and bonus issue.

The main features of the Warrants are as follows:-

(i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll as disclosed in the Director's Report.
(ii) The exercise price of each Warrant has been fixed at RM0.85 (2016: RM0.85), subject to adjustments under circumstances in accordance with the provision of the Deed Poll.
(iii) The exercise period shall commence from the date of issue of the Warrants and will expire on 24 November 2017, 5.00pm. Any Warrant which has not been exercised will lapse and cease thereafter to be valid for any purpose.
(iv) The new ordinary shares of RM0.85 (2016: RM0.85) each pursuant to the exercise of the Warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company.

61,657,288 Warrants were exercised and 545,944 Warrants were lapsed during the financial year. As at 31 December 2017, no Warrants remain unexercised as they were expired on 24 November 2017.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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18. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Hire purchase payables (Note 27)	**36,484**	80,803	**–**	–
Term loans (Note 28)	**2,452,386**	4,345,094	**–**	1,318,454
	2,488,870	4,425,897	**–**	1,318,454

19. RETIREMENT BENEFITS

	THE GROUP	
	2017	**2016**
	RM	**RM**
At 1 January	**544,001**	456,000
Addition during the financial year (Note 32)	**145,215**	93,234
Paid during the financial year	**(12,216)**	(5,233)
At 31 December	**677,000**	544,001
Current	**300,000**	200,001
Non-current	**377,000**	344,000
	677,000	544,001

Retirement benefits represent the Group's obligation in respect of a non-contributory unfunded retirement benefit plan to unionised workers and a Director. 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	
	2017	**2016**
Discount rate	**4.38%**	4.79%
Annual salary increment per worker	**RM104**	RM91

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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20. DEFERRED TAX LIABILITIES

THE GROUP 2017	At 1.1.2017 RM	Recognised in Profit or Loss (Note 34) RM	At 31.12.2017 RM
Deferred Tax Liabilities			
Property, plant and equipment	**6,932,913**	**600,235**	**7,533,148**
Unrealised foreign exchange loss	**2,220,054**	**(1,240,444)**	**979,610**
Loss on fair value change on financial instruments	**106,046**	**834,267**	**940,313**
	9,259,013	**194,058**	**9,453,071**
Deferred Tax Assets			
Impairment losses on trade receivables	**(69,680)**	**(46,095)**	**(115,775)**
Provisions	**(329,722)**	**(780,318)**	**(1,110,040)**
	(399,402)	**(826,413)**	**(1,225,815)**
	8,859,611	**(632,355)**	**8,227,256**

THE GROUP 2016	At 1.1.2016 RM	Recognised in Profit or Loss (Note 34) RM	At 31.12.2016 RM
Deferred Tax Liabilities			
Property, plant and equipment	4,810,977	2,121,936	6,932,913
Unrealised foreign exchange loss	1,434,194	785,860	2,220,054
Loss on fair value change on financial instruments	44,465	61,581	106,046
	6,289,636	2,969,377	9,259,013
Deferred Tax Assets			
Impairment losses on trade receivables	(48,400)	(21,280)	(69,680)
Provisions	(396,491)	66,769	(329,722)
Unrealised foreign exchange gain	12,400	(12,400)	–
	(432,491)	33,089	(399,402)
	5,857,145	3,002,466	8,859,611

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

20. DEFERRED TAX LIABILITIES (CONT'D)

THE COMPANY 2017	At 1.1.2017 RM	Recognised in Profit or Loss (Note 34) RM	At 31.12.2017 RM
Deferred Tax Liability			
Property, plant and equipment	**78,000**	**(36,000)**	**42,000**

THE COMPANY 2016	At 1.1.2016 RM	Recognised in Profit or Loss (Note 34) RM	At 31.12.2016 RM
Deferred Tax Liability			
Property, plant and equipment	78,000	–	78,000

At the end of the reporting period, the Group has unused tax losses and unabsorbed capital allowances (stated at gross) of approximately RM9,194,000 (2016: RM5,092,000) and RM348,000 (2016: RM631,000) respectively that are available for offset against future taxable profits of the subsidiaries in which the losses arose. The unused tax losses and unabsorbed capital allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

No deferred tax assets (stated at gross) of approximately RM646,000 (2016: RM534,000) are recognised as it is not probable that taxable profits of the Company and subsidiary will be available against which the deductible temporary differences can be utilised.

21. TRADE PAYABLES

	THE GROUP	
	2017 RM	**2016 RM**
Trade payables:-		
Third parties	**30,426,590**	25,554,161
Related party	**135,546**	117,582
	30,562,136	25,671,743

The Group's normal trade terms granted to the company range from cash term to 90 days credit (2016: 30 to 120 days credit).

The amount owing to related party is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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22. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other payables:-				
Third parties	**4,800,321**	4,620,036	**89,476**	26,284
Related party	**92,282**	8,391	**–**	–
Goods and services tax payable	**352,437**	519,888	**–**	–
	5,245,040	5,148,315	**89,476**	26,284
Deposits received	**2,891,047**	6,034,018	**–**	–
Accrued expenses	**1,899,525**	2,089,366	**415,500**	367,667
Payroll liabilities	**5,483,869**	4,815,541	**124,765**	116,306
	15,519,481	18,087,240	**629,741**	510,257

(a) The amount owing to related party is unsecured, interest-free and repayable on demand.

(b) Included in sundry payables of the Group is an amount of RM32,934 (2016: Nil) payable for the purchase of property, plant and equipment (Note 37).

23. AMOUNT OWING TO DIRECTORS

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

24. AMOUNT OWING TO SHAREHOLDERS

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

25. BANK OVERDRAFT (SECURED)

(a) In the previous financial year, the bank overdraft of the Group are secured by corporate guarantee from the Company.

(b) The bank overdraft of the Group at the end of the previous reporting period bore floating interest rates of 7.81% per annum.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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26. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Bankers' acceptance	**–**	3,933,000	**–**	–
Bill payables	**841,870**	2,214,389	**–**	–
Foreign currency trust receipts	**22,860,740**	24,586,368	**–**	–
Revolving credit	**15,767,097**	29,491,669	**7,002,798**	9,350,000
Hire purchase payables (Note 27)	**39,159**	112,442	**–**	–
Term loans (Note 28)	**1,890,028**	1,977,763	**1,317,726**	1,433,148
	41,398,894	62,315,631	**8,320,524**	10,783,148

Bankers' acceptance, bill payables, foreign currency trust receipts and revolving credit are drawn for period ranging from 30 days to 248 days (2016: 30 days to 183 days) and bore interest rates ranging from 1.20% to 5.52% (2016: 1.20% to 5.19%) per annum.

Bankers' acceptance, bill payables, foreign currency trust receipts, revolving credit and term loans are secured by way of:-

(a) First party legal charges over factory building of the Group as disclosed in Note 7 to the financial statements; and

(b) Corporate guarantees from the Company.

27. HIRE PURCHASE PAYABLES (SECURED)

	THE GROUP	
	2017	**2016**
	RM	**RM**
Minimum hire purchase payments:-		
- not later than one year	**42,304**	119,880
- later than one year and not later than five years	**37,681**	85,163
	79,985	205,043
Less : Future finance charges	**(4,342)**	(11,798)
Present value of hire purchase payables	**75,643**	193,245
Analysed by:-		
Current liabilities	**39,159**	112,442
Non-current liabilities	**36,484**	80,803
	75,643	193,245

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase as disclosed in Note 7 to the financial statements.

(b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.63% to 6.03% (2016: 4.63% to 6.03%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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28. TERM LOANS (SECURED)

	THE GROUP		THE COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Current				
Not later than one year	**1,890,028**	1,977,763	**1,317,726**	1,433,148
Non-current				
Later than one year and not later than two years	**601,171**	1,890,762	**–**	1,318,454
Later than two years and not later than five years	**1,851,215**	1,897,522	**–**	–
Later than five years	**–**	556,810	**–**	–
	2,452,386	4,345,094	**–**	1,318,454
	4,342,414	6,322,857	**1,317,726**	2,751,602

(a) The term loans are secured by a first party legal charge over the Group's factory building disclosed in Note 7 to the financial statements.

(b) The interest rate profile of the term loans are summarised below:-

	THE GROUP		THE COMPANY	
	2017 %	2016 %	2017 %	2016 %
Floating rate term loans	**4.57 to 4.97**	4.57 to 4.97	**4.57**	4.57

29. PROVISIONS

	THE GROUP	
	2017 RM	2016 RM
Provisions	**2,669,463**	–

On 12 September 2017, the subsidiary, Able Dairies Sdn. Bhd. ("ADSB") entered into an agreement with buyer to trade La Rosee brand sweetened condensed milk. ADSB agreed to reimburse a maximum of 26% of selling price for promote, market, sell, exhibit, distribute, transport and all after sale service of La Rosee brand sweetened condensed milk in Angola by an appointed agent. Subsequently, the provision had been paid on March 2018.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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30. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2017	**2016**
	RM	**RM**
Third interim dividend of 0.5 sen per ordinary share	**1,552,353**	–

31. REVENUE

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Sales of goods	**474,545,311**	441,199,071	**–**	–
Dividend income	**–**	–	**10,970,802**	14,000,646
Management fee income	**–**	–	**410,000**	380,000
	474,545,311	441,199,071	**11,380,802**	14,380,646

32. EMPLOYEE BENEFITS

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits	**30,779,313**	27,112,127	**739,282**	676,550
Contribution to a defined contribution plan	**2,123,404**	1,816,862	**64,398**	60,378
Directors' fee	**763,500**	–	**373,500**	323,667
Addition to a non-contributory unfunded retirement benefit plan (Note 19)	**145,215**	93,234	**–**	–
	33,811,432	29,022,223	**1,177,180**	1,060,595

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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33. PROFIT BEFORE TAX

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Profit before tax is arrived at after charging:-				
Auditors' remuneration:				
- Audit fees				
- current financial year	**190,000**	173,000	**35,000**	33,000
- Non-audit fees				
- current financial year	**5,000**	22,000	**–**	22,000
- underprovision in the previous financial year	**–**	6,000	**–**	6,000
Impairment loss on trade receivables	**8,412,910**	93,666	**–**	–
Incorporation fees	**2,230**	–	**–**	–
Inventories written down	**206,938**	–	**–**	–
Inventories written off	**986,475**	–	**–**	–
Interest expense	**1,589,718**	2,759,931	**370,260**	449,532
Loss on foreign exchange:				
- realised	**1,206,370**	525,214	**–**	–
- unrealised	**4,114,348**	2,379,128	**–**	–
Rental expenses:				
- premises	**187,551**	275,010	**–**	–
- office equipment	**22,196**	11,748	**–**	–
- factory equipment	**566,938**	1,143,096	**–**	–
- lorry	**300**	365,621	**–**	–
Loss on fair value changes on financial instruments	**–**	671,855	**–**	–
And crediting:-				
Gain on disposal of property, plant and equipment	**(268,404)**	(210,555)	**–**	–
Gain on foreign exchange:				
- realised	**(821,262)**	(6,660,561)	**–**	–
- unrealised	**(4,837,416)**	(597,178)	**–**	–
Interest income	**(620,077)**	(342,903)	**(135,419)**	(8,822)
Reversal of impairment losses on trade receivables	**(117,361)**	(62,802)	**–**	–
Reversal of inventories previously written down	**–**	(144,314)	**–**	–
Gain on fair value changes on financial instruments	**(4,487,205)**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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34. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Income tax:				
- current financial year	**6,797,900**	9,374,800	**–**	–
- under/(over)provision in the previous financial year	**1,587,299**	(1,249,181)	**–**	–
	8,385,199	8,125,619	**–**	–
- underprovision of real property gains tax in the previous financial year	**–**	219,978	**–**	–
	8,385,199	8,345,597	**–**	–
Deferred tax (Note 20):				
- origination/(reversal) of temporary differences	**483,000**	2,338,544	**(36,000)**	–
- (over)/underprovision in the previous financial year	**(1,115,355)**	663,922	**–**	–
	(632,355)	3,002,466	**(36,000)**	–
	7,752,844	11,348,063	**(36,000)**	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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34. INCOME TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Profit before tax	**33,581,785**	46,791,265	**9,419,849**	12,141,755
Tax at the statutory tax rate of 24%	**8,059,628**	11,229,903	**2,260,764**	2,914,021
Tax effect of:-				
Non-taxable income	**(187,828)**	(43,105)	**(2,632,992)**	(3,360,155)
Non-deductible expenses	**740,007**	613,940	**224,228**	316,134
Deferred tax assets not recognised during the financial year	**112,000**	276,620	**112,000**	130,000
(Over)/Underprovision in the previous financial year:				
- Income tax	**1,587,299**	(1,249,181)	**–**	–
- Deferred tax	**(1,115,355)**	663,922	**–**	–
- Real property gain tax	**–**	219,978	**–**	–
Tax incentive utilised	**(1,235,907)**	(364,014)	**–**	–
Utilisation of deferred tax assets previously not recognised	**(207,000)**	–	**–**	–
Income tax expense for the financial year	**7,752,844**	11,348,063	**(36,000)**	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

On 21 October 2016, the Government of Malaysia announced the reduction of income tax rate from 24% to a range of 20% to 24% based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment for years of assessment 2017 and 2018.

NOTES TO THE FINANCIAL STATEMENTS
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35. EARNINGS PER SHARE

	THE GROUP	
	2017	**2016**
	RM	**RM**
Profit attribute to owners of the Company	**25,655,061**	35,593,437
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	**248,813,698**	93,305,333
Effect of share split	**–**	93,305,333
Effect of bonus issue	**–**	62,203,032
Effect of warrant exercise	**61,657,288**	–
Weighted average number of ordinary shares at 31 December	**310,470,986**	248,813,698
Basic earnings per ordinary share (sen)	**8.26**	14.31

	THE GROUP	
	2017	**2016**
	RM	**RM**
Profit attribute to owners of the Company	**25,655,061**	35,593,437
Weighted average number of ordinary shares for basic earnings per share	**310,470,986**	248,813,698
Weighted average number of shares deemed to be issued for no consideration:-		
- warrants	**–**	6,487,966
Weighted average number of ordinary shares for diluted earnings per share computation	**310,470,986**	255,301,664
Diluted earnings per ordinary share (sen)	**8.26**	13.94

There is no dilutive effect of the potential ordinary shares convertible under warrants issued since the warrants were expired on 24 November 2017.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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36. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2017	**2016**
	RM	**RM**
Final dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2015	**–**	3,732,213
Final dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2016	**4,099,341**	–
First interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2017	**4,099,341**	–
Second interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2017	**2,847,037**	–
Third interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2017	**1,552,353**	–
	12,598,072	3,732,213

A fourth interim dividend of 1.0 sen per ordinary share amounting to RM3,104,710 in respect of the financial year ended 31 December 2017 was declared on 1 March 2018 and subsequently paid on 29 March 2018. The payment made to shareholders whose name appeared in the Company's Record Depositors on 16 March 2018. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2018.

37. CASH FLOW INFORMATION

(a) The cash distributed for the purpose of property, plant and equipment is as follows:-

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Cost of property, plant and equipment purchased	**17,192,966**	10,401,714	**6,029**	–
Unpaid balance included in sundry payables (Note 22)	**(32,934)**	–	**–**	–
Cash disbursed for purchase of property, plant and equipment	**17,160,032**	10,401,714	**6,029**	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
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37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

THE GROUP 2017	**Bankers' acceptance RM**	**Foreign currency trust receipts RM**	**Bill payables RM**	**Revolving credit RM**	**Hire purchase payables RM**	**Term loans RM**	**Total RM**
At 1 January	**3,933,000**	**24,586,368**	**2,214,389**	**29,491,669**	**193,245**	**6,322,857**	**66,741,528**
<u>Changes in Financing Cash Flows</u>							
Drawdown of short-term borrowings	**–**	**85,691,411**	**–**	**17,002,798**	**–**	**–**	**102,694,209**
Repayment of short-term borrowings	**(3,933,000)**	**(85,793,326)**	**(1,372,519)**	**(29,872,108)**	**(117,602)**	**(1,980,443)**	**(123,068,998)**
<u>Non-cash changes</u>							
Foreign exchange adjustment	**–**	**(1,623,713)**	**–**	**(855,262)**	**–**	**–**	**(2,478,975)**
At 31 December	**–**	**22,860,740**	**841,870**	**15,767,097**	**75,643**	**4,342,414**	**43,887,764**

Comparative information is not presented by virtue of the exemption given in MFRS 107.

NOTES TO THE FINANCIAL STATEMENTS
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37. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:- (Cont'd)

THE COMPANY 2017	**Revolving credit RM**	**Term loans RM**	**Total RM**
At 1 January	**9,350,000**	**2,751,602**	**12,101,602**
Changes in Financing Cash Flows			
Drawdown of short-term borrowings	**17,002,798**	**–**	**17,002,798**
Repayment of short-term borrowings	**(19,350,000)**	**(1,433,876)**	**(20,783,876)**
At 31 December	**7,002,798**	**1,317,726**	**8,320,524**

Comparative information is not presented by virtue of the exemption given in MFRS 107.

(c) The cash and cash equivalents comprise the following:-

	THE GROUP		**THE COMPANY**	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Cash and bank balances	**85,436,761**	61,573,960	**49,308,922**	2,518,888
Fixed deposits with licensed banks	**22,257**	21,696	**–**	–
Bank overdraft	**–**	(914,916)	**–**	–
	85,459,018	60,680,740	**49,308,922**	2,518,888
Less: Earmarked bank balance	**(8,987)**	(8,987)	**–**	–
	85,450,031	60,671,753	**49,308,922**	2,518,888

The bank balance amounted to RM8,987 (2016: RM8,987) is earmarked by bank for settlement of borrowings.

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38. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company are executive directors and non-executive directors of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fees	**474,500**	469,667	**104,500**	99,667
- salaries and bonuses	**3,064,975**	2,975,856	**356,000**	330,000
	3,539,475	3,445,523	**460,500**	429,667
Defined contribution plan	**337,160**	329,820	**18,600**	19,800
Defined benefit retirement plan	**99,999**	100,001	**–**	–
	3,976,634	3,875,344	**479,100**	449,467
Benefits-in-kind	**62,000**	62,000	**–**	–
Non-Executive Directors				
Short-term employee benefits:				
- fees	**269,000**	224,000	**269,000**	224,000
	4,307,634	4,161,344	**748,100**	673,467
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- salaries and bonuses	**1,570,718**	1,415,248	**–**	–
Defined contribution plan	**67,668**	50,940	**–**	–
	1,638,386	1,466,188	**–**	–
Benefits-in-kind	**50,950**	50,950	**–**	–
Non-Executive Director				
Short-term employee benefits:				
- fees	**20,000**	20,000	**–**	–
	1,709,336	1,537,138	**–**	–
Total Directors' remuneration	**6,016,970**	5,698,482	**748,100**	673,467

NOTES TO THE FINANCIAL STATEMENTS for the financial year ended 31 December 2017 cont'd

38. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	THE GROUP	
	2017	**2016**
Executive Directors:-		
RM450,001 - RM500,000	–	1
RM500,001 - RM550,000	**1**	–
RM750,001 - RM800,000	–	1
RM800,001 - RM850,000	**1**	–
RM850,001 - RM900,000	–	1
RM900,001 - RM950,000	**1**	–
RM1,650,001 - RM1,700,000	–	1
RM1,750,001 - RM1,800,000	**1**	–
Non-Executive Directors:-		
RM50,001 - RM100,000	**3**	3
	7	7

39. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant related party transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	THE COMPANY	
	2017 RM	**2016 RM**
Subsidiaries		
Dividend received/receivable from subsidiaries	**(10,970,802)**	(14,000,646)
Management fee receivable	**(410,000)**	(380,000)

NOTES TO THE FINANCIAL STATEMENTS
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39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions and balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:- (Cont'd)

	THE GROUP	
	2017	**2016**
	RM	**RM**
Company in which a director has substantial financial interest		
Sales of goods	**(6,766,612)**	(7,343,686)
Purchase of goods	**1,678,791**	710,927
Rental expense	**13,488**	10,480
Administrative expenses	**11,481**	–
Directors		
Rental of factory premises paid/payable	**17,200**	16,800
Rental of hostel paid/payable	**12,000**	12,000

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

40. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into the 3 main reportable segments as follows:-

(a) Investment Holding – involved in the business of investment holding and provision of management services

(b) Tin Manufacturing – involved in the manufacturing of various tins, cans and other containers

(c) Food and Beverage – involved in manufacturing and selling of milk and other related dairy products

(i) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(ii) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.

(iii) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

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

Transfer prices between reporting segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

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40. OPERATING SEGMENTS (CONT'D)

Business Segments

2017	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOOD & BEVERAGE RM	GROUP RM
Revenue				
External revenue	–	102,401,297	372,144,014	474,545,311
Inter-segment revenue	11,380,802	18,916,135	14,704,168	45,001,105
Total revenue	11,380,802	121,317,432	386,848,182	519,546,416
Consolidation adjustments				(45,001,105)
Consolidated revenue				474,545,311
Results				
Segments profit	11,516,221	14,055,197	22,390,970	47,962,388
Finance costs				(1,589,718)
Unallocated expenses				(1,726,112)
Consolidation adjustment				(11,064,773)
Consolidated profit before tax				33,581,785
Segment profit includes the following:-				
Depreciation of property, plant and equipment	(86,992)	(4,385,998)	(4,685,247)	(9,158,237)
Gain on disposal of property, plant and equipment	–	198,846	69,558	268,404
Interest income	135,419	95,040	389,618	620,077
Impairment losses on trade receivables	–	(68,978)	(8,343,932)	(8,412,910)
Gain on fair value changes on financial instruments	–	–	4,487,205	4,487,205
Reversal of impairment losses on trade receivables	–	117,361	–	117,361
Inventories written off	–	71,947	914,528	986,475
Inventories written down	–	206,938	–	206,938
Unrealised loss on foreign exchange	–	5,277	717,791	723,068
Assets				
Segment assets	193,717,379	149,626,650	250,411,298	593,755,327
Unallocated assets				
- property, plant and equipment				138,475
- current tax assets				280,168
Consolidation adjustments				(199,867,148)
Consolidated total assets				394,306,822
Additions to non-current assets				
- property, plant and equipment	6,029	5,904,110	11,282,827	17,192,966
Liabilities				
Segment liabilities	2,182,094	26,743,233	139,130,577	168,055,904
Consolidation adjustments				(72,224,040)
Unallocated liabilities				
- deferred tax liabilities				42,000
- term loan				1,317,726
- revolving credit				7,002,798
Consolidated total liabilities				104,194,388

NOTES TO THE FINANCIAL STATEMENTS
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40. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2016	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOOD & BEVERAGE RM	GROUP RM
Revenue				
External revenue	–	98,156,522	343,042,549	441,199,071
Inter-segment revenue	14,380,646	16,850,202	–	31,230,848
Total revenue	14,380,646	115,006,724	343,042,549	472,429,919
Consolidation adjustments				(31,230,848)
Consolidated revenue				441,199,071
Results				
Segments profit	14,389,468	18,963,945	32,221,105	65,574,518
Finance costs				(2,759,931)
Unallocated expenses				(1,798,181)
Consolidation adjustments				(14,225,141)
Consolidated profit before tax				46,791,265
Segment profit includes the following:-				
Depreciation of property, plant and equipment	(92,566)	(4,211,253)	(3,269,641)	(7,573,460)
Gain on disposal of property, plant and equipment	–	210,555	–	210,555
Interest income	8,822	88,357	245,724	342,903
Impairment losses on trade receivables	–	–	(93,666)	(93,666)
Loss on fair value changes on financial instruments	–	–	(671,855)	(671,855)
Reversal of impairment losses on trade receivables	–	62,802	–	62,802
Reversal of inventories previously written down	–	(144,314)	–	(144,314)
Unrealised loss on foreign exchange	–	597,178	(2,379,128)	(1,781,950)
Assets				
Segment assets	146,509,235	157,803,779	241,931,740	546,244,754
Unallocated assets				
- property, plant and equipment				219,438
- current tax assets				286,118
Consolidation adjustments				(199,676,581)
Consolidated total assets				347,073,729
Additions to non-current assets				
- property, plant and equipment	–	4,491,000	5,910,714	10,401,714
Liabilities				
Segment liabilities	510,257	40,379,101	142,404,896	183,294,254
Consolidation adjustments				(72,660,403)
Unallocated liabilities				
- deferred tax liabilities				78,000
- term loan				2,751,602
- revolving credit				9,350,000
Consolidated total liabilities				122,813,453

NOTES TO THE FINANCIAL STATEMENTS
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40. OPERATING SEGMENTS (CONT'D)

Geographical Information

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

	REVENUE		NON-CURRENT ASSETS	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Africa	**145,031,096**	36,316,727	**–**	–
Asia	**142,644,425**	214,946,719	**–**	–
Central America	**41,715,469**	37,381,088	**–**	–
Europe	**19,936**	25,918,681	**–**	–
Malaysia	**134,704,740**	121,547,977	**121,772,418**	113,619,932
Others	**10,429,645**	5,087,879	**–**	–
	474,545,311	441,199,071	**121,772,418**	113,619,932

Major Customers

The following are major customers with revenue equal to or more than 10% of Group's total revenue:-

	REVENUE		SEGMENTS
	2017 RM	**2016 RM**	
Customer 1	**–**	56,845,688	Food and beverage

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41. CAPITAL COMMITMENTS

	THE GROUP	
	2017	**2016**
	RM	**RM**
Authorised and Contracted for		
Purchase of property, plant and equipment	**15,572,454**	1,454,947
Authorised but not Contracted for		
Purchase of property, plant and equipment	**890,107**	451,500
Contracted but not Provided for		
Purchase of property, plant and equipment	**–**	6,452,412

42. CONTINGENT LIABILITIES

No provision is recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	THE COMPANY	
	2017	**2016**
	RM	**RM**
Deed of guarantee given to a customer for products sold by a subsidiary	**1,702,158**	9,042,108
Deed of guarantee given to suppliers for products sold to subsidiaries	**7,233,113**	2,634,496

NOTES TO THE FINANCIAL STATEMENTS
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43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (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.

43.1 Financial Risk Management Policies

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

(a) 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 ("USD"), Euro ("EUR") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Company enters into forward foreign exchange contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign currency exposure

THE GROUP 2017	USD RM	SGD RM	EUR RM	MYR RM	TOTAL RM
Financial Assets					
Trade receivables	35,467,013	2,871,382	1,356,919	39,872,442	79,567,756
Cash and bank balances	10,622,370	1,172,106	208,447	73,433,838	85,436,761
Derivative assets	3,875,937	–	(40,087)	–	3,835,850
	49,965,320	4,043,488	1,525,279	113,306,280	168,840,367
Financial liabilities					
Trade payables	13,655,794	73,141	–	16,833,201	30,562,136
Other payables and accruals	170,021	1,908	172	12,103,896	12,275,997
Short-term borrowings	27,216,909	–	–	14,181,985	41,398,894
	41,042,724	75,049	172	43,119,082	84,237,027
Net financial assets	8,922,596	3,968,439	1,525,107	70,187,198	84,603,340
Less: Net financial (assets) denominated in the respective entities' functional currency	–	–	–	(70,187,198)	(70,187,198)
Less: Forward foreign exchange contracts (contracted notional principal)	(66,606,700)	–	(6,451,497)	–	(73,058,197)
Currency Exposure	(57,684,104)	3,968,439	(4,926,390)	–	(58,642,055)

NOTES TO THE FINANCIAL STATEMENTS
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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

THE GROUP 2016	USD RM	SGD RM	EUR RM	MYR RM	TOTAL RM
Financial Assets					
Trade receivables	46,646,944	2,829,565	1,477,244	32,547,431	83,501,184
Other receivables	4,605	–	–	256,268	260,873
Cash and bank balances	35,271,195	782,298	443,047	25,077,420	61,573,960
	81,922,744	3,611,863	1,920,291	57,881,119	145,336,017
Financial liabilities					
Trade payables	11,995,751	189,171	–	13,486,821	25,671,743
Other payables and accruals	352,016	32,293	–	11,149,025	11,533,334
Short-term borrowings	30,925,405	–	–	31,390,226	62,315,631
Derivative liabilities	637,505	13,850	–	–	651,355
	43,910,677	235,314	–	56,026,072	100,172,063
Net financial assets	38,012,067	3,376,549	1,920,291	1,855,047	45,163,954
Less: Net financial (assets) denominated in the respective entities' functional currency	–	–	–	(1,855,047)	(1,855,047)
Less: Forward foreign exchange contracts (contracted notional principal)	(55,838,774)	(761,300)	–	–	(56,600,074)
Currency Exposure	(17,826,707)	2,615,249	1,920,291	–	(13,291,167)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

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

	THE GROUP	
	2017	**2016**
	RM	**RM**
Effects On Profit After Tax		
USD/RM		
- strengthened by 11% (2016: 14%)	**(4,822,391)**	(1,896,762)
- weakened by 11% (2016: 14%)	**4,822,391**	1,896,762
SGD/RM		
- strengthened by 5% (2016: 9%)	**150,801**	178,883
- weakened by 5% (2016: 9%)	**(150,801)**	(178,883)
EUR/RM		
- strengthened by 10% (2016: 9%)	**(374,406)**	131,348
- weakened by 10% (2016: 9%)	**374,406**	(131,348)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from short-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS 7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amount of the financial instruments at the end of the reporting period is disclosed in Notes 25, 26 and 28 to the financial statements.

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

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

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Effects On Profit After Tax				
Increase of 25 basis points	**(82,790)**	(125,443)	**(15,807)**	(22,993)
Decrease of 25 basis points	**82,790**	125,443	**15,807**	22,993

(iii) Equity Price Risk

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

(b) 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. For other financial assets (including investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due which are deemed to have higher credit risk, are monitored individually.

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.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2016: 2) customers which constituted approximately 25% (2016: 21%) of its trade receivables (including related parties) at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	THE GROUP	
	2017	**2016**
	RM	**RM**
Africa	**20,077,738**	9,311,157
Asia	**2,863,641**	11,592,819
Central America	**9,255,460**	5,671,153
Europe	**3,035,621**	5,532,983
Singapore	**2,893,833**	2,852,018
Malaysia	**40,553,732**	42,601,573
Middle east	**887,731**	5,939,481
	79,567,756	83,501,184

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Ageing Analysis

The ageing analysis of the Group's trade receivables (including related parties) is as follows:-

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2017			
Not past due	53,582,734	–	53,582,734
Past due:			
- less than 3 months	17,732,929	–	17,732,929
- 3 to 6 months	4,674,417	(21,278)	4,653,139
- over 6 months	3,646,654	(47,700)	3,598,954
- more than 1 year	9,815,549	(9,815,549)	–
	89,452,283	(9,884,527)	79,567,756
2016			
Not past due	55,797,923	–	55,797,923
Past due:			
- less than 3 months	13,274,225	–	13,274,225
- 3 to 6 months	3,700,498	–	3,700,498
- over 6 months	1,234,590	–	1,234,590
- more than 1 year	12,729,135	(3,235,187)	9,493,948
	86,736,371	(3,235,187)	83,501,184

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.

The Group believes that no additional impairment allowance is necessary in respect of these trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) 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.

Maturity analysis

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

THE GROUP 2017	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
Non-derivative Financial Liabilities					
Trade payables		30,562,136	30,562,136	30,562,136	–
Other payables and accruals		12,275,997	12,275,997	12,275,997	–
Amount owing to directors		162,261	162,261	162,261	–
Amount owing to shareholders		245,000	245,000	245,000	–
Hire purchase payables	4.63 to 6.03	75,643	79,985	42,304	37,681
Term loans	4.57 to 4.97	4,342,414	4,721,738	2,022,812	2,698,926
Bill payables	1.20	841,870	841,870	841,870	–
Foreign currency trust receipts	1.91 to 3.25	22,860,740	22,860,740	22,860,740	–
Revolving credit	2.43 to 5.25	15,767,097	15,767,097	15,767,097	–
Dividend payable		1,552,353	1,552,353	1,552,353	–
		88,685,511	89,069,177	86,332,570	2,736,607

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43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity analysis (Cont'd)

THE GROUP 2016	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Non-derivative Financial Liabilities						
Trade payables		25,671,743	25,671,743	25,671,743	–	–
Other payables and accruals		11,533,334	11,533,334	11,533,334	–	–
Amount owing to directors		147,391	147,391	147,391	–	–
Hire purchase payables	4.63 to 6.03	193,245	205,043	119,880	85,163	–
Term loans	4.57 to 4.97	6,322,857	6,995,252	2,243,767	4,182,326	569,159
Bankers' acceptance	3.83 to 4.31	3,933,000	3,933,000	3,933,000	–	–
Bank overdraft	7.81	914,916	914,916	914,916	–	–
Bill payables	1.20	2,214,389	2,214,389	2,214,389	–	–
Foreign currency trust receipts	1.45 to 1.75	24,586,368	24,586,368	24,586,368	–	–
Revolving credit	2.43 to 5.19	29,491,669	29,491,669	29,491,669	–	–
		105,008,912	105,693,105	100,856,457	4,267,489	569,159

THE GROUP 2016	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Derivative Financial Liabilities					
Forward foreign exchange contract (gross settled)	651,355	–	–	–	–
- gross payments	–	(57,572,567)	(57,572,567)	–	–
- gross receipts	–	56,921,212	56,921,212	–	–
	651,355	(651,355)	(651,355)	–	–
	105,660,267	105,041,750	100,205,102	4,267,489	569,159

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity analysis (Cont'd)

THE COMPANY	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2017					
Other payables and accruals		**629,741**	**629,741**	**629,741**	**–**
Term loans	**4.57**	**1,317,726**	**1,313,000**	**1,313,000**	**–**
Revolving credit	**4.55 to 4.56**	**7,002,798**	**7,002,798**	**7,002,798**	**–**
Dividend payable		**1,552,353**	**1,552,353**	**1,552,353**	**–**
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*		**–**	**26,062,050**	**26,062,050**	**–**
		10,502,618	**36,559,942**	**36,559,942**	**–**
2016					
Other payables and accruals		510,257	510,257	510,257	–
Term loans	4.57	2,751,602	2,877,033	1,533,955	1,343,078
Revolving credit	4.55 to 4.57	9,350,000	9,350,000	9,350,000	–
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*		–	53,697,607	53,697,607	–
		12,611,859	66,434,897	65,091,819	1,343,078

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of reporting period. The financial guarantees have not been recognised in since their fair value on initial recognition were not materials.

43.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain 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 that complies with debt covenants and regulatory, if any. However, the debt-to-equity ratio is not presented as its cash and bank balances exceed the total external borrowings from financial institution, hence, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017 cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Available-for-sale financial assets				
Other investment	**16,500**	16,500	**–**	–
Loans and receivables financial assets				
Trade receivables	**79,567,756**	83,501,184	**–**	–
Other receivables	**85,941**	260,873	**–**	–
Amount owing by subsidiaries	**–**	–	**6,572,951**	6,494,000
Fixed deposits with licensed banks	**22,257**	21,696	**–**	–
Cash and bank balances	**85,436,671**	61,573,960	**49,308,922**	2,518,888
	165,112,625	145,357,713	**55,881,873**	9,012,888
Fair value through profit or loss				
Derivative assets	**3,835,850**	–	**–**	–
Financial Liabilities				
Other financial liabilities				
Trade payables	**30,562,136**	25,671,743	**–**	–
Other payables and accruals	**12,275,997**	11,533,334	**629,741**	510,257
Amount owing to directors	**162,261**	147,391	**–**	–
Amount owing to shareholders	**245,000**	–	**–**	–
Hire purchase payables	**75,643**	193,245	**–**	–
Term loans	**4,342,414**	6,322,857	**1,317,726**	2,751,602
Bankers' acceptance	**–**	3,933,000	**–**	–
Bill payables	**841,870**	2,214,389	**–**	–
Foreign currency trust receipts	**22,860,740**	24,586,368	**–**	–
Revolving credit	**15,767,097**	29,491,669	**7,002,798**	9,350,000
Bank overdraft	**–**	914,916	**–**	–
Dividend payable	**1,552,353**	–	**1,552,353**	–
	88,685,511	105,008,912	**10,502,618**	12,611,859
Fair value through profit and loss				
Derivative liabilities	**–**	651,355	**–**	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

THE GROUP	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2017								
Financial Assets								
Derivative assets								
- Forward foreign exchange contracts	**–**	**3,835,850**	**–**	**–**	**–**	**–**	**3,835,850**	**3,835,850**
Financial Liabilities								
Hire purchase payables	**–**	**–**	**–**	**–**	**75,643**	**–**	**75,643**	**75,643**
Term loans	**–**	**–**	**–**	**–**	**4,342,414**	**–**	**4,342,414**	**4,342,414**
2016								
Financial Liabilities								
Derivative liabilities								
- Forward foreign exchange contracts	–	651,355	–	–	–	–	651,355	651,355
Hire purchase payables	–	–	–	–	191,204	–	191,204	193,245
Term loans	–	–	–	–	6,322,857	–	6,322,857	6,322,857

The Company	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2017					
Financial Liability					
Term loans	**–**	**1,317,726**	**–**	**1,317,726**	**1,317,726**
2016					
Financial Liability					
Term loans	–	2,751,602	–	2,751,602	2,751,602

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values of forward foreign exchange contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contract using a risk-free interest rate (government bonds).

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values of hire purchase payables are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	THE GROUP	
	2017	**2016**
	%	%
Hire purchase payables	**4.63 to 6.03**	4.63 to 6.03

The fair value of the Group's and the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

44. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

(a) The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaced Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Company upon its initial implementation are:-

(i) Removal of the authorised share capital, and

(ii) Ordinary shares will cease to have par value.

The Companies Act 2016 was applied prospectively and the impacts on implementation are disclosed in the respective notes to the financial statements.

(b) On 11 April 2017, the subsidiary of the Company, Able Dairies Sdn. Bhd. ("ADSB") signed the Letter of Intent ("LOI") for the subscription of 40% interest in shares in the Joint Venture Company to be incorporated in Mexico namely, Able Dairies Mexico, S.A.P.I. de C.V. ("Newco") with Marco Antonia Zannie Rafols ("MAZR") (40% interest), Juan Pablo Anaya Zermeno (9% interest) and Rodrigo Anaya Zermeno (9% interest) (jointly the "Anaya Mexico") and Enrique Ortiz Eng ("EOE") (2% interest). The total investment will be an amount up to USD5,000,000 of which Able Dairies's proposed subscription share shall be USD2,000,000.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2017
cont'd

44. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)

(c) On 4 July 2017, ADSB subscribed fifty one (51) ordinary shares in the capital of Able Dairies Marketing Sdn. Bhd. ("Able Dairies Marketing") representing 51% of the equity interest in Able Dairies Marketing. Able Dairies Marketing was incorporated on 4 July 2017 with an initial number of issued shares and share capital of 100 ordinary shares equivalent to RM100.

(d) On 14 September 2017, ADSB subscribed an additional 254,949 Ordinary Shares at an issue price of RM1 each in the capital of Able Dairies Marketing Sdn. Bhd. ("Able Dairies Marketing") AND THAT after the new subscription, ADSB holds 255,000 Ordinary Shares representing 51% of the equity interest in the capital of Able Dairies Marketing. The number of issued shares and share capital of Able Dairies Marketing now stands at 500,000 ordinary shares equivalent to RM500,000.

(e) On 3 October 2017, ADSB paid the subscription of 400 (four hundred) ordinary and nominative shares, ("the Subscription") at a total consideration of USD40,000 (United States Dollar: Forty Thousand Only) representing 40% of the capital stock of ABLE DAIRIES DE MEXICO ("ABLE DAIRIES MEXICO"), the Joint Venture Company in Mexico. ABLE DAIRIES MEXICO was incorporated through Public Deed 49824 dated 10 May 2017. The Incorporation Public Deed of Able Diaries de Mexico, SAPI de CV is registered before the Public Registrar of Commerce under the mercantile folio number N-2017051638.

45. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The subsidiary of Able Dairies Sdn. Bhd., Able Dairies Marketing Sdn. Bhd. increased its issued and paid-up share capital from RM500,000 to RM1,000,000 by way of an issuance of 500,000 new ordinary shares for a cash consideration of RM500,000.

46. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	THE GROUP		THE COMPANY	
	As Restated RM	As Previously Reported RM	As Restated RM	As Previously Reported RM
Statement of Financial Position (Extract):-				
Other receivables, deposits and prepayments	4,831,468	4,712,718	–	–
Other payables and accruals	18,087,240	17,968,490	–	–
Statement of Profit or Loss and Other Comprehensive Income (Extract):-				
Raw materials and consumable used	343,901,653	332,287,535	–	–
Employee benefits	29,022,223	29,085,453	1,060,595	1,055,502
Other operating expenses	20,957,444	32,508,332	645,020	650,113

STATEMENT BY **DIRECTOR**

pursuant to section 251(2) of the Companies Act 2016

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 50 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 11 April 2018

EDWARD GOH SWEE WANG **YEOW AH SENG @ YOW AH SENG**

STATUTORY **DECLARATION**

pursuant to section 251(1)(b) of the Companies Act 2016

I, **Leo Aun Foo (MIA Membership Number: 32120)**, being the officer primarily responsible for the financial management of **Johore Tin Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 50 to 121 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the declaration to be true and by virtue of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by the abovementioned
Leo Aun Foo at Muar in the state of
Johor Darul Takzim on this

Before me **LEO AUN FOO**

LIM PEI LING (No. J238)
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 2017 (RM)
UNI/ 10.12.2004	HSD 375445, PTD 124298, Mukim Tebrau, Johor Bahru, Johor Darul Takzim/ PTD 124298, Jalan Kempas Lama, Kampung Seelong Jaya, 81300 Skudai, Johor.	Single-storey detached factory/ Industry	Freehold	14	457,466/ 248,533	15,821,728
UNI/ 08.08.2007	GM 2481, Lot 2259, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan/ Lot 2259, Jalan Helang, Off Jalan Kebun Baru, Batu 9, Jalan Klang-Banting, Teluk Panglima Garang, 42500 Kuala Langat, Selangor Darul Ehsan.	Single-storey detached factory/ Industry	Freehold	11	175,602/ 106,931	8,653,896
KTC/ 27.12.1982	HS(D) 16323, Lot PTD 23759, Mukim Kluang, 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	32	21,775/ 16,843	329,837
KTC/ 27.02.1993	GM 8988, Lot 781, Mukim Sri Gading VIII Parit Baru, Batu Pahat, Johor Darul Takzim	Agriculture/ Fruits	Freehold	N/A	106,461	73,300
KTC/ 01.08.1996	GRN 244325 Lot 37800, Kluang, Johor Darul Takzim/ No. 41, Jalan Lau Kim Teck, 86000 Kluang, Johor.	1 ½-storey semi-detached factory/ Industry	Freehold	22	5,294/ 3,635	271,095
KTC/ 10.10.2016	GRN 244323 Lot 37799, Kluang, Johor Darul Takzim/ No. 39, Jalan Lau Kim Teck, 86000 Kluang, Johor.	Double-storey semi-detached factory/ Industry	Freehold	2	5,296/ 3,635	482,892
ABD/ 27.12.2012 (used in year 2016)	GM 2483, Lot 2263, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan/ Lot 2263, Jalan Helang, Off Jalan Kebun Baru, Batu 9, Jalan Klang-Banting, Teluk Panglima Garang, 42500 Kuala Langat, Selangor Darul Ehsan.	Single-storey detached factory with a double-storey office annexed/ Industry	Freehold	2	176,099/ 88,082	28,574,395
ABD/ 17.11.2016	PT 13157, Lot 26381, Mukim Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan/ Not applicable	Vacant land/ Industry	Freehold	1	132,074/ Not applicable	6,838,073

(Disclosed in accordance with Appendix 9C, Part A, item 25 of the Listing Requirements of Bursa Securities.)

ANALYSIS OF SHAREHOLDINGS
as at 30 March 2018

SHARE CAPITAL

Issued and Paid-Up Share Capital	:	RM176,814,610.70 divided into 310,470,986 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share
Number of Shareholders	:	5,019

DISTRIBUTION OF SHAREHOLDINGS

	(Malaysia and Foreign - Combined)			
Size of Holdings	**No. of Holders**	**% of Holders**	**No. of Shares**	**% of Shares**
Less than 100	148	2.949	6,456	0.002
100 to 1,000	399	7.950	277,356	0.089
1,001 to 10,000	2,631	52.421	14,403,883	4.639
10,001 to 100,000	1,596	31.799	49,068,145	15.805
100,001 to 15,523,549 (*)	242	4.821	170,435,187	54.896
15,523,549 and above (**)	3	0.060	76,279,959	24.569
TOTAL	**5,019**	**100.000**	**310,470,986**	**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	23,379,264	7.530
2	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE	20,456,533	6.589
3	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	20,290,400	6.535
4	EDWARD GOH SWEE WANG	13,914,336	4.482
5	GOH MIA KWONG	10,666,666	3.436
6	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TAI BOON (CAI DAWEN)	9,400,331	3.028
7	ALLIANCEGROUP NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE (8108460)	9,160,000	2.950
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GENTING PERWIRA SDN BHD (PB)	7,193,333	2.317
9	KUA JIN GUANG @ KAU KAM ENG	6,152,888	1.982
10	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KENG HOE (HUANG QINGHE)	5,901,033	1.901
11	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE (CEB)	5,623,466	1.811
12	GENTING PERWIRA SDN BHD	5,123,466	1.650
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	4,900,000	1.578
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW AH SENG @ YOW AH SENG (SMART)	4,727,109	1.522

ANALYSIS OF SHAREHOLDINGS as at 30 March 2018 cont'd

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

No.	Name of Shareholders	No. of Shares	% of Shares
15	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (CEB)	4,719,633	1.520
16	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	4,533,054	1.460
17	LOCK TOH PENG	4,510,000	1.453
18	NG KENG HOE (HUANG QINGHE)	4,442,666	1.431
19	VERSALITE SDN BHD	3,313,333	1.067
20	SIA YOCK HUA	2,640,866	0.851
21	TAN KAH HOCK	2,500,000	0.805
22	CHONG CHEE KWANG	2,286,800	0.736
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEW U SING	2,010,300	0.648
24	LAI SHIN LIN	1,991,109	0.641
25	TEE SIEW KAI	1,980,000	0.638
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (UOB AM SE EQ)	1,800,000	0.580
27	NG TENG SONG	1,766,966	0.569
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (6000031)	1,508,000	0.486
29	GOH MIA KWONG	1,487,096	0.479
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTCHE TRUSTEES MALAYSIA BERHAD FOR UNITED ASEAN DISCOVERY FUND	1,387,800	0.447
	TOTAL	**189,766,448**	**61.122**

LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	**Name of Shareholders**	**No. of Shares**	**% of Shares**	**No. of Shares**	**% of Shares**
1	GOH MIA KWONG	35,533,026	11.445	[1]15,072,920	4.855
2	LIM HUN SWEE	35,239,999	11.350	–	–
3	NG KENG HOE (HUANG QINGHE)	30,634,099	9.684	[2]1,991,109	0.641
4	EDWARD GOH SWEE WANG	14,656,920	4.721	[3]35,949,026	11.579

Notes:-

Deemed Interest / Indirect Interest:

[1] *By virtue of his son, Mr Edward Goh Swee Wang's interest: 14,656,920 shares*
By virtue of his daughter, Ms Lisa Goh Li Ling's interest: 416,000 shares

[2] *By virtue of his wife, Ms Lai Shin Lin's interest.*

[3] *By virtue of his father, Mr Goh Mia Kwong's interest: 35,533,026 shares*
By virtue of his sister, Ms Goh Li Ling's interest: 416,000 shares

ANALYSIS OF SHAREHOLDINGS as at 30 March 2018 cont'd

LIST OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Deemed Interest	
No.	**Name of Directors**	**No. of Shares**	**% of Shares**	**No. of Shares**	**% of Shares**
1	DATUK KAMALUDIN BIN YUSOFF	782,800	0.252	[1]12,474,932	4.018
2	EDWARD GOH SWEE WANG	14,656,920	4.721	[2]35,949,026	11.579
3	YEOW AH SENG @ YOW AH SENG	5,276,442	1.699	–	–
4	LIM HUN SWEE	35,239,999	11.350	–	–
5	SIAH CHIN LEONG	2,666	0.000	–	–
6	NG LEE THIN	–	–	–	–
7	NG KENG HOE (HUANG QINGHE)	30,634,099	9.867	[3]1,991,109	0.641

(Disclosed in accordance with Appendix 9C, Part A, item 23 of the Listing Requirements of Bursa Securities.)

Notes:-

Deemed Interest / Indirect Interest:

[1] *By virtue of his wife, Datin Fawziah Binti Hussein Sazally's interest in Genting Perwira Sdn Bhd pursuant to Section 8 of the Companies Act 2016: 12,316,799 shares*
By virtue of his wife, Datin Fawziah Binti Hussein Sazally's interest: 158,133 shares

[2] *By virtue of his father, Mr Goh Mia Kwong's interest: 35,533,026 shares*
By virtue of his sister, Ms Goh Li Ling's interest: 416,000 shares

[3] *By virtue of his wife, Ms Lai Shin Lin's interest.*

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting (AGM) of Johore Tin Berhad will be held at Palm Resort Golf & Country Club, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Wednesday, 6 June 2018 at 9.30 a.m. for the following purposes:

AGENDA	**Resolution on Proxy Form**
ORDINARY BUSINESS:	
1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of the Directors and Auditors thereon.	**(Please refer Explanatory Note 1)**
2. To approve the payment of Directors' fees of RM373,500.00 for the financial year ended 31 December 2017.	**(Resolution 1)**
3. To approve the payment of Directors' benefits up to an amount of RM75,000.00 with effect from 17th AGM to the 18th AGM of the Company.	**(Resolution 2)**
4. To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company's Articles of Association, comprising part of the Company's Constitution:	
(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 1**
AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 **(Resolution 6)**

"THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other government/ regulatory authorities (if any), the Directors be and are hereby authorised to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

NOTICE OF ANNUAL GENERAL MEETING
cont'd

7. **ORDINARY RESOLUTION 2**
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – DATUK KAMALUDIN BIN YUSOFF **(Resolution 7)**

"THAT consequential to passing of Resolution 4, authority be and is hereby given to Datuk Kamaludin Bin Yusoff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance to the Malaysian Code on Corporate Governance 2017."

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

By Order of the Board
JOHORE TIN BERHAD

YONG MAY LI (f) (LS0000295)
Company Secretary

Johor Bahru
30 April 2018

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a member of the Company is an exempt authorised nominee as defined under the SICDA, 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.

4. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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 adjourned meeting as the case may be at which the person named in such instrument proposes to vote.

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, a Record of Depositors as at 30 May 2018 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

NOTICE OF ANNUAL GENERAL MEETING cont'd

EXPLANATORY NOTES:-

ORDINARY BUSINESS:

1. **Item 1 of the Agenda**
   This Agenda item is meant for discussion only as the provision of Section 248(2) and 340(1) of the Companies Act, 2016 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. **Resolution 1 - Item 2 of the Agenda: Directors' Fees**
   Resolution 2 - Item 3 of the Agenda: Directors' Benefits
   Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval on the following two (2) separate resolutions shall be sought at the 17th Annual General Meeting:

   - **Resolution 1** on payment of Directors' Fees in respect of the year 2017; and
   - **Resolution 2** on payment of Directors' benefits with effect from the 17th Annual General Meeting to the 18th Annual General Meeting of the Company.

   The estimated amount of RM75,000.00 Directors' benefits payable would comprise wholly for meeting allowances which was calculated base on the number of scheduled Board's and Board Committees' meetings with effect from the 17th Annual General Meeting until the 18th Annual General Meeting.

SPECIAL BUSINESS:

3. **Item 6 of the Agenda**
   ORDINARY RESOLUTION 1
   AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016
   The purpose of this Ordinary Resolution proposed under Agenda 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 29 May 2017. The renewal of the general mandate is to provide flexibility 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 raising 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.

4. **Item 7 of the Agenda**
   ORDINARY RESOLUTION 2
   CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR
   Datuk Kamaludin Bin Yusoff has served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years. The Nominating Committee and the Board holds the view that he remains objective and independent in carrying out his roles and responsibilities as member of the Board and Board Committees. The length of his service does not interfere with his ability and exercise of independent judgment as an Independent Director. Therefore, the Board has recommended and supported him to continue to act as an Independent Non-Executive Director of the Company for Shareholder's approval at the forthcoming 17th AGM.

STATEMENT ACCOMPANYING **NOTICE OF ANNUAL GENERAL MEETING**

1. Further details of individual who are standing for election as directors (excluding directors standing for re-election). There is no person seeking election as director of the Company at this Annual General Meeting.

2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

   The general mandate for issue of shares is for the renewal of the general mandate obtained from the members at the 16th Annual General Meeting held on 29 May 2017.

   The purpose of this general mandate is for possible fund raising exercised 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.

FORM OF PROXY

JOHORE TIN BERHAD
(Company no. 532570-v)

I/We ____

(NRIC No./Passport No./Company No. ______________________) of ______________________________

____

being a Member/Members of **JOHORE TIN BERHAD (COMPANY NO. 532570-V)** hereby appoint:

Full Name	**NRIC No./Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

*and/*or failing him/her (* delete as appropriate)

Full Name	**NRIC No./Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

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 17th 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, 6 June 2018 at 9.30 a.m. and any adjournment thereof and my/our proxy is to vote as indicated below:

Item	**Agenda**			
1.	To receive Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of the Directors and Auditors thereon.			
Ordinary Business		**Resolution**	***FOR**	***AGAINST**
2.	To approve the payment of Directors' fee of RM373,500 for the financial year ended 31 December 2017.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM75,000 with effect from the 17th Annual General Meeting to the 18th Annual General Meeting.	2		
4.	To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company's Articles of Association, comprising part of the Company's Constitution:			
	(a) Mr. Edward Goh Swee Wang	3		
	(b) Datuk Kamaludin Bin Yusoff	4		
5.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
Special Business:				
6.	Authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	6		
7.	Continuing in office as Independent Non-Executive Director - Datuk Kamaludin Bin Yusoff	7		

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

Dated this .... day of .... 2018.

Number of shares held	
CDS Account No.	

....
Signature/Common Seal of Shareholder

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
2. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee as defined under the SICDA, 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.
4. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
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 adjourned meeting as the case may be at which the person named in such instrument proposes to vote.
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 a Record of Depositors as at 30 May 2018 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Please 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

Please fold here

JOHORE TIN BERHAD

JOHORE TIN BERHAD (532570-V)

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