ANNUAL REPORT **2018**

JOHORE TIN BERHAD

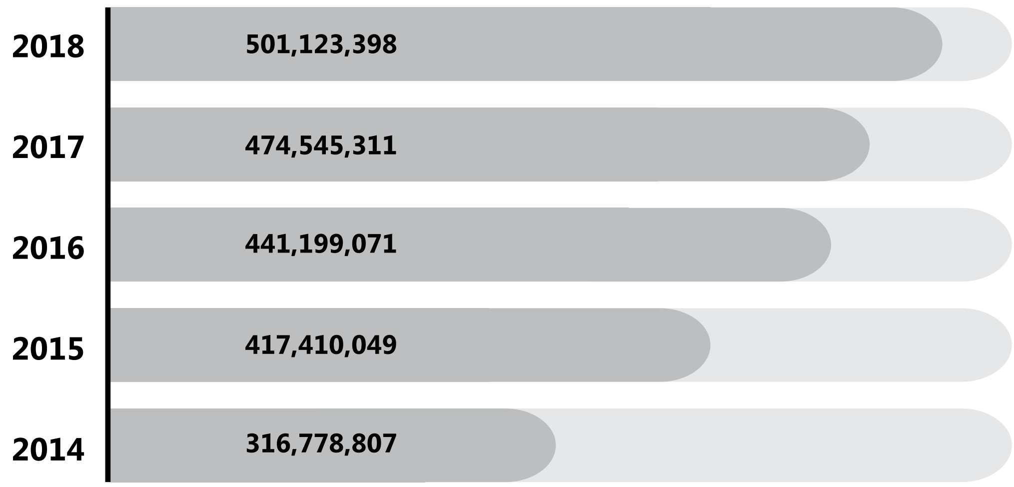
JOHORE TIN BERHAD
(532570-V)

contents

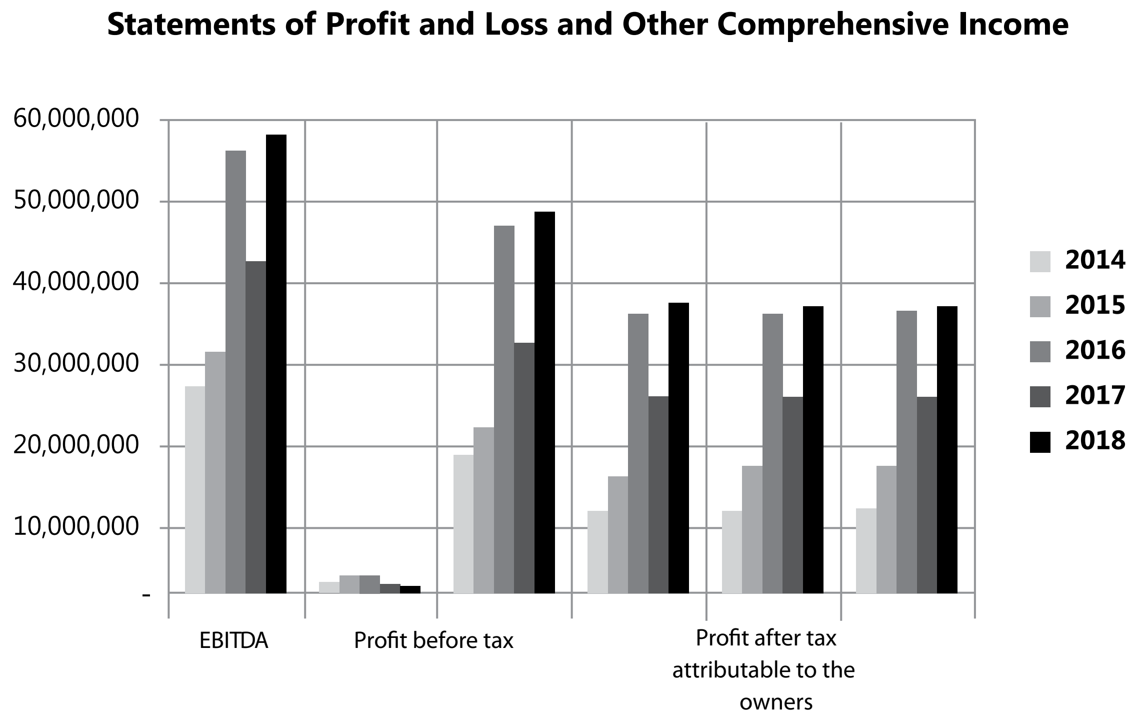
FINANCIAL HIGHLIGHTS

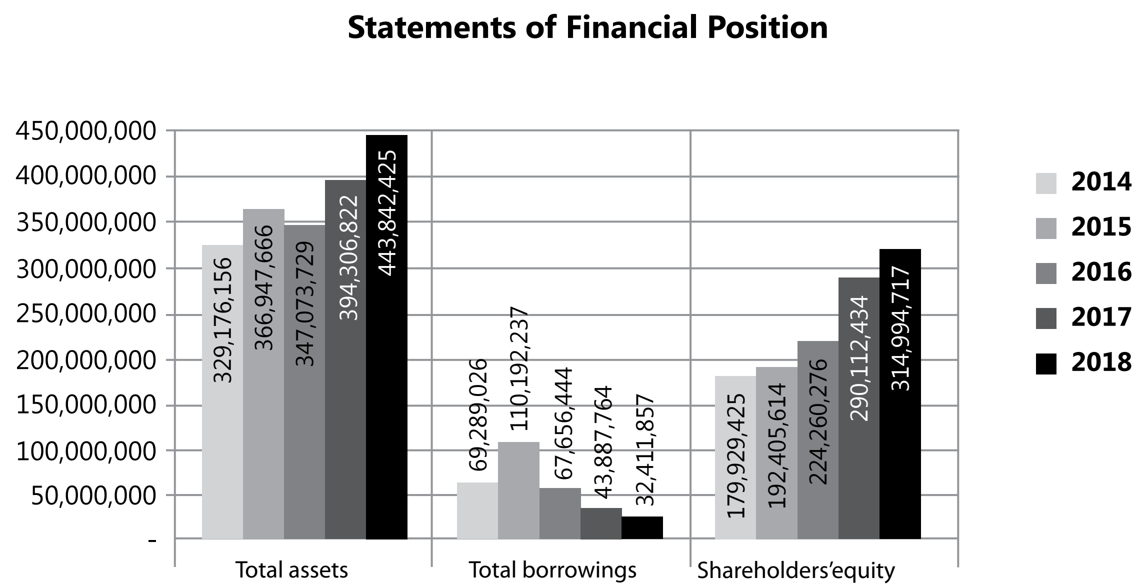
	2014	2015	2016	2017	2018
Statements of Profit or Loss and Other Comprehensive Income:	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	316,779	417,410	441,199	474,545	501,123
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	27,159	33,415	57,125	44,330	59,700
Finance costs	1,662	2,767	2,760	1,590	1,327
Profit before tax	18,358	23,047	46,791	33,582	48,351
Profit after tax	12,019	15,661	35,443	25,829	36,565
Profit after tax attributable to the owners	12,979	17,302	35,593	25,655	36,224
Comprehensive income attributable to the owners	13,009	17,383	35,737	25,623	36,715
Statements of Financial Position:	RM'000	RM'000	RM'000	RM'000	RM'000
Total assets	329,176	366,948	346,955	394,307	443,842
Total borrowings	69,289	110,192	67,656	43,888	32,412
Shareholders' equity	179,929	192,406	224,260	290,112	314,995
Financial Indicators:					
Return on equity (%)	6.68	8.14	15.80	8.90	11.61
Return on total assets (%)	3.65	4.27	10.22	6.55	8.24
Gearing ratio (%)	38.51	57.27	30.17	15.13	10.29
Interest cover (times)	16.34	12.08	20.70	27.89	44.99
Earnings per share (sen)	13.91	18.54	14.31	8.26	11.67
Net assets per share (RM)	1.93	2.06	0.90	0.93	1.01
Gross dividend per share (sen)	3.50	4.00	1.50	4.00	5.00
Gross dividend yield (%)	2.59	1.91	1.21	3.31	5.21
Price Earnings (PE) ratio	9.71	11.27	8.67	14.64	8.23
Share price as at the end of financial year (RM)	1.35	2.09	1.24	1.21	0.96

Revenue



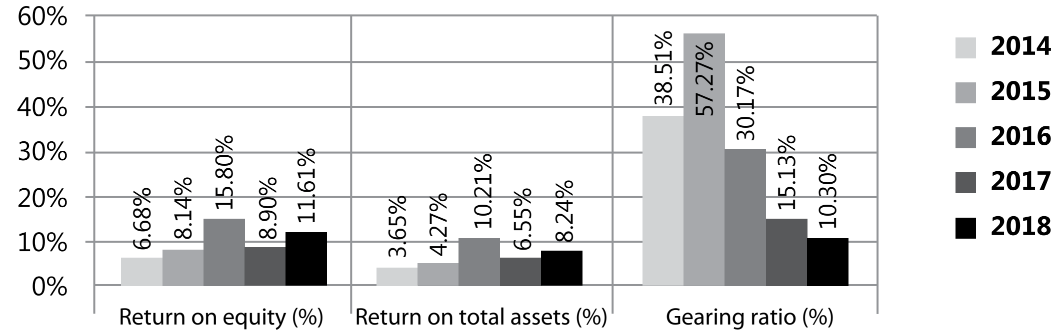
FINANCIAL HIGHLIGHTS CONT'D



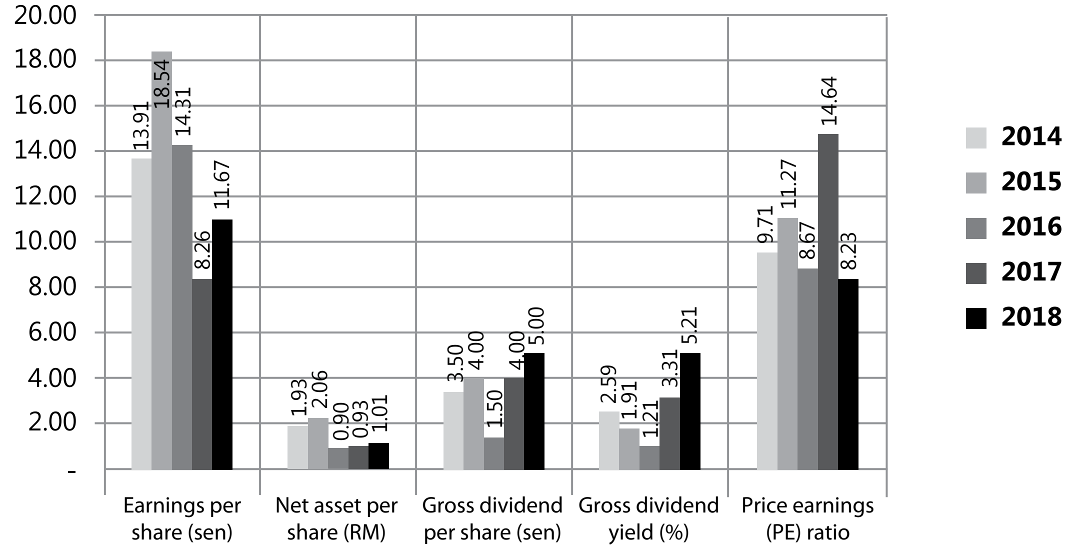


FINANCIAL HIGHLIGHTS CONT'D

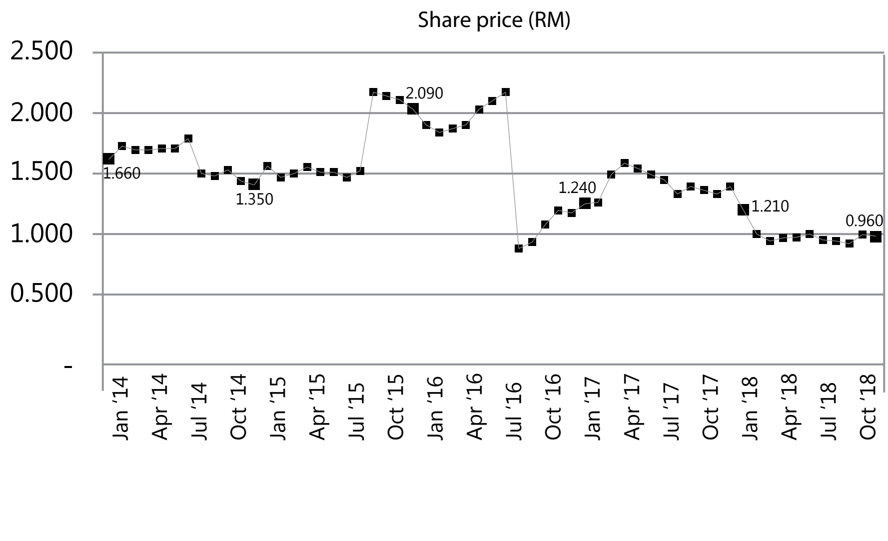
Ratio Analysis (%)



Share Information



Share Price (RM)



STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the statement on Management Discussion and Analysis ("MD&A"), which provides an insight on the Group's business strategic, future extension and planning, operations and financial position, amidst the current economic environment.

1. OVERVIEW OF BUSINESS AND OPERATIONS, OBJECTIVES AND STRATEGIES

A. Business and Operations

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

For Tin Cans segment, most of the customers are locally based, with some portion 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 services, most of the services are exported within South-East Asia market, with minority for local customers.

Whilst for F&B segment, more than 80% of the products are exported, mainly in West 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 milk powder in both bulk and consumer packs.

B. Objectives and Strategies

The Board reviews and monitors the financial performance of the Group on regular basis. The Group's business objectives include achieving growths in term of revenue and productivity, compliance with local statutory and regulatory requirements, maintaining high level of customers' satisfaction, as well as improving quality of products by obtaining the Food Safety System Certification ("FSSC 22000") to comply with the product safety requirements.

The Management is overseeing the day-to-day operations to improve efficiency and productivity in terms of production process, monitoring the wastage level by lowering the rejection rates and organising the storage space by keeping sufficient but not excessive inventories. The Management's responsibilities include ensuring all the production and deliveries schedules are planned and executed accordingly, preventive maintenance services on machineries and equipment are executed according to schedule, frequent meetings and discussions relating to production and improvements matters are carried out by the relevant operational personnel, as well as possible development of new products and designs to suit the market needs.

2. REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

For the current financial year under review, the Group achieved the revenue of RM501.12 million against previous financial year's revenue of RM474.54 million with an increase of RM26.58 million. Profit before tax increased by RM14.77 million to RM48.35 million as compared to RM33.58 million of the previous financial year.

For the Tin Cans segment, the revenue increased by RM14.62 million to RM117.02 million from RM102.40 million as a result of higher demand from the edible oil tin cans and the increase in demand from the tinplates printing services. As for the F&B segment, revenue increased by RM11.96 million to RM384.10 million from RM372.14 million mainly due to higher sales from dairy products.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

2. REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Profit before tax of Tin Cans segment increased marginally by RM0.20 million to RM13.97 million from RM13.77 million. The benefits from higher revenue is compromised by the higher materials and operating costs in the current financial year as compared to previous financial year. For F&B segment, the profit before tax increased by RM14.20 million to RM36.00 million from RM21.80 million mainly due to higher sales from dairy products and lesser impairment loss on trade receivables in the current financial year as compared to impairment loss on trade receivables of RM8.15 million in the previous financial year.

On the investor's perspective, the Return On Equity increased by 2.71% to 11.61% from 8.90% mainly due to higher revenue from the Group and lesser impairment loss on trade receivables in the current financial year as compared to previous financial year. Return On Total Assets increased by 1.69% to 8.24% from 6.55% resulted from higher profits as compared to previous financial year.

Gearing Ratio reduced by 4.84% from 15.13% to 10.29% mainly due to lower commitments on short-term's trade financings and reduction in long-term's fixed loan. Higher Interest Coverage Ratio of approximately 45 times in the current financial year as compared to 28 times in the previous financial year, resulted from lower finance costs which reflect the Group's ability to pay off the debts.

Earnings Per Share ("EPS") is 11.67 sen for the current financial year as compared to 8.26 sen in the previous financial year.

Net Assets Per Share ("NAPS") increased by 8 sen to RM1.01 for the current financial year against RM0.93 in the previous financial year.

Price Earnings ("PE") ratio is 8.23 for the current financial year as compared to 14.64 in the previous financial year. The share price at the end of the current financial year and the previous financial year was at RM0.96 and RM1.21 respectively.

The summary of the financial indicators is highlighted on pages 2 to 4 of this Annual Report.

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

New factory warehouse for F&B segment has been fully constructed but pending for certificate of completion and compliance issued by the local authority. However, there is some delay in the construction of the factory building of the joint venture in Mexico, expected time of completion will be by 3rd quarter of 2019.

3. REVIEW OF OPERATING ACTIVITIES

The main factors that affected the operating activities in the Tin Cans 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 will affect the profit margin inevitably. 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 the selling prices to the customers. The weakening of Ringgit Malaysia ("RM") against United States Dollar ("USD") has brought about an increase in the manufacturing costs for imported raw materials. The Management is always vigilant and keep monitors the cost of manufacturing to stay competitive in the industry.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

3. REVIEW OF OPERATING ACTIVITIES (CONT'D)

Higher maintenance costs are required for the existing machineries as frequent maintenance and overhaul due to ageing of the machineries. The unique and scarcity of the spare parts is a challenge to the maintenance team when fixing the older model of machineries. To resolve these issues, the machineries were upgraded consistently as the older machineries deteriorate and required higher maintenance costs with newer machineries, productions are more consistent and capacities are increased.

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 Cans segment. We are doing our best to attract more workers into our work force by appointing several recruitment agencies to source for additional workers.

The prices of dairy and sugar remain volatiles and it will affect the manufacturing costs significantly. 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.

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.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

4. REVIEW OF OPERATIONAL RISKS (CONT'D)

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.

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 Cans 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 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.

STATEMENT ON MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

5. FORWARD-LOOKING STATEMENTS (CONT'D)

Furthermore, with the completion of the subsidiary's associate company, Able Dairies Mexico in 2019. We expects revenue growth from sales in American Continent and surrounding regions.

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 the Group's profits generated during each financial period/year, by taking into consideration future investments on capital expenditure and expansion plan.

For the current financial year, the total dividends of 5 sen (2017: 4 sen) per ordinary share have been declared & to be paid/payable to the shareholders amounted to RM15.52 million (2017: RM11.60 million). Dividend yield has increased by 1.90% from 3.31% to 5.21% mainly due to higher declared dividends but with lower share price at the year end.

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 8 April 2019.

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. Ng Keng Hoe
(Executive Director)

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

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

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)
Ms. Wong Chee Yin (MAICSA 7023530)

EXTERNAL AUDITORS
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Chartered Accountants
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84000 Muar, Johor
Tel: +60(6) 952 9939
Fax: +60(6) 952 7328

PRINCIPAL BANKERS
AmBank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad

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. Siah Chin Leong
Datuk Kamaludin Bin Yusoff

RISK MANAGEMENT COMMITTEE
Mr. Siah Chin Leong (Chairman)
Mr. Edward Goh Swee Wang
Mr. Lim Hun Swee
Ms. Ng Lee Thin (Appointed on 29 August 2018)
Ms. Lisa Goh Li Ling (Operations Manager)
Mr. Leo Aun Foo (Group Finance Manager)

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CORPORATE STRUCTURE

JOHORE TIN BERHAD

JOHORE TIN BERHAD
(532570-V)
Incorporated in Malaysia

Incorporated in Malaysia

100%
JOHORE TIN FACTORY SENDIRIAN BHD
(16986-A)

100%
UNICAN INDUSTRIES SDN BHD
(174146-A)

100%
KLUANG TIN AND CAN FACTORY SDN BHD
(21926-V)

100%
ABLE DAIRIES SDN BHD
(765074-D)

96%
ABLE FOOD SDN BHD
(1033584-V)

Incorporated in Malaysia
51%
ABLE DAIRIES MARKETING SDN BHD
(1237518-H)

Incorporated in Mexico
51%
ABLE PACKAGING MEXICO

Incorporated in Mexico
40%
ABLE DAIRIES MEXICO

PROFILE OF BOARD OF DIRECTORS

	Datuk Kamaludin Bin Yusoff	Edward Goh Swee Wang
Position	Senior Independent Non-Executive Director (Chairman)	Chief Executive Officer ("CEO")*
Age / Gender / Nationality	71 / Male / Malaysian	56 / Male / Malaysian
Date of first appointment	11 August 2008 28 April 2010 (Chairman)	31 December 2002
Qualification	• Bachelor of Arts (Hons) in History from University Malaya, Kuala Lumpur (1974)	• 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	• 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	• More than 20 years of working experience in tin can industry • Oversees company planning, development, marketing and overall management
Member of board committees	• Nomination Committee (Chairman) • Audit Committee (Member) • Remuneration Committee (Member)	• Risk Management 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	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

PROFILE OF BOARD OF DIRECTORS CONT'D

	Ng Lee Thin	**Siah Chin Leong**
Position	Independent Non-Executive Director	Independent Non-Executive Director
Age / Gender / Nationality	52 / Female / Malaysian	56 / Male / Malaysian
Date of first appointment	6 May 2014	18 March 2014
Qualification	• Bachelor of Economics (Hons) from University Utara Malaysia (1992) • Member of the Malaysian Institute of Accountants ("MIA") • Fellow Member of the Association of Chartered Certified Accountants ("FCCA")	• Bachelor of Arts in Political Science from York University, Canada (1982 - 1985)
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)	• 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 Importer
Member of board committees	• Remuneration Committee (Member) • Audit Committee (Member) • Nomination Committee (Chairman) • Risk Management Committee (Member)	• Audit Committee (Chairman) • Risk Management Committee (Chairman) • Remuneration Committee (Member) • Nomination 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
Number of board meetings attended in the financial year	4	4

PROFILE OF BOARD OF DIRECTORS CONT'D

	Yeow Ah Seng @ Yow Ah Seng	**Lim Hun Swee**
Position	Executive Director*	Executive Director
Age / Gender / Nationality	66 / Male / Malaysian	67 / 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

PROFILE OF BOARD OF DIRECTORS CONT'D

	Ng Keng Hoe
Position	Executive Director*
Age / Gender / Nationality	45 / 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	4

PROFILE OF KEY SENIOR MANAGEMENT

	Goh Mia Kwong	**Ng Yik Toon @ Ng Yik Koon**
Position	Executive Director	Managing Director
Age / Gender / Nationality	80 / Male / Malaysian	70 / 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) • Retired on 1 March 2019
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	50 / Male / Malaysian	42 / Male / Malaysian
Date of first appointment	1 February 2013	17 November 2008
Qualification	• Graduated in Chartered Institute of Marketing, Selangor (CIM) (1995) • Member of Institute of Marketing Malaysia (IMM) (2004)	• Professional Degree in the Association of Chartered Certified Accountants ("ACCA") • Member of the Malaysian Institute of Accountants ("MIA") • 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	• Started his career in audit firm (1997 - 1998) after completed LCCI Diploma in Accounting • Further studied and graduated from ACCA (1999 - 2003) • Worked as Accounts Receivable Executive under Credit Control Department in hospitality industry (2003 - 2005) • Re-employed in audit firm as Audit Manager (2006 - 2008) • Joined the Company (JTB) as Group Accountant (2008) and subsequently promoted as Group Finance Manager (2013 till present)
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 resolution dated 8 April 2019.

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, monitoring and managing those sustainability matters of the risks and opportunities relating to the Group's business and operations as a whole.

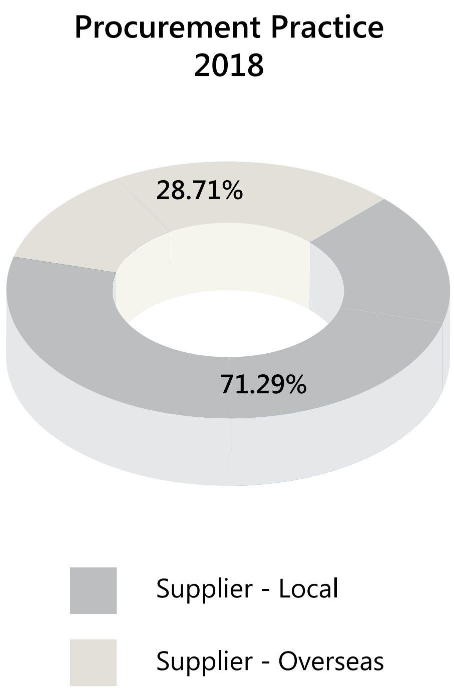
The following statement, as sets out the manner in which the Group has applied the relevant information and guidance from the Sustainability Reporting Guide ("the Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the extent of compliance recommendation advocated therein pursuant 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.

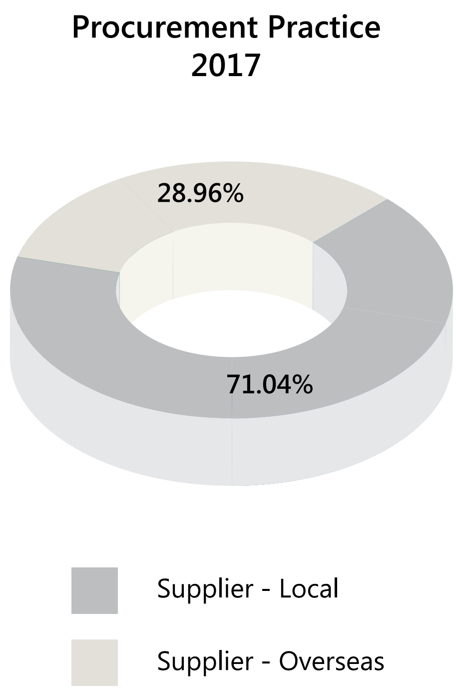
A. ECONOMIC

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.

This year, the total of local supplier increased.by 0.25% to 71.29% as compared to 71.04% in previous year. Although the increment in the local suppliers are minimal, the Group is still trying to source for competitive and qualified local suppliers to replace the overseas suppliers, where possible.





SUSTAINABILITY STATEMENT CONT'D

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.

In 2018, the project of improve the ventilation exhaust system of the printing department was started and expected to be completed in 2019. The Board has entrusted the Management to focus on the completion of the exhaust system in order to provide a better working environment to the employees and to the general environment of the surrounding areas.

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.

C. SOCIAL

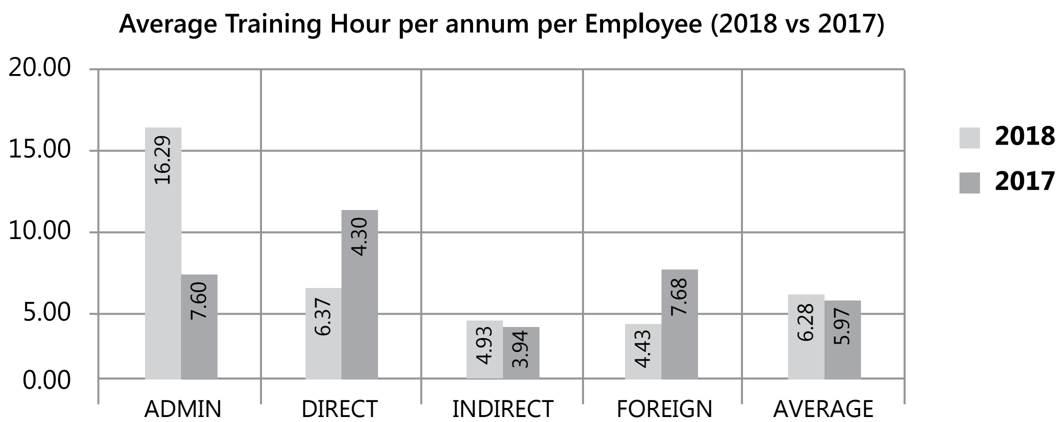
1. Labour Practices

The Board continues to provide briefings and on-job trainings to the employees to enhance the technical knowledge and practical experience in their respective working environment. The Board is believes the employee is an important assets to the Group and it cannot growth without them in the long run.

An average of 6.28 hours per training hour per annum was provided to employees during the financial year of 2018 as compared to an average of 5.97 hours per training hour per annum in the previous financial year. This falls short of our target of an average of 6.5 hours. The Management is instructed by the Board to work towards meeting this target in 2019.

The Board has set an employee turnover rate of 30%. However, the overall employee turnover in 2018 is 33%. With the increase in minimum salary as per the Government policy for 2019, the Board expects the local workers to be more satisfied and hope to reduce the turnover in 2019.

The following are the diagrams indicate the average training hour per annum per employee and rate of employee turnover (by age group and gender) for 2018 as compared to 2017 for reference:

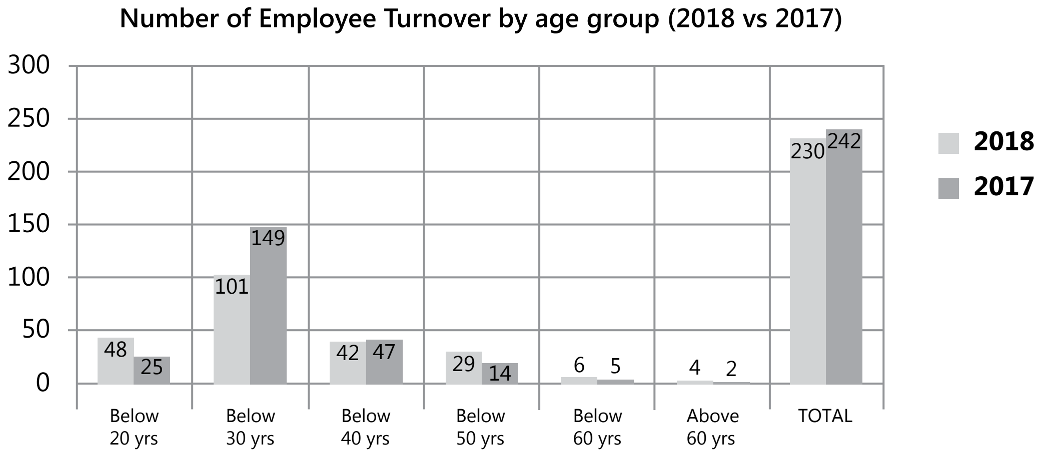


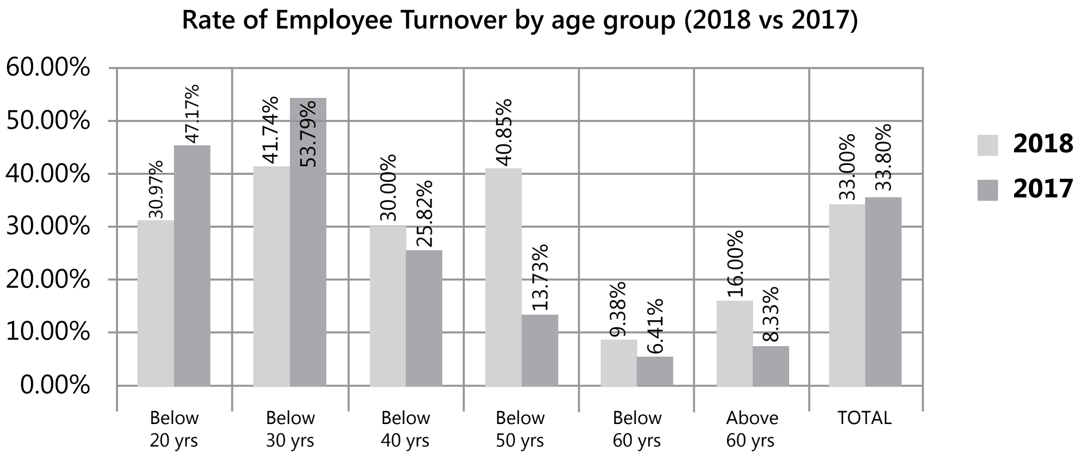
SUSTAINABILITY STATEMENT CONT'D

C. SOCIAL (CONT'D)

1. Labour Practices (Cont'd)

The following are the diagrams indicate the average training hour per annum per employee and rate of employee turnover (by age group and gender) for 2018 as compared to 2017 for reference (Cont'd):



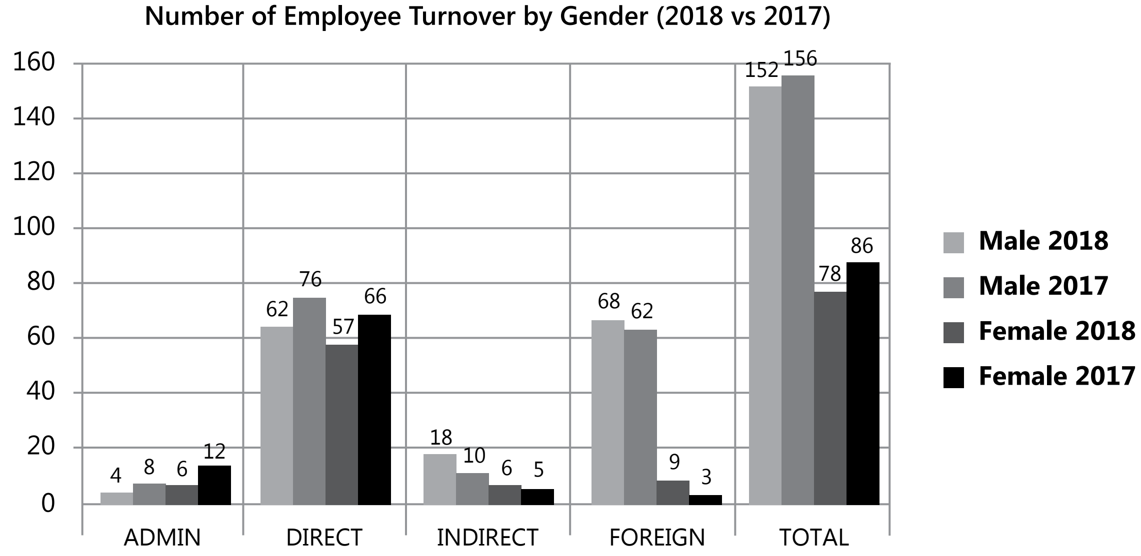


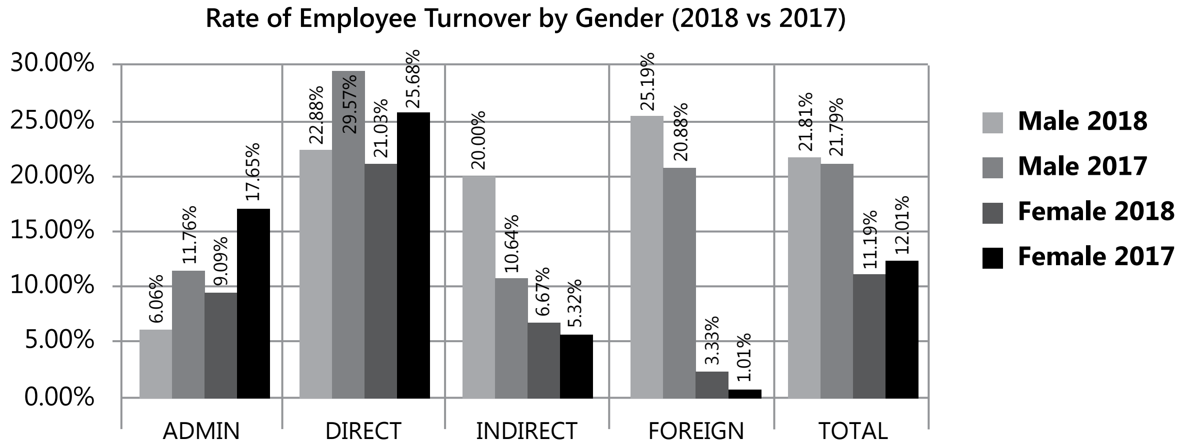
SUSTAINABILITY STATEMENT CONT'D

C. SOCIAL (CONT'D)

1. Labour Practices (Cont'd)

The following are the diagrams indicate the average training hour per annum per employee and rate of employee turnover (by age group and gender) for 2018 as compared to 2017 for 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 is continuing 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 8 April 2019.

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 2018.

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 (Bursa Securities)'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 Committe 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 2018. 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 representatives 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 Membership

The AC shall consist of not less than three (3) members. All the AC members must be Non-Executive Directors with a majority of them being Independent Directors and at least one (1) of the members of the AC:

(a) Must be a member of the MIA; or
(b) If he/she is not a member of the MIA, he/she must have at least three (3) years' working

i) he/she must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
ii) he/she must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(c) He/She must fulfill such other requirements as prescribed or approved by Bursa Securities;

Alternate Directors shall not be eligible for appointment as a member of the AC.

The members of the AC must elect a Chairman among themselves who is an Independent Director.

The terms of office and performance of each of the members of the AC shall be reviewed by the Board as and when necessary.

Where the membership of the AC falls below three (3) due to retirement or resignation or any other reason, the vacancy must be filled within two (2) months, but in any case not later than three (3) months.

The members of the AC are expected to be financially literate and have sufficient understanding of the Group's business.

3.2 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.

3.3 Duties

The duties of the Committee shall be to review, oversee and consider 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) and to report to the Board on significant matters related to the Company's audit and financial statements;

AUDIT COMMITTEE REPORT CONT'D

3. TERMS OF REFERENCE (CONT'D)

3.3 Duties (Cont'd)

(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, legal requirements and any other applicable laws, regulations and requirements, arising from time to time.

(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 proposals by management and review the suitability and independence regarding the appointment, transfer or dismissal of the IA and recommend to the Board for approval;
(h) The audit plan and work programme of internal audit;
(i) The internal auditors' report, their findings of internal audit work and management's response and maintaining active on-going dialogue with management and both IA and EA and encourage open discussion during meetings;
(j) The process and any evaluations on risk management and internal controls and processes by the IA and authorise the commission investigation to be conducted by the IA as it deems fit;
(k) 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;
(l) Findings of internal audit work and management's response;
(m) Recommendation on the risk management and sustainability matters for approval by the Board;
(n) Recommendation to the Board on proposed changes in risk management policies and strategies, as and when necessary;
(o) Liaison with IA and EA in respect of their conduct of the audit/review of the Company's risk management process;
(p) Review of reports to ensure compliance with risk management policies and provide recommendation where necessary;
(q) Extent of cooperation and assistance given by the employee;
(r) The propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group;
(s) 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 the AC; and
(t) Any other matter as defined by the Board from time to time.

3.4 Overseeing the Internal Audit Function

(a) The AC shall oversee all internal audit functions and is authorized to commission investigations to be conducted by internal audit as it deems fit;
(b) The IA shall report directly to the AC and shall have direct access to the Chairman of the AC; and
(c) All proposals by management regarding the appointment, transfer or dismissal of the IA shall require the prior approval of the AC.

3.5 Quorum for Meetings

The quorum for AC meeting shall be two (2) members, and if only two (2) members present, both of them must be Independent Directors. If the number of members present for the meeting is more than two (2), the majority of members present must be Independent Directors.

AUDIT COMMITTEE REPORT CONT'D

3. TERMS OF REFERENCE (CONT'D)

3.6 Attendance at Meetings

(a) Employees and non-member Directors shall not attend any particular AC meeting unless specifically invited by the AC;
(b) A representative of the EA shall attend the meeting to consider the final Audited Financial Statement and such other meetings determined by the AC; and
(c) Non-member Directors shall not attend unless specifically invited to by the AC.

3.7 Minutes

All minutes of each meeting shall be kept and distributed to each member. All minutes of meeting shall be circulated to every member of the Board. The Chairman of the AC shall report on each meeting to the Board. The Secretary to the AC shall be the Company Secretary.

A resolution in writing signed or approved by all the members of the AC shall be as valid and effectual as if it had been passed at a Meeting of the AC duly called and constituted.

3.8 Frequency of Meetings

The Chairman shall call for Meetings to be held not less than four (4) times a year and as and when required during each financial year. The EA may request a meeting if they deem necessary.

In the absence of the Chairman of the AC, members present shall elect a Chairman for the meeting from amongst the Independent Directors.

3.9 Reporting Procedure

The Company Secretary shall be the Secretary of the AC. He/ She shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the AC. All minutes of meetings shall be circulated to every member of the Board.

The AC shall prepare an annual report to the Board that provides a summary of the activities of the AC for inclusion in the Company's annual report and Statement on Internal Audit function to disclose whether the internal audit function is performed in-house or outsourced and the cost incurred for the internal audit function in respect of the financial year.

The AC shall assist the Board in preparing the following for publication in the Company's annual report:

- Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;
- Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
- Statement on the Board's responsibility for preparing the Annual Audited Financial Statements; and
- The AC may report any breaches of the Listing Requirements. Which have not been satisfactorily resolved, to the Stock Exchange.

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 had reviewed the quarterly financial statements for the 4th quarter of 2017, 1st, 2nd, 3rd and 4th quarters of 2018 at its meeting held on 27 February 2018, 5 April 2018, 23 May 2018, 29 August 2018, 28 November 2018 and 26 February 2019 respectively before recommending them for the Board's consideration and approval for release to the public;

(b) On 27 February 2018, 28 November 2018 and 26 February 2019, 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 during the course of their audit;

(c) On 5 April 2018, the AC had reviewed and discussed with the EA on the Audited Financial Statements of the Group for the year ended 31 December 2018. 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 2018, the AC had reviewed with the EA their scope of work and audit plan prior to the commencement of the audit. AC also had reviewed the EA's remuneration and made recommendation to the Board for acceptance;

(e) On 26 February 2019, 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 2018;

(f) Crowe Malaysia PLT ("Crowe") 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 Crowe's performance, the AC had recommended to the Board for approval on the re-appointment of Crowe as EA for the financial year ending 31 December 2019.
The Board at its meeting on 26 February 2019 had approved on the AC's recommendation, to re-appoint Crowe as EA of the Company for the financial year ending 31 December 2019, subject to the shareholder's approval to be sought at the forthcoming 18th Annual General Meeting;

(g) The AC had reviewed and approved the internal audit reports which IA had presented to the AC on 23 May 2018, 29 August 2018 and 28 November 2018. 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 2018 consists of:
  - Finance Function
  - Asset Management
  - Risk Management Framework – Annual review of the implementation;

(h) On 28 November 2018, the AC had reviewed the internal audit review plan for year 2019 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 internal audit and external audit 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 Forreststone Corporate Advisory Sdn. Bhd., 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 2018 was RM80,000.

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. 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 statement is made in accordance with a Board resolution dated 8 April 2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") recognises the importance of good corporate governance as a fundamental part of discharging its duties and responsibilities, to safeguard and enhance the long-term interests of its shareholders and other stakeholders.

This statement are prepared in the manner in which the Group has applied the three (3) main principles as set out 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 continual 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 39 to 41 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The following are the key responsibilities of the Board, in discharging its stewardship role: (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 34 to 36 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 39 to 41 of this Annual Report.

II. Code of Ethics and Conduct for Directors and employees

The Board acknowledges the importance of establishing a corporate culture which governs the high standard of ethic and good conduct of the Directors and employees. 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 and employees.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Code of Ethics and Conduct for Directors and employees (Cont'd)

Besides the employees and Directors of the Group who are required to 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 established the Whistle-Blowing Policy, and the Group has provided briefings and handbook to all its employees of the Group. Any violation, improper conduct or wrongdoing by any employee, the Group will not be tolerated with any such behaviour and disciplinary action will be taken against the wrongdoers, if subsequent investigation conclude that they are guilty.

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 seeking for long-term growth to achieve the Group's objectives.

IV. Role of Company Secretary

Ms. Yong May Li was appointed as the Company Secretary of the Company in Year 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 the regulatory changes, latest development in corporate governance and other relevant matters, to ensure the Directors are well-informed on the 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 members in discharging their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

V. Professional Development and Continuous Education for Directors (Cont'd)

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	- 2019 Budget Tax Conference	13 Nov 2018
Edward Goh Swee Wang	- 2019 Budget – Doing Business in the New Malaysia	9 Nov 2018
Yeow Ah Seng @ Yow Ah Seng	- 2019 Budget Tax Conference	19 Nov 2018
Lim Hun Swee	- 2019 Budget Tax Conference	19 Nov 2018
Siah Chin Leong	- 2019 Budget – Doing Business in the New Malaysia	9 Nov 2018
Ng Lee Thin (f)	- 2019 Budget Seminar	26 Nov 2018
Ng Keng Hoe	- 2019 Budget – Doing Business in the New Malaysia	9 Nov 2018

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.

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 highlighted in the Group's Board Charter:

a) Objective;
b) Structure and membership;
c) Formal schedule of matters;
d) Position description of the role of Chairman, CEO, and Executive Directors, as well as Non-Executive Directors;
e) Appointment of Board Committees;
f) Directors' Orientation and Education Programme;
g) An independent professional advice;
h) Code of Ethics and Conduct;
i) Whistle-blowing Policy; and
j) Anti-Corruption and Anti-Bribery Policy.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 it should seek a suitable candidates to fill the vacancy as Independent Director. 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	4	–	4
Non-Executive	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

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

VIII. Independent Directors (Cont'd)

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 2018, Datuk Kamaludin Bin Yusoff, the Chairman of the Board has served the Board for a 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 12 to 15 of this Annual Report.

IX. Nominating Committee

The Nominating Committee ("NC") comprises of 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

IX. Nominating Committee (Cont'd)

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 are circulated 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 2018, 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 since 2014 representing 14.29% of the Board, as an Independent Non-Executive Director to participate on the Board and Board Committees' activities.

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 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 adopted the Guidance to Practice 6.2 of MCCG, that RC should comprise only Non-Executive Directors and a majority of them must be Independent Directors. All the RC members are Independent Non-Executive Directors with effect from 1 March 2018.

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 2018 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	744,000	750,000	155,000	184,243	31,150	1,864,39
Ng Keng Hoe	492,000	300,000	129,000	101,040	21,250	1,043,290
Yeow Ah Seng @ Yow Ah Seng	324,000	300,000	79,000	37,440	9,600	750,040
Lim Hun Swee	300,000	50,000	132,000	64,920	–	546,920
Non-Executive Directors						
Datuk Kamaludin Bin Yusoff	–	–	93,000	–	–	93,000
Siah Chin Leong	–	–	97,000	–	–	97,000
Ng Lee Thin	–	–	96,000	–	–	96,000
	1,860,000	**1,400,000**	**781,000**	**387,643**	**62,000**	**4,490,643**

The Company	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Emoluments (RM)	Benefit-in-kinds (RM)	Total (RM)
Executive Directors						
Edward Goh Swee Wang	–	–	35,000	–	–	35,000
Yeow Ah Seng @ Yow Ah Seng	–	–	29,000	–	–	29,000
Lim Hun Swee	300,000	50,000	32,000	58,920	–	440,920
Ng Keng Hoe	–	–	29,000	–	–	29,000
Non-Executive Directors						
Datuk Kamaludin Bin Yusoff	–	–	93,000	–	–	93,000
Siah Chin Leong	–	–	97,000	–	–	97,000
Ng Lee Thin	–	–	96,000	–	–	96,000
	300,000	**50,000**	**411,000**	**58,920**	**–**	**819,920**

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 2018:

Senior Management	Range of Remuneration (RM)
Edward Goh Swee Wang	RM1,850,001 – RM1,900,000
Ng Keng Hoe	RM1,000,001 – RM1,050,000
Goh Mia Kwong	RM800,001 – RM850,000
Yeow Ah Seng @ Yow Ah Seng	RM750,001 – RM850,000
Lim Hun Swee	RM500,001 – RM550,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

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 28 of this Annual Report.

II. Risk Management and Internal Control Framework

The Board has ultimate responsibility to ensure the Risk Management Committee ("RMC") reviews and monitors 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, and the members are the CEO, Executive Director, Operations Manager and Group Finance Manager.

The Board recognises the importance of good corporate governance to have majority of the RMC members to comprise of Independent Directors. During the financial year under review, the Board has appointed an additional Independent Non-Executive Director as a member of RMC, so that to balance-off the composition of the RMC member in order to meet this criteria.

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 of 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 be material. Price sensitive information is 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 the 15th AGM, the Board has passed resolutions by way of poll voting. Messrs. Tricor Investor and Issuing House Services Sdn. Bhd. was appointed as poll administrator and Messrs. Asia Securities Sdn. Bhd. 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.

Pursuant to the Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meetings is to be voted by poll. All resolutions put forth for shareholders' approval at the 18th Annual General Meeting to be held on 29th May 2019 are to be voted by way of poll voting.

This statement is made in accordance with a Board resolution dated 8 April 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the statement on Risk Management and Internal Control and is committed towards monitoring and maintaining a sound system of risk management and internal control which has been prepared 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 Company and its subsidiaries ("the Group") during the financial year ended 31 December 2018.

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 consist of all Head of Departments with the responsibilities to 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 2018, the MC met once this year to discuss on issues mainly on products quality risk, storage risk, machineries 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 be reported to the Board for deliberation and approval.

The salient Terms of Reference of the RMC are as follows:

a) To define, review and 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 2018, the RMC continues to focus on operational risks in term of human resources integration and manpower issues. Due to differential segments, integration of human resources management and policies are crucial, as it requires more resources in term of time and cost to standardise all the rules and regulations of human resources within the Group. Thus, details study is needed before any implementation to ensure existing rights and benefits of the employees are not compromised with the new policies.

As for the manpower issue, local workers are difficult to hire due to the remote location of the factory which may not be as desire as the city areas. Foreign workers shortages were due to the certain changes in the government's policies that restrict the hiring of foreign workers and higher costs of levy to retain foreign workers who worked for more than 10 years. Thus, the recruitment, both local and foreign are a challenge to the Group to hire qualified, skilled and experience staff. However, the Group manage to find the alternative by employing internship students and contract workers to fill the vacancies.

In addition, the risk of transfer pricing was discussed at the RMC meeting to ensure all transactions are fair and justifiable when dealing with related companies. The relevant staff is required to keep all the documentation properly and obtain updates and information relating to transfer pricing through media, authority's 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 Board meetings.

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 Messrs Forreststone Corporate Advisory Sdn. Bhd. ("Forreststone"), an independent professional services firm. 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 reviewed on assets management in term of fixed assets register, assets tagging as well as custodian of assets, finance are mainly focus on jobs function, duty segregation as well as filing of documentation, and to update on overall risk assessment for previous year's unresolved matters of all the operating subsidiaries of the Group. The risk profile and risk register were updated to the AC for review and then AC recommended to the Board for deliberation and approval.

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

During the 4th quarter of 2018, Forreststone has submitted their proposed internal audit review plan for 2019 to AC, which focus on production and inventory management, to update on risk management framework of the Group and compliance with laws and regulations, for deliberation and subsequently was approved by the Board.

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 Ethics and Conduct 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 2018, 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 8 April 2019.

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

During the financial year ended 31 December 2018, there were no proceeds raised from corporate proposals.

(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 RM38,000 (2017: RM35,000). As for the Group, the total amount of audit fees payable to external auditors amounted to RM205,000 (2017: RM190,000).

The total amount of non-audit fees payable to external auditors of the Company for the financial year ended 31 December 2018 is the review of the Statement on Risk Management and Internal Control, amounted to RM5,000 (2017: RM5,000).

(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 (2017: RM1,800).

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 2018 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.)

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.)

ADDITIONAL COMPLIANCE INFORMATION CONT'D

5. CONTINUING EDUCATION PROGRAMME

All Directors have attended numerous seminars or courses during the financial year ended 31 December 2018.

Details of the seminars or courses attended are disclosed in the Corporate Governance Overview Statement, as set out on page 32 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 2018 was RM80,000 (2017: RM66,000).

The Statement of Risk Management and Internal Control is set out on pages 39 to 41 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

During the financial year ended 31 December 2018, 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 41 (b) on page 108 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 2018.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	36,564,794	13,417,954
Attributable to:-		
Owners of the Company	36,224,052	13,417,954
Non-controlling interests	340,742	–
	36,564,794	13,417,954

DIVIDENDS

Dividend paid and declared by the Company since 31 December 2017 are as follows:-

(a) 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 Depositors on 16 March 2018.

(b) A first interim dividend of 1 sen per ordinary share amounting to RM3,104,710 in respect of the financial year ended 31 December 2018 was declared on 28 May 2018 and subsequently paid on 26 June 2018. The payment made to shareholders whose name appeared in the Company's Record of Depositors on 13 June 2018.

(c) A second interim dividend of 0.5 sen per ordinary share amounting to RM1,552,353 in respect of the financial year ended 31 December 2018 was declared on 30 August 2018 and subsequently paid on 28 September 2018. The payment made to shareholders whose name appeared in the Company's Record Depositors on 19 September 2018.

(d) A third interim dividend of 1.5 sen per ordinary share amounting to RM4,657,063 in respect of the financial year ended 31 December 2018 was declared on 28 November 2018 and subsequently paid on 26 December 2018. The payment made to shareholders whose name appeared in the Company's Record Depositors on 17 December 2018.

(e) A fourth interim dividend of 2 sen per ordinary share amounting to RM6,209,420 in respect of the financial year ended 31 December 2018 was declared on 26 February 2019 and subsequently paid on 29 March 2019. The payment made to shareholders whose name appeared in the Company's Record Depositors on 15 March 2019. 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 2019.

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) there were no changes in the issued and paid-up share capital of the Company; and

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts 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 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 value 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.

DIRECTORS' REPORT CONT'D

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 other than as disclosed in Note 5, Note 6, Note 11, Note 34 and Note 35 to the financial statements.

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

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 names 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) (Retired on 1.3.2019)
Oh Tat Hooi
Tan Boon Kait
Yong Swee Choong
Mau Djen, SE (Resigned on 29.11.2018)

DIRECTORS' REPORT CONT'D

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 1.1.2018	Bought	Sold	At 31.12.2018
The Company				
Direct Interest				
Datuk Kamaludin Bin Yusoff	**682,800**	**167,000**	**–**	**849,800**
Edward Goh Swee Wang	**14,656,920**	**–**	**–**	**14,656,920**
Lim Hun Swee	**35,239,999**	**–**	**–**	**35,239,999**
Ng Keng Hoe	**30,066,399**	**567,700**	**–**	**30,634,099**
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	**12,474,932**	**–**	**–**	**12,474,932**
Edward Goh Swee Wang	**35,949,026**	**40,000**	**–**	**35,989,026**
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 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' 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 shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 41 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 40 to the financial statements.

DIRECTORS' REPORT CONT'D

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 47 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 48 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia which was previously known as Crowe Horwath), have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 35 to the financial statements.

Signed in accordance with a resolution of the directors dated 8 April 2019.

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 2018 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 53 to 132.

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 2018 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 Opinions

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 judgmental 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 of 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 RM102,659,239 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:- • Tested the reliability and accuracy of ageing report. • Assessed the reasonableness of impairment losses provided by management. • Evaluated the sufficiency and reasonableness of impairment provided by the management. • Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections. • Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix.

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 Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the other sections of the 2018 Annual Report, which is expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditors' report, 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.

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 (Cont'd)

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.

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 Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Ng Kim Hian
02506/04/2019 J
Chartered Accountant

Muar, Johor Darul Takzim
Date: 8 April 2019

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**–**	–	**163,617,850**	137,835,506
Investment in associate	6	**8,274,991**	171,040	**–**	–
Property, plant and equipment	7	**125,139,492**	110,934,551	**68,001**	138,475
Other investment	8	**16,500**	16,500	**–**	–
Goodwill	9	**10,650,327**	10,650,327	**–**	–
		144,081,310	121,772,418	**163,685,851**	137,973,981
CURRENT ASSETS					
Inventories	10	**118,742,500**	96,672,515	**–**	–
Trade receivables	11	**102,659,239**	79,567,756	**–**	–
Other receivables, deposits and prepayments	12	**4,773,055**	3,561,929	**–**	–
Amount owing by subsidiaries	13	**–**	–	**2,090,000**	6,572,951
Amount owing by an associate	14	**22,993**	–	**–**	–
Current tax assets		**3,473,759**	3,437,336	**258,342**	280,168
Derivative assets	15	**–**	3,835,850	**–**	–
Short-term investments	16	**14,093,616**	–	**10,062,872**	–
Deposit with a licensed bank	17	**22,819**	22,257	**–**	–
Cash and bank balances		**55,973,134**	85,436,761	**15,300,575**	49,308,922
		299,761,115	272,534,404	**27,711,789**	56,162,041
TOTAL ASSETS		**443,842,425**	394,306,822	**191,397,640**	194,136,022
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	**176,815,544**	176,815,544	**176,815,544**	176,815,544
Reserves	19	**137,539,191**	113,242,650	**7,774,978**	6,775,860
Equity attributable to owners of the Company		**314,354,735**	290,058,194	**184,590,522**	183,591,404
Non-controlling interests		**639,982**	54,240	**–**	–
TOTAL EQUITY		**314,994,717**	290,112,434	**184,590,522**	183,591,404

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

STATEMENTS OF FINANCIAL POSITION CONT'D
AT 31 DECEMBER 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
NON-CURRENT LIABILITIES					
Long-term borrowings	20	**1,987,365**	2,488,870	**–**	–
Retirement benefits	21	**383,000**	377,000	**–**	–
Deferred tax liabilities	22	**7,346,668**	8,227,256	**–**	42,000
		9,717,033	11,093,126	**–**	42,000
CURRENT LIABILITIES					
Trade payables	23	**64,434,378**	30,562,136	**–**	–
Other payables and accruals	24	**18,159,887**	15,519,481	**607,118**	629,741
Amount owing to directors	25	**179,439**	162,261	**–**	–
Amount owing to shareholders	26	**–**	245,000	**–**	–
Retirement benefits	21	**300,000**	300,000	**–**	–
Current tax liabilities		**4,731,334**	691,674	**–**	–
Derivative liabilities	15	**901,145**	–	**–**	–
Short-term borrowings	27	**30,424,492**	41,398,894	**6,200,000**	8,320,524
Provision	30	**–**	2,669,463	**–**	–
Dividend payable	31	**–**	1,552,353	**–**	1,552,353
		119,130,675	93,101,262	**6,807,118**	10,502,618
TOTAL LIABILITIES		**128,847,708**	104,194,388	**6,807,118**	10,544,618
TOTAL EQUITY AND LIABILITIES		**443,842,425**	394,306,822	**191,397,640**	194,136,022

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 2018

	Note	The Group 2018 RM	The Group 2017 Restated RM	The Company 2018 RM	The Company 2017 RM
REVENUE	32	**501,123,398**	474,545,311	**15,087,987**	11,380,802
OTHER OPERATING INCOME		**10,159,408**	13,041,578	**394,950**	135,419
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		**(1,758,570)**	1,856,048	**–**	–
RAW MATERIALS AND CONSUMABLE USED		**(383,246,135)**	(379,585,946)	**–**	–
EMPLOYEE BENEFITS	33	**(36,603,009)**	(33,811,432)	**(1,263,417)**	(1,177,180)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		**(10,022,127)**	(9,158,237)	**(70,474)**	(86,992)
FINANCE COSTS		**(1,326,820)**	(1,589,718)	**(197,005)**	(370,260)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	34	**(409,687)**	(8,295,549)	**–**	–
OTHER OPERATING EXPENSES		**(29,569,135)**	(23,420,270)	**(576,087)**	(461,940)
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATE		**3,551**	–	**–**	–
PROFIT BEFORE TAX	35	**48,350,874**	33,581,785	**13,375,954**	9,419,849
INCOME TAX EXPENSE	36	**(11,786,080)**	(7,752,844)	**42,000**	36,000
PROFIT AFTER TAX		**36,564,794**	25,828,941	**13,417,954**	9,455,849
OTHER COMPREHENSIVE INCOME					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign exchange translation differences		**491,325**	(32,406)	**–**	–
		491,325	(32,406)	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**37,056,119**	25,796,535	**13,417,954**	9,455,849

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		The Group		The Company	
		2018	2017 Restated	2018	2017
	Note	RM	RM	RM	RM
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		**36,224,052**	25,655,061	**13,417,954**	9,455,849
Non-controlling interests		**340,742**	173,880	**–**	–
		36,564,794	25,828,941	13,417,954	9,455,849
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**36,715,377**	25,622,655	**13,417,954**	9,455,849
Non-controlling interests		**340,742**	173,880	**–**	–
		37,056,119	25,796,535	**13,417,954**	9,455,849
EARNINGS PER SHARE (SEN)	37				
- basic		**11.67**	8.26		
- diluted		**11.67**	8.26		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Non-Distributable Share Capital RM	Foreign Exchange Translation Reserve RM	Distributable Retained Profits RM	Attributable To Owners Of the Company RM	Non-Controlling Interest ("NCI") RM	Total Equity RM
The Group							
Balance at 1.1.2018		176,815,544	(491,325)	113,733,975	290,058,194	54,240	290,112,434
Profit after tax for the financial year		–	–	36,224,052	36,224,052	340,742	36,564,794
Acquisition of new subsidiary by NCI		–	–	–	–	245,000	245,000
Other comprehensive income for the financial year							
- Foreign exchange translation differences		–	491,325	–	491,325	–	491,325
Total comprehensive income for the financial year		–	491,325	36,224,052	36,715,377	585,742	37,301,119
Contribution by and distribution to owners of the Company							
- Dividends	38	–	–	(12,418,836)	(12,418,836)	–	(12,418,836)
Total transaction with owners		–	–	(12,418,836)	(12,418,836)	–	(12,418,836)
Balance at 31.12.2018		176,815,544	–	137,539,191	314,354,735	639,982	314,994,717

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

STATEMENTS OF CHANGES IN EQUITY CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Share Capital RM	Non-Distributable Foreign Exchange Translation Reserve RM	Non-Distributable Warrants Reserve RM	Distributable Retained Profits RM	Attributable To Owners Of the Company RM	Non-Controlling Interest ("NCI") RM	Total Equity RM
The Group								
Balance at 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 share upon exercise of warrants		52,408,695	–	–	–	52,408,695	–	52,408,695
- Dividends	38	–	–	–	(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 CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Non-Distributable Share Capital RM	Non-Distributable Warrants Reserve RM	Distributable Retained Profits RM	Total Equity RM
The Company					
Balance at 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
Distribution to owners of the Company:-					
- Issuance of shares upon exercise of warrants		52,408,695	–	–	52,408,695
- Dividends	38	–	–	(12,598,072)	(12,598,072)
- Transfer of reserves upon expiry of warrants		–	(5,232,757)	5,232,757	–
Balance at 31.12.2017/1.1.2018		176,815,544	–	6,775,860	183,591,404
Profit after tax and total comprehensive income for the financial year"		–	–	13,417,954	13,417,954
Contribution by and distribution to owners of the Company					
- Dividends	38	–	–	(12,418,836)	(12,418,836)
Balance at 31.12.2018		176,815,544	–	7,774,978	184,590,522

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		**48,350,874**	33,581,785	**13,375,954**	9,419,849
Adjustments for:-					
Bad debt written off		**3,143**	–	**–**	–
Impairment losses on trade receivables	11	**409,687**	8,412,910	**–**	–
Dividends income		**–**	–	**(14,697,987)**	(10,970,802)
Depreciation of property, plant and equipment		**10,022,127**	9,158,237	**70,474**	86,992
Loss/(Gain) on disposal of property, plant and equipment		**43,343**	(268,404)	**–**	–
Unrealised (gain) on foreign exchange		**(545,166)**	(723,068)	**–**	–
Loss/(Gain) on fair value changes on financial instruments		**4,736,995**	(4,487,205)	**–**	–
Inventories written off		**84,356**	986,475	**–**	–
Inventories written down		**475,484**	206,938	**–**	–
Interest expense		**1,326,820**	1,589,718	**197,005**	370,260
Interest income		**(960,034)**	(620,077)	**(394,950)**	(135,419)
Property, plant and equipment written off		**10,597**	–	**–**	–
Provision for retirement benefits	21	**51,006**	145,215	**–**	–
Reversal of impairment losses on trade receivables"	11	**–**	(117,361)	**–**	–
Share profit of an associate		**(3,551)**	–	**–**	–
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**64,005,681**	47,865,163	**(1,449,504)**	(1,229,120)
Increase in inventories		**(22,629,825)**	(17,412,481)	**–**	–
Increase in trade and other receivables		**(23,938,442)**	(5,506,145)	**–**	–
Decrease/(Increase) in amount owing by subsidiaries		**–**	–	**148,951**	(78,951)
Increase/(Decrease) in trade and other payables		**33,196,333**	5,616,819	**(22,623)**	119,484
Increase in amount owing to directors		**17,178**	14,870	**–**	–
CASH FROM/(FOR) OPERATIONS		**50,650,925**	30,578,226	**(1,323,176)**	(1,188,587)
Interest received		**960,034**	620,077	**394,950**	135,419
Interest paid		**(1,326,820)**	(1,589,718)	**(197,005)**	(370,260)
Income tax paid		**(8,774,187)**	(11,020,639)	**(30,000)**	(30,050)
Income tax refund		**110,756**	1,766,152	**51,826**	36,000
Retirement benefits paid		**(45,006)**	(12,216)	**–**	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**41,575,702**	20,341,882	**(1,103,405)**	(1,417,478)

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

STATEMENTS OF CASH FLOWS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		**–**	–	**14,697,987**	10,970,802
Acquisition of associate		**–**	(171,040)	**–**	–
Proceeds from disposal of property, plant and equipment		**25,865**	321,687	**–**	–
Purchase of property, plant and equipment	39(a)	**(23,402,071)**	(17,160,032)	**–**	(6,029)
Additional investment in an existing subsidiary	5	**–**	–	**(21,448,344)**	–
Additional investment in an existing associate	6	**(8,100,400)**	–	**–**	–
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(31,476,606)**	(17,009,385)	**(6,750,357)**	10,964,773
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		**(13,971,189)**	(11,045,719)	**(13,971,189)**	(11,045,719)
(Repayment)/Drawdown of bill payables		**(841,870)**	(1,372,519)	**–**	–
(Repayment)/Drawdown of bankers' acceptance		**–**	(3,933,000)	**–**	–
Drawdown of foreign currency trust receipts		**65,575,594**	85,691,411	**–**	–
Repayment of foreign currency trust receipts		**(68,813,745)**	(85,793,326)	**–**	–
Drawdown of revolving credit		**25,151,046**	17,002,798	**19,500,000**	17,002,798
Repayment of revolving credit		**(31,118,143)**	(29,872,108)	**(20,302,798)**	(19,350,000)
Repayment of hire purchase obligations		**(69,612)**	(117,602)	**–**	–
Repayment of term loans		**(1,886,174)**	(1,980,443)	**(1,317,726)**	(1,433,876)
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 subsudiary to non controlling interest		**–**	245,000	**–**	–
Contribution granted from holding company		**–**	–	**–**	(339,159)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**(25,974,093)**	21,478,187	**(16,091,713)**	37,242,739

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

STATEMENTS OF CASH FLOWS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		The Group		The Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(15,874,997)**	24,810,684	**(23,945,475)**	46,790,034
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		**505,548**	(32,406)	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**85,450,031**	60,671,753	**49,308,922**	2,518,888
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(c)	**70,080,582**	85,450,031	**25,363,447**	49,308,922

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 08 April 2019.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with 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)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4 : Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15 : Effective Date of MFRS 15

Amendments to MFRS 15 : Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles
- Amendments to MFRS 1 : Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128 : Measuring an Associate or Joint Venture at Fair Value

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. BASIS OF PREPARATION (CONT'D)

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) (Cont'd):-

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

(a) MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held-to-maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with the 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. There were no material financial impacts upon the transition to MFRS 9 at the date of initial application.

(b) MFRS 15 requires an entity to recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. In addition, more guidance has been added in MFRS 15 to deal with specific scenarios. There were no material financial impacts upon the transition to MFRS 15 at the date of initial application.

3.2 The Group has not applied in advance the following accounting standards and/or interpretation (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 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3 : Definition of a Business	1 January 2020
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 101 and MFRS 108 : Definition of Material	1 January 2020
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 References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretation (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 interpretation (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 16: Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial positon (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

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 RM4,731,334 (2017: RM691,674).

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 amount 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

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date is disclosed in Notes 11 to the financial statements.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

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.

(b) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statements 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 recognises 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(d) Loss of Control (Cont'd)

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 9 (2017: 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.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates.

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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Functional and Foreign Currencies (Cont'd)

(c) Foreign Operations (Cont'd)

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 operation 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 (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). 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.

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

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirely at either amortised or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(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. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other financial liabilities

Other financial liabilities are 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 (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 liability or a shorter period (where appropriate).

(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) Derivative Financial Instruments

Derivative 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.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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 amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

<u>Accounting Policies Applied Until 31 December 2017</u>

As disclosed in Note 49 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information of the Group's financial assets continues to be accounted for in accordance with their previous accounting policies as summarised below:-

- Financial assets were designated at fair value through profit or loss when the financial asset was either held for trading or was designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives were also classified as held for trading unless they were designated as hedges. Financial assets at fair value through profit or loss were stated at fair value at each reporting date with any gain or loss arising on remeasurement recognised in profit or loss.

- Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

Accounting Policies Applied Until 31 December 2017 (Cont'd)

- Available-for-sale financial assets were non-derivative financial assets not classified in any of the other categories. After initial recognition, available-for-sale financial assets were remeasured to fair value at each reporting date with any gain and loss 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 was reclassified from equity into profit or loss. Investments in equity instruments whose fair value cannot be reliably measured were measured at cost less accumulated impairment losses, if any.

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 9 (2017: 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (Cont'd)

(c) Transferable Golf Club Membership

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

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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

<u>Accounting Policy Applied Until 31 December 2017</u>

As disclosed in Note 49 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of Group's financial assets has been accounted for in accordance with their previous accounting policy as summarised below:-

- The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event(s) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (Cont'd)

(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.

4.9 Leased Assets

(a) Finance Leases

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.

(b) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Leased Assets (Cont'd)

(b) Operating Leases (Cont'd)

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

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 statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

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.

4.13 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Employee Benefits (Cont'd)

(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 tax 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 all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets 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.

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. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Contingent Liabilities (Cont'd)

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.

4.18 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed todate.

(a) Sale of Tins and Cans and Dairies Products

Revenue from sale of tins and cans and dairies products are recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.21 Revenue from Other Sources and Other Operating Income

(a) Interest Income

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

(b) Dividend Income

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

(c) Rental Income

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

(d) Management fee

Management fee is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. INVESTMENT IN SUBSIDIARIES

	The Company 2018 RM	The Company 2017 RM
Unquoted shares, at cost		
At 1 January	**103,517,850**	103,517,850
Addition during the financial year	**60,100,000**	–
At 31 December	**163,617,850**	103,517,850
Contribution to subsidiaries:-		
At 1 January	**34,317,656**	33,978,497
(Capitalisation)*/Addition during the financial year	**(34,317,656)**	339,159
At 31 December	**–**	34,317,656
	163,617,850	137,835,506

* This represent part of the investment in subsidiaries.

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.

(a) 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 (%) 2018	2017	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 diary products
Subsidiaries of ADSB				
Able Dairies Marketing Sdn. Bhd. ("ADM") #	Malaysia	**51**	51	Wholesale of dairy products

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent (%) 2018	2017	Principal Activities
Subsidiaries of ADSB				
Able Packaging S.A.P.I DE C.V. ("APM") #	Mexico	**51**	–	Manufacturing and sales of containers
Subsidiaries of JTFSB				
PT Medan Johor Tin * ^	Indonesia	**–**	100	Dormant

* This subsidiary is audited by other firm of chartered accountants.
^ The subsidiary has been struck off during the current financial year.
# This subsidiary was incorporated on 5th December 2018. There is no statutory audit require for this financial year.

(i) On 4 January 2018, the subsidiary of the Company, ADSB subscribed an additional 255,000 ordinary shares in ADM at an issued price of RM1 each. ADSB holds 510,000 ordinary shares representing 51% of the equity interest in the capital of ADM.

(ii) On 31 May 2017, the dormant subsidiary of JTFSB, PT Medan Johor Tin has submitted an application to the Kementerian Keuangan Republik Indonesia ("Kemenkeu RI") to strike off from the register of Kemenkeu RI and has received the approval from Kemenkeu RI on 25 June 2018.

(iii) On 26 July 2018, the subsidiary of the Company, ADSB acquired 51% equity interests in APM for a cash consideration of RM13,915.

(iv) On 16 November 2018, the subsidiary of the Company, ADSB subscribed an additional 51,701 ordinary and nominative shares in APM for a cash consideration of RM1,059,110 which representing 51% of the equity interest in the capital of APM.

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

	Effective Equity Interest 2018 %	2017 %	The Group 2018 RM	2017 RM
Able Food Sdn. Bhd.	**4**	4	**(280,754)**	(314,084)
Able Dairies Marketing Sdn. Bhd.	**49**	49	**920,736**	368,324
			639,982	54,240

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) 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. 2018 RM	2017 RM
At 31 December		
Non-current assets	**800,646**	648,411
Current assets	**79,963,374**	50,386,035
Current liabilities	**(87,649,565)**	(58,886,542)
Net liabilities	**(6,885,545)**	(7,852,096)
Financial year ended 31 December		
Revenue	**103,093,631**	139,479,778
Profit after tax and total comprehensive income for the financial year	**833,245**	1,263,897
Total comprehensive income attributable to non-controlling interests	**33,330**	50,556
Net cash flows (for)/from operating activities	**(436,293)**	19,970,791
Net cash flows for investing activities	**(97,364)**	(65,753)
Net cash flows from/(for) financing activities	**2,050,825**	(12,955,754)

	Able Dairies Marketing Sdn. Bhd. 2018 RM	2017 RM
At 31 December		
Non-current asset	**61,930**	59,007
Current assets	**14,849,005**	10,006,895
Current liabilities	**(13,026,884)**	(9,309,220)
Net assets	**1,884,051**	756,682
Financial year/period ended 31 December		
Revenue	**44,275,512**	10,731,866
Profit after tax and total comprehensive income for the financial year/period	**627,369**	251,682
Total comprehensive income attibutable to non-controlling interest	**307,412**	123,324
Net cash flows (for)/from operating activities	**(88,880)**	1,187,675
Net cash flows for investing activity	**(16,874)**	(64,296)
Net cash flows from financing activities	**32,022**	500,000

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6. INVESTMENT IN ASSOCIATE

	The Group 2018 RM	2017 RM
Unquoted shares, at cost	**8,271,440**	171,040
Share of post acquisition loss	**3,551**	–
	8,274,991	171,040

Name of Associate	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2018 %	2017 %	Principal Activities
Able Dairies Mexico S.A.P.I. DE C.V.	Mexico	**40**	40	Wholesale of dairy products

The summarised unaudited financial information for associate that is material to the Group is as follows:-

	2018 RM
<u>At 31 December</u>	
Non-current asset	**17,244,078**
Current assets	**3,443,400**
Net assets	**20,687,478**
<u>Financial period ended 31 December</u>	
Profit after tax and total comprehensive income for the financial year	**8,878**
Group's share of profit for the financial year	**3,551**
<u>Financial period ended 31 December</u>	
Group's share of net assets	**8,274,991**

No summarised financial information been presented in previous year as the associate is not material to the Group. The associate was newly incorporated in previous financial year.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2018 RM	Additions RM	Reclassification RM	Disposal RM	Write off RM	Depreciation Charges RM	At 31.12.2018 RM
2018							
Carrying amount							
Freehold land	21,828,156	–	–	–	–	–	21,828,156
Leasehold land	44,615	–	–	–	–	(1,539)	43,076
Factory buildings	39,172,439	902,512	–	–	–	(930,267)	39,144,684
Plant and machinery	41,655,858	4,828,543	694,600	(69,208)	–	(7,265,403)	39,844,390
Moulds, tools, and factory equipment	1,181,347	193,345	–	–	–	(421,922)	952,770
Electrical installations and substation	1,088,698	58,084	–	–	–	(249,578)	897,204
Motor vehicles	973,623	498,806	–	–	–	(388,472)	1,083,957
Office equipment, furniture and fittings	1,225,623	259,019	–	–	(10,597)	(285,207)	1,188,838
Renovation	2,271,592	329,595	798,000	–	–	(479,739)	2,919,448
Capital work-in-progress	1,492,600	17,236,969	(1,492,600)	–	–	–	17,236,969
	110,934,551	24,306,873	–	(69,208)	(10,597)	(10,022,127)	125,139,492

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

The Group	At 1.1.2017 RM	Additions RM	Reclassification RM	Disposal RM	Depreciation Charges RM	At 31.12.2017 RM
2017						
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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Carrying Amount RM
2018				
Freehold land	**21,828,156**	**–**	**–**	**21,828,156**
Leasehold land	**76,930**	**(33,854)**	**–**	**43,076**
Factory buildings	**45,407,786**	**(6,263,102)**	**–**	**39,144,684**
Plant and machinery	**110,970,171**	**(69,708,026)**	**(1,417,755)**	**39,844,390**
Moulds, tools, and factory equipment	**6,368,879**	**(5,416,109)**	**–**	**952,770**
Electrical installations and substation	**3,490,421**	**(2,593,217)**	**–**	**897,204**
Motor vehicles	**4,194,498**	**(3,110,541)**	**–**	**1,083,957**
Office equipment, furniture and fittings	**3,636,668**	**(2,447,830)**	**–**	**1,188,838**
Renovation	**5,648,976**	**(2,729,528)**	**–**	**2,919,448**
Capital work-in-progress	**17,236,969**	**–**	**–**	**17,236,969**
	218,859,454	**(92,302,207)**	**(1,417,755)**	**125,139,492**
2017				
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 Company	At 1.1.2018 RM	Additions RM	Depreciation Charges RM	At 31.12.2018 RM
2018				
Carrying amount				
Office equipment, furniture and fittings	**138,475**	**-**	**(70,474)**	**68,001**

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

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

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2018			
Carrying amount			
Office equipment, furniture and fittings	**354,699**	**(286,698)**	**68,001**
2017			
Carrying amount			
Office equipment, furniture and fittings	584,643	(446,168)	138,475

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

	The Group 2018 RM	The Group 2017 RM
Motor vehicles	**271,881**	98,556

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

	The Group 2018 RM	The Group 2017 RM
Factory building	**5,398,920**	5,537,142

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. OTHER INVESTMENT

	The Group	
	2018 RM	2017 RM
Transferable golf club membership, at fair value (2017: at cost)	**16,500**	16,500

At 1 January 2018, the Group designated its investments in transferable golf club membership to be measured at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes. In the last financial year, these investments were classified as available-for-sale financial assets and measured at cost.

9. GOODWILL

	The Group	
	2018 RM	2017 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	
	2018 RM	2017 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 unit 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	
	2018 %	2017 %	2018 %	2017 %	2018 %	2017 %
Food and beverage	**17**	16	**–**	–	**9**	8

(i) Budget 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) – Reflect 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 sources and internal historical data.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. GOODWILL (CONT'D)

(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	
	2018 RM	**2017 RM**
Raw materials	**73,084,652**	53,019,548
Work-in-progress	**13,855,806**	13,157,991
Finished goods	**8,170,971**	10,594,154
Goods-in-transit	**23,631,071**	19,900,822
	118,742,500	96,672,515
Recognised in profit or loss:-		
Inventories recognised as cost of sales	**415,713,546**	405,041,349
Amount written down to net realisable value	**475,484**	206,938

11. TRADE RECEIVABLES

	The Group	
	2018 RM	**2017 RM**
Trade receivables:-		
Third parties	**109,429,328**	86,549,970
Related party	**3,524,125**	2,902,313
	112,953,453	89,452,283
Impairment losses on receivables	**(10,294,214)**	(9,884,527)
	102,659,239	79,567,756
Impairment losses on receivables:-		
At 1 January		
- As previously reported	**9,884,527**	3,235,187
- Effects on adoption of MFRS 9	**–**	–
- Amount reported under MFRS 9 (2017: MFRS 139)	**9,884,527**	3,235,187
Addition during the financial year	**409,687**	8,412,910
Written off during the financial year	**–**	(1,646,209)
Reversal during the financial year	**–**	(117,361)
At 31 December	**10,294,214**	9,884,527

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

(b) The Group's normal trade terms are cash term - 120 days credit (2017: 30 - 120 days credit). Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2018 RM	2017 RM
Other receivables:-		
Third parties	**623,778**	77,881
Related party	**701,438**	8,060
Advances to suppliers	**1,928,557**	–
Goods and services tax recoverable	**589,837**	1,683,678
	3,843,610	1,769,619
Deposits	**855,061**	1,468,907
Prepayments	**74,384**	323,403
	4,773,055	3,561,929

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

13. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2018 RM	2017 RM
Current		
Trade balance	**2,090,000**	2,238,951
Non-trade balance	**–**	4,334,000
	2,090,000	6,572,951

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. AMOUNT OWING BY AN ASSOCIATE

	The Group	
	2018 RM	2017 RM
Current		
Non-trade balance	**22,993**	–
	22,993	–

The non-trade balance represents advances, which are unsecured, interest free and repayable on demand and is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. DERIVATIVE ASSETS/(LIABILITIES)

	The Group		
	Contract/ Notional Amount RM	Derivative Assets RM	Derivative Liabilities RM
2018			
Forward foreign exchange contracts	**27,637,255**	**–**	**(901,145)**
2017			
Forward foreign exchange contracts	73,058,197	3,835,850	–

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 (2017: 1 to 12) months after the end of the reporting period.

16. SHORT-TERM INVESTMENTS

	The Group			
	2018		2017	
	Carrying Amount RM	Market Value RM	Carrying Amount RM	Market Value RM
Money market fund, at fair value	**14,093,616**	**14,098,555**	–	–

	The Company			
	2018		2017	
	Carrying Amount RM	Market Value RM	Carrying Amount RM	Market Value RM
Money market fund, at fair value	**10,062,872**	**10,067,408**	–	–

17. DEPOSIT WITH A LICENSED BANK

The deposit with a licensed bank of the Group at the end of the reporting period bore effective interest rates ranging from 2.53% to 2.87% (2017: 2.39% to 2.58%) per annum. The deposit has maturity periods ranging from 1 to 12 months (2017: 1 to 12 months).

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. SHARE CAPITAL

	The Group and The Company			
	2018	2017	2018	2017
	Number of Shares		RM	RM
Issued And Fully Paid-Up Ordinary shares				
At 1 January	**310,470,986**	248,813,698	**176,815,544**	124,406,849
Issuance of new shares upon warrants exercised	**–**	61,657,288	**–**	52,408,695
At 31 December	**310,470,986**	310,470,986	**176,815,544**	176,815,544

The holders 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. The ordinary shares have no par value.

19. RESERVES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-Distributable				
Foreign exchange translation reserve	**–**	(491,325)	**–**	–
Distributable				
Retained profits	**137,539,191**	113,733,975	**7,774,978**	6,775,860
At 31 December	**137,539,191**	113,242,650	**7,774,978**	6,775,860

Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and the Group's share of an associate's foreign currency translation differences whose functional currencies are different from the Group's presentation currency.

20. LONG-TERM BORROWINGS

	The Group	
	2018 RM	2017 RM
Hire purchase payables (Note 28)	**136,150**	36,484
Term loans (Note 29)	**1,851,215**	2,452,386
	1,987,365	2,488,870

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. RETIREMENT BENEFITS

	The Group	
	2018 RM	2017 RM
At 1 January	**677,000**	544,001
Addition during the financial year (Note 33)	**51,006**	145,215
Paid during the financial year	**(45,006)**	(12,216)
At 31 December	**683,000**	677,000
Current	**300,000**	300,000
Non-current	**383,000**	377,000
	683,000	677,000

Retirement benefits represent the Group's obligation in respect of a non-contributor unfunded retirements 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	
	2018	2017
Discount rate	**4.35%**	4.38%
Annual salary increment per worker	**RM104**	RM104

22. DEFERRED TAX LIABILITIES

	At 1.1.2018 RM	Recognised in Profit or Loss (Note 36) RM	At 31.12.2018 RM
The Group			
2018			
Deferred Tax Liabilities			
Property, plant and equipment	**7,533,148**	**(706,438)**	**6,826,710**
Exchange differences	**979,610**	**504,055**	**1,483,665**
Fair value change on financial instruments	**940,313**	**(1,090,673)**	**(150,360)**
	9,453,071	**(1,293,056)**	**8,160,015**
Deferred Tax Assets			
Impairment losses on trade receivables	**(115,775)**	**(98,325)**	**(214,100)**
Provisions	**(1,110,040)**	**510,793**	**(599,247)**
	(1,225,815)	**412,468**	**(813,347)**
	8,227,256	**(880,588)**	**7,346,668**

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

22. DEFERRED TAX LIABILITIES (CONT'D)

	At 1.1.2017 RM	Recognised in Profit or Loss (Note 36) RM	At 31.12.2017 RM
The Group			
2017			
Deferred Tax Liabilities			
Property, plant and equipment	6,932,913	600,235	7,533,148
Exchange differences	2,220,054	(1,240,444)	979,610
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

	At 1.1.2018 RM	Recognised in Profit or Loss (Note 36) RM	At 31.12.2018 RM
The Company			
2018			
Deferred Tax Liability			
Property, plant and equipment	**42,000**	**(42,000)**	**–**

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

At the end of the reporting period, the Group has unused tax losses and unabsorbed capital allowances (stated at gross) of approximately RM9,343,000 (2017: RM9,174,000) and RM443,410 (2017: RM348,000) respectively that are available for offset against future taxable profits of the subsidiaries in which the losses arose. No deferred tax assets 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.

The unused tax losses expire at end of the year of assessment 2025 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. TRADE PAYABLES

	The Group 2018 RM	The Group 2017 RM
Trade payables:-		
Third parties	**64,395,630**	30,426,590
Related party	**38,748**	135,546
	64,434,378	30,562,136

(a) The Group's normal trade terms granted to the company are cash term - 90 days credit (2017: cash term - 90 days credit).

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

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other payables:-				
Third parties	**7,261,139**	4,800,321	**10,324**	89,476
Related party	**1,500**	92,282	**–**	–
Goods and services tax payable	**187,313**	352,437	**–**	–
	7,449,952	5,245,040	**10,324**	89,476
Deposits received	**2,649,818**	2,891,047	**–**	–
Accrued expenses	**1,777,741**	1,899,525	**418,500**	415,500
Payroll liabilities	**6,282,376**	5,483,869	**178,294**	124,765
	18,159,887	15,519,481	**607,118**	629,741

(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 RM735,736 (2017: RM32,934) payable for the purchase of property, plant and equipment (Note 39).

25. 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.

26. AMOUNT OWING TO SHAREHOLDERS

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

27. SHORT-TERM BORROWINGS

	The Group		The Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Bill payables	**–**	841,870	**–**	–
Foreign currency trust receipts	**19,947,586**	22,860,740	**–**	–
Revolving credit	**9,800,000**	15,767,097	**6,200,000**	7,002,798
Hire purchase payables (Note 28)	**71,881**	39,159	**–**	–
Term loans (Note 29)	**605,025**	1,890,028	**–**	1,317,726
	30,424,492	41,398,894	**6,200,000**	8,320,524

Bill payables, foreign currency trust receipts and revolving credit are drawn for period ranging from 42 days to 179 days (2017: 28 days to 248 days) and bore interest rates ranging from 2.89% to 5.51% (2017: 1.20% to 5.25%) per annum.

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.

28. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2018 RM	**2017 RM**
Minimum hire purchase payments:-		
- not later than one year	**79,932**	42,304
- later than one year and not later than five years	**145,692**	37,681
	225,624	79,985
Less: Future finance charges	**(17,593)**	(4,342)
Present value of hire purchase payables	**208,031**	75,643
Analysed by:-		
Current liabilities	**71,881**	39,159
Non-current liabilities	**136,150**	36,484
	208,031	75,643

(a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase as disclosed in Note 7(a) 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 2.33% to 6.03% (2017: 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 CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

29. TERM LOANS (SECURED)

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Current liabilities	**605,025**	1,890,028	**–**	1,317,726
Non-current liabilities	**1,851,215**	2,452,386	**–**	–
	2,456,240	4,342,414	**–**	1,317,726

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

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

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	%	**%**	**%**	**%**
Floating rate term loans	**4.97**	4.57 to 4.97	**–**	4.57

30. PROVISION

	The Group	
	2018	**2017**
	RM	**RM**
Provision	**–**	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 in March 2018.

31. DIVIDEND PAYABLE

	The Group and The Company	
	2018	**2017**
	RM	**RM**
Third interim dividend of 0.5 sen per ordinary share	**–**	1,552,353

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

32. REVENUE

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Sales of tins and cans	**117,021,531**	102,401,297	**–**	–
Sales of dairies products	**384,101,867**	372,144,014	**–**	–
Dividends income	**–**	–	**14,697,987**	10,970,802
Management fee income	**–**	–	**390,000**	410,000
	501,123,398	474,545,311	**15,087,987**	11,380,802

The information on the disaggregation of revenue is disclosed in Note 42 to the financial statements.

33. EMPLOYEE BENEFITS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Short term employee benefits	**33,416,365**	30,779,313	**782,287**	739,282
Contribution to a defined contribution plan	**2,334,638**	2,123,404	**70,130**	64,398
Directors' fee	**801,000**	763,500	**411,000**	373,500
Addition to a non-contributory unfunded retirement benefit plan (Note 21)	**51,006**	145,215	**–**	–
	36,603,009	33,811,432	**1,263,417**	1,177,180

Included in employee benefits is key management personnel compensation as disclosed in Note 40 to the financial statements.

34. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group	
	2018 RM	2017 Restated RM
Impairment losses during the financial year:		
- Individually impaired under MFRS 139	**–**	8,412,910
- Additions under MFRS 9	**409,687**	–
Reversal of impairment losses	**–**	(117,361)
	409,687	8,295,549

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

35. PROFIT BEFORE TAX

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax is arrived at after charging:-				
Auditors' remuneration:				
- Audit fees				
- current financial year	**205,000**	190,000	**38,000**	35,000
- Non audit fees				
- current financial year	**5,000**	5,000	**–**	–
Bad debt written off	**3,143**	–	**–**	–
Compensation for damage and loss	**127,933**	–	**–**	–
Incorporation fees	**–**	2,230	**–**	–
Inventories written down	**475,484**	206,938	**–**	–
Inventories written off	**84,356**	986,475	**–**	–
Interest expense	**1,326,820**	1,589,718	**197,005**	370,260
Loss on disposal of property, plant and equipment	**43,343**	–	**–**	–
Loss on foreign exchange:				
- realised	**136,783**	1,206,370	**–**	–
- unrealised	**699,456**	4,114,348	**–**	–
Property, plant and equipment written off	**10,597**	–	**–**	–
Rental expenses:				
- premises	**1,184,073**	187,551	**–**	–
- office equipment	**49,357**	22,196	**–**	–
- factory equipment	**590,797**	566,938	**–**	–
- lorry	**–**	300	**–**	–
Fair value loss on financial assets measured at fair value through profit or loss madatorily				
- Derivatives	**4,736,995**	–	**–**	–
And crediting:-				
Gain on disposal of property, plant and equipment	**–**	(268,404)	**–**	–
Gain on foreign exchange:				
- realised	**(5,017,108)**	(821,262)	**–**	–
- unrealised	**(1,244,622)**	(4,837,416)	**–**	–
Interest income	**(960,034)**	(620,077)	**(394,950)**	(135,419)
Share of profit of an associate	**(3,551)**	–	–	–
Fair value gain on financial assets measured at fair value through profit or loss madatorily				
- Derivatives	**–**	(4,487,205)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. INCOME TAX EXPENSE

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Income tax:				
- current financial year	**12,521,316**	6,797,900	**–**	–
- underprovision in the previous financial year	**145,352**	1,587,299	**–**	–
	12,666,668	8,385,199	**–**	–
Deferred tax (Note 22):				
- (reversal)/origination of temporary differences	**(284,375)**	483,000	**(42,000)**	(36,000)
- overprovision in the previous financial year	**(596,213)**	(1,115,355)	**–**	–
	(880,588)	(632,355)	**(42,000)**	(36,000)
	11,786,080	7,752,844	**(42,000)**	(36,000)

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

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	**48,350,874**	33,581,785	**13,375,954**	9,419,849
Tax at the statutory tax rate of 24%	**11,604,464**	8,059,628	**3,210,229**	2,260,764
Tax effect of:-				
Non-taxable income	**(55,152)**	(187,828)	**(3,527,517)**	(2,632,992)
Non-deductible expenses	**1,073,896**	740,007	**196,288**	224,228
Share of results in associate	**(853)**	–	**–**	–
Deferred tax assets not recognised during the financial year	**79,000**	112,000	**79,000**	112,000
(Over)/Underprovision in the previous financial year				
- Income tax	**145,352**	1,587,299	**–**	–
- Deferred tax	**(596,213)**	(1,115,355)	**–**	–
Tax incentive utilised	**(270,414)**	(1,235,907)	**–**	–
Utilisation of deferred tax assets previously not recognised	**(194,000)**	(207,000)	**–**	–
Income tax expense for the financial year	**11,786,080**	7,752,844	**(42,000)**	(36,000)

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. INCOME TAX EXPENSE (CONT'D)

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.

For years of assessment 2017 and 2018, the Malaysian statutory tax rate will be reduced by 1 to 4 percentage point based on the prescribed incremental percentage of chargeable income from business, compared to that of the immediate preceding year of assessment. The Group has accounted for the reduction in the tax rate in the current financial year, based on the percentage of increase in chargeable income of the Company and its subsidiaries.

37. EARNINGS PER SHARE

	The Group	
	2018 RM	**2017 RM**
Profit attributable to owners of the Company	**36,224,052**	25,655,061
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	**310,470,986**	248,813,698
Effect of warrant exercise	**–**	61,657,288
Weighted average number of ordinary shares at 31 December	**310,470,986**	310,470,986
Basic earnings per ordinary share (sen)	**11.67**	8.26

The diluted earnings per share is equal to the basic earnings per share as the warrants were expired on 24 November 2017.

38. DIVIDENDS

	The Group and The Company	
	2018 RM	**2017 RM**
<u>In respect pf the the financial year ended 31 December 2016</u>		
Final dividend of 1.5 sen per ordinary share	**–**	4,099,341
<u>In respect of the financial year ended 31 December 2017</u>		
First interim dividend of 1.5 sen per ordinary share	**–**	4,099,341
Second interim dividend of 1.0 sen per ordinary share	**–**	2,847,037
Third interim dividend of 0.5 sen per ordinary share	**–**	1,552,353
Fourth interim dividend of 1 sen per ordinary share	**3,104,710**	–

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

38. DIVIDENDS (CONT'D)

	The Group and The Company 2018 RM	2017 RM
In respect of the financial year ended 31 December 2018		
First interim dividend of 1 sen per ordinary share	**3,104,710**	–
Second interim dividend of 0.5 sen per ordinary share	**1,552,353**	–
Third interim dividend of 1.5 sen per ordinary share	**4,657,063**	–
	12,418,836	12,598,072

A fourth interim dividend of 2 sen per ordinary share amounting to RM6,209,420 in respect of the financial year ended 31 December 2018 was declared on 26 February 2019 and subsequently paid on 29 March 2019. The payment made to shareholders whose name appeared in the Company's Record Depositors on 15 March 2019. 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 2019.

39. CASH FLOW INFORMATION

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

	The Group 2018 RM	2017 RM	The Company 2018 RM	2017 RM
Cost of property, plant and equipment purchased	**24,306,873**	17,192,966	**–**	6,029
Amount financed through hire purchase	**(202,000)**	–	**–**	–
Unpaid balance included in sundry payables (Note 24)	**(735,736)**	(32,934)	**–**	–
Cash paid in respect of acquisition in previous financial year	**32,934**	–	**–**	–
Cash disbursed for purchase of property, plant and equipment	**23,402,071**	17,160,032	**–**	6,029

39. CASH FLOW INFORMATION (CONT'D)

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

	Foreign currency trust receipt RM	Bill payables RM	Revolving credit RM	Hire purchase payables RM	Term loans RM	Total RM
The Group						
2018						
At 1 January	22,860,740	841,870	15,767,097	75,643	4,342,414	43,887,764
Changes in Financing Cash Flows						
Drawdown of borrowings	65,575,594	–	25,151,046	–	–	90,726,640
Repayment of borrowings principal	(68,813,745)	(841,870)	(31,118,143)	(69,612)	(1,886,174)	(102,729,544)
Repayment of borrowings interest	(621,861)	–	(342,862)	(10,378)	(338,369)	(1,313,470)
Non-cash changes						
Foreign exchange adjustment	324,997	–	–	–	–	324,997
Finance charges Mrecognised in profit or loss	621,861	–	342,862	10,378	338,369	1,313,470
New hire purchase (Note (a) above)	–	–	–	202,000	–	202,000
	19,947,586	–	9,800,000	208,031	2,456,240	32,411,857

39. CASH FLOW INFORMATION (CONT'D)

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

	Banker's acceptance RM	Foreign currency trust receipt RM	Bill payables RM	Revolving credit RM	Hire purchase payables RM	Term loans RM	Total RM
The Group							
2017							
At 1 January	3,933,000	24,586,368	2,214,389	29,491,669	193,245	6,322,857	66,741,528
Changes in Financing Cash Flows							
Drawdown of borrowings	–	85,691,411	–	17,002,798	–	–	102,694,209
Repayment of borrowings principal	(3,933,000)	(85,793,326)	(1,372,519)	(29,872,108)	(117,602)	(1,980,443)	(123,068,998)
Repayment of borrowing interest	(12,686)	(508,330)	–	(528,752)	(6,444)	(533,506)	(1,589,718)
Non-cash changes							
Foreign exchange adjustment	–	(1,623,713)	–	(855,262)	–	–	(2,478,975)
Finance charges recognised in profit or loss	12,686	508,330	–	528,752	6,444	533,506	1,589,718
	–	22,860,740	841,870	15,767,097	75,643	4,342,414	43,887,764

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

39. CASH FLOW INFORMATION (CONT'D)

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

	Revolving credit RM	Term loans RM	Total RM
The Company			
2018			
At 1 January	**7,002,798**	**1,317,726**	**8,320,524**
Changes in Financing Cash Flows			
Drawdown of borrowings	**19,500,000**	**–**	**19,500,000**
Repayment of borrowings principle	**(20,302,798)**	**(1,317,726)**	**(21,620,524)**
Repayment of borrowing interest	**–**	**(197,005)**	**(197,005)**
Non-cash changes			
Finance charges recognised in profit or loss	**–**	**197,005**	**197,005**
	6,200,000	**–**	**6,200,000**
2017			
At 1 January	9,350,000	2,751,602	12,101,602
Changes in Financing Cash Flows			
Drawdown of borrowings	17,002,798	–	17,002,798
Repayment of borrowings principle	(19,350,000)	(1,433,876)	(20,783,876)
Repayment of borrowing interest	–	(370,260)	(370,260)
Non-cash changes			
Finance charges recognised in profit or loss	–	370,260	370,260
	7,002,798	1,317,726	8,320,524

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

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	**55,973,134**	85,436,761	**15,300,575**	49,308,922
Deposit with a licensed bank	**22,819**	22,257	**–**	–
Money market funds	**14,093,616**	–	**10,062,872**	–
	70,089,569	85,459,018	**25,363,447**	49,308,922
Less: Earmarked bank balance	**(8,987)**	(8,987)	**–**	–
	70,080,582	85,450,031	**25,363,447**	49,308,922

The bank balance of RM8,987 (2017: RM8,987) is earmarked by bank for settlement of borrowings.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

40. 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	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of The Company				
Executive directors:				
Short-term employee benefits:				
- fees	**495,000**	474,500	**125,000**	104,500
- salaries and bonuses	**3,298,083**	3,064,975	**386,000**	356,000
	3,793,083	3,539,475	**511,000**	460,500
Defined contribution plan	**349,560**	337,160	**22,920**	18,600
Defined benefit retirement plan	**–**	99,999	**–**	–
	4,142,643	3,976,634	**533,920**	479,100
Benefits-in-kind	**62,000**	62,000	**–**	–
Non-executive directors:				
Short-term employee benefits:				
- fees	**286,000**	269,000	**286,000**	269,000
	4,490,643	4,307,634	**819,920**	748,100
Directors of The Subsidiaries				
Executive directors:				
Short-term employee benefits:				
- salaries and bonuses	**1,722,595**	1,570,718	**–**	–
Defined contribution plan	**92,448**	67,668	**–**	–
	1,815,043	1,638,386	**–**	–
Benefits-in-kind	**50,950**	50,950	**–**	–
Non-executive directors:				
Short-term employee benefits:				
- fees	**20,000**	20,000	**–**	–
	1,885,993	1,709,336	**–**	–
Total Directors' remuneration	**6,376,636**	6,016,970	**819,920**	748,100

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

41. 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 transaction 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	
	2018	**2017**
	RM	**RM**
Subsidiaries		
Dividends received/receivable from subsidiaries	**(14,697,987)**	(10,970,802)
Management fee receivable	**(390,000)**	(410,000)

	The Group	
	2018	**2017**
	RM	**RM**
Company in which a director has substantial financial interest		
Sales of goods	**(7,479,638)**	(6,766,612)
Purchase of goods	**385,288**	1,678,791
Rental expense	**8,320**	13,488
Expenses paid on behalf	**39,214**	11,481
Director		
Rental of factory premises paid/payable	**21,600**	17,200
Rental of hostel paid/payable	**12,000**	12,000
Person Connected to Director		
Rental of factory premises paid/payable	**619,200**	51,600

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Office 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 Holdings – 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 operating 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.

BUSINESS SEGMENTS

	Tin Manufacturing RM	Food & Beverage RM	Group RM
2018			
Revenue			
External revenue	117,021,531	384,101,867	501,123,398
Inter-segment revenue	22,661,539	42,413,158	65,074,697
Total revenue	139,683,070	426,515,025	566,198,095
Consolidation adjustments			(65,074,697)
Consolidated revenue			501,123,398

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Tin Manufacturing RM	Food & Beverage RM	Group RM
Represented by:			
Revenue recognised at a point of time			
- Sales of tins and cans	139,683,070	–	139,683,070
- Sales of dairies products	–	426,515,025	426,515,025
	139,683,070	426,515,025	566,198,095
Consolidation adjustments			(65,074,697)
Consolidated revenue			501,123,398

	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2018				
Results				
Segment profit	15,482,937	16,386,567	35,690,216	67,559,720
Finance costs				(1,326,820)
Unallocated expenses				(1,909,978)
Consolidation adjustments				(15,972,048)
Consolidated profit before tax				48,350,874
Segment profit includes the following:-				
Depreciation of property, plant and equipment	70,474	4,608,367	5,343,286	10,022,127
Interest income	(394,950)	(204,561)	(360,523)	(960,034)
Impairment losses on trade receivables	–	–	409,687	409,687
Loss on disposal of property, plant and equipment	–	–	43,343	43,343
Loss on fair value changes on financial instruments	–	–	4,736,995	4,736,995
Inventories written off	–	84,356	–	84,356
Inventories written down	–	475,484	–	475,484
Share of profit of an associate	–	–	(3,551)	(3,551)
Unrealised gain on foreign exchange	–	(165,634)	(379,532)	(545,166)

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2018				
Assets				
Segment assets	**191,071,297**	**155,338,434**	**319,587,934**	**665,997,665**
Unallocated assets				
- property, plant and equipment				**68,001**
- current tax assets				**258,342**
Consolidation adjustments				**(222,481,583)**
Consolidated total assets				**443,842,425**
Additions to non-current assets				
- property, plant and equipment	–	4,095,829	20,211,044	24,306,873
Liabilities				
Segment liabilities	**607,118**	**21,968,476**	**168,831,494**	**191,407,088**
Unallocated liabilities				
- revolving credit				**6,200,000**
Consolidation adjustments				**(68,759,380)**
Consolidated total liabilities				**128,847,708**

	Tin Manufacturing RM	Food & Beverage RM	Group RM
2017			
Revenue			
External revenue	102,401,297	372,144,014	474,545,311
Inter-segment revenue	18,916,135	14,704,168	33,620,303
Total revenue	121,317,432	386,848,182	508,165,614
Consolidation adjustments			(33,620,303)
Consolidated revenue			474,545,311

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2017				
Results				
Segment profit	11,516,221	14,055,197	22,390,970	47,962,388
Finance costs				(1,589,718)
Unallocated expenses				(1,726,112)
Consolidation adjustments				(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 gain 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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holding RM	Tin Manufacturing RM	Food & Beverage RM	Group RM
2017				
Liabilities				
Segment liabilities	2,182,094	26,743,233	139,130,577	168,055,904
Unallocated liabilities				
- deferred tax liabilities				42,000
- term loan				1,317,726
- revolving credit				7,002,798
Consolidation adjustments				(72,224,040)
Consolidated total liabilities				104,194,388

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 (but including investments in associates).

	Revenue		Non-current Assets	
	2018 RM	2017 RM	2018 RM	2017 RM
Africa	**82,126,997**	145,031,096	**–**	–
Asia	**159,690,864**	142,644,425	**–**	–
Central America	**63,695,649**	41,715,469	**–**	–
Europe	**8,853,777**	19,936	**–**	–
Mexico	**–**	–	**8,274,991**	171,040
Malaysia	**186,481,176**	134,704,740	**135,806,319**	121,601,378
Others	**274,935**	10,429,645	**–**	–
	501,123,398	474,545,311	**144,081,310**	121,772,418

The information on the disaggregation of revenue based on geographical region is summarised below:-

	Group At A Point in Time	
	2018 RM	2017 RM
Africa	**82,126,997**	145,031,096
Asia	**159,690,864**	142,644,425
Central America	**63,695,649**	41,715,469
Europe	**8,853,777**	19,936
Malaysia	**186,481,176**	134,704,740
Others	**274,935**	10,429,645
	501,123,398	474,545,311

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

43. CAPITAL COMMITMENTS

	The Group	
	2018 RM	2017 RM
Authorised and Contracted for		
Purchase of property, plant and equipment	**8,524,784**	15,572,454
Authorised but not Contracted for		
Purchase of property, plant and equipment	**–**	890,107

44. OPERATING LEASE COMMITMENTS

Leases as Lessee

The Group leases a number of factory facilities under non-cancellable operating leases. The lease period of 2 (2017: 2) years with an option to renew after that date at market rate. The future minimum lease payments under the non-cancellable operating leases are as follows:

	The Group	
	2018 RM	2017 RM
Not more than 1 year	**883,200**	619,200
Later than 1 year and not later than 5 years	**1,832,400**	1,857,600
	2,715,600	2,476,800

45. 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	
	2018 RM	2017 RM
Deed of guarantee given to a customer for products sold by a subsidiary	**29,038**	1,702,158
Deed of guarantee given to suppliers for products sold to subsidiaries	**5,916,729**	7,233,113

46. 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.

46.1 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 currency 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 currency 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	USD RM	SGD RM	EUR RM	MYR RM	TOTAL RM
2018					
Financial Assets					
Trade receivables	40,155,565	3,651,912	42,554	58,809,208	102,659,239
Other receivables	692,714	–	–	632,502	1,325,216
Amount owing by an associate	22,993	–	–	–	22,993
Cash and bank balances	21,939,487	1,148,506	454,830	32,430,311	55,973,134
	62,810,759	4,800,418	497,384	91,872,021	159,980,582

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

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

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency 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 (Cont'd):-

Foreign currency exposure (Cont'd)

The Group	USD RM	SGD RM	EUR RM	MYR RM	TOTAL RM
2018					
Financial Liabilities					
Trade payables	26,235,557	697,584	–	37,501,237	64,434,378
Other payables and accruals	1,912,401	104,289	–	13,306,066	15,322,756
Borrowings	19,511,586	–	–	12,900,271	32,411,857
Derivative liabilities	901,145	–	–	–	901,145
	48,560,689	801,873	–	63,707,574	113,070,136
Net financial assets	14,250,070	3,998,545	497,384	28,164,447	46,910,446
Less: Net financial (assets) denominated in the respective entities' functional currency	–	–	–	(28,164,447)	(28,164,447)
Less: Forward foreign exchange contracts (contracted notional principal)	(27,637,255)	–	–	–	(27,637,255)
Currency exposure	(13,387,185)	3,998,545	497,384	–	(8,891,256)

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

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

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency 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 (Cont'd):-

Foreign currency exposure (Cont'd)

The Group	USD RM	SGD RM	EUR RM	MYR RM	TOTAL RM
2017					
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
Borrowings	27,216,909	–	–	16,670,855	43,887,764
	41,042,724	75,049	172	45,607,952	86,725,897
Net financial assets	8,922,596	3,968,439	1,525,107	67,698,328	82,114,470
Less: Net financial (assets) denominated in the respective entities' functional currency	–	–	–	(67,698,328)	(67,698,328)
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 CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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	
	2018 RM	**2017 RM**
Effects On Profit After Tax		
USD/RM		
- strengthened by 8% (2017: 11%)	**(813,941)**	(4,822,391)
- weakened by 8% (2017: 11%)	**813,941**	4,822,391
SGD/RM		
- strengthened by 4% (2017: 5%)	**121,556**	150,801
- weakened by 4% (2017: 5%)	**(121,556)**	(150,801)
EUR/RM		
- strengthened by 5% (2017: 10%)	**18,901**	(374,406)
- weakened by 5% (2017: 10%)	**(18,901)**	374,406

(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 and 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 amounts of the financial instruments at the end of the reporting period is disclosed in Notes 27, 28 and 29 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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 cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given 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.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2017: 2) customers which constituted approximately 35% (2017: 25%) 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	
	2018 RM	2017 RM
Africa	**14,683,594**	20,077,738
Asia	**22,468,170**	2,863,641
America	**10,445,343**	9,255,460
Europe	**933,639**	3,035,621
Singapore	**2,609,660**	2,893,833
Malaysia	**44,865,772**	40,553,732
Middle East	**5,420,109**	887,731
Philipines	**1,232,952**	–
	102,659,239	79,567,756

(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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Group considers any receivables having financial difficulties or with significant balances outstanding for more than 150 to 180 days are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 5 to 6 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables is summarised below:-

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2018			
Current (not past due)	**74,685,201**	**–**	**74,685,201**
1 to 30 days past due	**12,725,898**	**–**	**12,725,898**
31 to 60 days past due	**8,789,751**	**–**	**8,789,751**
61 to 90 days past due	**6,447,190**	**–**	**6,447,190**
more than 90 days past due	**1,914,948**	**–**	**1,914,948**
more than 365 days past due	**8,390,465**	**–**	**8,390,465**
	112,953,453	**–**	**112,953,453**
Credit impaired:			
- individually impaired	**(10,294,214)**	**–**	**(10,294,214)**
	102,659,239	**–**	**102,659,239**

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount 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

The movements in the loss allowances in respect of trade receivables is disclosed in Notes 11 to the financial statement.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Deposit with a Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2018					
Non-derivative Financial Liabilities					
Trade payables	–	64,434,378	64,434,378	64,434,378	–
Other payables and accrual	–	15,322,756	15,322,756	15,322,756	–
Amount owing to directors	–	179,439	179,439	179,439	–
Hire purchase payables	2.33 to 6.03	208,031	225,624	73,065	152,559
Term loans	4.97	2,456,240	2,698,926	709,812	1,989,114
Foreign currency trust receipts	2.89 to 4.45	19,947,586	19,947,586	19,947,586	–
Revolving credit	2.90 to 5.51	9,800,000	9,800,000	9,800,000	–
		112,348,430	112,608,709	110,467,036	2,141,673

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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) (Cont'd):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2017					
Non-derivative Financial Liabilities					
Trade payables	–	30,562,136	30,562,136	30,562,136	–
Other payables and accrual	–	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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 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
2018				
Other payables and accrual	**–**	**607,118**	**607,118**	**607,118**
Revolving credit	**–**	**6,200,000**	**6,200,000**	**6,200,000**
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	**–**	**–**	**19,106,491**	**19,106,491**
	–	**6,807,118**	**25,913,609**	**25,913,609**
2017				
Other payables and accrual	–	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

* 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.2 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.

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2018	
	The Group RM	**The Company RM**
Financial Assets		
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investment	**16,500**	**–**
Amortised Cost		
Trade receivables	**102,659,239**	**–**
Other receivables	**1,325,216**	**–**
Amount owing by subsidiaries	**–**	**2,090,000**
Amount owing by an associate	**22,993**	**–**
Deposit with a licensed bank	**22,819**	**–**
Cash and bank balances	**55,973,134**	**15,300,575**
	160,003,401	**17,390,575**
Mandatorily at Fair Value Through Profit or Loss		
Short-term investments	**14,093,616**	**10,062,872**

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2018 The Group RM	2018 The Company RM
Financial Liabilities		
Amortised Cost		
Trade payables	**64,434,378**	**–**
Other payables and accruals	**15,322,756**	**607,118**
Amount owing to directors	**179,439**	**–**
Hire purchase payables	**208,031**	**–**
Term loans	**2,456,240**	**–**
Foreign currency trust receipts	**19,947,586**	**–**
Revolving credit	**9,800,000**	**6,200,000**
	112,348,430	**6,807,118**
Mandatorily at Fair Value Through Profit or Loss		
Derivative liabilities	**901,145**	**–**

	2017 The Group RM	2017 The Company RM
Financial Assets		
Available-for-sales		
Other investment	16,500	–
Loans and receivables financial assets		
Trade receivables	79,567,756	–
Other receivables	85,941	–
Amount owing by subsidiaries	–	6,572,951
Deposit with a licensed bank	22,257	–
Cash and bank balances	85,436,761	49,308,922
	165,112,715	55,881,873
Fair value through profit or loss		
Derivative assets	3,835,850	–

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2017	
	The Group RM	The Company RM
Financial Liabilities		
Other financial liabilities		
Trade payables	30,562,136	–
Other payables and accruals	12,275,997	629,741
Amount owing to directors	162,261	–
Amount owing to shareholders	245,000	–
Hire purchase payables	75,643	–
Term loans	4,342,414	1,317,726
Bill payables	841,870	–
Foreign currency trust receipts	22,860,740	–
Revolving credit	15,767,097	7,002,798
Dividend payable	1,552,353	1,552,353
	88,685,511	10,502,618

46.4 GAIN OR LOSS ARISING FROM FINANCIAL INSTRUMENTS

	2018	
	The Group RM	The Company RM
Financial Assets		
Amortised Cost		
Net gains recognised in profit or loss	**1,361,417**	**394,950**
Financial Liabilities		
Equity Investments at Fair Value Through Other Comprehensive Income		
Net loss recognised in profit or loss	**(4,736,995)**	**–**
Amortised Cost		
Net losses recognised in profit or loss	**(1,595,867)**	**(197,005)**

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.4 GAIN OR LOSS ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

	2017	
	The Group RM	The Company RM
Financial Assets		
Loans and Receivables Financial Assets		
Net (losses)/gains recognised in profit or loss	(10,053,519)	135,419
Fair Value Through Profit or Loss		
Net gains recognised in profit or loss	4,487,205	–
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Net losses/(gains) recognised in profit or loss	1,511,397	(370,260)

46.5 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 approximate 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:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
THE GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2018								
Financial Assets								
Short-term investments	–	14,093,616	–	–	–	–	14,093,616	14,093,616
Other investment	–	16,500	–	–	–	–	16,500	16,500
Financial Liabilities								
Derivative liabilities								
- Forward currency contracts	–	901,145	–	–	–	–	901,145	901,145
Hire purchase payables	–	–	–	–	208,031	–	208,031	208,031
Term loans	–	–	–	–	2,456,240	–	2,456,240	2,456,240

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.5 FAIR VALUE INFORMATION (CONT'D)

THE GROUP	Fair Value of Financial Instruments Carried at Fair Value Level 1 RM	Level 2 RM	Level 3 RM	Fair Value of Financial Instruments not Carried at Fair Value Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2017								
Financial Assets								
Derivative assets								
- Forward currency contracts	–	3,835,580	–	–	–	–	3,835,580	3,835,580
Other investment	–	–	–	–	–	–	*	16,500
Financial Liabilities								
Hire purchase payables	–	–	–	–	75,643	–	75,643	75,643
Term loans	–	–	–	–	4,342,414	–	4,342,414	4,342,414

* In the last financial year, the fair value of the Group's investment with carrying amount of RM16,500 was not presented due to the lack of marketability of the investment and the fair value cannot be reliably measured.

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

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

The fair values above have been determined using the following basis:-

(i) The fair value of money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(ii) The fair value of other investment is determined by reference to market value provided by the respective golf club.

(iii) 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).

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

46. FINANCIAL INSTRUMENTS (CONT'D)

46.5 FAIR VALUE INFORMATION (CONT'D)

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

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of hire purchase payables are determined by discounting the relevant cash flows using the 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	
	2018	**2017**
	%	**%**
Hire purchase payables	**2.33 to 6.03**	4.63 to 6.03

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

47. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 4 January 2018, the subsidiary of the Company, Able Dairies Sdn. Bhd. ("ADSB") subscribed an additional 255,000 ordinary shares in Able Dairies Marketing Sdn. Bhd. ("ADM") at an issued price of RM1 each. ADSB holds 510,000 ordinary shares representing 51% of the equity interest in the capital of ADM.

(b) On 31 May 2017, the dormant subsidiary of Johore Tin Factory Sendirian Berhad ("JTFSB"), PT Medan Johor Tin has submitted an application to the Kementerian Keuangan Republik Indonesia ("Kemenkeu RI") to strike off from the register of Kemenkeu RI and has received the approval from Kemenkeu RI on 25 June 2018.

(c) As of 12 July 2018, the subsidiary of the Company, ADSB subscribed an additional 238,579 ordinary and nominative shares in Able Dairies Mexico S.A.P.I. DE C.V. for a cash consideration of RM8,100,400 which representing 40% of the equity interest in the capital of Able Dairies Mexico S.A.P.I. DE C.V.

(d) On 26 July 2018, the subsidiary of the Company, ADSB acquired 51% equity interests in Able Packaging S.A.P.I. DE C.V. ("APM") for a cash consideration of RM13,915.

(e) On 18 September 2018, the Company subscribed an additional 43,500,000 ordinary shares at an issue price of RM1 each in the capital of ADSB with payment by cash of RM16,633,421 and contra account for amount owing by ADSB of RM26,866,579.

(f) On 26 October 2018, the Company subscribed an additional 16,600,000 ordinary shares at an issue price of RM1 each in the capital of Unican Industries Sdn. Bhd. ("UNI") with payment by cash of RM1,274,661 and contra account for amount owing by UNI of RM15,325,339.

(g) On 16 November 2018, the subsidiary of the Company, ADSB subscribed an additional 51,701 ordinary and nominative shares in APM for a cash consideration of RM1,059,110 which representing 51% of the equity interest in the capital of APM.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

48. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

(a) On 15 January 2019, the subsidiary of the Company, Able Dairies Sdn. Bhd. subscribed an additional 343,498 ordinary and nominative shares in Able Dairies Mexico S.A.P.I. DE C.V. for a cash consideration of RM4,101,500 which representing 40% of the equity interest in the Capital of Able Dairies Mexico S.A.P.I. DE C.V.

(b) On 19 March 2019, the subsidiary of the Company, Kluang Tin and Can Factory Sdn. Bhd. has relocated the business address from 5, Jalan Mahsuri, Kawasan Perindustrian Kluang, 86000 Kluang, Johor to PTD 124298, Jalan Kempas Lama, Kampung Seelong Jaya, Skudai, 81300 Johor Bahru, Johor.

49. CHANGES IN ACCOUNTING POLICIES

As mentioned in Note 3.1 to the financial statements, the Group has adopted MFRS 9 and MFRS 15 during the financial year. The financial impacts upon the adoption of these accounting standards are summarised below:-

<u>Initial Application of MFRS 9</u>

The Group has adopted MFRS 9 without restating any comparatives information (transitional exemption). Therefore, the financial impacts arising from the new classification and measurement of financial instruments, and the new impairment requirements are not reflected in the its consolidated statement of financial position as at 31 December 2017; but are recognised in the opening consolidated statement of financial position on 1 January 2018 (date of initial application of MFRS 9). The main impacts resulting from the changes made are summarised below:-

	Under MFRS 139 RM	Under MFRS 9 RM	Transition Adjustment RM
The Group			
(a) Reclassification from available-for-sale financial assets ("AFS")to fair value through other comprehensive income ("FVOCI")	AFS 16,500	FVOCI 16,500	–
This investment was measured at cost in prior periods. As permitted by MFRS 9, the Group has designated such investments as fair value through other comprehensive income, to be measured at fair value at each reporting date.			
(b) Reclassification from loans and receivables financial assets ("L&RFA") to amortised cost ("AC")	L&RFA 165,112,625	AC 165,112,625	–
(c) Reclassification from other financial liabilities ("OFL") to amortised cost ("AC")	OFL 88,685,511	AC 88,685,511	–

(d) The Group has changed its impairment loss methodology from the 'incurred loss' approach to the 'expected credit loss' approach upon the adoption of MFRS 9. Under this new approach, the Group has accounted for the expected credit losses of its financial assets measured at amortised cost to reflect their changes in credit risk since initial recognition. Also, the Group has applied a simplified approach to measure the loss allowance of its trade receivables as permitted by MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

49. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Initial Application of MFRS 9 (Cont'd)

The Company

There were no material financial impacts upon the transition to MFRS 9 at the date of initial application.

Initial Application of MFRS 15

The Group and The Company

There were no material financial impacts upon the transition to MFRS 15 at the date of initial application.

STATEMENT BY DIRECTORS
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 53 to 132 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 2018 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 8 April 2019.

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 53 to 132 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 Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Leo Aun Foo at Muar in the state of
Johor Darul Takzim on this 8 April 2019.

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 2018 (RM)
UISB/ 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	15	457,466/ 248,533	15,549,479
UISB/ 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	12	175,602/ 106,931	8,515,675
KTCFSB/ 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	33	21,775/ 16,843	318,457
KTCFSB/ 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
KTCFSB/ 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	23	5,294/ 3,635	268,982
KTCFSB/ 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	3	5,296/ 3,635	476,799
ADSB/ 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	3	176,099/ 88,082	28,975,157
ADSB/ 17.11.2016	PT 13157, Lot 26381, Mukim Telok Panglima Garang, Kuala Langat Teluk, Selangor Darul Ehsan/ Not applicable	Single-storey detached factory with a three-storey office annexed/ Industry	Freehold	2	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 29 MARCH 2019

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	:	4,991

DISTRIBUTION OF SHAREHOLDINGS

	(Malaysia and Foreign - Combined)			
Size of Holdings	**No. of Holders**	**% of Holders**	**No. of Shares**	**% of Shares**
Less than 100	165	3.306	7,550	0.002
100 to 1,000	447	8.956	303,870	0.098
1,001 to 10,000	2,662	53.336	14,398,387	4.638
10,001 to 100,000	1,474	29.533	46,198,330	14.880
100,001 to 15,523,549 (*)	240	4.809	173,242,890	55.800
15,523,549 and above (**)	3	0.060	76,319,959	24.582
TOTAL	**4,991**	**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	10,706,666	3.449
6	AMSEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TAI BOON (CAI DAWEN)	9,266,131	2.985
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	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW AH SENG @ YOW AH SENG (SMART)	4,727,109	1.522

ANALYSIS OF SHAREHOLDINGS CONT'D
AS AT 29 MARCH 2019

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

No.	Name of Shareholders	No. of Shares	% of Shares
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (CEB)	4,719,633	1.520
15	NG KENG HOE (HUANG QINGHE)	4,442,666	1.431
16	LOCK TOH PENG	4,400,000	1.417
17	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	4,353,054	1.402
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	3,479,100	1.120
19	VERSALITE SDN BHD	3,313,333	1.067
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	3,000,000	0.966
21	SIA YOCK HUA	2,640,866	0.851
22	CHONG CHEE KWANG	2,084,800	0.671
23	TEE SIEW KAI	2,020,000	0.651
24	LAI SHIN LIN	1,991,109	0.641
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (UOB AM SE EQ)	1,880,000	0.606
26	NG TENG SONG	1,766,966	0.569
27	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOKE SEE OOI (CEB)	1,750,400	0.564
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEW U SING	1,610,300	0.519
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YIK TOON @ NG YIK KOON (6000031)	1,508,000	0.486
30	GOH MIA KWONG	1,487,096	0.479
	TOTAL	**188,341,948**	**60.663**

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	35,573,026	11.457	[1]15,072,920	4.855
2	LIM HUN SWEE	35,239,999	11.350	–	–
3	NG KENG HOE (HUANG QINGHE)	30,634,099	9.867	[2]1,991,109	0.641
4	EDWARD GOH SWEE WANG	14,656,920	4.721	[3]35,989,026	11.592

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: 35,573,026 shares*
By virtue of his sister, Ms Goh Li Ling's interest: 416,000 shares

ANALYSIS OF SHAREHOLDINGS CONT'D
AS AT 29 MARCH 2019

LIST OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Deemed Interest	
No.	Name of Shareholders	No. of Shares	% of Shares	No. of Shares	% of Shares
1	DATUK KAMALUDIN BIN YUSOFF	879,800	0.283	[1]12,474,932	4.018
2	EDWARD GOH SWEE WANG	14,656,920	4.721	[2]35,989,026	11.592
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: 35,573,026 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 18th 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, 29 May 2019 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 2018 and the Reports of the Directors and Auditors thereon. **(Please refer Explanatory Note 1)**

2. To approve the payment of Directors' fees of RM411,000.00 for the financial year ended 31 December 2018. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits up to an amount not exceeding RM75,000.00 from the 18th AGM to the 19th AGM of the Company. **(Ordinary 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. Lim Hun Swee **(Ordinary Resolution 3)**

   (b) Mr. Yeow Ah Seng @ Yow Ah Seng **(Ordinary Resolution 4)**

5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

SPECIAL BUSINESS:

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

6. **AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **(Ordinary 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

SPECIAL BUSINESS (CONT'D):

To consider and if thought fit, to pass the following resolution, with or without modifications (Cont'd):

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

   "THAT 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. **PROPOSED AUTHORITY TO JOHORE TIN BERHAD TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PERCENT (10%) IN THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT ANY GIVEN POINT IN TIME ("PROPOSED SHARE BUY-BACK")** **(Ordinary Resolution 8)**

   "THAT subject to the compliance with Section 127 of the Act and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed ten percent (10%) of the existing issued share capital of the Company including the shares previously purchased and retained as treasury shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Circular to Shareholders dated 26 April 2019.

   AND THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and any other relevant authorities.

   AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

   AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

NOTICE OF ANNUAL GENERAL MEETING CONT'D

SPECIAL BUSINESS (CONT'D):

To consider and if thought fit, to pass the following resolution, with or without modifications (Cont'd):

9. **PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION ("PROPOSED ALTERATION")** **(Special Resolution 1)**

   "THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution attached hereto as "**Annexure I**" with effect from the date of passing this special resolution.

   THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

10. 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)
Wong Chee Yin (f) (MAICSA 7023530)
Company Secretary

Johor Bahru
26 April 2019

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.

NOTICE OF ANNUAL GENERAL MEETING CONT'D

NOTES (CONT'D):-

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 17 May 2019 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES:-

ORDINARY BUSINESS:

1. **Item 1 of the Agenda**
   This Agenda item is meant for discussion only as the provisions Sections 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. **Ordinary Resolution 1 – Item 2 of the Agenda: Directors' Fees**
   Ordinary 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 18th Annual General Meeting:

   - **Ordinary Resolution 1** on payment of Directors' Fees in respect of the year 2018; and
   - **Ordinary Resolution 2** on payment of Directors' benefits with effect from the 18th Annual General Meeting to the 19th Annual General Meeting of the Company.

   The Proposed Resolution 1 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size.

   The proposed Resolution 2 for the Directors' benefits payable comprise wholly for meeting allowances which was calculated based on the number of scheduled Board's and Board Committees' meetings with effect from the 18th Annual General Meeting until the 19th Annual General Meeting.

3. **Ordinary Resolutions 3 and 4 – Item 4 of the Agenda: Re-election of Directors**
   Mr Lim Hun Swee and Mr Yeow Ah Seng @ Yow Ah Seng are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 18th AGM.

   The Board has through the Nominating Committee, had considered the assessment of the Directors and agreed that they meet the criteria on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

NOTICE OF ANNUAL GENERAL MEETING CONT'D

EXPLANATORY NOTES (CONT'D):-

SPECIAL BUSINESS:

4. **Ordinary Resolution 6 - Item 6 of the Agenda**
   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 6 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. 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.

5. **Ordinary Resolution 7 - Item 7 of the Agenda**
   CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR
   Datuk Kamaludin Bin Yusoff had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Nominating Committee and the Board holds the view that Datuk Kamaludin Bin Yusoff fulfills the criteria of an Independent Director pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and 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 the Independent Non-Executive Director of the Company for Shareholder's approval at the forthcoming 18th AGM.

6. **Ordinary Resolution 8 - Item 8 of the Agenda**
   PROPOSED SHARE BUY-BACK
   This Ordinary Resolution 8, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company. Further details are set out in the Share Buy-Back Statement dated 26 April 2019.

7. **Special Resolution 1 - Item 9 of the Agenda**
   PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION ("PROPOSED ALTERATION")
   This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other provisions of laws and regulations that are applicable to the Company.

   For further information on the Proposed Alteration, please refer to the "Annexure I" enclosed together with this Notice of General Meeting of the Company dated 26 April 2019.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Further details of individuals 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 17th Annual General Meeting held on 6 June 2018.

   No new shares of the Company have been issued pursuant to the general mandate obtained at the 17th Annual General Meeting held on 6 June 2018, and accordingly no proceeds were raised.

   The purpose of this general mandate is to provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding current and/or future investment project(s), working capital, repayment of bank borrowings, acquisitions and/or for allotment of shares as settlement of purchase consideration.

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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 18th 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, 29 May 2019 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 2018 and the Reports of the Directors and Auditors thereon.			
Ordinary Business:		**Resolution**	***FOR**	***AGAINST**
2.	To approve the payment of Directors' fee for the financial year ended 31 December 2018.	1		
3.	To approve the payment of Directors' benefits with effect from the 18th Annual General Meeting to the 19th 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. Lim Hun Swee	3		
	(b) Mr. Yeow Ah Seng @ Yow Ah Seng	4		
5.	To re-appoint Messrs Crowe Malaysia PLT 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		
8.	Proposed Share Buy-Back to purchase own Ordinary Shares up to ten percent (10%) in the entire issued and paid-up Share Capital of the Company.	8		
Special Resolution:				
9.	Proposed alteration of the existing Memorandum and Articles of Association by replacing with a new Constitution.	1		

(* 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 ………….................…. 2019.

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 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 17 May 2019 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

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