



**JOHORE TIN BERHAD**  
Registration No. 2000010299630 (532570-V)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**(UNAUDITED)**

**This Report is dated 31<sup>st</sup> May 2021.**

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (UNAUDITED)**

|   | NOTE | <u>INDIVIDUAL QUARTER</u>              |  | <u>CUMULATIVE QUARTER</u>                           |   |
|---|------|--|--|---|---|
|   |      | Current Period<br>31-03-2021<br>RM'000 | Preceding Period<br>Corresponding<br>Quarter<br>31-03-2020<br>RM'000 | Current<br>Year-<br>To-Date<br>31-03-2021<br>RM'000 | Preceding<br>Year-<br>To-Date<br>31-03-2020<br>RM'000 |
| <b>REVENUE</b>  |      | <b>113,829</b>                         | <b>108,192</b>   | <b>113,829</b>                                      | <b>108,192</b>  |
| Cost of sales   |      | (90,765)                               | (86,990)   | (90,765)  | (86,990)  |
| <b>GROSS PROFIT</b>   |      | <b>23,064</b>                          | <b>21,202</b>  | <b>23,064</b>                                       | <b>21,202</b>   |
| Net other incomes   |      | 960                                    | 704  | 960   | 704   |
| Administrative expenses   |      | (5,320)                                | (6,102)  | (5,320)   | (6,102)   |
| Selling and distribution expenses                               |      | (5,530)                                | (6,535)  | (5,530)   | (6,535)   |
| Net loss on foreign exchange and<br>financial instruments       |      | (305)                                  | (1,946)  | (305)   | (1,946)   |
| Finance costs   |      | (147)                                  | (544)  | (147)   | (544)   |
| <b>PROFIT BEFORE TAX</b>  |      | <b>12,722</b>                          | <b>6,779</b>   | <b>12,722</b>                                       | <b>6,779</b>  |
| Income tax expense  | B8   | (2,976)                                | (1,801)  | (2,976)   | (1,801)   |
| <b>PROFIT FOR THE PERIOD/YEAR</b>                               |      | <b>9,746</b>                           | <b>4,978</b>   | <b>9,746</b>  | <b>4,978</b>  |
| Non-controlling interest  |      | (250)                                  | (437)  | (250)   | (437)   |
| <b>PROFIT ATTRIBUTABLE TO<br/>OWNERS OF THE COMPANY</b>         |      | <b>9,496</b>                           | <b>4,541</b>   | <b>9,496</b>  | <b>4,541</b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>                               |      |  |  |   |   |
| Foreign currency translation                                    |      | -                                      | -  | -   | -   |
| <b>Total other comprehensive income<br/>for the period/year</b> |      | -                                      | -  | -   | -   |
| <b>COMPREHENSIVE INCOME FOR<br/>THE FINANCIAL PERIOD/YEAR</b>   | B9   | <b>9,496</b>                           | <b>4,541</b>   | <b>9,496</b>  | <b>4,541</b>  |
| <b>Profit after tax attributable to:</b>                        |      |  |  |   |   |
| Owners of the Company   |      | 9,496                                  | 4,541  | 9,496   | 4,541   |
| Non-controlling interest  |      | 250                                    | 437  | 250   | 437   |
|   |      | 9,746                                  | 4,978  | 9,746   | 4,978   |
| <b>Total comprehensive income attributable to:</b>              |      |  |  |   |   |
| Owners of the Company   |      | 9,496                                  | 4,541  | 9,496   | 4,541   |
| Non-controlling interest  |      | 250                                    | 437  | 250   | 437   |
|   |      | 9,746                                  | 4,978  | 9,746   | 4,978   |
| <b>Earnings per share (sen):</b>                                |      |  |  |   |   |
| - Basic   | B10  | 3.06                                   | 1.46   | 3.06  | 1.46  |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021 (UNAUDITED)**

|  | NOTE | As at<br>31 March 2021<br>(Unaudited)<br>RM'000 | As at<br>31 December 2020<br>(Audited)<br>RM'000 |
|--|------|---|--|
| <b><u>ASSETS</u></b>                                       |      |   |  |
| <b><i>Non-Current Assets</i></b>                           |      |   |  |
| Property, plant and equipment                              |      | 127,264   | 123,455  |
| Investment properties                                      |      | 293   | 1,117  |
| Investment in joint ventures                               |      | 25,189  | 25,189   |
| Goodwill on consolidation                                  |      | 10,650  | 10,650   |
| Rights to use assets                                       |      | 2,370   | 2,344  |
| Other investment   |      | 17  | 17   |
|  |      | 165,783   | 162,772  |
| <b><i>Current Assets</i></b>                               |      |   |  |
| Inventories  |      | 96,511  | 100,412  |
| Trade receivables  |      | 85,813  | 91,939   |
| Other receivables  |      | 6,118   | 8,417  |
| Amount owing by joint ventures                             |      | 3,055   | 3,055  |
| Derivative financial assets                                | B12  | -   | 744  |
| Tax recoverable  |      | 1,244   | 1,646  |
| Cash and cash equivalents                                  |      | 102,388   | 101,386  |
|  |      | 295,129   | 307,599  |
| <b><i>TOTAL ASSETS</i></b>                                 |      | <b>460,912</b>                                  | <b>470,371</b>                                   |
| <b><u>EQUITY AND LIABILITIES</u></b>                       |      |   |  |
| <b><i>Share Capital and Reserves</i></b>                   |      |   |  |
| Share capital  |      | 176,816   | 176,816  |
| Treasury shares  |      | (4,249)   | (4,249)  |
| Cumulative retained earnings                               |      | 193,190   | 183,491  |
| <b><i>Equity Attributable to Owners of the Company</i></b> |      | <b>365,757</b>                                  | <b>356,058</b>                                   |
| Non-controlling interest                                   |      | 1,041   | 1,454  |
| <b><i>TOTAL EQUITY</i></b>                                 |      | <b>366,798</b>                                  | <b>357,512</b>                                   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021 (UNAUDITED) (cont'd)**

|  | NOTE | As at<br>31 March 2021<br>(Unaudited)<br>RM'000 | As at<br>31 December 2020<br>(Audited)<br>RM'000 |
|--|------|---|--|
| <b><i><u>EQUITY AND LIABILITIES (cont'd)</u></i></b>   |      |   |  |
| <b><i>Non-Current Liabilities</i></b>  |      |   |  |
| Lease liabilities  |      | 863   | 913  |
| Long-term borrowings   | B11  | 735   | 912  |
| Retirement benefits  |      | 666   | 366  |
| Deferred tax   |      | 5,868   | 6,080  |
| <b><i>Total Non-Current Liabilities</i></b>  |      | <b>8,132</b>                                    | <b>8,271</b>                                     |
| <b><i>Current Liabilities</i></b>  |      |   |  |
| Trade payables   |      | 27,438  | 33,796   |
| Other payables   |      | 14,989  | 19,827   |
| Amount owing to directors  |      | -   | 8  |
| Lease liabilities  |      | 1,210   | 1,465  |
| Short-term borrowings  | B11  | 41,305  | 41,700   |
| Retirement benefits  |      | -   | 300  |
| Derivative financial liabilities   | B12  | 634   | -  |
| Income tax   |      | 406   | 1,340  |
| Dividend payable   |      | -   | 6,151  |
| <b><i>Total Current Liabilities</i></b>  |      | <b>85,982</b>                                   | <b>104,587</b>                                   |
| <b><i>TOTAL LIABILITIES</i></b>  |      | <b>94,114</b>                                   | <b>112,858</b>                                   |
| <b><i>TOTAL EQUITY AND LIABILITIES</i></b>   |      | <b>460,912</b>                                  | <b>470,370</b>                                   |
|  |      | RM  | RM   |
| <b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b> |      | <b>1.19</b>                                     | <b>1.16</b>                                      |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (UNAUDITED)**

|   | <b>Share<br/>Capital<br/>RM'000</b> | <b>Treasury<br/>Shares<br/>RM'000</b> | <b><u>Non-<br/>Distributable</u><br/>Reserves<br/>Foreign<br/>Translation<br/>Reserve<br/>RM'000</b> | <b><u>Distributable</u><br/>Retained<br/>Earnings<br/>RM'000</b> | <b>Attributable to<br/>Owners of the<br/>Company<br/>RM'000</b> | <b>Non-<br/>Controlling<br/>Interest<br/>RM'000</b> | <b>Total<br/>Equity<br/>RM'000</b> |
|---|-------------------------------------|---------------------------------------|--|--|---|---|------------------------------------|
| <b>Balance at 1 January 2021</b>              | 176,816                             | (4,249)                               | (1,365)  | 184,856  | 356,058   | 1,454   | 357,512                            |
| Total comprehensive income for the period     | -                                   | -                                     | -  | 9,496  | 9,496   | 250   | 9,746                              |
| Changes of ownership interest in a subsidiary | -                                   | -                                     | -  | 203  | 203   | (663)   | (460)                              |
| <b>Balance at 31 March 2021</b>               | 176,816                             | (4,249)                               | (1,365)  | 194,555  | 365,757   | 1,041   | 366,798                            |
| <b>Balance at 1 January 2020</b>              | 176,816                             | -                                     | 256  | 163,289  | 340,361   | 1,106   | 341,467                            |
| Total comprehensive income for the period     | -                                   | -                                     | -  | 4,541  | 4,541   | 437   | 4,978                              |
| Dividend paid                                 | -                                   | -                                     | -  | (4,347)  | (4,347)   | -   | (4,347)                            |
| <b>Balance at 31 March 2020</b>               | 176,816                             | -                                     | 256  | 163,483  | 340,555   | 1,543   | 342,098                            |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (UNAUDITED)**

|   | NOTE | Current<br>Year-To-Date<br>31-03-2021<br>RM'000 | Preceding<br>Year-To-Date<br>31-03-2020<br>RM'000 |
|---|------|---|---|
| Net cash from operating activities                | B13  | 14,044  | 48,298  |
| Net cash for investing activities                 | B13  | (5,816)   | (810)   |
| Net cash for financing activities                 | B13  | (7,054)   | (21,107)  |
| Net increase in cash and cash equivalents         |      | 1,174   | 26,381  |
| Adjustment for foreign exchange differentials     |      | (172)   | (156)   |
| Cash and cash equivalents as of beginning of year |      | 101,377   | 75,152  |
| Cash and cash equivalents as of end of year       |      | 102,379   | 101,377   |

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

|                        | Current<br>Year-To-Date<br>31-03-2021<br>RM'000 | Preceding<br>Year-To-Date<br>31-03-2020<br>RM'000 |
|------------------------|---|---|
| Cash and bank balances | 102,388   | 101,386   |
| Earmarked bank balance | (9)   | (9)   |
|                        | 102,379   | 101,377   |

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.**

**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (UNAUDITED)**

**PART A  
EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134:  
INTERIM FINANCIAL REPORTING (“MFRS 134”)**

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the first quarter ended 31 March 2021 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and with IAS 34 *Interim Financial Reporting*, and the applicable disclosure provisions on paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2020.

These condensed consolidated interim financial statements are prepared under the historical cost convention and modified to include other bases of valuation as disclosed under significant accounting policies, and in compliance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2020.

- a) During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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.

- b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 period:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

**Effective Date**

MFRS 17 Insurance Contracts

1 January 2023

Amendments to MFRS 3: Reference to the Conceptual Framework

1 January 2022

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16:  
Interest Rate Benchmark Reform – Phase 2

1 January 2021

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets  
between an Investor and its Associate or Joint Venture

Deferred

Amendment to MFRS 16: Covid-19-Related Rent Concessions

1 June 2020



**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED 31 March 2021 (UNAUDITED) (cont'd)**

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**A2. Changes in Accounting Policies (Cont'd)**

| <b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>      | <b>Effective Date</b> |
|--|-----------------------|
| Amendments to MFRS 17 Insurance Contracts  | 1 January 2023        |
| Amendment to MFRS 101: Classification of Liabilities as Current or Non-current       | 1 January 2023        |
| Amendments to MFRS 101: Disclosure of Accounting Policies                            | 1 January 2023        |
| Amendments to MFRS 108: Definition of Accounting Estimates                           | 1 January 2023        |
| Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022        |
| Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract            | 1 January 2022        |
| Annual Improvements to MFRS Standards 2018 – 2020                                    | 1 January 2022        |

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (UNAUDITED) (cont'd)**

**A3. Audit Qualification**

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2020.

**A4. Seasonal or Cyclical Factors**

The Group's operations are not significantly affected by any seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial reporting period/year under review.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial reporting period/year.

**A7. Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting period/year that have a material effect in the current interim period.

**A8. Dividend Paid**

The fourth interim dividends of 1 sen in respect of the financial year ended 31 December 2020, amounting to RM3,104,710, had been paid on 30 April 2021 to the depositors registered in the Record of Depositors at the close of business on 9 April 2021 respectively.

**A9. Subsequent Material Events**

There were no material events subsequent to the end of the current financial reporting period/year that have not been reflected in the financial statements for the current interim period.

**A10. Contingent Liabilities**

|  | <b>THE COMPANY</b> |                   |
|--|--------------------|-------------------|
|  | <b>31-03-2021</b>  | <b>31-12-2020</b> |
|  | <b>RM'000</b>      | <b>RM'000</b>     |
| Corporate guarantee given to licensed banks for banking facilities | 42,639             | 38,680            |
| Deed guarantee given to suppliers for products purchased           | 1,680              | 1,529             |

**A11. Changes in the Composition**

There are no changes in the composition of the Group for the current financial reporting period under review.

**A12. Operating Segments**

**a) Business Segments**

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

- 1) Investment Holding - *Investment holding and provision of management services.*
- 2) Tin Manufacturing - *Manufacturing of various tins, cans and other containers.*
- 3) Food and Beverage - *Manufacturing and selling of milk and related dairy products.*

A12. **Operating Segments (Cont'd)**  
**a) Business Segments (Cont'd)**

| <b>THE GROUP</b>                  | <b>Investment<br/>Holding<br/>RM'000</b> | <b>Tin<br/>Manufacturing<br/>RM'000</b> | <b>Food &amp;<br/>Beverage<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|-----------------------------------|--|---|---|-------------------------|
| <b><u>31 March 2021</u></b>       |  |   |   |                         |
| External revenue                  | -  | 30,782                                  | 83,047                                    | 113,829                 |
| Inter-segment revenue             | -  | 4,701                                   | 8,917                                     | 13,618                  |
| Dividend and management fees      | -  | -                                       | -   | -                       |
| Total revenues                    | -  | 35,483                                  | 91,964                                    | 127,477                 |
| Segments (loss)/profit before tax | (345)                                    | 5,078                                   | 7,989                                     | 12,722                  |
| Segment assets                    | 14,187                                   | 151,230                                 | 295,495                                   | 460,912                 |
| <b><u>31 March 2020</u></b>       | <b>RM'000</b>                            | <b>RM'000</b>                           | <b>RM'000</b>                             | <b>RM'000</b>           |
| External revenue                  | -  | 24,864                                  | 83,328                                    | 108,192                 |
| Inter-segment revenue             | -  | 5,575                                   | 13,285                                    | 18,860                  |
| Dividend and management fees      | 7,853                                    | -                                       | -   | 7,853                   |
| Total revenues                    | 7,853                                    | 30,439                                  | 96,613                                    | 134,905                 |
| Segments (loss)/profit before tax | (271)                                    | 892                                     | 6,158                                     | 6,779                   |
| Segment assets                    | 11,544                                   | 134,341                                 | 276,082                                   | 421,967                 |

A13. **Related Party Transactions**

The amount owing to directors are unsecured, interest free advances and repayable on demand. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions. The related parties and their relationship with the Company are as follows:

|  | <b>THE GROUP</b>  |                   |
|--|-------------------|-------------------|
|  | <b>31-03-2021</b> | <b>31-03-2020</b> |
|  | <b>RM</b>         | <b>RM</b>         |
| <b><i>Directors of the Companies</i></b> |                   |                   |
| - Rental of factory                      | 170,280           | 170,280           |
| <b><i>Related Companies</i></b>          | <b>RM</b>         | <b>RM</b>         |
| - Sales of goods                         | 1,946,598         | 1,822,965         |
| - Purchases of goods                     | 64,196            | 112,782           |

A related party of a Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM56,760, and shall expire on 31 December 2021.

The directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not less favourable than those arranged with independent third parties.

[End of Part A]

**PART B**  
**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE**  
**BURSA SECURITIES**

**B1. Review of Group Performance**

***a) Current Year Quarter compared with Preceding Year Corresponding Quarter***

The Group recorded a revenue of RM113.83 million and profit before tax of RM12.72 million for the first quarter as compared to preceding year corresponding quarter of RM108.19 million and profit before tax of RM6.78 million respectively. The revenue increased by RM5.64 million and the profit before tax increased by RM5.94 million respectively as compared to the first quarter of the preceding year.

For the tin cans manufacturing segment, revenue increased by RM5.92 million from RM24.86 million to RM30.78 million mainly due to higher sales from several industrial sectors. Profit before tax increased by RM4.18 million from RM0.90 million in the preceding year corresponding quarter to RM5.08 million. The increase in revenue as well as the adjustment in selling prices to tin cans customers in the current quarter contributed to the normalisation of the profit margin and therefore, a higher profit as compared to the exceptionally low profit in 1Q2020. The exceptionally lower profit before tax in the preceding year corresponding quarter was mainly due to lower revenue resulting from the lower demand across all industries caused by the initial outbreak of Covid-19 and the increase in costs during the MCO1.0 period.

For the F&B segment, revenue decreased by RM0.28 million from RM83.33 million to RM83.05 million mainly due to lower sales from dairy products. The profit before tax increased by RM1.83 million from RM6.16 million to RM7.99 million for the current quarter, mainly due to decrease in loss on derivatives financial instruments in current quarter as compared to the preceding year corresponding quarter.

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

The Group has recorded a revenue of RM113.83 million and profit before tax of RM12.72 million for the 3 months' ended 31 March 2021 as compared to preceding year-to-date of RM108.19 million and RM6.78 million respectively. The Group's revenue increased by RM5.64 million and the profit before tax increased by RM5.94 million respectively as compared to preceding year-to-date.

For the tin cans manufacturing segment, revenue increased by RM5.92 million from RM24.86 million to RM30.78 million mainly due to higher sales from several industrial sectors. Profit before tax increased by RM4.18 million from RM0.90 million to RM5.08 million. The increase in revenue as well as the adjustment in selling prices to tin cans customers in the current quarter contributed to the normalisation of the profit margin and therefore, a higher profit as compared to the exceptionally low profit in 1Q2020. The exceptionally lower profit before tax in the preceding year corresponding quarter was mainly due to lower revenue resulting from the lower demand across all industries caused by the initial outbreak of Covid-19 and the increase in costs during the MCO1.0 period.

For the F&B segment, revenue decreased by RM0.28 million from RM83.33 million to RM83.05 million mainly due to lower sales from dairy products. The profit before tax increased by RM1.83 million from RM6.16 million to RM7.99 million, mainly due to decrease in loss on derivatives financial instruments in current quarter as compared to the preceding year to date.

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

For the current quarter under review, the Group's profits before tax increased by RM2.24 million to RM12.72 million as compared to profit before tax of RM10.48 million in the preceding quarter ended 31 December 2020.

**a) Tin Cans Manufacturing Segment**

Profit before tax increased by RM2.82 million from RM2.26 million to RM5.08 million as the subsidiaries in this segment managed to adjust the selling prices to a more normalised margin to offset the increased costs of raw materials over the last few months.

**b) F&B Segment**

Profit before tax decreased by RM1.13 million from RM9.12 million in the previous quarter as compared to the current quarter's profit before tax of RM7.99 million, mainly due to a decrease in total revenue from RM115.26 million in preceding quarter to RM91.96 million in current quarter.

**B3. Prospects of the Group**

**a) Tin Cans Manufacturing Industry**

Tin cans manufacturing industry will remain challenging due to an increasingly competitive market. Steel price continue its uptrend and with the higher raw material costs, we will have to adjust our selling prices accordingly and this will create a challenging business environment for tin cans. However, we expect this segment to remain profitable.

**b) F&B Industry**

Although economies in most countries are still very much impacted by the Covid-19 pandemic, the demand for dairies are still healthy. Raw material prices and shipping freight costs seem to be more stable and less volatile although they remain at a relatively high level. The more stable costs factors will allow us to align our selling prices to the recent costs increases and allow markets to adjust. We expect this segment to continue to be profitable.

**B4. Revenue or Profit Estimates**

This is not applicable to the Group for the current financial reporting period/year under review.

**B5. Profit Forecast or Profit Guarantee**

The profit forecast is not applicable to the Group for the current financial reporting period/year.

**B6. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue**

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

**B7. Material Litigations**

There were no pending material litigations since the date of last audited annual statement of financial position.

**B8. Tax Expense**

|                      | Individual Quarter |              | Cumulative Quarter |              |
|----------------------|--------------------|--------------|--------------------|--------------|
|                      | 31-03-2021         | 31-03-2020   | 31-03-2021         | 31-03-2020   |
| Current period/year: | RM'000             | RM'000       | RM'000             | RM'000       |
| - Income tax         | 3,261              | 2,012        | 3,261              | 2,012        |
| - Deferred tax       | (285)              | (211)        | (285)              | (211)        |
|                      | <u>2,976</u>       | <u>1,801</u> | <u>2,976</u>       | <u>1,801</u> |

B9. **Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

|   | <b>Individual Quarter</b> |                   | <b>Cumulative Quarter</b> |                   |
|---|---------------------------|-------------------|---------------------------|-------------------|
|   | <b>31-03-2021</b>         | <b>31-03-2020</b> | <b>31-03-2021</b>         | <b>31-03-2020</b> |
|   | <b>RM'000</b>             | <b>RM'000</b>     | <b>RM'000</b>             | <b>RM'000</b>     |
| Interest income                                   | 134                       | 272               | 134                       | 272               |
| Other income                                      | 562                       | 432               | 562                       | 432               |
| Interest expense                                  | (147)                     | (544)             | (147)                     | (544)             |
| Depreciation and amortisation                     | (2,572)                   | (2,649)           | (2,572)                   | (2,649)           |
| Gain on disposal of property, plant and equipment | 264                       | -                 | 264                       | -                 |
| Realised foreign exchange gain/ (loss)            | 347                       | (254)             | 347                       | (254)             |
| Unrealised foreign exchange gain/ (loss)          | 726                       | 1,120             | 726                       | 1,120             |
| (Loss)/Gain on derivatives financial instruments  | (1,378)                   | (2,812)           | (1,378)                   | (2,812)           |
| Property, plant and equipment written off         | (63)                      | -                 | (63)                      | -                 |

B10. **Earnings Per Share**

The basic earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares in issues during the financial reporting period/year which is as follows:

|  | <b>Individual Quarter</b> |                   | <b>Cumulative Quarter</b> |                   |
|--|---------------------------|-------------------|---------------------------|-------------------|
|  | <b>31-03-2021</b>         | <b>31-03-2020</b> | <b>31-03-2021</b>         | <b>31-03-2020</b> |
| Profit for the period/year (RM'000)                      | 9,496                     | 4,541             | 9,496                     | 4,541             |
| Weighted average number of ordinary shares ('000 shares) | 310,374                   | 310,473           | 310,374                   | 310,473           |
| <b>Basic Earnings per Share (Sen)</b>                    | <b>3.06</b>               | <b>1.46</b>       | <b>3.06</b>               | <b>1.46</b>       |

The diluted earnings per share is not applicable to the Group as there are no dilutive potential ordinary shares during the financial reporting period/year under review.

B11. **Loan and Borrowings**

The Group's bank loan and borrowings as at the end of the financial reporting period/ year are as follows:

|                                   | <b>THE GROUP</b>  |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>31-03-2021</b> | <b>31-12-2020</b> |
|                                   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Current portion:</b>           |                   |                   |
| Term loans                        | 669               | 657               |
| Short-term banking facilities     | 32,636            | 28,606            |
| Revolving credit                  | 8,000             | 12,437            |
| Lease liabilities (under MFRS 16) | 1,210             | 1,465             |
|                                   | <b>42,515</b>     | <b>43,165</b>     |
| <b>Non-current portion:</b>       |                   |                   |
| Term loans                        | 735               | 912               |
| Lease liabilities (under MFRS 16) | 863               | 913               |
|                                   | <b>1,598</b>      | <b>1,825</b>      |
| <b>Total Loan and Borrowings</b>  | <b>44,113</b>     | <b>44,990</b>     |

**B11. Loan and Borrowings (cont'd)**

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

**B12. Derivative Financial Instruments**

As at 31 March 2021, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates. The details of the foreign currency forward contracts are as follows:

| <b>Type of Derivatives</b>                  | <b>THE GROUP</b>  |                   |
|---|-------------------|-------------------|
|   | <b>31-03-2021</b> | <b>31-03-2020</b> |
| <b><i>Forward Contracts (US Dollar)</i></b> | <b>RM'000</b>     | <b>RM'000</b>     |
| Contract/Notional Value                     | 61,568            | 17,918            |
| Less: Fair Value                            | (60,934)          | (18,662)          |
| Loss/ (Gain) on Fair Value Changes          | 634               | (744)             |

The Group is subject to market risk in term of foreign currency, on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

**B13. Notes to the Condensed Consolidated Statement of Cash Flows**

The details of major components in the Statement of Cash Flows comprises as follows:

|   | <b>THE GROUP</b>  |                   |
|---|-------------------|-------------------|
|   | <b>31-03-2021</b> | <b>31-03-2020</b> |
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b><i>a) Cash Flows from Operating Activities</i></b>   |                   |                   |
| Decrease/ (Increase) in inventories                     | 3,900             | (4,671)           |
| Decrease in trade and other receivables                 | 9,323             | 11,142            |
| Decrease in trade and other payables                    | (11,204)          | (20,866)          |
| Income tax paid   | (3,720)           | (4,409)           |
| <b><i>b) Cash Flows from Investing Activities</i></b>   |                   |                   |
| Proceeds from disposal of property, plant and equipment | 1,007             | -                 |
| Purchase of property, plant and equipment               | (6,363)           | (1,105)           |
| Changes of ownership interest in a subsidiary           | (460)             | -                 |
| <b><i>c) Cash Flows from Financing Activities</i></b>   |                   |                   |
| Dividend paid   | (6,151)           | (4,347)           |
| Drawdown of short-term borrowings                       | 4,030             | 922               |
| Repayment of term loan                                  | (165)             | (157)             |
| Repayment of revolving credit                           | (4,437)           | (12,881)          |
| Repayment of lease liabilities                          | (331)             | -                 |

**B14. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a first interim dividend of 1 sen per ordinary share in respect of the financial year ending 31 December 2021. The date of payment and book closure of the said interim dividend will be determined at a later date.

**B15. Authorisation for Issue**

The first quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 31 May 2021.

[End of Report]