



**JOHORE TIN BERHAD**  
(Registration No. 200001029963 (532570-V))  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

**(UNAUDITED)**

**This Report is dated 19<sup>th</sup> March 2021.**



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**QUARTERLY REPORT  
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

|  | NOTE       | <u>INDIVIDUAL QUARTER</u>                         |  | <u>CUMULATIVE QUARTER</u>                           |   |
|--|------------|---|--|---|---|
|  |            | Current Period<br>Quarter<br>31-12-2020<br>RM'000 | Preceding Period<br>Corresponding<br>Quarter<br>31-12-2019<br>RM'000 | Current<br>Year-<br>To-Date<br>31-12-2020<br>RM'000 | Preceding<br>Year-<br>To-Date<br>31-12-2019<br>RM'000 |
| <b>REVENUE</b>   |            | <b>137,929</b>                                    | <b>153,764</b>   | <b>501,900</b>                                      | <b>579,786</b>  |
| Cost of sales  |            | (114,603)   | (123,932)  | (404,525)   | (473,015)   |
| <b>GROSS PROFIT</b>  |            | <b>23,326</b>                                     | <b>29,832</b>  | <b>97,375</b>                                       | <b>106,771</b>  |
| Net other incomes  |            | 1,315   | 969  | 4,285   | 4,977   |
| Administrative expenses  |            | (8,805)   | (7,869)  | (25,146)  | (25,301)  |
| Selling and distribution expenses  |            | (5,187)   | (6,208)  | (20,569)  | (23,356)  |
| Net (loss)/gain on foreign exchange<br>and financial instruments         |            | (319)   | (665)  | (1,673)   | (97)  |
| Finance costs  |            | (174)   | (527)  | (1,383)   | (2,288)   |
| Share of profit of joint venture   |            | 319   | (184)  | 319   | (184)   |
| <b>PROFIT BEFORE TAX</b>   |            | <b>10,475</b>                                     | <b>15,348</b>  | <b>53,208</b>                                       | <b>60,522</b>   |
| Income tax expense   | <b>B8</b>  | (2,599)   | (3,894)  | (13,385)  | (12,328)  |
| <b>PROFIT FOR THE PERIOD/YEAR</b>  |            | <b>7,876</b>                                      | <b>11,454</b>  | <b>39,823</b>                                       | <b>48,194</b>   |
| Non-controlling interest   |            | 211   | 258  | (348)   | (711)   |
| <b>PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                      |            | <b>8,087</b>                                      | <b>11,712</b>  | <b>39,475</b>                                       | <b>47,483</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>  |            |   |  |   |   |
| Foreign currency translation   |            | -   | (56)   | -   | 256   |
| Share of other comprehensive income of<br>an equity accounted associates |            | (1,622)   | -  | (1,622)   | -   |
| <b>Total other comprehensive income<br/>for the period/year</b>          |            | <b>-</b>  | <b>(56)</b>  | <b>-</b>  | <b>256</b>  |
| <b>COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>                | <b>B9</b>  | <b>6,465</b>                                      | <b>11,656</b>  | <b>37,853</b>                                       | <b>47,739</b>   |
| <b>Profit after tax attributable to:</b>                                 |            |   |  |   |   |
| Owners of the Company  |            | 8,087   | 11,712   | 39,475  | 47,483  |
| Non-controlling interest   |            | (211)   | (258)  | 348   | 711   |
|  |            | 7,876   | 11,454   | 39,823  | 48,194  |
| <b>Total comprehensive income attributable to:</b>                       |            |   |  |   |   |
| Owners of the Company  |            | 6,465   | 11,656   | 37,853  | 47,739  |
| Non-controlling interest   |            | (211)   | (258)  | 348   | 711   |
|  |            | 6,254   | 11,398   | 38,201  | 48,450  |
| <b>Earnings per share (sen):</b>   |            |   |  |   |   |
| - Basic  | <b>B10</b> | 2.63  | 3.77   | 12.76   | 15.29   |

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 2019 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020 (UNAUDITED)**

|   |      | As at<br>31 December 2020<br>(Unaudited)<br>RM'000 | As at<br>31 December 2019<br>(Audited)<br>RM'000 |
|---|------|--|--|
|   | NOTE |  |  |
| <b><u>ASSETS</u></b>                                |      |  |  |
| <b><i>Non-Current Assets</i></b>                    |      |  |  |
| Property, plant and equipment                       |      | 120,366  | 127,417  |
| Investment properties                               |      | 1,117  | 1,154  |
| Investment in joint ventures                        |      | 25,189   | 26,492   |
| Goodwill on consolidation                           |      | 10,650   | 10,650   |
| Rights to use assets                                |      | 2,343  | 2,111  |
| Other investment                                    |      | 17   | 17   |
|   |      | 159,682  | 167,841  |
| <b><i>Current Assets</i></b>                        |      |  |  |
| Inventories   |      | 100,412  | 102,874  |
| Trade receivables                                   |      | 89,695   | 97,784   |
| Other receivables                                   |      | 6,216  | 3,073  |
| Amount owing by joint ventures                      |      | 2,472  | 2,507  |
| Amount owing by related companies                   |      | 2,184  | 2,279  |
| Derivative financial assets                         | B12  | 744  | 312  |
| Tax recoverable                                     |      | 1,646  | 838  |
| Cash and cash equivalents                           |      | 101,341  | 75,968   |
|   |      | 304,710  | 285,635  |
| <b>TOTAL ASSETS</b>                                 |      | <b>464,392</b>                                     | <b>453,476</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)  | -  |
| Cumulative retained earnings                        |      | 184,842  | 163,289  |
| Other components of equity                          |      | (1,366)  | 256  |
| <b>Equity Attributable to Owners of the Company</b> |      | <b>356,043</b>                                     | <b>340,361</b>                                   |
| Non-controlling interest                            |      | 1,454  | 1,106  |
| <b>TOTAL EQUITY</b>                                 |      | <b>357,497</b>                                     | <b>341,467</b>                                   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020 (UNAUDITED) (cont'd)**

|  |     | As at<br>31 December 2020<br>(Unaudited)<br>RM'000 | As at<br>31 December 2019<br>(Audited)<br>RM'000 |
|--|-----|--|--|
| <b><i>EQUITY AND LIABILITIES (cont'd)</i></b>  |     |  |  |
| <b><i>Non-Current Liabilities</i></b>  |     |  |  |
| Long-term borrowings   | B11 | 1,783  | 2,341  |
| Retirement benefits  |     | 366  | 366  |
| Deferred tax   |     | 6,080  | 6,886  |
| <b><i>Total Non-Current Liabilities</i></b>  |     | <b>8,229</b>                                       | <b>9,593</b>                                     |
| <b><i>Current Liabilities</i></b>  |     |  |  |
| Trade payables   |     | 31,460   | 35,656   |
| Other payables   |     | 20,985   | 17,736   |
| Amount owing to directors  |     | 8  | 85   |
| Short-term borrowings  | B11 | 44,573   | 46,319   |
| Retirement benefits  |     | 300  | 300  |
| Derivative financial assets  | B12 | -  | -  |
| Income tax   |     | 1,340  | 1,512  |
| Bank overdraft   |     | -  | 808  |
| <b><i>Total Current Liabilities</i></b>  |     | <b>98,666</b>                                      | <b>102,416</b>                                   |
| <b><i>TOTAL LIABILITIES</i></b>  |     | <b>106,895</b>                                     | <b>112,009</b>                                   |
| <b><i>TOTAL EQUITY AND LIABILITIES</i></b>   |     | <b>464,392</b>                                     | <b>453,476</b>                                   |
|  |     | RM   | RM   |
| <b><i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i></b> |     | <b>1.16</b>  | <b>1.10</b>                                      |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

|  | <u>Non-Distributable Reserves</u> |                           |                                       | <u>Distributable Reserve</u> | Attributable to Owners of the Company<br>RM'000 | Non-Controlling Interest<br>RM'000 | Total Equity<br>RM'000 |
|--|-----------------------------------|---------------------------|---------------------------------------|------------------------------|---|------------------------------------|------------------------|
|  | Share Capital<br>RM'000           | Treasury Shares<br>RM'000 | Foreign Translation Reserve<br>RM'000 | Retained Earnings<br>RM'000  |   |                                    |                        |
| <b>Balance at 1 January 2020</b>                                       | 176,816                           | -                         | 256                                   | 163,289                      | 340,361   | 1,106                              | 341,467                |
| Total comprehensive income for the period/year                         | -                                 | -                         | -                                     | 39,475                       | 39,475  | 348                                | 39,823                 |
| Share of other comprehensive income of equity accounted joint ventures | -                                 | -                         | (1,622)                               | -                            | (1,622)   | -                                  | (1,622)                |
| Purchase of treasury shares  | -                                 | (4,249)                   | -                                     | -                            | (4,249)   | -                                  | (4,249)                |
| Dividend paid  | -                                 | -                         | -                                     | (17,922)                     | (17,922)  | -                                  | (17,922)               |
| <b>Balance at 31 December 2020</b>                                     | 176,816                           | (4,249)                   | (1,366)                               | 184,842                      | 356,043   | 1,454                              | 357,497                |
| <b>Balance at 1 January 2019</b>                                       | 176,816                           | -                         | -                                     | 137,539                      | 314,355   | 640                                | 314,995                |
| Total comprehensive income for the period/year                         | -                                 | -                         | -                                     | 47,483                       | 47,483  | 711                                | 48,194                 |
| Share of other comprehensive income of equity accounted joint ventures | -                                 | -                         | 256                                   | -                            | 256   | -                                  | 256                    |
| Dividend paid  | -                                 | -                         | -                                     | (21,733)                     | (21,733)  | (245)                              | (21,978)               |
| <b>Balance at 31 December 2019</b>                                     | 176,816                           | -                         | 256                                   | 163,289                      | 340,361   | 1,106                              | 341,467                |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

|  | NOTE       | Current<br>Year-To-Date<br>31-12-2020<br>RM'000 | Preceding<br>Year-To-Date<br>31-12-2019<br>RM'000 |
|--|------------|---|---|
| Net cash from operating activities                       | <b>B13</b> | 53,764  | 43,811  |
| Net cash used in investing activities                    | <b>B13</b> | (4,170)   | (29,309)  |
| Net cash used in financing activities                    | <b>B13</b> | (23,301)  | (8,157)   |
| Net increase in cash and cash equivalents                |            | 26,293  | 6,345   |
| Adjustment for foreign exchange differentials            |            | (112)   | (210)   |
| Cash and cash equivalents as of beginning of period/year |            | 75,151  | 69,016  |
| Cash and cash equivalents as of end of period/year       |            | 101,332   | 75,151  |

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

|                        | Current<br>Year-To-Date<br>31-12-2020<br>RM'000 | Preceding<br>Year-To-Date<br>31-12-2019<br>RM'000 |
|------------------------|---|---|
| Cash and bank balances | 101,341   | 75,968  |
| Bank overdraft         | -   | (808)   |
| Earmarked bank balance | (9)   | (9)   |
|                        | 101,332   | 75,151  |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (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 fourth quarter ended 31 December 2020 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 2019.

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 2019.

**a) The Group has adopted the following applicable new/revised accounting standards (“MFRSs”) and Issues Committee Interpretations (including consequential amendments) (“IC Int.”):**

Amendments to MFRS 3 *Definition of a Business*

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

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

Amendments to MFRS 16 *COVID-19-Related Rent Concessions*

Amendments to MFRS 101 and MFRS 108 *Definition of Material*

The adoption of the above MFRSs and IC Int. did not have any material impact on the Group’s financial statements.

**b) The Group has not applied in advance the following applicable new/revised MFRS and IC Int that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:**

| <b>MFRS and IC Interpretations</b>   | <b>Effective Date</b> |
|--|-----------------------|
| MFRS 17 <i>Insurance Contracts</i>   | 1 January 2023        |
| Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>  | 1 January 2022        |
| Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 <i>Interest Rate Benchmark Reform – Phase 2</i>                                 | 1 January 2021        |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>            | Deferred              |
| Amendments to MFRS 101 <i>Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</i>               | 1 January 2023        |
| Amendments to MFRS 116 <i>Property, Plant and Equipment (Proceeds before Intended Use)</i>   | 1 January 2022        |
| Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)</i> | 1 January 2022        |
| Amendments to References to the Conceptual Framework in MFRS Standards   | 1 January 2022        |

The above MFRSs and IC Int. is expected to have no material impact on the Group’s financial statements upon their initial application.





**NOTES TO THE FINANCIAL INFORMATION  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (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 2019.

**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 third single-tier interim dividend of 2 sen in respect of the financial year ended 31 December 2020, amounting to RM6,151,256, was paid on 4 January 2021 to the depositors registered in the Record of Depositors at the close of business on 11 December 2020.

**A9. Subsequent Material Events**

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

**A10. Contingent Liabilities**

|  | THE COMPANY |            |
|--|-------------|------------|
|  | 31-12-2020  | 31-12-2019 |
|  | RM'000      | RM'000     |
| Corporate guarantee given to licensed banks for banking facilities | 38,680      | 46,874     |
| Deed guarantee given to a customer for products sold               | -           | -          |
| Deed guarantee given to suppliers for products purchased           | 1,529       | 2,321      |

**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.*



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) (cont'd)**

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

*a) Business Segments (Cont'd)*

| <b>THE GROUP</b>                  | <b>Investment<br/>Holding</b> | <b>Tin<br/>Manufacturing</b> | <b>Food &amp;<br/>Beverage</b> | <b>Group</b>   |
|-----------------------------------|-------------------------------|------------------------------|--------------------------------|----------------|
|                                   | <b>RM'000</b>                 | <b>RM'000</b>                | <b>RM'000</b>                  | <b>RM'000</b>  |
| <b><u>31 December 2020</u></b>    |                               |                              |                                |                |
| External revenue                  | -                             | 115,384                      | 386,516                        | 501,900        |
| Inter-segment revenue             | -                             | 25,004                       | 42,827                         | 67,831         |
| Dividend and management fees      | 19,859                        | -                            | -                              | 19,859         |
| <b>Total revenues</b>             | <b>19,859</b>                 | <b>140,388</b>               | <b>429,343</b>                 | <b>589,590</b> |
| Segments (loss)/profit before tax | (1,109)                       | 13,138                       | 41,179                         | 53,208         |
| Segment assets                    | 26,582                        | 143,330                      | 294,480                        | 464,392        |
| <b><u>31 December 2019</u></b>    | <b>RM'000</b>                 | <b>RM'000</b>                | <b>RM'000</b>                  | <b>RM'000</b>  |
| External revenue                  | -                             | 131,113                      | 448,673                        | 579,786        |
| Inter-segment revenue             | -                             | 22,721                       | 47,675                         | 70,396         |
| Dividend and management fees      | 20,221                        | -                            | -                              | 20,221         |
| <b>Total revenues</b>             | <b>20,221</b>                 | <b>153,834</b>               | <b>496,348</b>                 | <b>670,403</b> |
| Segments (loss)/profit before tax | (1,748)                       | 15,750                       | 46,520                         | 60,522         |
| Segment assets                    | 14,908                        | 142,113                      | 296,455                        | 453,476        |

**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>31-12-2020</b> | <b>31-12-2019</b> |
|  | <b>RM</b>         | <b>RM</b>         |
| <b><i>Directors of the Companies</i></b> |                   |                   |
| - Rental of factory                      | 681,120           | 619,200           |
| - Rental of hostel                       | -                 | 3,000             |
| <b><i>Related Companies</i></b>          | <b>RM</b>         | <b>RM</b>         |
| - Sales of goods                         | 8,061,868         | 8,177,882         |
| - Purchases of goods                     | 930,888           | 714,369           |

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]



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) (cont'd)**

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**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 RM137.93 million and profit before tax of RM10.48 million for the fourth quarter as compared to preceding year corresponding quarter of RM153.76 million and profit before tax of RM15.35 million respectively. The revenue decreased by RM15.83 million and the profit before tax decreased by RM4.87 million respectively as compared to the fourth quarter of the preceding year.

For the tin cans manufacturing segment, revenue increased by RM3.18 million from RM29.98 million to RM33.16 million mainly due to higher sales in the printing of tinplate services. Profit before tax decreased by RM4.20 million from RM6.46 million in the preceding year corresponding quarter to RM2.26 million. This is mainly due to higher raw material costs as the steel price increased throughout the quarter under review and also because the price adjustments to customers were not in full effect yet. The decrease in profit is also partially due to an allowance of doubtful debt.

For the F&B segment, revenue decreased by RM19.02 million from RM123.79 million to RM104.77 million mainly due to lower sales from dairy products caused primarily by lack of container spaces from all the shipping companies and the high freight costs which some customers are unwilling to pay. The profit before tax decreased by RM0.54 million from RM9.66 million to RM9.12 million for the current quarter, due to the lower sales revenue.

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

The Group has recorded a revenue of RM501.90 million and profit before tax of RM53.21 million for the 12 months ended 31 December 2020 as compared to preceding year-to-date of RM579.79 million and RM60.52 million respectively. The Group's revenue decreased by RM77.89 million and the profit before tax decreased by RM7.31 million respectively as compared to preceding year-to-date.

For the tin cans manufacturing segment, revenue decreased by RM15.73 million from RM131.11 million to RM115.38 million mainly due to lower sales resulted from the Corona Virus ("COVID-19") pandemic coupled with the implementation of the Movement Control Order ("MCO"). Our exports sales began to slow down upon the declaration of the COVID-19 and with the announcement of the MCO, our production output lowered even more as the workforce is limited to 50% during MCO1.0. Also, our customers whose operations were not under essentials sector were not able to operate during the MCO 1.0 period which caused a drop in our sales during the second quarter of the current year under review. Profit before tax decreased by RM3.97 million from RM17.11 million to RM13.14 million. This is mainly due to higher production overhead costs of the full wages paid for workers who did not work during the lockdown plus increase in raw material price especially during 4Q20 and an allowance for doubtful debts in the current year.

For the F&B segment, revenue decreased by RM62.15 million from RM448.67 million to RM386.52 million mainly due to lower sales from the effect of the COVID-19 pandemic globally and also where the production output was reduced during the MCO period which the workforce was limited to 50%. Sales revenue was further reduced due to delay in shipments to overseas market caused by the shortage of containers in 4Q20. The profit before tax decreased by RM4.61 million from RM45.79 million to RM41.18 million, mainly due to lower revenue in the current year under review as compared to the preceding year-to-date.

**NOTES TO THE FINANCIAL INFORMATION****FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) (cont'd)****B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's profits before tax decreased by RM10.88 million to RM10.48 million as compared to profit before tax of RM21.36 million in the preceding quarter ended 30 September 2020.

**a) Tin Cans Manufacturing Segment**

Profit before tax decreased by RM4.88 million from RM7.14 million to RM2.26 million mainly due to higher raw material costs caused by the increasing steel prices and also because the price adjustments to customers were not in full effect yet. The decrease in profit is also partially due to an allowance of doubtful debt in the current quarter.

**b) F&B Segment**

Profit before tax decreased by RM5.43 million from RM14.55 million in the previous quarter as compared to the current quarter's profit before tax of RM9.12 million, mainly due to lower sales and the steep increase in freight costs in the current quarter under review.

**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**

Demand is expected to remain strong although we foresee a very competitive market. This segment will continue to be profitable despite volatility in raw materials prices and uncertainties in global economies. The increase in worldwide shipping costs also adds to the volatility of our costs.

**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 |               |
|--------------------------------|--------------------|--------------|--------------------|---------------|
|                                | 31-12-2020         | 31-12-2019   | 31-12-2020         | 31-12-2019    |
| Current period:                | RM'000             | RM'000       | RM'000             | RM'000        |
| - Income tax                   | 3,107              | 5,047        | 14,393             | 13,902        |
| - Over-provision of income tax | (203)              | -            | (203)              | (1,113)       |
| - Deferred tax                 | (305)              | (1,153)      | (805)              | (461)         |
|                                | <u>2,599</u>       | <u>3,894</u> | <u>13,385</u>      | <u>12,328</u> |



**NOTES TO THE FINANCIAL INFORMATION**

**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) (cont'd)**

**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:

|   | Individual Quarter |            | Cumulative Quarter |            |
|---|--------------------|------------|--------------------|------------|
|   | 31-12-2020         | 31-12-2019 | 31-12-2020         | 31-12-2019 |
|   | RM'000             | RM'000     | RM'000             | RM'000     |
| Interest income                                   | 181                | 243        | 798                | 901        |
| Other income                                      | 1,114              | 449        | 2,682              | 3,000      |
| Interest expense                                  | (174)              | (527)      | (1,383)            | (2,288)    |
| Depreciation and amortisation                     | (2,811)            | (3,512)    | (10,435)           | (10,734)   |
| Gain on disposal of property, plant and equipment | 21                 | 277        | 805                | 1,076      |
| Realised foreign exchange gain/(loss)             | 449                | 446        | (2,104)            | (163)      |
| Unrealised foreign exchange (loss)/gain           | (1,121)            | (1,037)    | 1                  | (928)      |
| Gain/(Loss) on derivatives financial instruments  | 352                | 319        | 432                | (1,213)    |
| Exceptional items                                 | -                  | -          | -                  | -          |

**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:

|  | Individual Quarter |             | Cumulative Quarter |              |
|--|--------------------|-------------|--------------------|--------------|
|  | 31-12-2020         | 31-12-2019  | 31-12-2020         | 31-12-2019   |
| Profit for the period/year (RM'000)                      | 8,087              | 11,712      | 39,475             | 47,483       |
| Weighted average number of ordinary shares ('000 shares) | 307,565            | 310,473     | 309,420            | 310,473      |
| <b>Basic Earnings per Share (Sen)</b>                    | <b>2.63</b>        | <b>3.77</b> | <b>12.76</b>       | <b>15.29</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:

|                                   | THE GROUP     |               |
|-----------------------------------|---------------|---------------|
|                                   | 31-12-2020    | 31-12-2019    |
|                                   | RM'000        | RM'000        |
| <b>Current portion:</b>           |               |               |
| Term loans                        | 663           | 630           |
| Short-term banking facilities     | 36,409        | 27,204        |
| Revolving credit                  | 6,000         | 17,481        |
| Lease liabilities (under MFRS 16) | 1,501         | 1,004         |
|                                   | <b>44,573</b> | <b>46,319</b> |
| <b>Non-current portion:</b>       |               |               |
| Term loans                        | 905           | 1,225         |
| Lease liabilities (under MFRS 16) | 878           | 1,116         |
|                                   | <b>1,783</b>  | <b>2,341</b>  |
| <b>Total Loan and Borrowings</b>  | <b>46,356</b> | <b>48,660</b> |

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

**NOTES TO THE FINANCIAL INFORMATION****FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) (cont'd)****B12. Derivative Financial Instruments**

As at 31 December 2020, 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>31-12-2020</b> | <b>31-12-2019</b> |
|                                      | <b>RM'000</b>     | <b>RM'000</b>     |
| <i>Forward Contracts (US Dollar)</i> |                   |                   |
| Contract/Notional Value              | 17,918            | 17,608            |
| Less: Fair Value                     | (18,662)          | (17,920)          |
| (Gain)/Loss on Fair Value Changes    | (744)             | (312)             |

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>31-12-2020</b> | <b>31-12-2019</b> |
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>a) Cash Flows from Operating Activities</b>          |                   |                   |
| Decrease in inventories                                 | 2,463             | 15,690            |
| Decrease/(Increase) in trade and other receivables      | 1,564             | (2,927)           |
| Decrease in trade and other payables                    | (808,109)         | (29,261)          |
| Income tax paid   | (15,171)          | (16,716)          |
| Income tax refund                                       | -                 | 3,344             |
| <b>b) Cash Flows from Investing Activities</b>          |                   |                   |
| Proceeds from disposal of property, plant and equipment | 836               | 1,216             |
| Purchase of treasury shares                             | (4,249)           | -                 |
| Purchase of property, plant and equipment               | (757)             | (13,453)          |
| <b>c) Cash Flows from Financing Activities</b>          |                   |                   |
| Dividend paid   | (17,922)          | (21,733)          |
| Net drawdown of short-term borrowings                   | 8,652             | 7,528             |
| Repayment of term loan                                  | (286)             | (602)             |
| Net repayment of hire purchase payables                 | -                 | (75)              |
| Net (repayment)/drawdown of revolving credit            | (11,481)          | 7,681             |

**B14. Proposed Dividend**

During the current quarter under review, the Board of Directors is pleased to declare a fourth interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2020. The date of payment and book closure of the said interim dividend will be determined at a later date.

For the financial year ended 31 December 2020, the total dividends declared to-date by the Group is 5.4 sen.

**B15. Authorisation for Issue**

The fourth quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 19 March 2021.

[End of Report]