JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

FINANCIAL REPORT
for the financial year ended 31 December 2013

CONTENTS

The directors of Johore Tin Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

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

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after tax for the financial year	20,519,782	11,986,815
Attributable to:-		
Owners of the Company	20,592,243	11,986,815
Non-controlling interests	(72,461)	-
	20,519,782	11,986,815

DIVIDEND

A first and final single tier tax-exempt dividend of 4.20 sen per ordinary share amounting to RM3,918,824 for the financial year ended 31 December 2012 was approved by the shareholders at the Annual General Meeting held on 5 June 2013 and paid on 29 July 2013.

A single tier interim tax-exempt dividend of 3 sen per ordinary share amounting to RM2,799,160 in respect of the financial year ended 31 December 2013 was paid on 30 December 2013.

At the forthcoming Annual General Meeting, a single tier final tax-exempt dividend of 2 sen per ordinary share amounting to RM1,866,107 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2014.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and 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

Warrants

The Company had issued 23,326,333 Warrants which were listed on Bursa Malaysia Securities Berhad on 27 November 2012 pursuant to the rights issue on the basis of one Rights Share and one Warrants for every three existing ordinary shares held in the Company.

The Warrants are constituted by a Deed Poll dated 10 October 2012 executed by the Company. Each Warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM2.28 per Warrant, subject to adjustment in accordance with the provisions of the Deed Poll. The Warrants not exercised at the date of the maturity will thereafter lapse and cease to be valid for any purpose.

As at 31 December 2013, the entire 23,326,333 Warrants remained unexercised. The summary of the movements of Warrants is as follows:

		Number of Warrants			
Issue Date	Expiry date	Balance as of 1.1.2013	Granted	Exercised	Balance as of 31.12.2013
27.11.2012	24.11.2017	23,326,333	-	-	23,326,333

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to 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 making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 41 to the financial statements. At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

DATUK KAMALUDIN BIN YUSOFF
EDWARD GOH SWEE WANG
LIM CHIN KAI
LIM HUN SWEE
MUHAMAD FEASAL BIN YUSOFF
YEOW AH SENG @ YOW AH SENG
SIAH CHIN LEONG (APPOINTED ON 18.3.2014)

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2013	BOUGHT	SOLD	AT 31.12.2013
Direct Interest In the Company				
DATUK KAMALUDIN BIN YUSOFF	78,300	59,000	-	137,300
EDWARD GOH SWEE WANG	5,217,876	-	-	5,217,876
LIM CHIN KAI	40,000	-	-	40,000
LIM HUN SWEE	11,042,000	1,687,000	-	12,729,000
YEOW AH SENG @ YOW AH SENG	1,978,666	-	-	1,978,666

DIRECTORS' INTERESTS (CONT'D)

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

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH			
	AT 1.1.2013	BOUGHT	SOLD	AT 31.12.2013
Indirect Interest In the Company				
DATUK KAMALUDIN BIN YUSOFF	4,727,240	-	(389,200)	4,338,040
EDWARD GOH SWEE WANG	14,270,985	339,900	(1,070,000)	13,540,885

By virtue of the directors' shareholdings in the shares of the Company, except for Datuk Kamaludin Bin Yusoff, Lim Chin Kai and Yeow Ah Seng @ Yow Ah Seng, the abovementioned directors are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

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

DIRECTORS' BENEFITS

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

AUDITORS

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

Signed in accordance with a resolution of the directors dated 28 APR 2014

Edward Goh Swee Wang

Yeow Ah Seng @ Yow Ah Seng

STATEMENT BY DIRECTORS

We, Edward Goh Swee Wang and Yeow Ah Seng @ Yow Ah Seng, being two of the directors of Johore Tin Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 91 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 28 APR 2014

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

STATUTORY DECLARATION

I, Edward Goh Swee Wang, I/C No.: 631221-01-5769, being the director primarily responsible for the financial management of Johore Tin Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 91 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Edward Goh Swee Wang, I/C No.: 631221-01-5769,
at Johor Bahru in the state of Johor
on this 28 APR 2014

PESURUHJAYA SUMPAH
No. J 204
MOHDZAR BIN KHALID
P.L.P., P.I.S.,
MALAYSIA

Before me

Edward Goh Swee Wang

No. 89, Jalan Trus,
80000 Johor Bahru

Crowe Horwath

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHORE TIN BERHAD

(Incorporated in Malaysia)
Company No. : 532570-V

Report on the Financial Statements

We have audited the financial statements of Johore Tin Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and 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 a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 91.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No. : 532570-V

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and 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 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 45 on page 92 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JOHORE TIN BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No. : 532570-V

Other Matters

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

Crowe Horwath

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Tan Lin Chun
Approval No: 2839/10/15 (J)
Chartered Accountant

28 APR 2014

Johor Bahru

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013

		THE GROUP		THE COMPANY	
	NOTE	2013 RM	2012 RM	2013 RM	2012 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	122,687,187	113,352,551
Property, plant and equipment	6	76,707,124	58,094,939	88,475	113,173
Investment properties	7	1,638,065	-	-	-
Goodwill	8	10,650,327	10,650,327	-	-
Other investment	9	16,500	16,500	-	-
		89,012,016	68,761,766	122,775,662	113,465,724
CURRENT ASSETS					
Inventories	10	58,265,702	49,719,662	-	-
Trade receivables	11	41,373,154	44,453,816	-	-
Other receivables, deposits and prepayments	12	1,425,500	3,529,197	-	-
Amount owing by subsidiaries	13	-	-	950,000	850,000
Tax recoverable		2,850,490	2,219,800	265,324	138,158
Derivative assets	14	-	24,800	-	-
Fixed deposits in licensed banks	15	11,182,705	26,104,837	11,151,971	20,821,858
Cash and bank balances		27,083,151	23,678,850	2,971,296	1,119,862
		142,180,702	149,730,962	15,338,591	22,929,878
TOTAL ASSETS		231,192,718	218,492,728	138,114,253	136,395,602

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM	2012 RM	2013 RM	2012 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	93,305,333	93,305,333	93,305,333	93,305,333
Reserves	17	76,313,782	62,565,505	27,483,470	22,214,639
Equity attributable to owners of the Company		169,619,115	155,870,838	120,788,803	115,519,972
Non-controlling interest		127,539	-	-	-
TOTAL EQUITY		169,746,654	155,870,838	120,788,803	115,519,972
NON-CURRENT LIABILITIES					
Long term borrowings	18	15,562,746	12,828,359	5,623,431	7,058,692
Retirement benefits	19	301,000	335,000	-	-
Deferred tax liabilities	20	5,212,937	4,006,600	21,200	28,300
		21,076,683	17,169,959	5,644,631	7,086,992
CURRENT LIABILITIES					
Trade payables	21	10,248,157	10,083,310	-	-
Other payables and accruals	22	7,298,836	7,021,701	507,930	784,893
Amount owing to directors	23	713,443	764,206	-	-
Amount owing to subsidiaries	13	-	-	4,744,889	1,928,602
Derivative liabilities	14	166,005	-	-	-
Tax payable		1,692,534	1,163,439	-	-
Short term borrowings	24	20,250,406	21,614,113	6,428,000	6,428,000
Bank overdrafts	27	-	158,019	-	-
Contingent consideration	28	-	4,647,143	-	4,647,143
		40,369,381	45,451,931	11,680,819	13,788,638
TOTAL LIABILITIES		61,446,064	62,621,890	17,325,450	20,875,630
TOTAL EQUITY AND LIABILITIES		231,192,718	218,492,728	138,114,253	136,395,602

JOHORE TIN BERHAD
(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
REVENUE	29	241,383,678	246,361,334	15,464,083	9,519,333
OTHER OPERATING INCOME		2,018,634	3,621,246	550,272	26,030
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		995,027	(1,490,697)	-	-
RAW MATERIALS AND CONSUMABLES USED		(162,303,638)	(170,636,137)	-	-
EMPLOYEE BENEFITS	30	(21,284,069)	(18,632,972)	(1,064,052)	(816,922)
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	6	(5,193,739)	(5,408,621)	(24,698)	(7,284)
DEPRECIATION OF INVESTMENT PROPERTIES	7	(49,301)	-	-	-
FINANCE COSTS		(1,548,535)	(1,982,510)	(669,909)	(961,569)
OTHER OPERATING EXPENSES		(26,870,567)	(24,276,814)	(343,341)	(394,690)
PROFIT BEFORE TAX	31	27,147,490	27,554,829	13,912,355	7,364,898
TAX EXPENSE	32	(6,627,708)	(4,663,526)	(1,925,540)	(1,482,988)
PROFIT AFTER TAX		20,519,782	22,891,303	11,986,815	5,881,910
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Foreign currency translation differences		(125,982)	(73,976)	-	-
		(125,982)	(73,976)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		20,393,800	22,817,327	11,986,815	5,881,910

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
PROFIT AFTER TAX ATTRIBUTABLE TO :-					
Owners of the Company		20,592,243	22,891,303	11,986,815	5,881,910
Non-controlling interests		(72,461)	-	-	-
		20,519,782	22,891,303	11,986,815	5,881,910
TOTAL COMPREHENSIVE INCOME :-					
Owners of the Company		20,466,261	22,817,327	11,986,815	5,881,910
Non-controlling interests		(72,461)	-	-	-
		20,393,800	22,817,327	11,986,815	5,881,910
Earnings per share					
- basic (sen)	33	22.07	30.86		
- diluted (sen)	33	N/A	N/A		

JOHORE TIN BERHAD
(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		NON-DISTRIBUTABLE				DISTRIBUTABLE	
The Group	NOTE	Share Capital RM	Share Premium RM	Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Total Equity RM
Balance at 31.12.2011/1.1.2012		69,979,000	4,600,212	(513,403)	-	32,159,890	106,225,699
Issuance of shares	16 &17	23,326,333	927,924	-	5,232,757	-	29,487,014
Profit after tax for the financial year		-	-	-	-	22,891,303	22,891,303
Other comprehensive income for the financial year, net of tax:							
- Foreign currency translation		-	-	(73,976)	-	-	(73,976)
Total comprehensive income for the financial year		-	-	(73,976)	-	22,891,303	22,817,327
Distribution to owners of the Company							
- Dividend	34	-	-	-	-	(2,659,202)	(2,659,202)
Balance at 31.12.2012		93,305,333	5,528,136	(587,379)	5,232,757	52,391,991	155,870,838

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		← NON-DISTRIBUTABLE			→	DISTRIBUTABLE			
THE GROUP	NOTE	Share Capital RM	Share Premium RM	Translation Reserve RM	Warrants Reserve RM	Retained Profits RM	Attributable To Owner Of The Company RM	Non-Controlling interest RM	Total Equity RM
Balance at 31.12.2012/1.1.2013		93,305,333	5,528,136	(587,379)	5,232,757	52,391,991	155,870,838	-	155,870,838
Profit after tax for the financial year		-	-	-	-	20,592,243	20,592,243	(72,461)	20,519,782
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation		-	-	(125,982)	-	-	(125,982)	-	(125,982)
Total comprehensive income for the financial year		-	-	(125,982)	-	20,592,243	20,466,261	(72,461)	20,393,800
Contribution by and distribution to owners of the Company									
- Issuance of shares									
- by a subsidiary to non-controlling interests		-	-	-	-	-	-	200,000	200,000
- Dividend	34	-	-	-	-	(6,717,984)	(6,717,984)	-	(6,717,984)
Total transaction with owners		-	-	-	-	(6,717,984)	(6,717,984)	200,000	(6,517,984)
Balance at 31.12.2013		93,305,333	5,528,136	(713,361)	5,232,757	66,266,250	169,619,115	127,539	169,746,654

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

JOHORE TIN BERHAD
(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

			← NON-DISTRIBUTABLE	→	DISTRIBUTABLE	
THE COMPANY	NOTE	Share Capital RM	Share Premium RM	Warrants Reserve RM	Retained Profits RM	Total Equity RM
Balance at 31.12.2011/1.1.2012		69,979,000	4,600,212	-	8,231,038	82,810,250
Issuance of shares	16 & 17	23,326,333	927,924	5,232,757	-	29,487,014
Total comprehensive income for the financial year		-	-	-	5,881,910	5,881,910
Distribution to owners of the Company - Dividend	34	-	-	-	(2,659,202)	(2,659,202)
Balance at 31.12.2012		93,305,333	5,528,136	5,232,757	11,453,746	115,519,972
Total comprehensive income for the financial year		-	-	-	11,986,815	11,986,815
Distribution to owners of the Company - Dividend	34	-	-	-	(6,717,984)	(6,717,984)
Balance at 31.12.2013		93,305,333	5,528,136	5,232,757	16,722,577	120,788,803

JOHORE TIN BERHAD

(Incorporated In Malaysia)
Company No: 532570-V

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		27,147,490	27,554,829	13,912,355	7,364,898
Adjustments for:-					
Allowance for impairment losses on receivables		1,665,350	101,070	-	-
Dividend income		-	-	(14,514,083)	(8,669,333)
Depreciation of property, plant and equipment		5,193,739	5,408,621	24,698	7,284
Depreciation of investment properties		49,301	-	-	-
Gain on disposal of property, plant and equipment		(482,961)	(925,811)	-	-
(Gain)/Loss on foreign exchange - unrealised (trade)		(279,138)	201,409	-	-
Interest expenses					
- bank borrowings		1,318,625	1,508,940	588,134	673,327
- contingent consideration		81,775	288,242	81,775	288,242
Interest income		(752,239)	(321,226)	(550,272)	(26,030)
Loss on fair values changes in financial instruments		190,805	439,830	-	-
Property, plant and equipment written off		115	-	-	-
Reversal of allowance for impairment losses on trade receivables		(9,750)	(434,816)	-	-
Reversal of provision for retirement benefits		(34,000)	(24,000)	-	-
Operating profit/(loss) before working capital changes		34,089,112	33,797,088	(457,393)	(361,612)
(Increase)/Decrease in inventories		(8,546,040)	3,123,188	-	-
Decrease/(Increase) in trade and other receivables		3,925,221	(6,456,651)	-	-
Net increase in amount owing by subsidiaries		-	-	(100,000)	(1,576,398)
Increase/(Decrease) in trade and other payables		735,569	(8,413,039)	75,894	85,058
(Decrease)/Increase in amount owing to directors		(50,763)	78,917	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD		30,153,099	22,129,503	(481,499)	(1,852,952)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		30,153,099	22,129,503	(481,499)	(1,852,952)
Tax paid		(6,894,885)	(5,573,880)	(63,000)	(59,792)
Tax refund		1,371,919	319,105	6,715	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		24,630,133	16,874,728	(537,784)	(1,912,744)
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received		-	-	12,510,562	7,212,937
Interest received		752,239	321,226	550,272	26,030
Payment of contingent consideration		(5,000,000)	(3,500,000)	(5,000,000)	(3,500,000)
Withdrawal of fixed deposits		-	9,500,000	-	-
Proceeds from disposal of property, plant and equipment		1,019,938	1,403,152	-	-
Quasi loan granted to a subsidiary	5	-	-	(8,534,636)	(5,000,000)
Purchase of property, plant and equipment	35	(16,892,743)	(8,973,130)	-	(116,488)
Purchase of leasehold land	7	(896,652)	-	-	-
Investment in a subsidiary		-	-	(800,000)	-
NET CASH FOR INVESTING ACTIVITIES		(21,017,218)	(1,248,752)	(1,273,802)	(1,377,521)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(6,717,984)	(2,659,202)	(6,717,984)	(2,659,202)
Interest expenses		(1,400,400)	(1,508,940)	(669,909)	(673,327)
Drawdown of bankers' acceptances		-	4,205,885	-	-
Drawdown of bills payable		730,897	1,104,681	-	-
Net increase in amount owing to subsidiaries		-	-	2,816,287	-
Proceeds from issuance of share by a subsidiary to non-controlling interests		200,000	-	-	-
Proceeds from issuance of shares	16 & 17	-	29,857,706	-	29,857,706
Rights issue exercise expenses paid	17	-	(370,692)	-	(370,692)
Repayment of advances to directors		-	(350,000)	-	-
Repayment of bankers' acceptances		(4,359,756)	(12,536,456)	-	-
Repayment of hire purchase obligation		(1,252,030)	(362,242)	-	-
Repayment of term loans		(2,147,625)	(3,290,085)	(1,435,261)	(1,475,049)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(14,946,898)	14,090,655	(6,006,867)	24,679,436

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,333,983)	29,716,631	(7,818,453)	21,389,171
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		49,625,668	20,018,060	21,941,720	552,549
Effects of exchange differences		(25,829)	(109,023)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	38,265,856	49,625,668	14,123,267	21,941,720

1. GENERAL INFORMATION

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 April 2014.

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 1965 in Malaysia.

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (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 applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments MFRS 9 (2010) Financial Instruments Amendments to MFRS 9, MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosure	To be Announced By MASB
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

3. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, 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)

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The above accounting standards and interpretations (including the consequential amendments, if any) is not expected to have any financial impact on the Group's financial statements upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgements

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

(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 and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

(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 and deferred tax provision in the period in which such determination is made.

(c) Impairment of Non-Financial Assets

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

(d) Write down/off of inventories

Reviews are made periodically by management on damaged and 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 base on the past historical movement trend of the inventories and judgement of the directors and management.

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

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

(e) Classification between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(f) Impairment of Trade and Other Receivables

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

(g) Classification of Leasehold Land

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

(h) Impairment of Goodwill

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

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

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

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2013.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls and 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.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(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 statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognised any gain or loss on disposal in profit or loss which is calculated as the difference between:-

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

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

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

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. 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 as a gain in profit or loss.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Functional and Foreign Currencies (Cont'd)

(b) Transactions and Balances

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

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

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 Janaury 2011) which are treated as assets and liabilities of the Company and are not retranslated.

4.5 Financial Instruments

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

(i) Financial Assets at Fair Value Through Profit or Loss

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

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

(ii) Held-to-maturity Investments

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

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

(iv) Available-for-sale Financial Assets

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

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

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

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

(b) Financial Liabilities

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (Cont'd)

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

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

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

(d) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. 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.

4.6 Investments

(a) Investments in Subsidiaries

Investments in subsidiaries are stated at deemed 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 investments include 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (Cont'd)

(b) Transferable Golf Club Membership

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

4.7 Property, Plant and Equipment

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

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

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

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

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

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 plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Property, Plant and Equipment (Cont'd)

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

4.8 Investment Properties at the Cost Model

Investments properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 50 to 99 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 Impairment

(a) Impairment of Financial Assets

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

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

(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 there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

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.

4.10 Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Inventories

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

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

4.12 Income Taxes

Income tax for the year comprises current and deferred tax.

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Income Taxes (Cont'd)

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

4.13 Cash and Cash Equivalents

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

4.14 Provisions

Provisions are recognised when the Group has a present obligation 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.

4.15 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.

4.16 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Employee Benefits (Cont'd)

(b) Defined Contribution Plans

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

(c) Defined Benefit Plans

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

4.17 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Related Parties (Cont'd)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.18 Contingent Liabilities

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

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

4.19 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's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Capitalisation of Borrowing Costs

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

4.21 Revenue Recognition And Other Income

(a) *Sales of Goods*
Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) *Dividend Income*
Dividend income from investment is recognised when the right to receive dividend payment is established.

(c) *Management Fee*
Management fee is recognised on an accrual basis.

(d) *Interest Income*
Interest income is recognised on an accrual basis using the effective interest method.

(e) *Rental Income*
Rental income is recognised on an accrual basis.

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5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2013 RM	2012 RM
Unquoted shares, at deemed cost	98,717,850	98,717,850
Addition during the year	800,000	-
	99,517,850	98,717,850
Quasi loans	14,634,701	9,634,701
Addition during the year	8,534,636	5,000,000
	23,169,337	14,634,701
	122,687,187	113,352,551

Quasi loans 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 quasi loans are stated at cost less accumulated impairment losses, if any.

Details of the subsidiaries are as follows:-

Name of Subsidiary	**Effective Equity Interest (%)** 2013	2012	**Country of Incorporation**	**Principal Activities**
Johore Tin Factory Sendirian Berhad ("JTFSB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers and printing of tin plates
Unican Industries Sdn. Bhd.("UISB")	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Kluang Tin And Can Factory Sdn. Bhd.	100	100	Malaysia	Manufacturing of various tins, cans and other containers
Able Dairies Sdn. Bhd.	100	100	Malaysia	Manufacturing and selling of milk and other related dairy products
Able Food Sdn. Bhd.	80	-	Malaysia	Trading of milk and other related dairy products

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Subsidiary of JTFSB	**Effective Equity Interest (%)**		**Country of Incorporation**	**Principal Activities**
	2013	2012		
PT Medan Johor Tin *	100	100	Indonesia	Dormant
(held through JTFSB-90% & UISB-10%)				

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

Subscription shares in a subsidiary

During the financial year, the Company subscribed 800,000 ordinary shares of RM1.00 each representing 80% of the total issued and paid up capital of Able Food Sdn. Bhd. for a total consideration of RM800,000.00.

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6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

Net book value	At 1.1.2013 RM	Additions RM	Transfer to Investment Properties RM	Disposals RM	Written off RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2013 RM
Freehold land	14,514,020	186,134	-	-	-	-	-	14,700,154
Leasehold land	238,545	-	(186,235)	-	-	-	(1,539)	50,771
Factory buildings	19,102,574	-	(604,479)	-	-	-	(422,424)	18,075,671
Plant and machinery	17,122,175	21,262,714	-	(301,893)	-	(154)	(3,295,299)	34,787,543
Mould, tools and factory equipment	2,170,539	55,246	-	-	-	-	(307,009)	1,918,776
Electrical installations and substation	1,141,900	1,192,434	-	-	-	-	(203,048)	2,131,286
Motor vehicles	1,820,054	691,904	-	(233,473)	-	-	(592,852)	1,685,633
Office equipment, furniture and fittings	985,356	337,095	-	(1,611)	(115)	(34)	(190,487)	1,130,204
Renovation	999,776	664,927	-	-	-	-	(181,081)	1,483,622
Building under construction	-	743,464	-	-	-	-	-	743,464
	58,094,939	25,133,918	(790,714)	(536,977)	(115)	(188)	(5,193,739)	76,707,124

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

THE GROUP

Net book value	At 1.1.2012 RM	Additions RM	Disposals RM	Translation Difference RM	Depreciation Charge RM	At 31.12.2012 RM
Freehold land	9,188,888	5,794,760	(469,628)	-	-	14,514,020
Leasehold land	252,848	-	-	-	(14,303)	238,545
Factory buildings	19,562,600	-	-	-	(460,026)	19,102,574
Plant and machinery	18,933,391	1,984,025	(3,082)	(1,027)	(3,791,132)	17,122,175
Mould, tools and factory equipment	2,455,579	38,473	-	-	(323,513)	2,170,539
Electrical installations and substation	1,291,478	35,061	-	-	(184,639)	1,141,900
Motor vehicles	1,065,296	1,127,501	-	-	(372,743)	1,820,054
Office equipment, furniture and fittings	583,832	545,245	(4,631)	(116)	(138,974)	985,356
Renovation	865,002	258,065	-	-	(123,291)	999,776
	54,198,914	9,783,130	(477,341)	(1,143)	(5,408,621)	58,094,939

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

THE GROUP

2013	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	14,700,154	-	-	14,700,154
Leasehold land	76,930	(26,159)	-	50,771
Factory buildings	21,121,174	(3,045,503)	-	18,075,671
Plant and machinery	79,636,885	(43,431,587)	(1,417,755)	34,787,543
Mould, tools and factory equipment	5,621,777	(3,703,001)	-	1,918,776
Electrical installations and substation	3,307,714	(1,176,428)	-	2,131,286
Motor vehicles	3,827,384	(2,141,751)	-	1,685,633
Office equipment, furniture and fittings	2,653,642	(1,523,438)	-	1,130,204
Renovation	2,573,329	(1,089,707)	-	1,483,622
Building under construction	743,464	-	-	743,464
	134,262,453	(56,137,574)	(1,417,755)	76,707,124

2012	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment RM	Net Book Value RM
Freehold land	14,514,020	-	-	14,514,020
Leasehold land	639,585	(401,040)	-	238,545
Factory buildings	22,595,259	(3,492,685)	-	19,102,574
Plant and machinery	59,340,411	(40,800,481)	(1,417,755)	17,122,175
Mould, tools and factory equipment	5,566,531	(3,395,992)	-	2,170,539
Electrical installations and substation	2,115,280	(973,380)	-	1,141,900
Motor vehicles	4,350,070	(2,530,016)	-	1,820,054
Office equipment, furniture and fittings	2,274,852	(1,289,496)	-	985,356
Renovation	1,908,402	(908,626)	-	999,776
	113,304,410	(53,791,716)	(1,417,755)	58,094,939

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

THE COMPANY

Net book value	At 1.1.2013 RM	Depreciation Charge RM	At 31.12.2013 RM
Office equipment, furniture and fittings	113,173	(24,698)	88,475

Net book value	At 1.1.2012 RM	Additions RM	Depreciation Charge RM	At 31.12.2012 RM
Office equipment, furniture and fittings	3,969	116,488	(7,284)	113,173

2013	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	232,274	(143,799)	88,475

2012	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Office equipment, furniture and fittings	232,274	(119,101)	113,173

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

	THE GROUP 2013 RM	THE GROUP 2012 RM
Motor vehicles	970,571	1,445,341
Plant and machinery	14,110,065	509,386
	15,080,636	1,954,727

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

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

	THE GROUP 2013 RM	THE GROUP 2012 RM
Freehold land and buildings	9,206,779	26,527,974

7. INVESTMENT PROPERTIES

THE GROUP

Net book value	At 1.1.2013 RM	Transfer From Property, Plant and Equipment RM	Additions RM	Depreciation charges RM	At 31.12.2013 RM
Leasehold land	-	186,235	896,652	(11,699)	1,071,188
Buildings	-	604,479	-	(37,602)	566,877
	-	790,714	896,652	(49,301)	1,638,065

THE GROUP

2013	At cost RM	Accumulated depreciation RM	Net book value RM
Leasehold land	1,459,307	(388,119)	1,071,188
Buildings	1,474,085	(907,208)	566,877
	2,933,392	(1,295,327)	1,638,065

The fair value of investment properties is RM5,000,000 as at end of the reporting period, it has been arrived at on the basis of the Directors' best estimate.

8. GOODWILL

	THE GROUP 2013 RM	THE GROUP 2012 RM
At 1 January/31 December	10,650,327	10,650,327

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

	THE GROUP 2013 RM	THE GROUP 2012 RM
Foods and beverage	10,650,327	10,650,327

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

	GROSS MARGIN		GROWTH RATE		DISCOUNT RATE	
	2013	2012	2013	2012	2013	2012
FOODS AND BEVERAGE	15%	10%	3.4%	5%	13.7%	10%

(i) BUDGETED GROSS MARGIN — Average gross margin achieved in the 2 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.

(ii) GROWTH RATE — Assume 3.4 percent growth for the subsequent 5 years.

(iii) DISCOUNT RATE (PRE - TAX) — Reflect specific risk relating to that operating segment.

9. OTHER INVESTMENT

	THE GROUP 2013 RM	2012 RM
Transferable golf club membership, at cost	16,500	16,500

10. INVENTORIES

	THE GROUP 2013 RM	2012 RM
At cost:-		
Raw materials	41,103,039	29,835,055
Work-in-progress	9,031,942	11,115,276
Finished goods	6,452,972	3,340,711
Goods-in-transit	1,430,580	5,224,150
	58,018,533	49,515,192
At net realisable value:-		
Raw materials	247,169	170,570
Work-in-progress	-	33,900
	58,265,702	49,719,662

11. TRADE RECEIVABLES

	THE GROUP 2013 RM	2012 RM
Trade receivables	44,454,424	45,879,486
Allowance for impairment losses	(3,081,270)	(1,425,670)
	41,373,154	44,453,816
Allowance for impairment losses at 1 January	1,425,670	1,759,416
Addition during the financial year	1,665,350	101,070
Reversal during the financial year	(9,750)	(434,816)
Allowance for impairment losses at 31 December	3,081,270	1,425,670

11. TRADE RECEIVABLES (CONT'D)

(a) The Group's normal trade credit terms range from 30 to 120 days (2012: 30 to 120 days).

(b) The allowance for impairment losses is made mainly on those trade receivables in significant financial difficulties and have defaulted on payments.

Included in the trade receivables is an amount of RM821,670 (2012: RM1,504,649) owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP 2013 RM	THE GROUP 2012 RM
Other receivables	124,694	172,206
Deposits	1,080,173	3,183,559
Prepayments	220,633	173,432
	1,425,500	3,529,197

Included in the other receivables was an amount of RM27,123 owing by a company in which a director of a subsidiary of the Company has a substantial financial interest in prior financial year end.

13. AMOUNT OWING BY/(TO) SUBSIDIARIES

	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Amount owing by/(to) subsidiaries		
Current		
Trade balances	950,000	850,000
Non-trade balances	(4,744,889)	(1,928,602)
	(3,794,889)	(1,078,602)

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

14. DERIVATIVE (LIABILITIES)/ASSETS

	THE GROUP			
	CONTRACT/ NOTIONAL AMOUNT		LIABILITES	ASSETS
	2013 RM	2012 RM	2013 RM	2012 RM
Forward foreign currency contracts	10,645,375	7,973,000	(166,005)	24,800

The Group does not apply hedge accounting.

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

(b) In current financial year, the Group recognised a loss of RM190,805 arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair value of derivative are disclosed in Note 44(d) to the financial statements.

15. FIXED DEPOSITS IN LICENSED BANKS

The fixed deposits in licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.04% to 3.20% (2012: 2.17% to 3.45%) per annum. The deposits have maturity period ranging from 1 to 12 months.

16. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	2013 No. of shares	2012 No. of shares	2013 RM	2012 RM
ORDINARY SHARES OF RM1.00 EACH:-				
AUTHORISED				
At 1 January	200,000,000	100,000,000	200,000,000	100,000,000
Creation of shares	-	100,000,000	-	100,000,000
At 31 December	200,000,000	200,000,000	200,000,000	200,000,000

16. SHARE CAPITAL (CONT'D)

	THE GROUP AND THE COMPANY			
	2013 No. of shares	2012 No. of shares	2013 RM	2012 RM
ISSUED AND FULLY PAID-UP				
At 1 January	93,305,333	69,979,000	93,305,333	69,979,000
Issuance of shares	-	23,326,333	-	23,326,333
At 31 December	93,305,333	93,305,333	93,305,333	93,305,333

In the previous financial year, the Company increased its:-

(i) authorised share capital from RM100,000,000 to RM200,000,000 through the creation of 100,000,000 shares of RM1.00 each; and

(ii) issued and paid-up share capital by way of a renounceable rights issue of 23,326,333 new ordinary shares of RM1.00 each ("Rights Share(s)") together with 23,326,333 free detachable warrants ("Warrant(s)") at an issue price of RM1.28 per Rights Share on the basis of one Rights Share and one Warrant for every three existing ordinary shares of RM1.00 each held in the Company.

17. RESERVES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-distributable reserves:-				
- Share premium	5,528,136	5,528,136	5,528,136	5,528,136
- Translation reserve	(713,361)	(587,379)	-	-
- Warrants reserve	5,232,757	5,232,757	5,232,757	5,232,757
	10,047,532	10,173,514	10,760,893	10,760,893
Distributable reserve:-				
- Retained profits	66,266,250	52,391,991	16,722,577	11,453,746
	76,313,782	62,565,505	27,483,470	22,214,639

Share premium

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

17. RESERVES (CONT'D)

The movements of the share premium are as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
At 1 January	5,528,136	4,600,212
Arising from Rights Issue with Warrants	-	6,531,373
Allocation to warrants reserve	-	(5,298,540)
Applied for share issue expenses pursuant to Rights Shares	-	(304,909)
	-	927,924
At 31 December	5,528,136	5,528,136

Translation reserve

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

Warrants reserve

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

The movements in the warrants reserve are as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
At 1 January	5,232,757	-
Arising from Rights Issue with Warrants	-	5,298,540
Applied for warrants issue expenses	-	(65,783)
At 31 December	5,232,757	5,232,757

The main features of the Warrants are as follows:-

(a) Each Warrant will entitle its registered holder during the exercise period to subscribe for one new ordinary share at the exercise price, subject to adjustment in accordance with the provision of the Deed Poll as disclosed in the Director's Report.

17. RESERVES (CONT'D)

The main features of the Warrants are as follows:- (Cont'd)

(b) The exercise price of each Warrant has been fixed at RM2.28, subject to adjustments under circumstances in accordance with the provision of the Deed Poll.

(c) The exercise period shall commence from the date of issue of the Warrants and will expire on 24 November 2017, 5.00pm. Any Warrant which has not been exercised will lapse and cease thereafter to be valid for any purpose.

(d) The new ordinary shares of RM2.28 each pursuant to the exercise of the Warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company.

No warrants were exercised during the financial year ended 31 December 2013. As at the end of the reporting date, 23,326,333 Warrants remain unexercised.

Retained profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

18. LONG TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Hire purchase payables (Note 25)	5,354,177	707,356	-	-
Term loans (Note 26)	10,208,569	12,121,003	5,623,431	7,058,692
	15,562,746	12,828,359	5,623,431	7,058,692

19. RETIREMENT BENEFITS

	THE GROUP	
	2013	2012
	RM	RM
At 1 January	335,000	359,000
Reversal during the financial year (Note 30)	(34,000)	(24,000)
At 31 December	301,000	335,000

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

Key assumptions used for computing the addition for the year.

	THE GROUP	
	2013	2012
Discount rate	7.50%	4.61%
Annual salary increment per worker	RM78.00	RM65.00

20. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
At 1 January	4,006,600	3,660,000	28,300	-
Recognised in profit or loss (Note 32)	1,206,337	346,600	(7,100)	28,300
At 31 December	5,212,937	4,006,600	21,200	28,300

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20. DEFERRED TAX LIABILITIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Deferred tax liabilities:-				
- Accelerated capital allowances	5,335,137	4,544,100	21,200	28,300
Deferred tax assets:-				
- Unabsorbed tax losses	(50,000)	(399,700)	-	-
- Other temporary differences	(72,200)	(137,800)	-	-
Gross deferred tax assets	(122,200)	(537,500)	-	-
Net deferred tax liabilities	5,212,937	4,006,600	21,200	28,300

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

THE GROUP Deferred tax liabilities:-	Accelerated capital allowances RM	Other temporary differences RM	Total RM
Balance at 1 January 2013	4,544,100	-	4,544,100
Recognised in profit or loss	791,037	-	791,037
Balance at 31 December 2013	5,335,137	-	5,335,137
Balance at 1 January 2012	4,548,100	13,700	4,561,800
Recognised in profit or loss	(4,000)	(13,700)	(17,700)
Balance at 31 December 2012	4,544,100	-	4,544,100

20. DEFERRED TAX LIABILITIES (CONT'D)

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

THE GROUP

Deferred tax assets:-	Unabsorbed tax losses RM	Other temporary differences RM	Total RM
Balance at 1 January 2013	(399,700)	(137,800)	(537,500)
Recognised in profit or loss	349,700	65,600	415,300
Balance at 31 December 2013	(50,000)	(72,200)	(122,200)
Balance at 1 January 2012	(756,000)	(145,800)	(901,800)
Recognised in profit or loss	356,300	8,000	364,300
Balance at 31 December 2012	(399,700)	(137,800)	(537,500)

THE COMPANY

Deferred tax liabilities:-	Accelerated capital allowances RM
Balance at 1 January 2013	28,300
Recognised in profit or loss	(7,100)
Balance at 31 December 2013	21,200

THE COMPANY

Deferred tax liabilities:-	Accelerated capital allowances RM
Balance at 1 January 2012	-
Recognised in profit or loss	28,300
Balance at 31 December 2012	28,300

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2012: 30 to 120 days).

22. OTHER PAYABLES AND ACCRUALS

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Other payables	2,721,403	1,401,336	-	-
Accrued expenses	3,737,180	3,841,155	507,930	784,893
Deposits received	840,253	1,779,210	-	-
	7,298,836	7,021,701	507,930	784,893

Included in the other receivables is an amount of RM69,643 owing by a company in which a director of a subsidiary of the Company has a substantial financial interest.

23. AMOUNT OWING TO DIRECTORS

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

24. SHORT TERM BORROWINGS

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Bankers' acceptance	-	398,000	-	-
Foreign currency trade loan	-	7,924,557	-	-
Bills payable	798,704	1,728,881	-	-
Foreign currency trust receipts	9,655,148	3,873,254	-	-
Revolving credit	5,000,000	5,000,000	5,000,000	5,000,000
Hire purchase payables (Note 25)	2,903,668	561,344	-	-
Term loans (Note 26)	1,892,886	2,128,077	1,428,000	1,428,000
	20,250,406	21,614,113	6,428,000	6,428,000

24. SHORT TERM BORROWINGS (CONT'D)

Bankers' acceptance, foreign currency trade loan, bills payable, foreign currency trust receipts and revolving credit are drawn for period ranging from 30 days to 104 days (2012: 30 to 168 days).

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

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

(ii) corporate guarantees from the Company.

25. HIRE PURCHASE PAYABLES

	THE GROUP	
	2013	2012
	RM	RM
Minimum hire purchase payment:-		
- not later than one year	2,930,475	607,840
- later than one year and not later than five years	5,387,021	749,670
	8,317,496	1,357,510
Less : Future finance charges	(59,651)	(88,810)
Present value of hire purchase payables	8,257,845	1,268,700

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

	THE GROUP	
	2013	2012
	RM	RM
Current:-		
- not later than one year (Note 24)	2,903,668	561,344
Non-current:-		
- later than one year and not later than five years (Note 18)	5,354,177	707,356
	8,257,845	1,268,700

26. TERM LOANS

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Current portion:-				
- repayable within one year (Note 24)	1,892,886	2,128,077	1,428,000	1,428,000
Non-current portion:-				
- repayable between one and two years	1,915,433	1,892,290	1,428,000	1,428,000
- repayable between two and five years	5,804,214	5,816,400	4,195,431	4,284,000
- repayable more than five years	2,488,922	4,412,313	-	1,346,692
Total non-current portion (Note 18)	10,208,569	12,121,003	5,623,431	7,058,692
	12,101,455	14,249,080	7,051,431	8,486,692

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

Term loan 1 at 3 months Cost Of Funds (COF) + 0.75% per annum	Repayable in 28 quarterly instalments of RM250,000, effective from June 2006.
Term loan 2 at Base Lending Rate - 1.75% per annum	Repayable in 180 monthly instalments of RM59,151, effective from March 2008.
Term loan 3 at COF + 1.15% per annum	Repayable in 83 monthly instalments of RM119,000 and final instalment of RM123,000, effective from December 2011.

27. BANK OVERDRAFTS

Bank overdrafts of the Group to a limit of RM3,500,000 (2012: RM3,500,000) are repayable on demand and are secured in the same manner as the short term borrowings as disclosed in Note 24 to the financial statements.

28. CONTINGENT CONSIDERATION

	THE GROUP AND THE COMPANY 2013 RM	THE GROUP AND THE COMPANY 2012 RM
Current portion	-	4,647,143

28. CONTINGENT CONSIDERATION (CONT'D)

The contingent consideration represents the fair value of the outstanding purchase consideration payable to the vendors of a subsidiary which had been acquired in the financial year ended 31 December 2011. The payment of the outstanding contingent consideration was made on 6 August 2013.

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

	THE GROUP	
	2013	2012
Discount rate	-	5%
Outstanding purchase consideration - at cost	-	RM5,000,000

29. REVENUE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Sales of goods	241,383,678	246,361,334	-	-
Dividend income	-	-	14,514,083	8,669,333
Management fee income	-	-	950,000	850,000
	241,383,678	246,361,334	15,464,083	9,519,333

30. EMPLOYEE BENEFITS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short term employee benefits	19,923,543	17,336,844	994,142	773,976
Contribution to a defined contribution plan	1,394,526	1,320,128	69,910	42,946
Reversal from a non-contributory unfunded retirement benefit plan (Note 19)	(34,000)	(24,000)	-	-
	21,284,069	18,632,972	1,064,052	816,922

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

31. PROFIT BEFORE TAX

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before tax is arrived at after charging:-				
Allowance for impairment losses on receivables	1,665,350	101,070	-	-
Audit fee - statutory audit	118,000	115,000	25,000	25,000
- (over)/underprovision in previous financial year	(6,000)	7,135	-	-
Direct operating expenses on investment properties	10,995	-	-	-
Directors' remuneration				
- Directors' fee - current year	686,000	790,000	296,000	300,000
- over provision in previous financial year	(14,000)	-	(14,000)	-
- EPF contributions	391,740	289,920	19,740	6,720
- other emoluments	3,783,320	2,824,320	297,000	112,000
Interest expenses				
- bank borrowings	1,318,625	1,508,940	588,134	673,327
- contingent consideration	81,775	288,242	81,775	288,242
Loss on fair values changes in financial instruments - unrealised	190,805	439,830	-	-
Loss on foreign exchange - realised (trade)	1,142,930	-	-	-
Loss on foreign exchange - unrealised (trade)	26,839	201,409	-	-
Property, plant and equipment written off	115	-	-	-
Rental expenses				
- premises	423,040	361,598	-	-
- office equipment	11,395	11,904	-	-
- factory equipment	472,187	453,041	-	-
- motor vehicle	163,550	59,480	-	-
and after crediting:-				
Dividend income	-	-	14,514,083	8,669,333
Gain on disposal of property, plant and equipment	482,961	925,811	-	-
Gain on foreign exchange - realised (non - trade)	16,786	20,338	-	-
Gain on foreign exchange - realised (trade)	31,797	657,584	-	-
Gain on foreign exchange - unrealised (trade)	305,977	-	-	-
Interest income	752,239	321,226	550,272	26,030
Rental income	214,950	144,000	-	-
Reversal of allowance for impairment losses on trade receivables	9,750	434,816	-	-

32. TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysian income tax				
- Current year	5,495,700	4,363,901	2,013,521	1,456,396
- Over provision in previous financial year	(74,329)	(46,975)	(80,881)	(1,708)
	5,421,371	4,316,926	1,932,640	1,454,688
Deferred tax (Note 20)				
- Relating to Origination/(reversal) of temporary differences	1,462,100	238,300	(6,200)	27,300
- Effect of proposed change in corporate income tax rate from 25% to 24%	(212,663)	-	(900)	-
- (Over)/Under provision in previous financial year	(43,100)	108,300	-	1,000
	1,206,337	346,600	(7,100)	28,300
	6,627,708	4,663,526	1,925,540	1,482,988

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

	THE GROUP	
	2013 RM	2012 RM
Unutilised reinvestment allowances	5,939,000	5,600,000
Unutilised tax losses	3,044,000	3,044,000
	8,983,000	8,644,000

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32. TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before tax	27,147,490	27,554,829	13,912,355	7,364,898
Malaysian taxation at statutory rate	6,786,873	6,888,707	3,478,089	1,841,225
Tax credit in tax attributable to the dividend income	-	45,805	-	45,805
Tax effects of:-				
Expenses disallowed for tax purposes	796,345	537,290	204,221	308,142
Non-taxable income	(86,657)	(123,127)	(1,674,989)	(711,476)
Effect of proposed change in corporate income tax rate from 25% to 24%	(212,663)	-	(900)	-
Deferred tax asset not recognised in current year	82,065	-	-	-
Over provision of income tax in previous financial year	(74,329)	(46,975)	(80,881)	(1,708)
(Over)/Under provision of deferred tax in previous financial year	(43,100)	108,300	-	1,000
Tax incentive utilised	(620,826)	(2,746,474)	-	-
Tax expense for the financial year	6,627,708	4,663,526	1,925,540	1,482,988

33. EARNINGS PER SHARE

	THE GROUP 2013 RM	THE GROUP 2012 RM
Basic		
Net profit attribute to ordinary shareholders	20,592,243	22,891,303
Number of shares in issue as at 31 December (weighted average)	93,305,333	74,180,248
Basic earnings per share (sen)	22.07	30.86

The diluted earnings per ordinary share is not presented as there is no dilutive effect noted during the year. The issue of warrants does not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

34. DIVIDEND

	THE GROUP AND THE COMPANY 2013 RM	THE GROUP AND THE COMPANY 2012 RM
Paid:-		
In respect of previous financial year:-		
Single tier final tax exempt dividend of 4.20 sen (2012: 3.80 sen) per ordinary share	3,918,824	2,659,202
In respect of current financial year:-		
Single tier interim tax exempt dividend of 3 sen per ordinary share	2,799,160	-
	6,717,984	2,659,202

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Cost of property, plant and equipment purchased	25,133,918	9,783,130	-	116,488
Amount financed through hire purchase	(8,241,175)	(810,000)	-	-
Cash disbursed for purchase of property, plant and equipment	16,892,743	8,973,130	-	116,488

36. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash and bank balances	27,083,151	23,678,850	2,971,296	1,119,862
Fixed deposits in licensed banks	11,182,705	26,104,837	11,151,971	20,821,858
Bank overdrafts	-	(158,019)	-	-
	38,265,856	49,625,668	14,123,267	21,941,720

37. DIRECTORS' REMUNERATION

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

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-executive directors				
- fees	241,000	235,000	221,000	215,000
Executive directors				
- fees	445,000	555,000	75,000	85,000
- salaries and bonuses	3,783,320	2,824,320	297,000	112,000
- defined contribution plan	391,740	289,920	19,740	6,720
	4,861,060	3,904,240	612,740	418,720

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37. DIRECTORS' REMUNERATION (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Non-executive directors				
Below RM50,000	1	1	-	-
RM50,001 - RM100,000	3	3	3	3
Executive directors				
Below RM50,000	-	-	2	2
RM100,001 - RM150,000	-	1	-	1
RM200,001 - RM250,000	1	-	-	-
RM300,001 - RM350,000	1	1	1	-
RM400,001 - RM450,000	1	1	-	-
RM550,001 - RM600,000	1	-	-	-
RM650,001 - RM700,000	-	1	-	-
RM700,001 - RM750,000	1	-	-	-
RM800,001 - RM850,000	1	1	-	-
RM1,250,001 - RM1,300,000	-	1	-	-
RM1,500,001 - RM1,550,000	1	1	-	-

38. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	THE COMPANY	
	2013	2012
	RM	RM
Subsidiaries		
Dividends received/receivable	14,514,083	8,669,333
Management fees receivable	950,000	850,000

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38. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	THE GROUP	
	2013	2012
	RM	RM
Company in which a subsidiary's director has substantial financial interest		
Sales of goods	5,651,143	2,864,338
Purchases of goods	1,146,854	263,579
Director of a subsidiary		
Rental of factory premises paid/payable	16,800	16,800
Spouse of a subsidiary's director		
Purchase of land	-	5,794,760

(b) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term employee benefits	4,697,880	3,603,320	593,000	412,000
Post-employment benefit				
- Defined contribution plan	419,394	316,800	19,740	6,720
	5,117,274	3,920,120	612,740	418,720

39. CAPITAL COMMITMENTS

	THE GROUP	
	2013	2012
	RM	RM
Contracted But Not Provided For:-		
Plant and machinery	2,128,416	15,610,560

40. OPERATING LEASE COMMITMENTS

(a) Leases As Lessor

The Company leases out its investment properties. The future minimum lease payments under the non-cancellable operating leases are as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Not more than one year	24,000	-

41. CONTINGENT LIABILITIES

	THE COMPANY	
	2013	2012
	RM	RM
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	29,915,173	20,960,853

42. OPERATING SEGMENTS

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

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

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

(i) Investment holding – involved in the business of investment holding and provision of management services.

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

(iii) Food and beverage – involved in manufacturing and selling of milk and other related dairy products

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

42. OPERATING SEGMENTS (CONT'D)

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

BUSINESS SEGMENTS

2013	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
<u>Revenue</u>				
External revenue	-	83,073,932	158,309,746	241,383,678
Inter-segment revenue	950,000	17,502,980	1,008,076	19,461,056
Dividend income	14,514,083	-	-	14,514,083
Total revenue	15,464,083	100,576,912	159,317,822	275,358,817
Eliminations				(33,975,139)
Consolidated revenue				241,383,678
<u>Results</u>				
Segment results	15,484,781	12,873,003	21,071,656	49,429,440
Adjustments and eliminations	(15,464,083)	895,381	623,535	(13,945,167)
Finance costs	(669,909)	(365,169)	(513,457)	(1,548,535)
Tax expense	77,981	(2,718,629)	(3,987,060)	(6,627,708)
	(571,230)	10,684,586	17,194,674	27,308,030
Other material items of income	550,272	873,882	341,723	1,765,877
Depreciation of property, plant and equipment	(24,698)	(2,847,617)	(2,321,424)	(5,193,739)
Depreciation of investment properties	-	(49,301)	-	(49,301)
Other material items of expenses	-	(166,457)	(1,525,732)	(1,692,189)
Other non-cash expenses	-	-	(190,805)	(190,805)
	(45,656)	8,495,093	13,498,436	21,947,873
Unallocated expenses				(1,428,091)
Consolidated profit after tax				20,519,782

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2013	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Assets				
Segment assets	137,862,922	137,932,741	86,196,797	361,992,460
Eliminations				(133,753,739)
				228,238,721
Unallocated assets				2,953,997
Consolidated total assets				231,192,718
Liabilities				
Segment liabilities	3,810,458	15,483,776	18,770,407	38,064,641
Eliminations				(21,682,024)
				16,382,617
Unallocated liabilities				45,063,447
Consolidated total liabilities				61,446,064
Other Segment Items				
Additions to non-current assets other than financial instruments :-				
- Property, plant and equipment	-	19,005,965	6,127,953	25,133,918

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Revenue				
External revenue	-	82,031,411	164,329,923	246,361,334
Inter-segment revenue	850,000	19,357,608	-	20,207,608
Dividend income	8,669,333	-	-	8,669,333
Total revenue	9,519,333	101,389,019	164,329,923	275,238,275
Eliminations				(28,876,941)
Consolidated revenue				246,361,334
Results				
Segment results	9,516,617	15,551,579	18,086,645	43,154,841
Adjustments and eliminations	(9,519,333)	(2,345,505)	3,781,309	(8,083,529)
Finance costs	(951,569)	(500,583)	(520,358)	(1,972,510)
Tax expense	(26,593)	(2,780,005)	(1,856,928)	(4,663,526)
	(980,878)	9,925,486	19,490,668	28,435,276
Other material items of income	26,030	1,700,314	99,509	1,825,853
Depreciation of property, plant and equipment	(7,284)	(3,601,309)	(1,800,028)	(5,408,621)
Other material items of expenses	-	(105,868)	(196,611)	(302,479)
Other non-cash expenses	-	-	(439,830)	(439,830)
	(962,132)	7,918,623	17,153,708	24,110,199
Unallocated expenses				(1,218,896)
Consolidated profit after tax				22,891,303

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012	INVESTMENT HOLDING RM	TIN MANUFACTURING RM	FOODS & BEVERAGE RM	GROUP RM
Assets				
Segment assets	136,144,271	124,756,050	72,189,498	333,089,819
Eliminations				(116,930,064)
				216,159,755
Unallocated assets				2,332,973
Consolidated total assets				218,492,728
Liabilities				
Segment liabilities	7,360,638	11,666,584	18,013,202	37,040,424
Eliminations				(14,188,064)
				22,852,360
Unallocated liabilities				39,769,530
Consolidated total liabilities				62,621,890
Other Segment Items				
Additions to non-current assets other than financial instruments :-				
- Property, plant and equipment	116,488	898,674	8,767,968	9,783,130

42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

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

	THE GROUP 2013 RM	2012 RM
Gain on disposal of property, plant and equipment	482,961	925,811
Gain on foreign currency – unrealised (trade)	305,977	-
Interest income	752,239	321,226
Rental income	214,950	144,000
Reversal of allowance for impairment losses on trade receivables	9,750	434,816
	1,765,877	1,825,853

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

	THE GROUP 2013 RM	2012 RM
Allowance for impairment losses on trade receivables	1,665,350	101,070
Loss on foreign currency – unrealised (trade)	26,839	201,409
	1,692,189	302,479

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

	THE GROUP 2013 RM	2012 RM
Loss on fair values changes in financial instruments	190,805	439,830

42. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL SEGMENTS

	REVENUE		NON-CURRENT ASSETS	
	2013 RM	2012 RM	2013 RM	2012 RM
Africa	80,249,788	44,129,493	-	-
Asia	79,805,219	78,056,442	-	3,839
Malaysia	62,472,524	111,532,162	89,012,016	68,757,927
Others	18,856,147	12,643,237	-	-
	241,383,678	246,361,334	89,012,016	68,761,766

MAJOR CUSTOMERS

The Group has five (2012: five) major customers with individual revenue contribution equal to or more than 5% of Group revenue and cumulatively accounting for 26% (2012: 33%) of Group revenue.

43. MATERIAL LITIGATION

A suit was brought by General Containers Sdn Bhd ("GCSB") against the former director of GCSB for breach of fiduciary duties and against the subsidiaries of the Company, Johore Tin Factory Sendirian Berhad and Unican Industries Sdn. Bhd. ("Defendants") for conspiring to divest GCSB's vital assets and business. A judgement was ruled in favour of the abovementioned Defendants by the Federal Court on 9 November 2013. The suit was dismissed by the Federal Court with costs.

GCSB is no longer able to appeal further.

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44. FINANCIAL INSTRUMENTS

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

44.1 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, Singapore Dollar and Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balance will be hedged by the forward foreign currency contracts.

The Group's exposure to foreign currency is as follows:-

THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	EURO RM
2013			
Financial Assets			
Trade receivables	19,056,386	3,931,931	-
Other receivables, deposits and prepayments	865,116	-	-
Cash and bank balances	6,364,485	1,554,552	402,411
	26,285,987	5,486,483	402,411
Financial liabilities			
Trade payables	3,725,241	202,108	-
Other payables and accruals	453,031	6,858	-
Bank borrowings	10,453,852	7,483,968	-
	14,632,124	7,692,934	-
Currency Exposure	11,653,863	(2,206,451)	402,411

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	JAPANESE YEN RM
2012			
Financial Assets			
Trade receivables	20,496,961	3,873,361	-
Other receivables, deposits and prepayments	66,608	-	3,034,080
Cash and bank balances	10,070,710	372,829	-
	30,634,279	4,246,190	3,034,080
Financial liabilities			
Trade payables	4,881,889	111,050	-
Other payables and accruals	31,228	(2,693)	-
Bank borrowings	13,924,691	-	-
	18,837,808	108,357	-
Currency Exposure	11,796,471	4,137,833	3,034,080

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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 as at the end of the reporting period, with all other variables held constant:-

	THE GROUP 2013 Increase/ (Decrease) RM	THE GROUP 2012 Increase/ (Decrease) RM
Effects On Profit After Tax		
United States Dollar:-		
- strengthened by 12% (2012: 6%)	905,283	448,886
- weakened by 12% (2012: 6%)	(905,283)	(448,886)
Singapore Dollar:-		
- strengthened by 8% (2012: 5%)	(290,339)	183,609
- weakened by 8% (2012: 5%)	290,339	(183,609)
Euro:-		
- strengthened by 16%	48,289	-
- weakened by 16%	(48,289)	-
Japanese Yen:-		
- strengthened by 13%	-	149,293
- weakened by 13%	-	(149,293)

	THE COMPANY 2013 Increase/ (Decrease) RM	THE COMPANY 2012 Increase/ (Decrease) RM
Effects On Equity		
Indonesia Rupiah:-		
- strengthened by 18% (2012:9%)	(122,491)	(72,772)
- weakened by 18% (2012: 9%)	122,491	72,772

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(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 arising from Group's interest-bearing financial liabilities. The Group's policy is to obtain the most favourable interest rates available.

<u>Interest rate risk sensitivity analysis</u>

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

	THE GROUP		THE COMPANY	
	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM
Effects On Profit After Tax				
Increase of 30 basis points (bp) (2012: 100)	(13,814)	(23,407)	9,226	92,514
Decrease of 30 bp (2012: 100)	13,814	23,407	(9,226)	(92,514)

(iii) Equity Price Risk

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

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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.

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

<u>Credit risk concentration profile</u>

The Group's major concentration of credit risk relates to the amounts owing by seven (2012: six) major customers which constituted approximately 52% (2012: 45%) of its trade receivables as at the end of the reporting period.

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

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

	THE GROUP	
	2013	2012
	RM	RM
Africa	5,350,968	6,266,346
Asia	4,292,533	11,996,134
Europe	8,760,108	1,400,042
Singapore	5,751,983	3,647,947
Malaysia	17,217,562	21,143,347
	41,373,154	44,453,816

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of the Group's trade receivables as at end of the reporting period is as follows:-

	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2013			
Not past due	27,469,156	-	27,469,156
Past due:			
- less than 3 months	13,261,088	-	13,261,088
- 3 to 6 months	682,441	(253,648)	428,793
- over 6 months	3,041,739	(2,827,622)	214,117
	44,454,424	(3,081,270)	41,373,154

	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2012			
Not past due	27,194,942	-	27,194,942
Past due:			
- less than 3 months	16,980,071	-	16,980,071
- 3 to 6 months	278,723	-	278,723
- over 6 months	1,425,750	(1,425,670)	80
	45,879,486	(1,425,670)	44,453,816

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

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

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

(c) Liquidity Risk

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

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

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

The Group	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2013						
Trade payables		10,248,157	10,248,157	10,248,157	-	-
Other payables and accruals		7,298,836	7,298,836	7,298,836	-	-
Amount owing to directors		713,443	713,443	713,443	-	-
Hire purchase payables	2.75 to 6.10	8,257,845	8,317,496	2,930,475	5,387,021	-
Term loans	4.47 to 5.00	12,101,455	14,495,720	2,453,011	9,085,159	2,957,550
Bills payable		798,704	798,704	798,704	-	-
Foreign currency trust receipts	1.75 to 2.78	9,655,148	9,655,148	9,655,148	-	-
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Forward currency contract - gross payment						
- inflow		166,005	10,645,375	10,645,375	-	-
- outflow			(10,479,370)	(10,479,370)	-	-
		54,239,593	56,693,509	39,263,779	14,472,180	2,957,550

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The Group	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2012						
Trade payables		10,083,310	10,083,310	10,083,310	-	-
Other payables and accruals		7,021,701	7,021,701	7,021,701	-	-
Amount owing to directors		764,206	764,206	764,206	-	-
Contingent consideration		4,647,143	5,000,000	5,000,000	-	-
Hire purchase payables	4.48 to 6.10	1,268,700	1,357,510	607,840	749,670	-
Term loans	4.61 to 5.00	14,249,080	17,325,599	2,791,577	9,457,886	5,076,136
Bankers' acceptance	3.83	398,000	398,000	398,000	-	-
Foreign currency trade loan	1.91 to 2.91	7,924,557	7,924,557	7,924,557	-	-
Bills payable	2.50	1,728,881	1,728,881	1,728,881	-	-
Foreign currency trust receipts	2.36 to 2.61	3,873,254	3,873,254	3,873,254	-	-
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Bank overdrafts	8.10	158,019	158,019	158,019	-	-
Forward currency contract - gross payment						
- inflow		(24,800)	7,642,500	7,642,500	-	-
- outflow			(7,667,300)	(7,667,300)	-	-
		57,092,051	60,610,237	45,326,545	10,207,556	5,076,136

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The Company	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2013						
Other payables and accruals		507,930	507,930	507,930	-	-
Amount owing to subsidiaries		4,744,889	4,744,889	4,744,889	-	-
Term loan	4.47	7,051,431	7,989,110	1,743,199	6,245,911	-
Revolving credit	4.47	5,000,000	5,000,000	5,000,000	-	-
		17,304,250	18,241,929	11,996,018	6,245,911	-

The Company	Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2012						
Other payables and accruals		784,893	784,893	784,893	-	-
Amount owing to subsidiaries		1,928,602	1,928,602	1,928,602	-	-
Term loan	4.61	8,486,692	9,846,648	1,819,236	6,618,638	1,408,774
Revolving credit	4.61	5,000,000	5,000,000	5,000,000	-	-
Contingent consideration		4,647,143	5,000,000	5,000,000	-	-
		20,847,330	22,560,143	14,532,731	6,618,638	1,408,774

44. FINANCIAL INSTRUMENTS (CONT'D)

44.2 Capital Risk Management

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions debt divided by total equity.

The debt-to-equity ratio of the Group as at the end of the reporting period is not presented as its cash and cash equivalent exceeded the total debts.

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

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	41,373,154	44,453,816	-	-
Other receivables and deposits	1,204,867	3,355,765	-	-
Amount owing by subsidiaries	-	-	950,000	850,000
Fixed deposits with licensed banks	11,182,705	26,104,837	11,151,971	20,821,858
Cash and bank balances	27,083,151	23,678,850	2,971,296	1,119,862
	80,843,877	97,593,268	15,073,267	22,791,720
Available for sale				
Other investment	16,500	16,500	-	-
Financial Liabilities				
Other financial liabilities				
Trade payables	10,248,157	10,083,310	-	-
Other payables and accruals	7,298,836	7,021,701	507,930	784,893
Amount owing to directors	713,443	764,206	-	-
Amount owing to subsidiaries	-	-	4,744,889	1,928,602
Borrowings				
- long term	15,562,746	12,828,359	5,623,431	7,058,692
- short term	20,250,406	21,614,113	6,428,000	6,428,000
Bank overdrafts	-	158,019	-	-
Contingent consideration	-	4,647,143	-	4,647,143
	54,073,588	57,116,851	17,304,250	20,847,330
Fair value through profit and loss				
Derivative (liabilities)/assets	(166,005)	24,800	-	-

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 Fair Values Measurements

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM	RM	RM	RM	RM	RM	RM	RM
2013								
Financial Liability								
Derivative liabilities:								
- Forward foreign currency contract	-	166,005	-	-	-	-	166,005	166,005
Hire purchase payables	-	-	-	-	8,292,240	-	8,292,240	8,257,845
Retirement benefits	-	-	-	-	-	357,000	357,000	301,000
Term loans	-	-	-	-	12,101,455	-	12,101,455	12,101,455

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 Fair Values Measurements (Cont'd)

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level* RM	RM	RM
2012						
Financial Asset						
Derivative assets:						
- Forward foreign currency contract	-	24,800	-	-	24,800	24,800
Financial Liability						
Hire purchase payables	-	-	-	1,335,104	1,335,104	1,268,700
Retirement benefits	-	-	-	337,000	337,000	335,000
Term loans	-	-	-	14,249,080	14,249,080	14,249,080

*Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 Fair Values Measurements

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
The Company	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2013								
Financial Liability								
Term loan	-	-	-	-	7,051,431	-	7,051,431	7,051,431

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level* RM	RM	RM
2012						
Financial Liability						
Term loan	-	-	-	8,486,692	8,486,692	8,486,692

*Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13

44. FINANCIAL INSTRUMENTS (CONT'D)

44.4 Fair Values Measurements (Cont'd)

The fair values of level 2 and level 3 above have been determined using the following basis:-

(a) The fair values of forward currency contracts are determined using forward exchange rates at the end of the reporting period with the resulting value discounted back to present value.

(b) The fair values of hire purchase payables, retirement benefits and term loans are determined by discounting the relevant cash flows using 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:-

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Hire purchase payables	2.75 to 4.54	1.59 to 5.11	-	-
Retirement benefits	4.55	4.51	-	-
Term loans	4.55 to 4.87	3.96 to 4.85	4.55	4.47

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

The following table shows a reconciliation of level 3 fair value:-

The Group	Employee Retirement Benefits RM	Total Fair value RM
Balance at 1.1.2012	359,000	359,000
Total gain recognised in profit or loss	(24,000)	(22,000)
Balance at 31.12.2012/1.1.2013	335,000	337,000
Total (gain)/loss recognised in profit or loss	(34,000)	20,000
Balance at 31.12.2013	301,000	357,000

45. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

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

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained profits/(losses):				
- realised	71,354,210	56,540,851	16,743,777	11,482,046
- unrealised	(5,087,960)	(4,148,860)	(21,200)	(28,300)
At 31 December	66,266,250	52,391,991	16,722,577	11,453,746

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