

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2011

	(Unaudited) As at 31.03.2011 RM '000	(Audited) As at 31.12.2010 RM '000
Assets		
Property, plant and equipment	243,110	224,222
Intangible assets	2,062	1,903
Investment properties	5,550	5,562
Deferred tax assets	4,131	4,131
Total non-current assets	254,853	235,818
Receivables, deposits and prepayments	232,983	232,890
Inventories	379,760	324,940
Current tax assets	163	90
Cash and cash equivalents	227,024	221,974
Total current assets	839,930	779,894
Total assets	1,094,783	1,015,712
Equity		
Share capital	107,645	107,645
Reserves	371,036	361,428
Total equity attributable to owners of the Company	478,681	469,073
Minority interests	52,141	53,762
Total equity	530,822	522,835
Liabilities		
Deferred tax liabilities	7,100	7,100
Total non-current liabilities	7,100	7,100
Payables and accruals	87,090	87,407
Loans and borrowings	458,175	385,172
Current tax liabilities	11,596	13,198
Total current liabilities	556,861	485,777
Total liabilities	563,961	492,877
Total equity and liabilities	1,094,783	1,015,712
Net assets per share attributable to owners of the Company (RM)	4.45	4.36

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 31 March 2011

	3 Months/ Financial Period Ended	
	31.03.2011	31.03.2010
	RM '000	RM '000
Revenue	459,009	329,291
Cost of sales	(381,557)	(278,786)
Gross profit	77,452	50,505
Operating expenses	(38,037)	(23,156)
Results from operating activities	39,415	27,349
Finance costs	(2,832)	(1,619)
Finance income	3,391	1,735
Net finance income/(costs)	559	116
Share of loss of associates, net of tax	-	(143)
Profit before tax	39,974	27,322
Income tax expense	(7,817)	(6,051)
Profit for the period	32,157	21,271
Profit attributable to:		
Owners of the Company	29,791	17,769
Minority interests	2,366	3,502
Profit for the period	32,157	21,271
Basic earnings per ordinary share (sen)	27.67	16.51

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 31 March 2011

	3 Months/ Financial Period	
	Ended	
	31.03.2011	31.03.2010
	RM '000	RM '000
Profit for the period	32,157	21,271
Other comprehensive income, net of tax		
Foreign currency translation differences for foreign operations	(24,170)	(21,701)
Total comprehensive income for the period	<u>7,987</u>	<u>(430)</u>
Total comprehensive income attributable to:		
Owners of the Company	9,608	(364)
Minority interests	(1,621)	(66)
Total comprehensive income for the period	<u>7,987</u>	<u>(430)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year period 31 March 2011

	← Attributable to Owners of the Company →				Total RM '000	Minority Interest RM '000	Total Equity RM '000
	Share Capital RM '000	Reserve attributable to Capital RM '000	Reserve attributable to Revenue RM '000	Distributable Retained Profit RM '000			
Balance at 1.1.2010	107,645	87,537	(29,423)	259,676	425,435	39,340	464,775
Total comprehensive income for the year	-	-	(18,133)	17,769	(364)	(66)	(430)
Share issued to minority interest	-	-	-	-	-	9,800	9,800
Balance at 31.03.2010	107,645	87,537	(47,556)	277,445	425,071	49,074	474,145
Balance at 1.1.2011	107,645	86,752	(53,655)	328,331	469,073	53,762	522,835
Total comprehensive income for the period	-	-	(20,183)	29,791	9,608	(1,621)	7,987
Balance at 31.03.2011	107,645	86,752	(73,838)	358,122	478,681	52,141	530,822

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 March 2011

	Period Ended 31.03.2011 RM'000	Period Ended 31.03.2010 RM'000
Cash Flows From Operating Activities		
Profit before tax	39,974	27,322
Adjustments for non-cash and non-operating items	3,593	2,981
	<hr/>	<hr/>
Operating profit before changes in working capital	43,567	30,303
Increase in inventories	(63,424)	(9,581)
Increase/(decrease) in trade and other payables	1,264	(861)
Increase in trade and other receivables	(5,572)	(8,796)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(24,165)	11,065
Income tax paid	(8,066)	(3,699)
Interest received	3,391	1,735
Interest paid	(2,832)	(1,619)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(31,672)	7,482
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment and intangible assets	(28,236)	(6,149)
Subscription of shares in a subsidiary by minority interests	-	9,800
Proceeds from disposal of property, plant and equipment	217	38
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(28,019)	3,689
Cash Flows From Financing Activities		
Dividends paid to owners of the Company	-	(4,037)
Proceeds from loans and borrowings	83,985	3,536
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	83,985	(501)
Net Increase In Cash and Cash Equivalents	24,294	10,670
Effects of exchange rate fluctuations on cash held	(19,244)	(12,880)
Cash and Cash Equivalents at Beginning of financial year	221,974	142,179
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Cash and Cash Equivalents at End of financial year	227,024	139,969
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The Condensed Consolidated Statement Cash Flows should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of preparation

The interim financial statements and notes are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2010, except for those standards, amendments and interpretations which are effective from the annual period beginning 1 March 2010, 1 July 2010 and 1 January 2011. The adoption of these standards, amendments and interpretations have no material impact to the interim financial statements.

2. Status of Audit Report

The Audit Report of the Group's financial statements for the year ended 31 December 2010 was not subject to any qualification.

3. Seasonal or Cyclical Factors

There were no material changes brought about by seasonal or cyclical factors that affect the performance of the Group for the financial period under review.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows because of their nature, size or incidence for the financial year-to-date.

5. Changes in Estimates

There were no changes in estimates that have had any material effect on the financial year-to-date results.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2011.

7. Dividend Paid

No dividend was paid during the financial period under review.

8. Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and impairment. The valuation of certain land and buildings have been brought forward without amendment from the previous audited financial statements.

9. Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the financial period that would affect the financial results for the current financial period under review.

10. Contingent Liabilities or Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2010.

11. Capital Commitments

	As at 31.03.2011 RM'000
Property, plant and equipment	
Authorised and contracted for	<u>83,423</u>
Authorised but not contracted for	<u>83,882</u>

12. Changes in Composition of the Group

There were no changes to the corporate structure of the Group for the financial period ended 31 December 2010.

13. Segmental Information

	← 3 months ended 31.03.11 →			Results RM'000
	← Revenue →		Total RM'000	
	External RM'000	Inter-segment RM'000		
Flour and trading in grains and other allied products	223,838	3,157	226,995	33,977
Feed and trading in feed ingredients	134,007	2,060	136,067	1,674
Poultry integration	101,164	431	101,595	3,571
	459,009	5,648	464,657	39,222
Eliminations- inter-segment	-	(5,648)	(5,648)	
Revenue	459,009	-	459,009	
Unallocated expenses				193
				39,415
Finance costs				(2,832)
Finance income				3,391
Profit before tax				39,974

	← 3 months ended 31.03.10 →			Results RM'000
	← Revenue →		Total RM'000	
	External RM'000	Inter-segment RM'000		
Flour and trading in grains and other allied products	174,816	3,280	178,096	24,291
Feed and trading in feed ingredients	84,676	1,007	85,683	4,712
Poultry integration	69,799	716	70,515	(1,613)
	329,291	5,003	334,294	27,390
Eliminations- inter-segment	-	(5,003)	(5,003)	
Revenue	329,291	-	329,291	
Unallocated expenses				(41)
				27,349
Finance costs				(1,619)
Finance income				1,735
Share of loss of associates, net of tax				(143)
Profit before tax				27,322

All inter-segment transactions are conducted at arm's length basis and on normal commercial terms.

14. Performance Review

Profit before tax for the 1st quarter ended 31 March 2011 rose 46% to RM40.0 million from RM27.3 million a year earlier due mainly to higher revenue in all businesses and improved margins in the flour division. Revenue for the quarter increased by 39% to RM459.0 million from RM329.3 million recorded in the corresponding period last year.

15. Material Changes in Quarterly Results compared to the Results of the Preceding Quarter

Revenue for the current quarter under review is at a similar level as the preceding quarter. However, profit before tax of RM40.0 million was 14% lower than the RM46.3 million reported in the 4th quarter of 2010 due to lower margins in all key products.

16. Prospects

The Board envisaged 2011 would be another challenging year with volatile grain and fuel prices as well as ocean freight and foreign exchange rates. Notwithstanding the above, the Board remains cautiously optimistic of the Group's performance for 2011.

17. Variance of Actual from Forecast Profit After Tax and Profit Guarantee

- (a) Profit forecast : Not applicable
- (b) Profit guarantee: Not applicable

18. Income Tax Expense

		3 months ended	
		31.03.2011	31.03.2010
		RM'000	RM'000
Current income tax			
Malaysian	- current year	4,573	2,956
Overseas	- current year	3,249	3,095
	- prior year	(5)	-
		<u>7,817</u>	<u>6,051</u>

The Group's effective tax rate for the current financial period was lower than the Malaysian statutory tax rate of 25% mainly due to tax incentives in Vietnam and availability of tax losses in Malaysia.

19. Disclosure of Realised and Unrealised Profits/Losses

		As at	As at
		31.03.2011	31.12.2010
		RM'000	RM'000
Realised		275,720	234,469
Unrealised		<u>(9,970)</u>	<u>(1,627)</u>
		265,750	232,842
Consolidation adjustments		<u>92,372</u>	<u>95,489</u>
Total retained earnings		<u>358,122</u>	<u>328,331</u>

20. Profits or Losses on Sale of Unquoted Investment and/or Properties

There were no sale of unquoted investments and properties.

21. Quoted Securities

There were no material purchases or sales of quoted securities for the current quarter and financial period.

22. Status of Corporate Proposals

There were no new proposals announced as at 17 May 2011, the latest practicable date which is not earlier than seven (7) days from the date of this report.

23. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 31 March 2011 were as follows:

	RM'000
Unsecured Short Term Borrowings	
Denominated in Ringgit Malaysia	247,914
Denominated in US Dollar	<u>210,261</u>
	<u>458,175</u>

24. Financial Instruments

As at 31 March 2011, the foreign currency contracts which have been entered into by the Group to hedge its purchases and borrowings in foreign currencies are as follows:

	Notional Value	Fair Value	Gain/(Loss) Arising From Fair Value Changes
	RM'000	RM'000	RM'000
Forward foreign currency contracts			
US Dollar - less than 1 year	74,232	73,018	<u>(1,214)</u>

Forward foreign exchange contracts protects the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. There is minimal credit risk because these contracts are entered into with licensed financial institutions.

25. Changes in Material Litigation

There was no material litigation action since the last annual balance sheet date to the date of this report.

26. Dividend

No interim dividend has been recommended for the current financial period ended 31 March 2011 (period ended 31 March 2010: NIL)

27. Earnings Per Share**(a) Basic Earnings Per Ordinary Share**

Basic earnings per ordinary share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of RM1.00 each in issue during the period.

	3 Months/ Financial period ended	
	31.03.2011 RM'000	31.03.2010 RM'000
Profit attributable to ordinary shareholders of the Company	29,791	17,769
Weighted average number of Ordinary Shares ('000)	107,645	107,645
Basic earnings per ordinary share for: Profit for the period (sen)	27.67	16.51

(b) Diluted Earnings Per Ordinary Share

Not applicable for the Company.

By Order of the Board

MAH WAI MUN
Secretary
MAICSA 7009729
Kuala Lumpur
24 May 2011