



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 AUGUST 2010

	Individual Quarter		Cumulative Quarters	
	Current Year 31.08.2010 RM'000	Preceding Year Corresponding Quarter 31.08.2009 RM'000	Current Year-To-Date 31.08.2010 RM'000	Preceding Year Corresponding Period 31.08.2009 RM'000
Revenue	28,505	NA	28,505	NA
Cost of sales	(23,674)	NA	(23,674)	NA
Gross profit	4,831	NA	4,831	NA
Other operating income	131	NA	131	NA
Operating expenses	(3,544)	NA	(3,544)	NA
Finance costs	(469)	NA	(469)	NA
Profit before tax	949	NA	949	NA
Tax expense	(232)	NA	(232)	NA
Net profit for the period	717	NA	717	NA
Other comprehensive income, net of tax	-	NA	-	Na
Net profit and total comprehensive income for the period	717	NA	717	NA
Net profit and total comprehensive income attributable to:				
Equity holders of the Company	717	NA	717	NA
Minority interests	-	NA	-	NA
	717	NA	717	NA
Earnings per share (Note B14)				
Basic (Sen)	0.80	NA	0.80	NA
Diluted (Sen)	-	NA	-	NA

Notes:

- (a) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements.
- (b) The Group was constituted on 3 September 2009 and the Company was listed on the Bursa Malaysia Securities Berhad on 12 November 2009. As such, there are no comparative consolidated figures for the preceding year's corresponding quarter and period to date.



SINARIA CORPORATION BERHAD

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(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2010

	UNAUDITED	AUDITED
	As at	As at
	31.08.2010	31.05.2010
Note	RM'000	RM'000 (Restated)
Non-current Assets		
Property, plant and equipment	30,254	29,035
Other financial assets	1	18
	30,255	29,053
Current Assets		
Inventories	24,221	21,716
Receivables, deposits and prepayments	36,336	29,215
Current tax assets	346	279
Cash and cash equivalents	14,903	20,470
	75,806	71,680
TOTAL ASSETS	106,061	100,733
EQUITY AND LIABILITIES		
Equity		
Share capital	45,000	45,000
Reserves	7,828	7,129
Shareholders' equity	52,828	52,129
Minority interests	-	-
TOTAL EQUITY	52,828	52,129
Non-current Liabilities		
Long term borrowings	2,321	2,466
Deferred taxation	1,236	1,188
	3,557	3,654
Current Liabilities		
Payables and accruals	9,414	11,726
Current tax liabilities	473	391
Short-term bank borrowings	39,789	32,833
	49,676	44,950
TOTAL LIABILITIES	53,233	48,604
TOTAL EQUITY AND LIABILITIES	106,061	100,733
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.59	0.58

Notes:

- (a) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements.
- (b) The Group was constituted on 3 September 2009 and the Company was listed on the Bursa Malaysia Securities Berhad on 12 November 2009. As such, there are no comparative consolidated figures for the preceding year's corresponding quarter and period to date.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 AUGUST 2010

	←-----Attributable to equity holders of the Company -----→					Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000		
Balance as at 01.06.10	45,000	-	1,742	(29,297)	34,590	-	52,035
As previously reported	-	-	76	-	-	-	76
Effect of adopting amendment to FRS 117	-	-	-	-	18	-	18
Effect of adopting amendment to FRS 139	-	-	-	-	-	-	-
<i>As restated</i>	45,000	-	1,818	(29,297)	34,608	-	52,129
Effect of adopting FRS 139	-	-	-	-	(18)	-	(18)
<i>As adjusted</i>	45,000	-	1,818	(29,297)	34,590	-	52,111
Profit for the period represents total comprehensive income for the period	-	-	-	-	717	-	717
Balance as at 31.08.10	45,000	-	1,818	(29,297)	35,307	-	52,828

Notes:

- (a) The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements.
- (b) The Group was constituted on 3 September 2009 and the Company was listed on the Bursa Malaysia Securities Berhad on 12 November 2009. As such, there are no comparative consolidated figures for the preceding year's corresponding quarter and period to date.



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED
31 AUGUST 2010**

	Current Period Ended 31.08.2010 RM'000	Preceding Year Corresponding Period Ended 31.08.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	949	NA
Adjustments:		
Amortisation and depreciation	637	NA
Interest income	(88)	NA
Interest expense	468	NA
Operating profit before working capital changes	1,966	NA
Inventories	(3,710)	NA
Receivables	(6,759)	NA
Payables	(1,111)	NA
Cash generated from operations	(9,614)	NA
Tax paid	(164)	NA
Net cash from operating activities	(9,778)	NA
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(1,856)	NA
Interest received	88	NA
Net cash used in investing activities	(1,768)	NA
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in short-term borrowings	6,840	NA
Repayment of hire purchase obligations	(259)	NA
Repayment of term loan	(154)	NA
Interest paid	(469)	NA
Net cash from financing activities	5,958	NA
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,588)	NA
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	17,215	NA
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11,627	NA
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed and short-term deposits with licensed banks	13,831	NA
Cash and bank balances	1,072	NA
Bank overdraft	(3,276)	NA
	11,627	NA

Notes:

- (a) *The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements.*
- (b) *The Group was constituted on 3 September 2009 and the Company was listed on the Bursa Malaysia Securities Berhad on 12 November 2009. As such, there are no comparative consolidated figures for the preceding year's corresponding quarter and period to date.*



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 AUGUST 2010

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The quarterly financial report is unaudited and has been prepared in compliance with FRS 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2010.

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 31 May 2010, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs, Interpretations and Technical releases which were effective for the financial periods beginning on or after 1 June 2010:

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127 <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
Amendment to FRS 1 <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 2 <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 7 <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
Amendments to FRS 132 <i>Financial Instruments: Presentation</i>	1 January 2010/ 1 March 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
Amendments to FRS 139 <i>Financial Instruments: Recognition and Measurement</i> , FRS 7 <i>Financial Instruments: Disclosures</i> and IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2010
Amendments to FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to FRSs contained in the document entitled “ <i>Improvements to FRSs (2009)</i> ”	1 January 2010
FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> (revised in 2010)	1 July 2010
FRS 3 <i>Business Combinations</i> (revised in 2010)	1 July 2010
FRS 4 <i>Insurance Contracts</i>	1 January 2010
FRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2010



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FRS 8 <i>Operating Segments</i>	1 July 2009
FRS 101 <i>Presentation of Financial Statements</i> (revised in 2009)	1 January 2010
FRS 123 <i>Borrowing Costs</i>	1 January 2010
FRS 127 <i>Consolidated and Separate Financial Statements</i> (revised in 2010)	1 July 2010
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11 <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 13 <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14 <i>FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2010
IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i>	1 January 2012
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010

(a) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The Group presents its segment information based on its business segments for its internal reports purposes and the format, basis of measurement of segment results, segment assets and segment liabilities are the same as that for external reporting purposes. As this is a disclosure standard, there is no impact on the financial position or financial performance of the Group.

(b) FRS 101: Presentation of Financial Statements (revised)

FRS 101 (revised in 2009), which supersedes FRS 101 *Presentation of Financial Statements* (revised in 2005), affects the presentation of owner changes in equity and comprehensive income. It requires an entity to present all owner changes in equity in a statement of changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or two statements (a separate income statement and a statement of comprehensive income). FRS 101 (revised in 2009) also changes the titles of the financial statements to reflect their function more closely, for example, the titles "balance sheet" and "cash flow statement" are renamed as "statement of financial position" and "statement of cash flows" respectively. The Group has elected to present other comprehensive income in one statement.

There is no impact on the results of the Group since these changes affect only the presentation of items of income and expenses.

(c) Amendments to FRS 117 *Leases*

Included in *Improvements to FRSs (2009)* are amendments to FRS 117 which clarify that the classification of leasehold land as a finance lease or an operating lease shall be based on the extent to which risks and rewards incidental to ownership lie. The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.



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(d) FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequently measurement of the financial instruments at the reporting date reflects the designation of the financial instruments.

The adoption of FRS 139 and FRS 117 has resulted in the following comparative balances in the statements of financial position as at 31 May 2010 and the opening balances as at 1 June 2010 as shown in following:

	As previously reported RM'000	Effects of adopting Amendment to FRS 117 RM'000	Effects Of adopting Amendment To FRS 139 RM'000	As restated RM'000	Effects of adopting FRS 139 RM'000	01.06.2010 Adjusted RM'000
Property, plant and equipment	26,585	2,349	-	28,934	-	28,934
Prepaid land lease payments	2,349	(2,349)	-	-	-	-
Revaluation Reserve	1,742	76	-	1,818	-	1,818
Retained profits	34,590	-	18	34,608	(18)	34,590
Other financial assets	-	-	18	18	(18)	-

The adoption of the other revised FRSs and IC Interpretations that are effective for financial periods beginning on or after 1 January 2010 did not have any significant financial impact on the results and financial position of the Group.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 May 2010 were not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group's performance is not significantly affected by seasonal or cyclical factors.

4. Unusual Items

There was no item, which is unusual because of their nature, size or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

5. Material Changes in Estimates

There were no changes in estimates of amounts that have had a material effect in the current quarter.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

7. Dividend Paid

No dividend was paid in the current quarter under review.



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8. Segment Reporting

The Group’s business is mainly confined to one business segment in the wholesale and manufacture of fresh and frozen food products primarily for domestic market.

9. Valuations of Property, Plant and Equipment

The valuations of land and building have been brought forward, without amendment from the audited financial statements for the year ended 31 May 2010.

10. Events subsequent to the Balance Sheet date

There were no material events subsequent to the end of the financial period/ year ended 31 May 2010 that have not been reflected in the interim financial statements as at the date of this report.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter.

12. Changes in contingent liabilities or contingent assets

The Group does not have any material contingent liabilities since the last audited financial statements for the financial year ended 31 May 2010.

13. Related Party Transactions

Related parties are those defined under FRS 124 - Related Party Disclosures. The significant related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than that available to other third parties.

	Transactions for the year-to-date ended 31.08.10 RM’000
Sale of goods by Saudi Cold Storage Sdn Bhd (“SCSSB”) to Angliss Food Sdn Bhd (“AFSB”)	1,801
Commission paid by SCSSB to AFSB for sale of SCSSB’s goods.	53

Note : AFSB is deemed a related party as the brother of Chairman of the company is the substantial shareholder of AFSB and is deemed a person connected.

15. Capital Commitments

	As at 31.08.10 Approved and Contracted for RM’000	As at 31.08.10 Approved and Not Contracted for RM’000
Freezers and machinery	1,177	-



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PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

For the current quarter under review, the Group recorded profit before tax of RM949,000 over the Group’s revenue of RM28.5 million.

2. Variation of Results against Preceding Quarter

	Current Quarter ended 31.08.10 RM’000	Preceding Quarter ended 31.05.10 RM’000	Variance RM’000	%
Revenue	28,505	30,374	(1,869)	(6.15)
Profit Before Tax	949	78	871	1,116.7%

The Group’s revenue for the current quarter was slightly lower by approximately 6.15% as compared to the revenue recorded in the preceding quarter. The Group was however recorded a significant higher profit before tax for the current quarter. This was due largely to the allowance for doubtful debts and slow moving stocks as well as revaluation decrease in its landed properties in the preceding quarter.

3. Current Year Prospects

Barring any unforeseen circumstances, the directors are of the opinion that the performance of the Group for the financial year ending 31 May 2011 will be satisfactory.

4. Variance between Actual Profit and Forecast Profit

Not applicable.

5. Taxation

	Current Quarter 31.08.10 RM’000	Current Year To Date 31.08.10 RM’000
Income tax		
Current year	184	184
Prior year	-	-
Deferred tax		
Current year	48	48
Prior year	-	-
	232	232

The deferred tax liabilities arose from capital allowances over depreciation of qualifying plant and equipment. The effective tax rate of the Group for the current quarter was about the statutory tax rate of 25%.



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6. Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties held by the Group for the current quarter.

7. Purchase and/or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities by the Group during the current quarter.

8. Status of Corporate Proposals

(a) Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this interim financial report.

(b) Status of Utilisation of IPO proceeds

The Public Issue of 24,000,000 new ordinary shares of RM0.50 each in conjunction with the Company's listing on Bursa Securities raised total proceeds of RM13.44 million. The status of the utilisation of the proceeds as at 22 October 2010 (being the latest practicable date) was as follows:-

	Intended Timeframe for Utilisation from Date of Listing	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000
Purchase of cold storage facilities and machineries	12 months	5,000	(5,000)	-	-
Advertisement and brand building	12 months	2,500	(2,500)	-	-
Setting up sales office in Dubai, United Arab Emirates ("UAE")	12 months	500	-	-	500
Working capital	12 months	3,640	(3,939)	(299)	-
Listing expenses	3 months	1,800	(1,501)	299	-
Total		13,440	(12,940)	-	500

Note :

The actual utilisation amount for the listing expenses was lower than the budgeted amount. Hence, the balance unutilised amount of RM299,000 was utilised for the Group's working capital purposes as per the disclosure in the Company's Prospectus dated 23 October 2009.

As for the utilization of RM500,000 for setting up sales office in Dubai, UAE, the Board has deliberated and approved the variation of the utilization of RM500,000 for working capital purposes instead. The Board is of the view that the long term maintenance of a sales office in Dubai could be expensive and not economical as marketing efforts for UAE markets could be carried out through the appointment of agents/distributors in Dubai. Such variation in the utilization of IPO proceeds is for the best interest of the Group.



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9. Purchase of Unquoted investments and Properties

There was no purchase of unquoted securities and properties by the Group during the current quarter.

10. Group Borrowings and Debt Securities

The Group's borrowings as at 31 August 2010 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bank overdraft	930	2,346	3,276
Bankers' acceptances	34,452	708	35,160
Hire Purchase	736	-	736
Term loan	-	617	617
	36,118	3,671	39,789
Long term borrowings:-			
Hire Purchase	469	-	469
Term loan	-	1,852	1,852
	469	1,852	2,321
Total	36,587	5,523	42,110

11. Derivative financial instruments

The Group has entered into some forward foreign exchange currencies contracts to hedge its exposure to fluctuations in foreign currency as follows:

	Currency USD'000	Average Contract rate USD/RM	Contract Value RM'000	Net Fair Value RM'000
Less than 1 year	644	3.144	2,026	2,025

The derivative has been recorded on the Consolidated Statements of Financial Position for the reporting period in compliance with FRS139.

The above instruments are executed with credit worthy financial institution in Malaysia and as such credit risks are minimal.

12. Gains and losses arising from fair value changes of financial liabilities

There were no gain or loss arising from fair value changes in financial liabilities in the current quarter.

13. Material Litigation

There were no material litigations for the current financial period to date.



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14. Proposed Dividend

In line with the dividend policy of the Company to pay dividends of at least 20.0% of the Group's Profit After Tax after taking into consideration its retained profits, cash flow as well as the funding requirements, the Board had on 22 September 2010 proposed a first and final single tier dividend of 1 sen per ordinary share for the financial year ended 31 May 2010 for shareholders' approval at the Company's forthcoming Annual General Meeting.

15. Earnings Per Share

Basic

The basic earnings per share has been calculated by dividing the Company's profit for the current financial quarter and current financial year to-date by the number of ordinary shares in issue during the current financial quarter and current financial year to-date under review.

	Individual Quarter		Cumulative Quarters	
	Current Quarter 31.08.10	Preceding Year Corresponding Quarter 31.08.09	Current Year 31.08.10	Preceding Year Corresponding Period 31.08.09
Profit attributable to ordinary Equity holders of the Company (RM'000)	717	NA	717	NA
Weighted average number of ordinary shares in issue ('000)	90,000	NA	90,000	NA
Basic Earnings per Share (sen)	0.80	NA	0.80	NA

Diluted

The Company does not have any convertible share or convertible financial instruments for the current financial quarter under review.

16. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.