



## 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 2011

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.08.2011 RM'000	Preceding Year Corresponding Quarter 31.08.2010 RM'000	Current Year-To-Date 31.08.2011 RM'000	Preceding Year Corresponding Period 31.08.2010 RM'000
Revenue	28,682	28,505	28,682	28,505
Cost of sales	(23,922)	(23,674)	(23,922)	(23,674)
Gross profit	4,760	4,831	4,760	4,831
Other operating income	136	131	125	131
Operating expenses	(3,403)	(3,544)	(3,403)	(3,544)
Finance costs	(380)	(469)	(369)	(469)
Profit before tax	1,113	949	1,113	949
Tax expense	(378)	(232)	(378)	(232)
Net profit for the period	735	717	735	717
Other comprehensive income, net of tax	-	-	-	-
Net profit and total comprehensive income for the period	735	717	735	717
Net profit and total comprehensive income attributable to:				
Equity holders of the Company	735	717	735	717
Minority interests	-	-	-	-
	735	717	735	717
Earnings per share (Note B14)				
Basic (Sen)	0.82	0.80	0.82	0.80
Diluted (Sen)	-	-	-	-

#### Notes:

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 2011 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2011**

	Note	UNAUDITED As at 31.08.2011 RM'000	AUDITED As at 31.05.2010 RM'000 Restated
<b>Non-current Assets</b>			
Property, plant and equipment		33,015	33,219
<b>Current Assets</b>			
Inventories		22,320	21,877
Receivables, deposits and prepayments		37,066	34,070
Current tax assets		249	278
Cash and cash equivalents		9,326	11,672
		68,961	67,897
<b>TOTAL ASSETS</b>		<b>101,976</b>	<b>101,116</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		45,000	45,000
Reserves		9,144	8,409
Shareholders' equity		54,144	53,409
Minority interests		-	-
<b>TOTAL EQUITY</b>		54,144	53,409
<b>Non-current Liabilities</b>			
Long term borrowings	B10	11,457	2,051
Deferred taxation		2,037	1,951
		13,494	4,002
<b>Current Liabilities</b>			
Payables and accruals		7,915	10,077
Current tax liabilities		517	376
Short-term bank borrowings	B10	25,906	33,252
		34,338	43,705
<b>TOTAL LIABILITIES</b>		47,832	47,707
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,976</b>	<b>101,116</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		0.60	0.59

**Notes:**

*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 2011 and the accompanying explanatory notes attached to the interim financial statements.*



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 AUGUST 2011**

	<-----Attributable to equity holders of the Company ----->					Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Distributable Retained Profits RM'000	
<b>Balance as at 01.06.2011</b>	45,000	-	1,818	(29,297)	35,888	<b>53,409</b>
Profit for the period represents total comprehensive income for the period	-	-	-	-	735	<b>735</b>
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31.08.2011</b>	<b>45,000</b>	<b>-</b>	<b>1,818</b>	<b>(29,297)</b>	<b>36,623</b>	<b>54,144</b>
<b>Balance as at 01.06.2010</b>						
As previously reported	45,000	-	1,742	(29,297)	34,590	<b>52,035</b>
Effect of adopting amendment to FRS 117	-	-	76	-	-	<b>76</b>
<i>As restated</i>	<i>45,000</i>	<i>-</i>	<i>1,818</i>	<i>(29,297)</i>	<i>34,590</i>	<b><i>52,111</i></b>
Effect of adopting FRS 139	-	-	-	-	18	<b>18</b>
<i>As adjusted</i>	<i>45,000</i>	<i>-</i>	<i>1,818</i>	<i>(29,297)</i>	<i>34,608</i>	<b><i>52,129</i></b>
Profit for the period represents total comprehensive income for the period	-	-	-	-	717	<b>717</b>
<b>Balance as at 31.08.2010</b>	<b>45,000</b>	<b>-</b>	<b>1,818</b>	<b>(29,297)</b>	<b>35,325</b>	<b>52,846</b>

**Notes:**

*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 2011 and the accompanying explanatory notes attached to the interim financial statements.*



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED  
31 AUGUST 2011**

	<b>Current Period Ended 31.08.2011 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.08.2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,113	949
Adjustments:		
Amortisation and depreciation	781	637
Bad debts written off	-	-
Interest income	(82)	(88)
Interest expense	380	468
Operating profit before working capital changes	2,192	1,966
Inventories	(443)	(3,710)
Receivables	(2,996)	(6,759)
Payables	(2,161)	(1,111)
Cash generated from operations	(3,408)	(9,614)
Tax paid	(122)	(164)
Net cash used in operating activities	(3,530)	(9,778)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant, property and equipment	(603)	(1,856)
Proceeds from disposal of property, plant & equipment	26	-
Interest received	82	88
Net cash used in investing activities	(495)	(1,768)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (decrease)/increase in short-term borrowings	(6,128)	6,840
Repayment of hire purchase obligations	(65)	(259)
Repayment of term loan	(121)	(154)
Drawdown of term loan	9,600	-
Interest paid	(380)	(469)
Net cash from financing activities	2,906	5,958
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,119)	(5,588)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	8,895	17,215
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>7,776</b>	<b>11,627</b>



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**CASH AND CASH EQUIVALENTS COMPRISE:**

Fixed and short-term deposits with licensed banks  
Cash and bank balances  
Bank overdraft

8,202	13,831
1,124	1,072
(1,550)	(3,276)
<b>7,776</b>	<b>11,627</b>

**Notes:**

*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 2011 and the accompanying explanatory notes attached to the interim financial statements.*



## SINARIA CORPORATION BERHAD

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### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 AUGUST 2011

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

##### 1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 May 2011 and the accompanying explanatory notes attached. 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.

##### 2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 May 2011, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”):

Standard/Interpretation	Effective for financial periods beginning on or after
Amendment to FRS 1 <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i>	1 January 2011
Amendments to FRS 1 <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
Amendments to FRS 2 <i>Share-based Payment</i>	1 July 2010
Amendments to FRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2011
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 July 2010
Amendments to FRS 138 <i>Intangible Assets</i>	1 July 2010
Amendments to IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to IC Interpretation 14 <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
Amendments to FRSs contained in the document entitled “ <i>Improvements to FRSs (2010)</i> ”	1 January 2011
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 124 <i>Related Party Disclosures</i> (revised in 2010)	1 January 2012
FRS 127 <i>Consolidated and Separate Financial Statements</i> (revised in 2010)	1 July 2010
IC Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i> IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i> IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 January 2012
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 July 2010
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2011
	1 July 2011

The initial application of the above amended/revised/new FRSs do not have any significant impacts on the financial statements for the financial year ending 31 May 2012.



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### **3. 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 2011 were not subject to any qualification.

### **4. Seasonal or Cyclical Factors**

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

### **5. 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.

### **6. Material Changes in Estimates**

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

### **7. Debt and Equity Securities**

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

### **8. Dividend Paid**

There was no dividend paid in the current quarter.

### **9. 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.

### **10. 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 2011.

### **11. Events subsequent to the Balance Sheet date**

There were no material events subsequent to the end of the financial period/ year ended 31 May 2011 that have not been reflected in the interim financial statements as at the date of this report.

### **12. Changes in the Composition of the Group**

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

### **13. 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 2011.



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### 14. 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.

	<b>Transactions for the year-to-date ended 31.08.2011 RM'000</b>
Sale of goods by the Group to Angliss Food Sdn Bhd ("AFSB")	844
Commission paid by the Group to AFSB for sale of the Group's goods.	189

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

### 15. Capital Commitments

	<b>As at 31.08.2011 Approved and Contracted for RM'000</b>	<b>As at 31.08.2011 Approved and Not Contracted for RM'000</b>
Freezers and machinery	<u>3,067</u>	<u>-</u>





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### UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 AUGUST 2011

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

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##### 1. Review of Performance

For the current quarter under review, the Group recorded a marginal increase in revenue to RM28.7 million from RM28.5 million recorded in the preceding year corresponding quarter. In line with the marginal increase in revenue, the Group registered slightly higher profit before tax (“PBT”) of RM1.1 million in the current quarter as compared to RM0.9 million in the preceding year corresponding quarter.

##### 2. Variation of Results against Preceding Quarter

	<b>Current Quarter ended 31.08.2011 RM'000</b>	<b>Preceding Quarter ended 31.05.2011 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Revenue	28,682	35,224	(6,542)	(18.6)
Profit Before Tax	1,113	557	556	99.8

The Group’s revenue for the current quarter was lower by approximately 18.6% as compared to the revenue recorded in the preceding quarter due to lower sales of imported wholesale frozen food to domestic market. However, the Group’s PBT of RM1.1 million in the current quarter was higher than the PBT of RM0.6 million recorded in the preceding quarter mainly due to lower cost of sales in particular raw material costs, lower operating costs and finance costs.

##### 3. Current Year Prospects

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

##### 4. Variance between Actual Profit and Forecast Profit

Not applicable.



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### 5. Taxation

	<b>Current Quarter 31.08.2011 RM'000</b>	<b>Current Year To Date 31.08.2011 RM'000</b>
Income tax		
Current year	292	292
Prior year	-	-
Deferred tax		
Current year	86	86
Prior year	-	-
	378	378

The deferred tax liabilities for the current quarter and current year-to-date arose from capital allowances over depreciation of qualifying plant and equipment. The effective tax rate of the Group for the current quarter was higher than tax rate of 25% due to certain expenses which are not allowable for tax deduction and higher deferred tax liabilities.

### 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

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

### 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 2011 are as follows:-

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term borrowings:-</b>			
Bank overdraft	1,549	-	1,549
Bankers' acceptances	23,281	-	23,281
Hire Purchase	562	-	562
Term loan	514	-	514
	25,906	-	25,906
<b>Long term borrowings:-</b>			
Hire Purchase	689	-	689
Term loan	10,768	-	10,768
	11,457	-	11,457
<b>Total</b>	<b>37,363</b>	<b>-</b>	<b>37,363</b>



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### 11. Derivative financial instruments

There were no outstanding forward foreign exchange currencies contracts entered into to hedge the Group's exposure to fluctuations in foreign currency for the current quarter.

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

There were no gains or losses 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.

### 14. Proposed Dividend

There was no dividend proposed or declared in the current quarter. However, on 15 September 2011, the Board proposed a First and Final Single Tier Dividend of 1 sen per share for the financial year ended 31 May 2011 to be approved by its shareholders at the forthcoming Third Annual General Meeting of the Company.

### 15. Earnings Per Share

#### Basic

The basic earning 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 under review.

	Individual Quarter		Cumulative Quarters	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	31.08.2011	Quarter	31.08.2011	Period
		31.08.2010		31.08.2010
Profit attributable to ordinary Equity holders of the Company (RM'000)	735	717	735	717
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	79,348
Basic Earnings per Share (sen)	0.82	0.80	0.82	0.80

#### Diluted

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



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### 16 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<b>As at 31.08.2011 RM'000</b>	<b>As at 31.05.2011 RM'000</b>
Total retained profits of the Company and its subsidiaries:-		
Realised	61,327	60,480
Unrealised	(2,037)	(1,926)
	<u>59,290</u>	<u>58,554</u>
Consolidation adjustments and eliminations	(22,667)	(22,667)
Total group retained profits as per consolidated accounts	<u><u>36,623</u></u>	<u><u>35,887</u></u>

The determination of realised and unrealised profits or losses is based on the Guidance of 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*, issued by the Malaysian Institute of Accountants on 20 December 2010. The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Bhd and is not made for any other purposes.

### 17. Authorisation for issue

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