



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 SECOND QUARTER ENDED 30 NOVEMBER 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30.11.2011 RM'000	30.11.2010 RM'000	30.11.2011 RM'000	30.11.2010 RM'000
Revenue	29,973	28,193	58,656	56,698
Cost of sales	(24,782)	(23,382)	(48,705)	(47,056)
Gross profit	5,191	4,811	9,951	9,642
Other operating income	124	86	260	217
Operating expenses (<i>Notes</i>)	(3,641)	(3,582)	(7,043)	(7,126)
Finance costs	(605)	(472)	(985)	(941)
Profit before tax	1,069	843	2,183	1,792
Tax expense	(343)	(235)	(721)	(467)
Net profit for the period	726	608	1,462	1,325
Other comprehensive income, net of tax	-	-	-	-
Net profit and total comprehensive income for the period	726	608	1,462	1,325
Net profit and total comprehensive income attributable to:				
Equity holders of the Company	726	608	1,462	1,325
Minority interests	-	-	-	-
Earnings per share (Note B15)	726	608	1,462	1,325
Basic (Sen)	0.81	0.68	1.62	1.47
Diluted (Sen)	-	-	-	-



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Notes to Income Statement :

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2011 RM'000	Preceding Year Corresponding Quarter 30.11.2010 RM'000	Current Year-To-Date 30.11.2011 RM'000	Preceding Year Corresponding Period 30.11.2010 RM'000
Interest Income	33	31	115	119
Other Income	91	93	145	98
Interest expenses	604	458	985	926
Depreication and amortisation	808	660	1,589	1,297
Forex gain/(losses) - Realised	47	(2)	52	(15)

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.



SINARIA CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2011

	Note	UNAUDITED As at 30.11.2011 RM'000	AUDITED As at 31.05.2011 RM'000
Non-current Assets			
Property, plant and equipment		33,526	33,219
Current Assets			
Inventories		21,298	21,877
Receivables, deposits and prepayments		42,298	34,070
Current tax assets		225	278
Cash and cash equivalents		8,591	11,672
		72,412	67,897
TOTAL ASSETS		105,938	101,116
EQUITY AND LIABILITIES			
Equity			
Share capital		45,000	45,000
Reserves		9,871	8,409
Shareholders' equity		54,871	53,409
Minority interests		-	-
TOTAL EQUITY		54,871	53,409
Non-current Liabilities			
Long term borrowings	B10	10,188	2,051
Deferred taxation		2,097	1,951
		12,285	4,002
Current Liabilities			
Payables and accruals		6,900	10,077
Current tax liabilities		643	376
Short-term bank borrowings	B10	31,239	33,252
		38,782	43,705
TOTAL LIABILITIES		51,067	47,707
TOTAL EQUITY AND LIABILITIES		105,938	101,116
Net assets per ordinary share attributable to ordinary equity holder of the Company RM)		0.61	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 SECOND QUARTER ENDED 30 NOVEMBER 2011

	<-----Attributable to equity holders of the Company ----->					Total RM'000
	Share Capital RM'000	<-----Non Distributable Reserves-----> Share Premium RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Distributable Retained Profits RM'000	
Balance as at 01.06.2011	45,000	-	1,818	(29,297)	35,888	53,409
Profit for the period represents total comprehensive income for the period	-	-	-	-	1,462	1,462
Dividend paid	-	-	-	-	-	-
Balance as at 30.11.2011	45,000	-	1,818	(29,297)	37,350	54,871
Balance as at 01.06.2010						
As previously reported	45,000	-	1,742	(29,297)	34,590	52,035
Effect of adopting amendment to FRS 117	-	-	76	-	-	76
Effect of adopting amendment to FRS139	-	-	-	-	18	18
<i>As restated</i>	<i>45,000</i>	<i>-</i>	<i>1,818</i>	<i>(29,297)</i>	<i>34,608</i>	<i>52,129</i>
Effect of adopting FRS 139	-	-	-	-	(18)	(18)
<i>As adjusted</i>	<i>45,000</i>	<i>-</i>	<i>1,818</i>	<i>(29,297)</i>	<i>34,590</i>	<i>52,111</i>
Profit for the period represents total comprehensive income for the period	-	-	-	-	1,325	1,325
Dividend paid	-	-	-	-	(900)	(900)
Balance as at 30.11.2010	45,000	-	1,818	(29,297)	35,015	52,536

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 SECOND QUARTER ENDED
30 NOVEMBER 2011**

	Current Period Ended 30.11.2011 RM'000	Preceding Year Corresponding Period Ended 30.11.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,182	949
Adjustments:		
Amortisation and depreciation	1,589	637
PPE written-off	15	-
Interest income	(115)	(88)
Interest expense	985	468
Operating profit before working capital changes	4,656	1,966
Inventories	579	(3,710)
Receivables	(6,572)	(6,759)
Payables	(3,019)	(1,111)
Cash generated from operations	(4,356)	(9,614)
Tax paid	(256)	(164)
Net cash used in operating activities	(4,612)	(9,778)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment in subsidiary	(0)	-
Purchase of plant, property and equipment	(1,909)	(1,856)
Down payment for purchase of land	(1,300)	-
Interest received	115	88
Net cash used in investing activities	(3,094)	(1,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issued in share capital	0	-
Net (decrease)/increase in short-term borrowings	(4,246)	6,840
Repayment of hire purchase obligations	(106)	(259)
Repayment of term loan	(396)	(154)
Drawdown of term loan	9,600	-
Interest paid	(985)	(469)
Net cash from financing activities	3,867	5,958
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3,839)	(5,588)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8,735	17,215
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,896	11,627
Cash and cash equivalents comprise:		
Fixed and short-term deposits with licensed banks	8,091	13,831
Cash and bank balances	500	1,072
Bank overdraft	(3,695)	(3,276)
	4,896	11,627

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.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 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 segmental report for the current financial period ended 30 November 2011 is as follows:

	Current Year-To-Date 30.11.2011 RM'000	Preceding Year Corresponding Period 30.11.2010 RM'000
Revenue		
<u>Manufacturing</u>		
Meat-based products	64,738	58,083
Vegetable-based products	263	248
Flour-based products	756	724
	65,757	59,055
<u>Trading</u>		
Meat-based products	21,031	21,201
Vegetable-based products	4,477	3,819
	25,508	25,020
	91,265	84,075
Inter-segments elimination	(32,609)	(27,377)
Total Revenue	58,656	56,698
Profit Before Tax	2,183	1,792

Segmental reporting by geographical location is not applicable as the Group's operations are substantially carried out in Malaysia.



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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 events subsequent to the end of the financial period ended 30 November 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

The Company has on 10 October 2011 acquired the entire issued and paid up capital of Sunwish Venture Sdn Bhd (“SVSB”) of RM2.00 divided into 2 ordinary shares of RM1.00 each, for cash consideration of RM2.00. Consequently, SVSB become a wholly-owned subsidiary of the Company.

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.

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.

	Transactions for the year-to-date ended 30.11.2011 RM'000
Sale of goods by the Group to Angliss Food Sdn Bhd (“AFSB”)	2,198
Commission paid by the Group to AFSB for sale of the Group’s goods.	387

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

	As at 30.11.2011 Approved and Contracted for RM'000	As at 30.11.2011 Approved and Not Contracted for RM'000
Freezers and machinery	2,638	-
Land	5,200	-

The capital commitment for the Land is the balance payment for the purchase consideration of the leasehold land acquired by Sunwish Venture Sdn. Bhd., a wholly-owned subsidiary of the Company.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2011

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 an increase in revenue to RM30.0 million from RM28.2 million recorded in the preceding year corresponding quarter. For the 6 months ended 30 November 2011, the Group registered higher revenue of RM58.7 million (30 November 2010 : RM56.7 million). This was mainly attributable to the higher sales of in-house brand products, which is in-line with marketing strategy in tapping competitors' market share. The above mentioned was also the contribution factor to the Group's bottom line amount that reported an increase in the profit before tax ("PBT") to RM1.1 million in the current quarter as compared to that of RM0.8 mil reported in the preceding year corresponding quarter. PBT for 6 months ended 30 November 2011 was recorded at RM2.2 million (30 November 2010 : RM1.8 million).

2. Variation of Results against Preceding Quarter

	Current Quarter ended 30.11.2011 RM'000	Preceding Quarter ended 31.08.2011 RM'000	Variance RM'000	%
Revenue	29,973	28,682	1,291	4.5
Profit Before Tax	1,069	1,113	(44)	(4.0)

The Group's revenue for the current quarter was higher by approximately 4.5% as compared to the revenue recorded in the preceding quarter due to the promotional activities and higher demand during year end festive season. However, the Group could only maintained the PBT of RM1.1 million in the current quarter as compared to that of the preceding quarter despite higher sales. This is mainly due to higher finance cost resulting from term loan interest which was commenced on September 2011.

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

	Current Quarter 30.11.2011 RM'000	Current Year To Date 30.11.2011 RM'000
Income tax		
Current year	283	575
Prior year	-	-
Deferred tax		
Current year	60	146
Prior year	-	-
	343	721

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

Sunwish Venture Sdn Bhd ("SVSB"), a wholly-owned subsidiary of the Company, has on 8 November 2011 entered into a Sales and Purchase Agreement with Chow Thin, Chow Sang and Show Tuck Chor for the acquisition of a leasehold land at a total consideration of RM6,500,000.00 ("The Land Acquisition"). The Land Acquisition is expected to be completed by Fourth Quarter of year 2012

10. Group Borrowings and Debt Securities

The Group's borrowings as at 30 November 2011 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bank overdraft	3,695	-	3,695
Bankers' acceptances	25,288	-	25,288
Hire Purchase	581	-	581
Term loan	1,675	-	1,675
	31,239	-	31,239
Long term borrowings:-			
Hire Purchase	653	-	653
Term loan	9,535	-	9,535
	10,188	-	10,188
Total	41,427	-	41,427



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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

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. The Dividend was approved by shareholders at the Company's Third Annual General Meeting on 29 November 2011 and was paid to entitled shareholders on 28 December 2011.

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 Quarter 30.11.2011	Preceding Year Corresponding Quarter 30.11.2010	Current Year 30.11.2011	Preceding Year Corresponding Period 30.11.2010
Profit attributable to ordinary Equity holders of the Company (RM'000)	726	608	1,462	1,325
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000
Basic Earnings per Share (sen)	0.81	0.68	1.62	1.47

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:

	As at 30.11.2011 RM'000	As at 31.05.2011 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	62,113	60,480
Unrealised	(2,097)	(1,926)
	<hr/>	<hr/>
	60,016	58,554
Consolidation adjustments and eliminations	(22,667)	(22,667)
	<hr/>	<hr/>
Total group retained profits as per consolidated accounts	37,349	35,887

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.