



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 THIRD QUARTER ENDED 29 FEBRUARY 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 29.02.2012 RM'000	Preceding Year Corresponding Quarter 28.02.2011 RM'000	Current Year-To-Date 29.02.2012 RM'000	Preceding Year Corresponding Period 28.02.2011 RM'000
Revenue	31,956	26,710	90,612	83,408
Cost of sales	(26,147)	(21,634)	(74,852)	(68,690)
Gross profit	5,809	5,076	15,760	14,718
Other operating income	451	117	711	334
Administrative & General expenses	(2,465)	(1,181)	(5,011)	(3,005)
Selling & Distribution expenses	(3,105)	(2,571)	(7,602)	(7,873)
Finance costs	(616)	(391)	(1,601)	(1,332)
Profit before tax	74	1,050	2,257	2,842
Tax expense	(38)	(30)	(759)	(497)
Net profit for the period	36	1,020	1,498	2,345
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	36	1,020	1,498	2,345
Total comprehensive income attributable to:				
Equity holders of the Company	36	1,020	1,498	2,345
Non controlling interests	-	-	-	-
Earnings per share (Note B11)	36	1,020	1,498	2,345
Basic (Sen)	0.04	1.13	1.66	2.61
Diluted (Sen)	-	-	-	-



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

Notes to Income Statement :

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 29.02.2012 RM'000	Preceding Year Corresponding Quarter 28.02.2011 RM'000	Current Year-To-Date 29.02.2012 RM'000	Preceding Year Corresponding Period 28.02.2011 RM'000
Interest income	44	73	159	192
Other Income	25	44	142	142
Insurance claim received	377	-	405	-
Forex gain/(losses) - Realised	(32)	13	20	(2)
Depreciation and amortisation	872	666	2,461	1,963
Impairment on loans and receivables	900	-	900	-
Interest expense	616	391	1,601	1,332

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.

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Securities Main Market Listing Requirements are not applicable.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2012

	Note	UNAUDITED As at 29.02.2012 RM'000	AUDITED As at 31.05.2011 RM'000
Non-Current Assets			
Property, plant and equipment		35,910	33,219
Current Assets			
Inventories		25,593	21,877
Receivables, deposits and prepayments		41,134	34,070
Current tax assets		2	278
Cash and cash equivalents		8,560	11,672
		75,289	67,897
TOTAL ASSETS		111,199	101,116
EQUITY AND LIABILITIES			
Equity			
Share capital		45,000	45,000
Reserves		9,007	8,409
TOTAL EQUITY		54,007	53,409
Non-Current Liabilities			
Long term borrowings	B7	9,816	2,051
Deferred taxation		2,240	1,951
		12,056	4,002
Current Liabilities			
Trade and other payables and accruals		8,006	10,077
Current tax liabilities		189	376
Short-term bank borrowings	B7	36,941	33,252
		45,136	43,705
TOTAL LIABILITIES		57,192	47,707
TOTAL EQUITY AND LIABILITIES		111,199	101,116
Net assets per ordinary share attributable to ordinary equity holder 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.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2012

	<-----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	-	-	-	-	1,498	1,498
Dividend paid	-	-	-	-	(900)	(900)
Balance as at 29.02.2012	45,000	-	1,818	(29,297)	36,486	54,007
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	-	-	-	-	2,345	2,345
Dividend paid	-	-	-	-	(900)	(900)
Balance as at 28.02.2011	45,000	-	1,818	(29,297)	36,035	53,556

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.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED
29 FEBRUARY 2012**

	Current Period Ended 29.02.2012 RM'000	Preceding Year Corresponding Period Ended 28.02.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,257	2,842
Adjustments:		
Amortisation and depreciation	2,461	1,963
Impairment on loans and receivables	900	-
Property, plant and equipment written-off	15	-
Bad debt written-off	17	-
Interest income	(159)	(192)
Interest expense	1,601	1,333
Operating profit before working capital changes	7,092	5,946
Inventories	(3,716)	(2,152)
Receivables	(6,011)	(8,868)
Payables	(2,134)	(1,410)
Cash used in operations	(4,769)	(6,484)
Tax paid	(630)	(727)
Tax refunded	247	224
Net cash used in operating activities	(5,152)	(6,987)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(3,385)	(3,207)
Down payment for purchase of land and building materials	(3,525)	-
Interest received	159	192
Net cash used in investing activities	(6,751)	(3,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in short-term borrowings	(932)	853
Repayment of hire purchase obligations	(236)	(124)
Repayment of term loan	(435)	(604)
Drawdown of term loan	9,600	-
Interest paid	(1,601)	(1,333)
Dividend paid	(900)	(900)
Net cash from/(used in) financing activities	5,496	(2,108)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,407)	(12,110)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	8,735	17,215
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,328	5,105



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED
29 FEBRUARY 2012**

	Current Period	Preceding Year
	Ended	Corresponding
	29.02.2012	Period Ended
	RM'000	28.02.2011
		RM'000
Cash and cash equivalents comprise:		
Fixed and short-term deposits with licensed banks *	7,133	8,702
Cash and bank balances	1,428	460
Bank overdraft	(6,233)	(4,057)
	2,328	5,105

* The time deposits of the group have been pledged as security for credit facilities granted to the Group.

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

(Company No.: 838172-P)

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2012

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.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

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

A first and final single tier dividend of 1 sen per share in respect of the financial year ended 31 May 2011 was paid to entitled shareholders on 28 December 2011.

9. Segment Reporting

The Group's segmental report for the current financial period ended 29 February 2012 is as follows:

	Current Year-To-Date 29.02.2012 RM'000	Preceding Year Corresponding Period 28.02.2011 RM'000
Revenue		
<u>Manufacturing</u>		
Meat-based products	93,703	84,995
Vegetable-based products	432	395
Flour-based products	1,019	976
	95,154	86,366
<u>Trading</u>		
Meat-based products	34,807	31,441
Vegetable-based products	8,329	6,247
Others	425	309
	43,561	37,997
	138,715	124,363
Inter-segments elimination	(48,103)	(40,955)
Total Revenue	90,612	83,408
Profit Before Tax	2,257	2,842



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

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

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 29 February 2012 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 during the quarter under review.

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 29.02.2012 RM'000
Sale of goods by the Group to Angliss Food Sdn Bhd ("AFSB")	3,124
Commission paid by the Group to AFSB for sale of the Group's goods.	608

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 29.02.2012 Approved and Contracted for RM'000	As at 29.02.2012 Approved and Not Contracted for RM'000
Freezers and machinery	2,453	-
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.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2012

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 of RM5.2 million from RM26.7 million recorded in the preceding year corresponding quarter to RM32.0 million. For the 9 months ended 29 February 2012, the Group registered higher revenue of RM90.6 million as compared to that of RM83.4 million in the same corresponding quarter a year ago. The main contributing factor for the increase in sales was the increase in own manufactured meat-based products and trading meat-based and vegetable-based products. Below the line sales promotion like trade offer, purchase with purchase and additional purchase at reduction price has been carrying out to boost the in-house brand products, which can enlarge product’s market segment penetration and also help to tap competitors’ market share.

The Company recorded a profit before tax (“PBT”) of RM74,000 in the current quarter as compared to that of RM1.1 million reported in the preceding year corresponding quarter. The Year-To-Date PBT ended 29 February 2012 was RM2.3 million (28 February 2011 : RM2.8 million). The Group’s bottom line performance contracted for the current quarter as compared to the preceding year corresponding quarter mainly due to higher trade offer and promotion cost and allowance for doubtful debt of RM0.9 million. The Company gained an additional income from the insurance claim of RM0.4 million for the current quarter. This claim was related to the flood damage to stocks happened in November 2010 in Alor Setar.

2. Variation of Results against Preceding Quarter

	Current Quarter ended 29.02.2012 RM’000	Preceding Quarter ended 30.11.2011 RM’000	Variance RM’000	%
Revenue	31,956	29,973	1,983	6.6
Profit Before Tax	74	1,069	(995)	(93.1)

The Group’s revenue for the current quarter was higher by approximately 6.6% as compared to the revenue recorded in the preceding quarter due to the increase in demand for manufactured in-house brand products arising from the trade promotion campaign. However, the Group’s PBT was recorded at RM74,000 in the current quarter as compared to that of RM1.1 million in the preceding quarter. The reduction in the profit mainly attributed to higher selling and promotional expenditure spent to increase product visibility and brand awareness as well as the allowance for doubtful debt of RM0.9 million.

3. Current Year Prospects

Frozen processed foods (“FPP”) continued to gain popularity which recorded a 3% current value growth to reach RM505 million in 2011. FPP are easier to prepare than fresh food and can be stored in the freezer for an extended period of time as well as enjoy a very healthy image that appeals to health-conscious consumer of today. Local companies dominate strong competitive environment which are increasingly being perceived as offering superior taste and quality.

Despite the challenge in frozen industry, the Company strike to focus on strategies to create more innovative in-house brand products, re-branding programmes and above the line promotion to build brand equity. Barring any unforeseen circumstances, the Group is of the view that based on the existing on-going strategies; the overall performance for the current financial year is expected to remain satisfactory.



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

4. Variance between Actual Profit and Forecast Profit

Not applicable.

5. Taxation

	Current Quarter 29.02.2012 RM'000	Current Year To Date 29.02.2012 RM'000
Income tax		
Current year	(105)	470
Prior year	-	-
Deferred tax		
Current year	143	289
Prior year	-	-
	<u>38</u>	<u>759</u>

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. Status of Corporate Proposals

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

7. Group Borrowings and Debt Securities

The Group's borrowings as at 29 February 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bank overdrafts	5,929	304	6,233
Bankers' acceptances	26,828	1,649	28,477
Hire purchase payables	556	-	556
Term loan	1,675	-	1,675
	<u>34,988</u>	<u>1,953</u>	<u>36,941</u>
Long term borrowings:-			
Hire purchase payables	524	-	524
Term loan	9,292	-	9,292
	<u>9,816</u>	<u>-</u>	<u>9,816</u>
Total	<u>44,804</u>	<u>1,953</u>	<u>46,757</u>

8. 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.

9. Material Litigation

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



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

10. Proposed Dividend

There was no dividend proposed or declared for the current quarter under review.

11. 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 under review.

	Individual Quarter		Cumulative Quarters	
	Current Quarter 29.02.2012	Preceding Year Corresponding Quarter 28.02.2011	Current Year 29.02.2012	Preceding Year Corresponding Period 28.02.2011
Profit attributable to ordinary Equity holders of the Company (RM'000)	36	1,020	1,498	2,345
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000
Basic Earnings per Share (sen)	0.04	1.13	1.66	2.61

Diluted

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

12. 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 29.02.2012 RM'000	As at 31.05.2011 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	61,393	60,480
Unrealised	(2,240)	(1,926)
	<hr/> 59,153	<hr/> 58,554
Consolidation adjustments and eliminations	(22,667)	(22,667)
Total group retained profits as per consolidated accounts	<hr/> <hr/> 36,486	<hr/> <hr/> 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.

13. Authorisation for issue

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