



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MAY 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.05.2013 RM'000	Preceding Year Corresponding Quarter 31.05.2012 RM'000	Current Year-To-Date 31.05.2013 RM'000	Preceding Year Corresponding Period 31.05.2012 RM'000
Revenue	39,123	38,666	145,925	129,278
Cost of sales	(33,837)	(34,561)	(124,355)	(109,413)
Gross profit	5,286	4,105	21,570	19,865
Other operating income	645	445	950	1,156
Operating expenses	(5,247)	(10,260)	(19,037)	(22,873)
Finance costs	(670)	(670)	(2,650)	(2,271)
Profit before tax	14	(6,380)	833	(4,123)
Taxation	(248)	868	(520)	109
Net profit for the period	(234)	(5,512)	313	(4,014)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	(234)	(5,512)	313	(4,014)
Total comprehensive income attributable to:				
Equity holders of the Company	(234)	(5,512)	313	(4,014)
Non-controlling interests	-	-	-	-
Earnings per share (Note B11)				
Basic (Sen)	(0.26)	(6.12)	0.35	(4.46)
Diluted (Sen)	-	-	-	-



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Notes to Income Statement :

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.05.2013 RM'000	Preceding Year Corresponding Quarter 31.05.2012 RM'000	Current Year-To-Date 31.05.2013 RM'000	Preceding Year Corresponding Period 31.05.2012 RM'000
Interest income	(69)	(140)	(229)	(299)
Other Income	(383)	(98)	(688)	(240)
Forex gain- realised	(1)	(21)	(33)	(41)
Depreciation and amortisation	1,091	886	3,991	3,347
Impairment on loans and receivables	281	1,699	1,141	2,599
Interest expense	669	670	2,649	2,271

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.

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 2012 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 MAY 2013**

	Note	UNAUDITED As at 31.05.2013 RM'000	AUDITED As at 31.05.2012 RM'000
Non-Current Assets			
Property, plant and equipment		34,950	39,154
Investment Properties		2,800	-
		37,750	39,154
Current Assets			
Property development costs		8,860	-
Inventories		22,961	25,660
Receivables, deposits and prepayments		27,915	32,771
Current tax assets		717	518
Cash and cash equivalents		11,665	9,978
		72,118	68,927
TOTAL ASSETS		109,868	108,081
EQUITY AND LIABILITIES			
Equity			
Share capital		45,000	45,000
Reserves		3,809	3,495
TOTAL EQUITY		48,809	48,495
Non-Current Liabilities			
Long-term bank borrowings	B7	14,077	10,073
Deferred taxation		2,317	1,843
		16,394	11,916
Current Liabilities			
Trade and other payables and accruals		8,757	14,726
Short-term bank borrowings	B7	35,908	32,944
		44,665	47,670
TOTAL LIABILITIES		61,059	59,586
TOTAL EQUITY AND LIABILITIES		109,868	108,081
Net assets per ordinary share attributable to ordinary equity holder of the Company (RM)		0.54	0.54

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 2012 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 MAY 2013 (UNAUDITED)

	<-----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	
Balance as at 01.06.2012	45,000	-	1,818	(29,296)	30,974	48,496
Profit for the period represents total comprehensive income for the period	-	-	-	-	313	313
Dividend paid	-	-	-	-	-	-
Balance as at 31.05.2013	45,000	-	1,818	(29,296)	31,287	48,809
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	-	-	-	-	(4,014)	(4,014)
Dividend paid	-	-	-	-	(900)	(900)
Balance as at 31.05.2012	45,000	-	1,818	(29,297)	30,974	48,495

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 2012 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 31 MAY 2013 (UNAUDITED)

	Current Period Ended 31.05.2013 RM'000	Preceding Year Corresponding Period Ended 31.05.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	833	(4,123)
Adjustments:		
Allowance for slow moving inventories	83	925
Amortisation and depreciation	3,991	3,347
Gain/(loss) on disposal of plant, property and equipment	-	(25)
Impairment loss on loans and receivables	1,141	2,264
Interest expense	2,649	2,271
Interest income	(229)	(299)
Reversal of allowance for slow moving inventories	(943)	(123)
Reversal of impairment loss on loans and receivable	(454)	-
Unrealised gain on financial instruments at fair value through profit or loss	(28)	(112)
Unrealised gain on foreign exchange	33	
Operating profit before working capital changes	7,076	4,125
Property development costs	(8,482)	-
Decrease/ (Increase) in inventories	3,560	(4,585)
Decrease/ (Increase) in receivables	4,087	(812)
Decrease in payables	(5,891)	4,649
Financial instruments at fair value through profit or loss	112	-
Cash generate from/(used in) operations	462	3,377
Tax paid	(442)	(861)
Tax refunded	197	247
Net cash generate from/(used in) operating activities	217	2,763
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(1,546)	(9,182)
Proceeds from disposal of plant, property and equipment	105	53
Interest received	229	299
Net cash used in investing activities	(1,212)	(8,830)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/ increase in short-term borrowings	3,800	(3,104)
Repayment of hire purchase obligations	(756)	(611)
Repayment of term loan	(1,252)	(785)
Drawdown of term loan	5,200	9,600
Interest paid	(2,998)	(2,313)
Dividend paid	-	(900)
Net cash from financing activities	3,994	1,887
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,999	(4,180)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,715	8,895
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	7,714	4,715



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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED
31 MAY 2013 (UNAUDITED)**

	Current Period Ended 31.05.2013 RM'000	Preceding Year Corresponding Period Ended 31.05.2012 RM'000
Fixed and short-term deposits with licensed banks *	7,089	6,679
Cash and bank balances	4,577	3,299
Bank overdrafts	(3,952)	(5,263)
	7,714	4,715

* 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 2012 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2013

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

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB). For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRSs”)

The condensed consolidated interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 May 2012 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.

On 19 November 2011, the Malaysian Accounting Standard Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) framework. The MFRS framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and ventures (“Transitioning Entities”). Further to MASB announcement on 30 June 2012, Transitioning Entities will be allowed to defer the adoption of the new MFRS framework to annual periods beginning on or after 1 January 2014.

Being a Transitioning Entity as defined above; the Group has elected to continue preparing its financial statements in accordance with the exiting FRS framework for the financial year ending 31 May 2013 and will first adopt the MFRS framework for the financial year ending 31 May 2014.

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 2012 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.



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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

There was no dividend paid in the current quarter.

8. Segment Reporting

	Current Year-To-Date 31.05.2013 RM'000	Preceding Year Corresponding Period 31.05.2012 RM'000
Revenue		
<u>Manufacturing</u>		
Meat-based products	107,117	123,199
Vegetable-based products	1,428	524
Flour-based products	137	1,318
	108,682	125,041
<u>Trading</u>		
Meat-based products	82,141	53,171
Vegetable-based products	7,679	11,128
Others	4,389	1,188
	94,209	65,487
	202,891	190,528
Inter-segments elimination	(56,966)	(61,250)
Total Revenue	145,925	129,278
Profit Before Tax	313	(4,014)

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

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 2012.

10. Events subsequent to the Balance Sheet date

There were no events subsequent to the end of the financial period ended 31 May 2013 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 during the quarter under review.



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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 2012.

13. Related Party Transactions

Related parties are those defined under MFRS 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 31.05.2013
RM'000**

Commission paid by the Group to AFSB for sale of the Group's goods. 590

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.

14. Capital Commitments

	As at 31.05.2013 Approved and Contracted for RM'000	As at 31.05.2013 Approved and Not Contracted for RM'000
Property, plant & equipment	2,747	-



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2013

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

1. Review of Performance

The Group's revenue was recorded at RM39.1 million for the current quarter ending 31 May 2013, which is a marginally higher by RM0.4 million than that of RM38.7 million booked in the corresponding period of the preceding year. Despite the marginally lower revenue, the Group has achieved a breakeven at profit before tax level for the current quarter as oppose to the loss before tax of RM6.4 million in the preceding year same quarter.

For the year ended 31 May 2013, the Group's revenue increased by RM16.6 million to RM145.9 million compared to that of RM129.3 million posted in 31 May 2012. This is mainly attributable to the higher sales of trading meat-based products. Based on the better performance in the meat based products sector, the Group recorded a profit before tax of RM0.8 million for the current year ended in contrast with the RM4.1 million loss before tax of last year.

2. Variation of Results against Preceding Quarter

	Current Quarter ended 31.05.2013 RM'000	Preceding Quarter ended 28.02.2013 RM'000	Variance RM'000
Revenue	39,123	35,851	3,272
Profit Before Tax	14	298	(284)

The Group's revenue for current quarter under review was booked at RM39.1 million, which represented approximately 9.1% increase as compared to the revenue recorded in the preceding quarter due to increase in demand for trading of meat based product. Despite the increase, the Group reported a drop in profit before tax in the current quarter compared to the preceding quarter mainly due to the higher cost of trading meat based products.

3. Current Year Prospects

The Malaysian food and beverage market is becoming increasingly sophisticated and is supplied by both local and imported products. The strong economic growth in the late 80's and early 90's contributed to major changes in consumer purchases and consumption patterns. Malaysians living in urban areas prefer to shop in stores which offer them convenience and good product selections. Lifestyle changes have led to an increase in the demand for convenience food.

Retail

Malaysia has a large and growing food retail market that is supplied by local and imported products. The forecast for this sector is likely to grow by around 10% per annum over the next three to five years. Malaysian households spend an average 24% of their household income on retail purchase of foods included frozen processed food. (Source: Euromonitor)

Export

There are nearly 3,200 manufacturers involved in the food manufacturing industry in Malaysia and the industry accounts for nearly 10% of Malaysia's manufacturing output. Processed foods are exported to approximately 80 countries like Singapore, the USA, Indonesia, Japan and Thailand.



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Food Service Sector

The food service market has been growing at a rapid average rate of around 6.5% per annum over the past few years. They indicated that this market is likely to grow at between 6%-10% per annum over the next three to five years. Hotels and resorts, restaurants and the institutional sub-sector represent the best potential for all market players.

The Company managed to turn around the earnings before tax from red to black for the current financial year. The Company's turnaround strategies are revenue enhancement and cut back actions through cost reduction. The management has continued to develop its growth strategies for sustainability and profitability in the forthcoming years.

- Expansion into international business through export. The Group has made significant progress in the penetration of South East Asia and Middle East market.
- The company is strategically positioned itself by introducing more innovative products with superior taste. New innovative products will be launched in near term to target different business segment.
- Continuing the brand building exercise to promote brand name and image by focusing on mass media coverage.
- Expansion of its general trade market through aggressive deployment of freezer to counter the erosion of profit margins in the Modern Trade sales.
- The intrinsic value the Company can provide is through green initiatives. The Company is putting in the efforts to reduce the usage of energy and promote conservation in power reliance.

4. Variance between Actual Profit and Forecast Profit

Not applicable.

5. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.05.2013 RM'000	Preceding Year Corresponding Quarter 31.05.2012 RM'000	Current Year-To-Date 31.05.2013 RM'000	Preceding Year Corresponding Period 31.05.2012 RM'000
Current year				
Income tax	51	340	(71)	(130)
Deferred tax	(265)	505	(415)	216
	(214)	845	(486)	86
Prior year				
Income tax	25	131	25	131
Deferred tax	(59)	(108)	(59)	(108)
	(34)	23	(34)	23
	(248)	868	(520)	109

The tax charge for the current period is attributable to non-deductible expenses of the group.

6. Status of Corporate Proposals

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



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7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 May 2013 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bank overdrafts	3,952	-	3,952
Bankers' acceptances	30,104	-	30,104
Hire purchase payables	473	-	473
Term loan	1,379	-	1,379
	35,908	-	35,908
Long term borrowings:-			
Hire purchase payables	859	-	859
Term loan	13,218	-	13,218
	14,077	-	14,077
Total	49,985	-	49,985

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.

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 31.05.2013	Preceding Year Corresponding Quarter 31.05.2012	Current Year 31.05.2013	Preceding Year Corresponding Period 31.05.2012
Profit attributable to ordinary Equity holders of the Company (RM'000)	(234)	(5,512)	313	(4,014)
Weighted average number of ordinary shares in issue ('000)	90,000	90,000	90,000	90,000
Basic Earnings per Share (cent)	(0.26)	(6.12)	0.35	(4.46)



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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 31.05.2013 RM'000	As at 31.05.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	55,716	55,142
Unrealised	(2,317)	(1,706)
	<u>53,399</u>	<u>53,436</u>
Consolidation adjustments and eliminations	(22,112)	(22,462)
Total group retained profits as per consolidated financial statements	<u><u>31,287</u></u>	<u><u>30,974</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.

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.