

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

### **PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134**

#### **1. Basis Of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting (formerly known as MASB 26) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2010. The 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 since the financial year ended 30 June 2010.

#### **2. Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 127	Consolidation and Separate Financial Statements: Costs of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation <ul style="list-style-type: none"><li>- Puttable Financial Instruments and Obligations Arising on Liquidation</li><li>- Separation of Compound Instruments</li></ul>
Amendments to FRS 139	Financial Instruments: Recognition and Measurement <ul style="list-style-type: none"><li>- Reclassification of Financial Assets</li><li>- Collective Assessment of Impairment for Banking Institutions</li></ul>
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2	Group and Treasury Share Transactions
IC Interpretation 14, FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations does not have significant financial impact on the Group.

**3. Status Of Audit Qualification**

The audited financial statements for the year ended 30 June 2010 was not subject to any qualification.

**4. Seasonal Or Cyclical Factors**

The results of the Group are not subject to any seasonal or cyclical factors.

**5. Nature And Amount Of Exceptional And Extraordinary Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2011.

**6. Changes In Estimates**

There were no material changes in the estimates used for the preparation of this interim financial report.

**7. Debt And Equity Securities**

During the financial period, there were no issuances, cancellation, repurchases or resale of debt and equity securities.

**8. Dividend**

There was no dividend paid for the current quarter.

## 9. Segment Information

Segment analysis for the current financial year-to-date:-

Year Ended 30 June 2011	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	42,733	-	42,733
- Local	-	39,410	-	39,410
- Inter-segment revenue	350	-	(350)	-
TOTAL	350	82,143	(350)	82,143
RESULTS:				
Profit Before Income Tax	106	3,587	-	3,693
Income Tax Expense	(51)	(57)	87	(21)
Profit After Income Tax				3,672

The Group's operations are mainly in the manufacture and trading of sweets and confectionery.

## 10. Revaluation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without any amendments from the previous annual financial statements.

## 11. Material Subsequent Events

There have been no material events subsequent to the end of the quarter that have not been reflected in the financial statements.

## 12. Changes In The Composition Of The Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

## 13. Changes In Contingent Liabilities / Assets

There is a contingent liability amounting to approximately RM37 million being corporate guarantees given to financial institutions for banking facilities granted to a subsidiary company.

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

**14. Review Of Performance**

Turnover of the Group of RM22.473 million for the current quarter represents 12.8% increase over that of RM19.917 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM1.985 million as compared to the result of the same period last year of profit before income tax of RM523,000.

**15. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter**

	<b>Current Year Quarter 30.6.2011 RM'000</b>	<b>Immediate Preceding Quarter 31.3.2011 RM'000</b>	<b>% +/-</b>
Turnover	22,473	21,271	+5.65
Profit before income tax	<u>1,985</u>	<u>535</u>	+271.03

The Group achieved a higher turnover of RM22.473 million in the fourth quarter ended 30 June 2011 representing a 5.65% increase over that of the preceding quarter. Profit before income tax increased by 271.03% in the fourth quarter under review as compared to the preceding quarter. This performance is within the Group's expectation.

**16. Prospects for the Current Financial Year**

The year ended 30 June 2011 was another challenging year. The management shall continue its endeavour to ensure that the marketing strategies adopted will put the Group in a better stead for 2012.

**17. Variance From Profit Forecast**

The Group has not made any profit forecast or profit guarantee for the year under review.

**18. Income tax expense**

	<b>Current Year Quarter 30.6.2011 RM'000</b>	<b>Current Year To Date 30.6.2011 RM'000</b>
Income tax liabilities:		
Estimate for the period	(16)	21
	(16)	21

**19. Profit On Sale Of Unquoted Investments Or Properties**

There were no sale of investment and/or properties for the current financial quarter under review.

**20. Purchase Or Disposal Of Quoted Securities**

There were no purchase or sale of quoted securities in the current quarter under review.

**21. Corporate Proposals**

There were no new corporate proposals that have been announced by the Company as at date of this report.

**22. Group Borrowings And Debt Securities**

	<b>30.6.2011 The Group RM'000</b>
<b>Short term borrowings:</b>	
Bank overdrafts	5,457
Bankers' acceptance	22,802
Hire-purchase creditors	3,451
	31,710
<b>Long term borrowing</b>	
Hire-purchase creditors	5,176
	36,886

Bank overdrafts and credit facilities of a subsidiary companies are secured by corporate guarantees given by the Company.

**23. Off Balance Sheet Financial Instruments**

There were no material financial instruments with off balance sheet risk as at 26 May 2011.

**24. Realised and Unrealised Retained Profit**

	<b>As at 30.6.2011 RM'000</b>	<b>As at 30.6.2010 RM'000</b>
Total retained profit of Company and its subsidiaries:		
- Realised	28,199	25,427
- Unrealised	-	-
Consolidation adjustments	<u>(6,430)</u>	<u>(6,430)</u>
Total Group retained profit	<u>21,769</u>	<u>18,997</u>

**25. Material Litigation**

There was no pending material litigation against the Group as at 23 August 2011.

**26. Proposed Dividend**

No dividend is proposed for this quarter under review.



**27. Earnings Per Share**

The earnings per share is calculated by dividing the Group's profit after income for the financial period over the number of ordinary shares in issue during the financial period as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2010	CURRENT YEAR TO DATE 30/6/2011	PRECEDING YEAR TO DATE 30/6/2010
Basic	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares
Diluted	Not presented as there were no share option granted at the date of the statement of financial position date and the date of this report			

**BY ORDER OF THE BOARD**

**MR LESLIE LOOI MENG**  
**AUDIT COMMITTEE CHAIRMAN**

Dated : 26 August 2011