

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

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

1. Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS134: Interim Financial Reporting in Malaysia, and with 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 Group’s audited financial statements for year ended 30 June 2012. The consolidated financial statement of the Group as at and for the year ended 30 June 2012 were prepared in accordance with Financial Reporting Standards (“FRS”).

2. Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 30 June 2012, except for the following:

Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. In adopting the new framework, the Group has applied MFRS 1 “*First-Time Adoption of Malaysian Financial Reporting Standards*”.

The adoption the MFRS is expected to have no material impact on the financial statements of the Group.

3. Status Of Audit Qualification

The audited financial statements for the year ended 30 June 2012 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 September 2012.

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 period-to-date:-

Year Ended 30 September 2012	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	11,981	-	11,981
- Local	-	9,733	-	9,733
TOTAL	-	21,714	-	21,714
RESULTS:				
Profit Before Income Tax	276	752	-	1,028
Income Tax Expense	-	(37)	-	(37)
Profit After Income Tax				991

Segmental Analysis for the financial period Ended 30 June 2012 by Product Segment:

Detailed Analysis of the Group's Operating Segments										
LEGEND										
*	Market Conditions and demand for its goods and services									
^	The level of its operating activities									
#	Factors or circumstances affecting the changes to revenue, costs and profit margin of each business activity or segment									
Ω	Any unusual or one off gains / losses affecting the revenue or profit									
△	Any other information which can provide a better understanding of the Listed Issuer's performance									
No.	Segment	Sales RM'000	(i) *		(ii) ^		(iii) #		(iv) Ω	(v) △
			Market Conditions		Level		Factors / Circumstances		Unusual or One off Gains	Other Information
1	Confectionery	3,535	Poor ()		>50% ()		Raw Material Prices (v)		-NA-	-NA-
			Average ()		50.1 % > 75% ()		Market Conditions (v)			
			Good (v)		75.1% > 100% (v)		Product Competition ()			
							Market Competition (v)			
							Prices Increases ()			
							New Product Variety ()			
							New Product Segment ()			
							Capacity Expenditure ()			
							Others:- ()			
2	Sweets and Candies	18,179	Poor ()		>50% ()		Raw Material Prices (v)		-NA-	-NA-
			Average ()		50.1 % > 75% ()		Market Conditions (v)			
			Good (v)		75.1% > 100% (v)		Product Competition ()			
							Market Competition ()			
							Prices Increases ()			
							New Product Variety ()			
							New Product Segment ()			
							Capacity Expenditure ()			
							Others:- ()			

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 RM42 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 RM21.714 million for the current quarter represents 5.10% increase over that of RM20.660 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM1.028 million as compared to the result of the same period last year of profit before income tax of RM966,000. This performance is within the Group's expectation.

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

	Current Year Quarter 30.9.2012 RM'000	Immediate Preceding Quarter 30.6.2012 RM'000	% +/-
Turnover	22,714	22,134	+2.62
Profit before income tax	<u>1,028</u>	<u>54</u>	+1,803.70

The Group achieved a higher turnover of RM22.714 million in the current quarter ended 30 September 2012 representing a 2.62% increase over that of the preceding quarter. The result for the immediate preceding quarter was affected by the change in accounting estimate on the basis of recognition of hire-purchase expenses resulting in an additional RM647,000 charge to Statement of Comprehensive Income. The performance for the current year quarter is within the Group's expectation.

16. Prospects for the Current Financial Year

The year ending 30 June 2013 shall be another challenging year.

The prospects of the confectionery segment are good with stable orders and utilization running at near full capacity.

The prospects of the sweets and candies segment are good with strong demand from customers.

In respect of both business segments, cost of raw material remains high but stable while fluctuations in currencies are mitigated by the Group setting prices based on a conservative exchange rate valuation. There are no new regulations or changes in business direction which may have impact on the business segments.

The management shall continue its endeavour to ensure that the marketing strategies adopted will put the Group in a better stead for 2013.

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

	Current Year Quarter 30.9.2012 RM'000	Current Year To Date 30.9.2012 RM'000
Income tax liabilities:		
Estimate for the period	37	37
	<u>37</u>	<u>37</u>

19. Corporate Proposals

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

20. Group Borrowings And Debt Securities

	30.9.2012 The Group RM'000
Short term borrowings:	
Bank overdrafts	7,239
Bankers' acceptance	23,182
Hire-purchase creditors	1,310
Term loan	389
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	32,120
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Long term borrowing	
Hire-purchase creditors	8,595
Term loan	1,396
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	9,991
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	42,111
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Bank overdrafts and credit facilities of a subsidiary companies are secured by corporate guarantees given by the Company.

21. Realised and Unrealised Retained Profit

	As at 30.9.2012 RM'000	As at 30.6.2012 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	32,401	31,457
- Unrealised	750	703
Consolidation adjustments	(6,430)	(6,430)
Total Group retained profit	<hr/> <u>26,721</u>	<hr/> <u>25,730</u>

22. Material Litigation

There was no pending material litigation against the Group as at 26 November 2012.

23. Proposed Dividend

No dividend is proposed for this quarter under review.

24. Profit before income tax

Profit before income tax is stated after charging/(crediting):-

	Current period quarter 30.9.12 RM'000	Current period- to-date (3 months) 30.9.12 RM'000
Interest income	-	-
Other income including investment income	(95)	(95)
Interest expense	670	670
Depreciation of property, plant and equipment	743	743
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or property, plant and equipment	-	-
Impairment of assets	-	-
Foreign exchange (gain) or loss	(540)	(540)
Gain or loss on derivatives	-	-
Exceptional items	-	-

25. 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 30.9.2012	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2011	CURRENT YEAR TO DATE 30.9.2012	PRECEDING YEAR TO DATE 30.9.2011
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: 30th November 2012