

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS 30 APRIL 2009

1 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards (“FRS”) 134 –“Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa Securities Berhad (“Bursa”) Listing Requirements. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 April 2008. 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 since the financial year ended 30 April 2008.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation used in the presentation of the quarterly financial statements are consistent with those applied in the latest audited annual financial statements ended 30 April 2008, except for the adoption of the following revised Financial Reporting Standards (FRSs) effective for the financial period beginning on 1 May 2008:-

FRS 107	Cash Flow Statement
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent liabilities and Contingent Assets

The adoption of the above revised FRSs does not have significant financial impact to the Group.

At the date of authorisation of these interim financial statements, the following Financial Reporting Standards (FRS) and Interpretations were issued but not yet effective and have not been applied by the Group:

New and Revised FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

3 AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding year’s audit report for the year ended 30 April 2008 was unqualified.

4 SEASONAL OR CYCLICAL FACTORS

Seasonal or cyclical factors do not significantly affect the principal business operations of the Group.

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
30 APRIL 2009**5 UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review.

6 CHANGES IN ESTIMATES

There were no material changes in the estimation methods in this interim reporting quarter which will have a material effect.

7 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date.

8 DIVIDEND PAID

There was no dividend paid during the period under review.

9 SEGMENTAL INFORMATION

Segmental information is presented on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	PERIOD ENDED 30 APRIL 2009	
	REVENUE	SEGMENT RESULTS
	RM'000	RM'000
Malaysia	101,225	16,854
Overseas	74,112	7,729
	<u>175,337</u>	<u>24,583</u>
Other income		2,225
Unallocated expenses		(1,366)
Taxation		<u>(4,524)</u>
Net profit for the period		<u>20,918</u>

10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no amendments to the valuations of property, plant and equipment brought forward.

11 MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

There were no material events subsequent to the interim period that would substantially affect the interim financial statements.

12 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during this interim period.

13 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last annual balance sheet date as at 30 April 2008

APOLLO FOOD HOLDINGS BERHAD (291471-M)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
30 APRIL 2009

14 CAPITAL COMMITMENTS

Capital expenditure not provided for in the interim report as at 30 April 2009 is as follows :

	RM
AUTHORISED AND CONTRACTED	<u>299,975</u>
ANALYSED AS FOLLOWS:	
- PLANT & MACHINERY	<u>299,975</u>

15 SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during this interim period.

16 REVIEW OF PERFORMANCE

For the year ended 30 April 2009, the Group achieved a lower turnover of RM175.337 million (30 April 2008 – RM181.144 million) but with a higher pre-tax profit of RM25.442 million (30 April 2008 – RM24.364 million).

The current global economic slowdown had resulted in a decrease in the Group's turnover from both local and overseas markets.

Despite the decrease in revenue, the Group's profit before tax compared to the preceding year increased by RM1.078 million mainly due to lower operating costs resulting from better cost control and lower foreign exchange loss suffered in the current year.

17 MATERIAL CHANGE IN THE PROFIT BEFORE TAX FOR THE CURRENT QUARTER AS COMPARED TO THE IMMEDIATE PRECEDING QUARTER

For the quarter ended 30 April 2009, the Group achieved a turnover of RM41.331 million, an increase of RM5.287 million compared to that of the preceding quarter of RM36.044 million, while the pre-tax profit was RM9.219 million, an increase of RM4.500 million, compared to RM4.719 million for the preceding quarter.

The increase in demand in both the local and export segments had contributed to a higher turnover. The higher turnover and lower operating costs coupled with the reversal of the allowance for diminution in value of investment had contributed to the increase in current quarter's pre-tax profit.

18 CURRENT YEAR PROSPECTS

The Group is expected to face greater challenges ahead in view of the continuing global economic slow down. Nevertheless, the Board anticipates the performance of the Group to remain profitable. The Group will strive to ensure that it continues to achieve satisfactory results by implementing prudent measures, improving operational efficiency and higher sales.

19 VARIANCE IN PROFIT FORECAST

Not applicable.

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
30 APRIL 2009**20 INCOME TAX EXPENSE**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/04/2009 RM'000	Preceding Year Quarter 30/04/2008 RM'000	Current Year To-Date 30/04/2009 RM'000	Preceding Year Corresponding Period 30/04/2008 RM'000
Income tax				
- Current period	579	95	3,252	3,720
- Prior period	(2)	(70)	7	(254)
	<u>577</u>	<u>25</u>	<u>3,259</u>	<u>3,466</u>
Deferred tax	1,077	1,161	1,265	(77)
	<u>1,654</u>	<u>1,186</u>	<u>4,524</u>	<u>3,389</u>

The effective tax charge for the financial period ended 30 April 2009 is lower than the statutory rate due to reinvestment allowance claimed by a subsidiary.

21 PROFITS ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investments and /or properties during this interim period.

22 QUOTED SECURITIES

Total purchase consideration and sales proceeds of quoted securities for the current quarter ended 30 April 2009 and profit arising therefrom are as below:

	Current Quarter 30/04/2009 RM	Current Year To-Date 30/04/2009 RM
Total purchase consideration of quoted securities acquired	<u>1,454,280</u>	<u>12,192,083</u>
Sales proceeds of quoted securities	<u>2,028,586</u>	<u>4,561,865</u>
Profit arising therefrom	<u>153,885</u>	<u>391,490</u>

Investments in quoted shares as at 30 April 2009:

	RM
At cost	<u>13,477,214</u>
At carrying value/book value	<u>13,369,589</u>
At market value	<u>13,369,589</u>

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
30 APRIL 2009**23 CORPORATE PROPOSALS**

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

24 GROUP BORROWINGS AND DEBT SECURITIES

There were no group borrowings and debt securities as at the end of the reporting period.

25 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at date of this report.

26 MATERIAL LITIGATION

There was no material litigation as at date of this report.

27 DIVIDEND

The Board of Directors would announce their recommendation on the dividend at a later date.

28 EARNINGS PER SHARE

The earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders by the weighted number of ordinary shares in issue for the following periods:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/04/2009 RM'000	Preceding Year Quarter 30/04/2008 RM'000	Current Year To-Date 30/04/2009 RM'000	Preceding Year Corresponding Period 30/04/2008 RM'000
Net profit attributable to shareholders	7,565	5,211	20,918	20,975
Weighted average no. of Ordinary shares in issue during the interim period ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	9.45	6.52	26.15	26.22

By Order of the Board

WOO MIN FONG**YAP WAI BING**

Company Secretaries

Johor Bahru

25 June 2009