

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS**31 JULY 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 2009. 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 2009.

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 2009.

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 and the Company:

New and Revised FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 8	Operating Segments	1 July 2009
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and measurement	1 January 2010
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The initial application of the above standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
31 JULY 2009

3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding year's audit report for the year ended 30 April 2009 was unqualified.

4 SEASONAL OR CYCLICAL FACTORS

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

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 31 JULY 2009	
	REVENUE	SEGMENT RESULTS
	RM'000	RM'000
Malaysia	22,657	4,669
Overseas	<u>16,494</u>	<u>2,105</u>
	<u>39,151</u>	6,774
Other income		2,139
Taxation		<u>(1,643)</u>
Profit for the period		<u><u>7,270</u></u>

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
31 JULY 2009**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 2009

14 CAPITAL COMMITMENTS

Capital expenditure not provided for in the interim report as at 31 July 2009 is as follows :

	RM
AUTHORISED AND CONTRACTED	<u>4,757,140</u>
ANALYSED AS FOLLOWS:	
- PROPERTY	4,320,000
- PLANT & MACHINERY	<u>437,140</u>
	<u>4,757,140</u>

15 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

16 REVIEW OF PERFORMANCE

For the period ended 31 July 2009, the Group recorded a lower revenue of RM39.151 million (31 July 2008 – RM48.944 million) but with a higher pre-tax profit of RM8.913 million (31 July 2008 – RM7.457million).

Despite the decrease in revenue, the Group's pre-tax profit increased by RM1.456 million, due to lower raw material cost and higher gain on disposal of quoted shares.

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
31 JULY 2009**17 MATERIAL CHANGE IN THE PROFIT BEFORE TAX FOR THE CURRENT QUARTER AS COMPARED TO THE IMMEDIATE PRECEDING QUARTER**

For the quarter ended 31 July 2009, the Group recorded a revenue of RM39.151 million, a decrease of RM2.180 million compared to that of the preceding quarter of RM41.331 million, while the pre-tax profit was RM8.913 million, a decrease of RM0.306 million, compared to RM9.219 million for the preceding quarter. The lower pre tax profit was due mainly to the decrease in revenue.

18 CURRENT YEAR PROSPECTS

In view of the global economic uncertainty, the Group's operating environment is expected to remain challenging and competitive. 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 while remaining focused on product and service quality.

19 VARIANCE IN PROFIT FORECAST

Not applicable.

20 INCOME TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/07/2009 RM'000	Preceding Year Quarter 31/07/2008 RM'000	Current Year To-Date 31/07/2009 RM'000	Preceding Year Corresponding Period 31/07/2008 RM'000
Income tax				
- Current period	1,837	1,294	1,837	1,294
- Prior period	-	-	-	-
	<u>1,837</u>	<u>1,294</u>	<u>1,837</u>	<u>1,294</u>
Deferred tax	(194)	85	(194)	85
	<u>1,643</u>	<u>1,379</u>	<u>1,643</u>	<u>1,379</u>

The effective tax charge for the financial period ended 31 July 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.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
31 JULY 2009

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 31/07/2009 RM	Current Year To-Date 31/07/2009 RM
Total purchase consideration of quoted securities acquired	-	-
Sales proceeds of quoted securities	8,715,998	8,715,998
Profit arising therefrom	1,737,792	1,737,792

Investments in quoted shares as at 31 July 2009:

	RM
At cost	6,553,109
At carrying value/book value	6,553,109
At market value	8,147,860

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

In respect of the financial year ended 30 April 2009, a final dividend of 20% less 25% tax amounting to RM12,000,000 (2008: 15% less tax amounting to RM9,000,000) will be proposed for members' approval.

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**31 JULY 2009****28 EARNINGS PER SHARE**

The earnings per share is calculated by dividing the 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 31/07/2009 RM'000	Preceding Year Quarter 31/07/2008 RM'000	Current Year To- Date 31/07/2009 RM'000	Preceding Year Corresponding Period 31/07/2008 RM'000
Profit attributable to shareholders	7,270	6,078	7,270	6,078
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)	9.09	7.60	9.09	7.60

By Order of the Board

WOO MIN FONG**YAP WAI BING**

Company Secretaries

Johor Bahru

24 August 2009