



**HAI-O ENTERPRISE BHD**  
**Company No: 22544-D**  
**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report**  
**30 April 2012**



HAI-O ENTERPRISE BHD ( Co.No. 22544-D)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2012**

	AS AT END OF CURRENT QUARTER 30/04/2012 (RM'000)	(Audited) AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2011 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Property, Plant and Equipment</i>	62,257	72,181
<i>Investment properties</i>	45,021	33,250
<i>Other Investments</i>		
<i>Financial assets at fair value through     profit or loss</i>	1,464	1,256
<i>Available-for-sale investment</i>	226	226
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	438	615
<i>Deferred tax assets</i>	2,951	2,550
	<b>112,442</b>	<b>110,163</b>
<b>Current Assets</b>		
<i>Inventories</i>	37,761	44,274
<i>Trade and other receivables</i>	21,867	20,925
<i>Other Investments</i>		
<i>Financial assets at fair value through     profit or loss</i>	57,325	35,537
<i>Cash and Cash Equivalents</i>	54,197	46,054
	<b>171,150</b>	<b>146,790</b>
<b>TOTAL ASSETS</b>	<b>283,592</b>	<b>256,953</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
<i>Share capital</i>	101,095	101,095
<i>Treasury Shares</i>	(5,939)	(4,291)
<i>Other reserve</i>	475	507
<i>Retained earnings</i>	125,984	107,084
	<b>221,615</b>	<b>204,395</b>
<b>Non-controlling interest</b>	<b>9,727</b>	<b>8,290</b>
<b>Total Equity</b>	<b>231,342</b>	<b>212,685</b>
<b>Non-current Liabilities</b>		
<i>Borrowings</i>	8,097	10,734
<i>Deferred tax</i>	35	145
	<b>8,132</b>	<b>10,879</b>
<b>Current Liabilities</b>		
<i>Trade &amp; other payables</i>	32,419	22,552
<i>Short term borrowings</i>	5,185	5,679
<i>Short-term provision</i>	4,278	3,371
<i>Current tax payable</i>	2,236	1,787
	<b>44,118</b>	<b>33,389</b>
<b>Total Liabilities</b>	<b>52,250</b>	<b>44,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>283,592</b>	<b>256,953</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.11	1.02

The Condensed Consolidated Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2011 and the accompanying explanatory notes attached to the interim financial statements.



**HAI-O ENTERPRISE BHD ( Co.No. 22544-D)**

Quarterly report on consolidated results for the financial year ended 30 April 2012  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 APRIL 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD (Audited)
	30/04/2012	30/04/2011	30/04/2012	30/04/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	69,436	58,260	239,400	223,254
Operating expenses	(58,745)	(47,435)	(197,642)	(186,827)
Other operating income	2,462	1,375	6,612	4,700
<b>Operating Profit</b>	<b>13,153</b>	<b>12,200</b>	<b>48,370</b>	<b>41,127</b>
Interest income	269	382	968	1,009
Finance costs	(152)	(190)	(744)	(848)
<b>Profit before taxation</b>	<b>13,270</b>	<b>12,392</b>	<b>48,594</b>	<b>41,288</b>
Income tax expenses	(3,695)	(3,887)	(13,067)	(11,578)
<b>Profit for the year</b>	<b>9,575</b>	<b>8,505</b>	<b>35,527</b>	<b>29,710</b>
<b>Profit attributable to:</b>				
Owner of the parent	9,163	7,738	33,827	28,370
Non-controlling interest	412	419	1,700	1,340
	<b>9,575</b>	<b>8,157</b>	<b>35,527</b>	<b>29,710</b>
<b>Earnings Per Share attributable to equity holders of the parent</b>				
- Basic	4.60	3.88	16.99	14.21
- Diluted	N.A.	N.A.	N.A.	N.A.

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2011 and the accompanying explanatory notes attached to the interim financial statements.*



HAI-O ENTERPRISE BHD ( Co.No. 22544-D)

Quarterly report on consolidated results for the financial year ended 30 April 2012  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 APRIL 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/04/2012	30/04/2011	30/04/2012	30/04/2011 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit for the year	9,575	8,505	35,527	29,710
Other comprehensive income				
- Fair value adjustment through financial assets	-	-	-	-
- Exchange differences on translating foreign operations	(31)	(348)	(32)	(23)
Total comprehensive Income for the year	9,544	8,157	35,495	29,687
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	9,132	7,738	33,795	28,346
Non-controlling Interest	412	419	1,700	1,341
	9,544	8,157	35,495	29,687

*The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2011 and the accompanying explanatory notes attached to the interim financial statements.*



**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 APRIL 2012**

	Attributable to Equity Holders of the Parent						Non-controlling interest	Total Equity
	Share Capital	Treasury shares	Non distributable Exchange fluctuation reserve	Distributable Capital reserve	Retained Earnings	Total		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>12 month ended 30 April 2012</b>								
Balance as at 30 April 2011	101,095	(4,291)	(150)	657	107,084	204,395	8,290	212,685
Profit for the year	-	-	-	-	33,827	33,827	1,700	35,527
Other comprehensive income for the year	-	-	(32)	-	-	(32)	-	(32)
Total comprehensive income for the year	-	-	(32)	-	33,827	33,795	1,700	35,495
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	(167)	(167)
Dividends	-	-	-	-	(14,927)	(14,927)	(96)	(15,023)
Purchase of Company's own shares	-	(1,648)	-	-	-	(1,648)	-	(1,648)
<b>Balance at end of financial year</b>	<b>101,095</b>	<b>(5,939)</b>	<b>(182)</b>	<b>657</b>	<b>125,984</b>	<b>221,615</b>	<b>9,727</b>	<b>231,342</b>

**12 month ended 30 April 2011 (audited)**

Balance as at 30 April 2010	101,095	(4,122)	(127)	657	111,587	209,090	7,374	216,464
Prior year adjustment	-	-	-	-	(5,989)	(5,989)	-	(5,989)
Balance as at 30 April 2010 (restated)	101,095	(4,122)	(127)	657	105,598	203,101	7,374	210,475
Effect of adopting FRS 139	-	-	-	-	1,068	1,068	-	1,068
Restated balance as at 1 May 2010	101,095	(4,122)	(127)	657	106,666	204,169	7,374	211,543
Profit for the year	-	-	-	-	28,369	28,369	1,341	29,710
Other comprehensive income for the year	-	-	(23)	-	-	(23)	-	(23)
Total comprehensive income for the year	-	-	(23)	-	28,369	28,346	1,341	29,687
Disposal of interests in subsidiaries	-	-	-	-	-	-	(102)	(102)
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	(29)	(29)
Dividends	-	-	-	-	(27,952)	(27,952)	(293)	(28,245)
Purchase of Company's own shares	-	(169)	-	-	-	(169)	-	(169)
<b>Balance at end of financial year</b>	<b>101,095</b>	<b>(4,291)</b>	<b>(150)</b>	<b>657</b>	<b>107,083</b>	<b>204,394</b>	<b>8,291</b>	<b>212,685</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2011 and the accompanying explanatory notes attached to the interim financial statements.



HAI-O ENTERPRISE BHD ( Co.No. 22544-D)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 30 APRIL 2012**

	<b>2012</b> <b>12 month</b> <b>ended</b> <b>30/Apr/12</b> <b>(RM '000)</b>	<b>(Audited)</b> <b>2011</b> <b>12 month</b> <b>ended</b> <b>30/Apr/11</b> <b>(RM '000)</b>
Net Profit before tax	48,594	41,288
Adjustment for non-cash flow :-		
Non-cash items	7,165	4,523
Non-operating items	(1,810)	(1,618)
Operating profit before changes in working capital	53,949	44,193
Changes in working capital		
<i>Net Change in current assets</i>	(2,066)	200
<i>Net Change in current liabilities</i>	9,716	(13,234)
<i>Tax paid</i>	(11,428)	(17,481)
	(3,778)	(30,515)
<b>Net cash flows from operating activities</b>	<b>50,171</b>	<b>13,678</b>
Investing Activities		
<i>Proceeds from disposal of other investment</i>	14,980	41,196
<i>Purchase of other investment</i>	(36,601)	(32,871)
<i>Purchase of property, plant and equipment</i>	(2,948)	(12,288)
<i>Proceeds from disposal of property, plant and equipment</i>	1,195	29
<i>Dividend received</i>	1,221	1,232
<i>Interest received</i>	968	1,009
<i>others</i>	(297)	(24)
<b>Net cash used in investing activities</b>	<b>(21,482)</b>	<b>(1,717)</b>
Financing Activities		
<i>Purchase of Company's own share</i>	(1,648)	(169)
<i>Dividend paid</i>	(15,023)	(34,234)
<i>Interest paid</i>	(744)	(849)
<i>Borrowing</i>	(3,131)	(1,566)
<b>Net cash used in financing activities</b>	<b>(20,546)</b>	<b>(36,818)</b>
Net Changes in Cash & Cash Equivalents	8,143	(24,857)
Cash & Cash Equivalents at beginning of financial year	46,054	70,911
<b>Cash &amp; Cash Equivalents at end of the financial year</b>	<b>54,197</b>	<b>46,054</b>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2011 and the accompanying explanatory notes attached to the interim financial statements.*



## A. Notes To The Interim Financial Report

### A1 Basis of preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial report should be read in conjunction with the most recent annual financial statements of the Group for the year ended 30 April 2011.

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 2011.

### A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 April 2011 except for the adoption of the following new and amended FRS and IC Interpretations effective for financial period beginning on or after 1 May 2011:

*Effective for financial period beginning on or after 1 July 2010*

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

*Effective for financial period beginning on or after 1 January 2011*

Amendment to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards [Improvements to FRSs (2010)]
Amendments to FRS 2	Group Cash-settled Share-based payment
Transactions Amendments to FRS 3	Business Combinations [Improvements to FRSs (2010)]
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
Amendments to FRS 7	Financial Instruments: Disclosures [Improvements to FRSs (2010)]



## A2 Changes in Accounting Policies (continued)

*Effective for financial period beginning on or after 1 January 2011 (continued)*

Amendments to FRS 101	Improvements to FRSs (2010)
Amendments to FRS 121	The Effects of changes in Foreign Exchange Rates [Improvements to FRSs (2010)]
Amendments to FRS 128	Investment in Associates [Improvements to FRSs (2010)]
Amendments to FRS 131	Interests in Joint Ventures [Improvements to FRSs (2010)]
Amendments to FRS 132	Financial Instruments: Presentation [Improvements to FRSs (2010)]
Amendments to FRS 134	Interim Financial Reporting [Improvements to FRSs (2010)]
Amendments to FRS 139	Financial Instruments: Recognition and Measurement [Improvements to FRSs (2010)]
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 13	Customer Loyalty Programmes [Improvements to FRSs (2010)]
Improvements to FRSs (2010)	

The adoption of the new / revised FRSs, IC Interpretations and amendments to FRSs did not result in substantial changes in the Group's accounting policies.

The Group has not applied the following new / revised accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB), but are not yet effective.

*Effective for financial period beginning on or after 1 July 2011*

IC Interpretation 9	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation	Prepayments of a Minimum Funding Requirements

*Effective for financial period beginning on or after 1 January 2012*

FRS 124	Related Party Disclosures (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets
Amendments to FRS 112	Income Taxes – Deferred Tax: Recovery of Underlying Assets

*Effective for financial period beginning on or after 1 July 2012*

Amendments to FRS 101	Presentations of Financial Statements – Presentation of Items of Other Comprehensive Income
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**A2 Changes in Accounting Policies (continued)**

*Effective for financial period beginning on or after 1 January 2013*

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interests in Other Entities

*Effective for financial period beginning on or after 1 January 2013 (continued)*

FRS 13	Fair Value Measurements
FRS 119	Employee Benefits (2011)
FRS 127	Separate Financial Statements (2011)
FRS 128	Investments in Associates and Joint Ventures (2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

*Effective for financial period beginning on or after 1 January 2014*

Amendments to FRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
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*Effective for financial period beginning on or after 1 January 2015*

FRS 9	Financial Instruments (2009)
FRS 9	Financial Instruments (2010)
Amendments to FRS 7	Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosures

The Group's and the Company's financial statements for annual period beginning on 1 May 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSS, Interpretations and amendments.

**A3 Audit report of preceding annual financial statement**

The preceding year annual financial statements were not subject to any qualification.

**A4 Seasonal or cyclical factors**

The Group's interim business operations are not significantly affected by seasonal or cyclical factors for the quarter under review except for some consumer products, which are affected by major festive seasons.

**A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows because of their nature, size or incidence.



**A6 Material changes in estimates**

There was no material changes in estimates of amounts reported in prior interim period of the current or previous financial years.

**A7 Debt and equity securities**

There have been no other issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review except for the following:-

The details of shares held as treasury shares for the year ended 30 April 2012 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 1 February 2012	3,261,588	5,576,226
Repurchased during the quarter	165,500	362,649
Balance as at 30 April 2012	3,427,088	5,938,875

The repurchase transactions were financed by internally generated funds.

As at 20 June 2012, the treasury shares held were 3,959,688 ordinary shares with total purchase consideration of RM 7,075,060.

**A8 Dividend paid**

A first interim single tier dividend of 2 sen, amounting to RM 3,978,298 in respect of the current financial year was paid on 7 March 2012.



#### A9 Segment information

Details of segmental analysis for the year ended 30 April 2012 are as follows:

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>REVENUE</b>						
Revenue from external customers	141,077	48,858	42,814	6,651	-	239,400
Inter-segment revenue	-	65,547	46	9,537	(75,130)	-
Total revenue	141,077	114,405	42,860	16,188	(75,130)	239,400
<b>RESULT</b>						
Segment result	23,936	13,721	4,932	5,522	259	48,370
Finance costs						(744)
Interest income						968
Profit before taxation						48,594
Income tax expenses						(13,067)
Net profit for the year						<u>35,527</u>

#### A10 Property, plant and equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

#### A11 Material events subsequent to the end of the interim period

There was no material events subsequent to the current financial quarter ended 30 April 2012 up to the date of this report:

- (i) On 8 May 2012, the Company had subscribed for additional 599,400 ordinary shares of RM 1 each in Yan Ou Holdings (M) Sdn Bhd ("Yan Ou"), a 60% equity interest subsidiary for a total cash consideration of RM 599,400. With effect thereof, the issued and paid-up capital of Yan Ou had increased to RM 1,000,000 comprising 1,000,000 ordinary shares of RM 1 each.



## A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the interim period except for the following:

- (i) Hai-O Properties Sdn Bhd, a wholly-owned subsidiary of the Company had on 4 October 2011 submitted an application to the Companies Commission of Malaysia (“CCM”) to strike off its dormant subsidiary, namely Tyher Tea & Arts Culture Sdn Bhd (“Tyher Tea”) off the register pursuant to Section 308 of the Companies Act, 1965. Tyher Tea shall be officially dissolved pursuant to Section 308 (4) of the Companies Act, 1965 upon receipt of the notice from CCM.
- (ii) The Company had acquired additional 2,000 ordinary shares of RM 1.00 each in the share capital of Hai-O Raya Bhd, for a total cash consideration of RM 5,000 during the quarter.
- (iii) Hai-O Marketing Sdn Bhd, a wholly-owned subsidiary of the Company had on 13 February 2012 acquired additional 70,000 shares in PT Hai-O Indonesia for USD70,000.00. With effect thereof, Hai-O Marketing is currently owned 95% equity interest in PT Hai-O Indonesia.
- (iv) Hai-O (Hong Kong) Investment Limited, a wholly-owned subsidiary of the Company had on 17 February 2012 subscribed for 40 ordinary shares in Yan Ou (Hong Kong) Trading Limited (“Yan Ou (Hong Kong)”) for HKD 40, equivalent to 40% equity of the total paid-up share capital of Yan Ou (Hong Kong). Yan Ou (Hong Kong) is an associated company of the Group.
- (v) The Company had on 4 April 2012 incorporated a new subsidiary, namely Yan Ou Holdings (M) Sdn Bhd (“Yan Ou”) with the initial paid-up share capital of RM 1,000. The Company and Yan Zhi Enterprise Sdn Bhd (“Yan Zhi”) is holding 60% and 40% equity interest respectively in Yan Ou.

## A13 Contingent liabilities

The changes in contingent liabilities of the Company and the Group since the last annual Statement of Financial Position date are as follows :-

<u>Company</u>	As at 20 Jun 2012	As at 30 Apr 2012	As at 30 Apr 2011
	RM’000	RM’000	RM’000
Corporate guarantee in respect of credit facilities granted to subsidiary companies	Nil	Nil	Nil



**A13 Contingent liabilities (continued)**

<u>Group</u>	As at 20 Jun 2012	As at 30 Apr 2012	As at 30 Apr 2011
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Company	1,591	1,591	3,692
	<u>1,591</u>	<u>1,591</u>	<u>3,692</u>

**A14 Capital commitment**

The capital commitment of the Group for the year ended 30 April 2012 is as follows:

	RM'000
Approved and contracted for in respect of capital expenditure.	3,917

**Additional Information Required By The BMSB - Listing Requirements**

**B1 Detail analysis of performance of the Company and its principal subsidiaries for the current quarter and financial year-to-date**

Current quarter compared to the preceding year's corresponding quarter

For the fourth quarter ended 30 April 2012, the Group achieved higher revenue of RM 69 million as compared to RM 58 million for the corresponding quarter of the preceding year, respectively, increase by about 19%.

The increase in group revenue was mainly contributed by the MLM and wholesale divisions. Revenue in the MLM division increased by 33% due to successful incentive trip promotions which generated higher sales from foundation garment products and additional sales from new members. Higher revenue in the wholesale division resulted mainly from higher sales in patented medicine products and Chinese Medicated Tonic, benefiting from an aggressive promotion programme. The financial performance of the retail division was relatively flat in the fourth quarter, affected by the slow-down in general market sentiment despite heavy advertising and promotion for the year-end members' sales promotion.



Current quarter compared to the preceding year's corresponding quarter (continued)

Pre-tax profit in the fourth quarter increased from RM12.4 million to RM13.3 million, mainly contributed by the wholesale and retail divisions, coupled with lower research expenditure incurred. The contribution from sales of higher margin products and the gain in the disposal of some vintage tea totalling about RM800,000 from the wholesale division resulted in higher reported profits compared to the preceding year's quarter. In the retail division, sales from higher margin house-brand products contributed positively to its pre-tax profit. For MLM division, pre-tax profit was higher in the preceding year's corresponding quarter due to higher reversal on sales campaign expenses, which had overshadowed the increased in the current quarter's operating profit.

Current financial year compared to the preceding year's corresponding period

For the financial year under review, the Group recorded higher revenue and pre-tax profit of RM 239 million and RM 49 million as compared to RM 223 million and RM 41 million for the same corresponding period of the preceding year, an increase by about 7% and 20% respectively.

The increase in the Group's revenue and pre-tax profit was mainly contributed by all its four main divisions as follows:

(i) MLM division

This division has contributed about 59% and 49% of the total revenue and pre-tax profit respectively for the Group in the current financial year. More proactive strategies to attract new members and distributors, coupled with higher repeat sales from existing members have contributed positively to its performance. The revenue and pre-tax profit have increased by 13% and 6.5% respectively from the previous financial year, mainly contributed by higher sales from its high margin foundation garments and its key health food products. The incentive trip campaign and distributor recognition programme had effectively worked towards strengthening the spirit of its distributors to work towards higher achievement.

(ii) Wholesale division

Higher revenue from patented medicine and goods supplied to duty free shops as well as a one-off gain from the disposal of some vintage tea have offset the dip in sales of Chinese Medicated Tonic, resulting in a marginal increase in the revenue of the wholesale division. Company-wise, the higher profit for this division was contributed by a higher inter-segment sales and higher margin products sold

(ii) Retail division

There was no significant improvement in the performance of the retail division. The division has managed to maintain its revenue in the previous 3 quarters despite rationalisation has been carried out for 2 unprofitable outlets and the opening of 7 new outlets. The outlets rationalisation exercise has increased the operating costs during the year and for the new outlets, they usually take a longer period to build up their sales to a recurring level. Domestic market sentiment has been affected by the general slow-down in the economy and the year-end promotion sales was lower than expected as compared to the preceding year. Despite that, profits increased by 7.5% mainly due to higher sales in house-brand products.



Current financial year compared to the preceding year's corresponding period (continued)

(iii) Other divisions

Higher rental income from the renewal of tenancy agreements of the existing investment properties and lower research costs in the technology division have contributed towards higher profits of the Group.

**B2 Material changes for the current quarter as compared with the immediate preceding quarter**

For the fourth quarter under review, the Group's revenue improved by about 11% as compared with the immediate preceding quarter, mainly due to the performance of the MLM division. The success of the incentive trip campaign promotion in the fourth quarter boosted sales to its highest level in this financial year. Conversely, the general slow-down in consumers' demand has impacted the wholesale and retail divisions as compared to the immediate preceding quarter, post Chinese Lunar New Year festive season. Pre-tax profit increased only marginally as compared to the immediate preceding quarter due to higher operating costs incurred for the period.

**B3 Commentary on prospect for the next financial year**

The recovery of MLM division in this financial year had boosted the spirit of its team to work harder for the year ahead. The division will continue to introduce more new products, implement effective sales campaign and recruit more new members. Furthermore, effective training will be provided to increase the productivity of the existing distributors. The wholesale division sees the coming year a challenging year and the Group will relook into its marketing strategies and product mix. The division will also strengthen the tie with its principals in term of effective advertising and promotion strategies, it expects to see positive impact to its business. Whereas for the retail division, it will continue to develop more new house brand products, thus to enhance its profitability.

With various measures taken by the Group as mentioned above, the Board of Directors is of the opinion that the prospect of the Group will remain positive in the next financial year.

**B4 Profit Forecast**

There is no profit forecast.



## B5 Taxation

The provision for income tax is based on the business income earned for the period under review.

For the current quarter, the effective tax rate of the Group is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purpose and losses of certain subsidiary companies which cannot be set off against profits of certain subsidiaries as no Group relief is available for tax purposes.

	Current Quarter Ended 30 April 2012 (RM '000)	Current year to date 30 April 2012 (RM '000)
Profit before taxation	13,270	48,594
Taxation at applicable tax rate – 25%	3,318	12,149
Adjustment mainly due to certain non-allowable expenses and unutilised tax losses not recognised as deferred tax assets.	377	918
Total income Tax expenses	3,695	13,067

## B6 Profits / losses on Sale of Unquoted Investment and / or Properties

There were no sale of unquoted investments and properties for the current quarter and financial year-to-date.

## B7 Purchase or Disposal of Quoted Securities

- There was no purchase or disposal of quoted securities for the current quarter and current year to date.
- The details of all investments in quoted securities at the end of the reporting financial year are as follows :-

	RM'000
Total investment at cost	226
Total investment at book value/carrying amount	1,464
Total investment at market value at the end of reporting year	1,464

## B8 Corporate Proposals

There were no corporate proposals for the year under review .





**B9 Group Borrowings and Debts Securities**

The Group borrowings and debts securities as at the end of the reporting financial year are :

Group Borrowings	Currency	Secured/ Unsecured	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	2,575
Short Term Borrowings	Ringgit Malaysia	Secured	2,610
Long Term Borrowings	Ringgit Malaysia	Secured	8,097
Total			13,282

**B10 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk for the year ended 30 April 2012.

**B11 Material Litigation**

The Group has not engaged in any material litigation, claims or arbitration, including those pending or threatened against our Group, either as plaintiff or defendant, which has a material effect on the financial position of the Group.

**B12 Dividends**

The Board of Directors is pleased to propose a final single tier dividend of 7 sen per ordinary share, in respect of the financial year ended 30 April 2012 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting (30/4/2011: a single tier dividend of 5.5sen per ordinary share).

The dates of entitlement and payment will be advised later.

**B13 Realised and Unrealised Profits/Losses Disclosure**

In accordance with the directive of BMSB and Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to BMSB Listing Requirements, as issued by Malaysian Institute of Accountants, the Company is required to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting year and the previous financial year, on a group basis, into realised and unrealised profits or losses in the notes to its quarterly report.



**B13 Realised and Unrealised Profits/Losses Disclosure (continued)**

The disclosure is based on the prescribed format by the BMSB.

	As at 30.04.2012 RM'000	As at 30.04.2011 RM'000 (Audited)
Total retained profits of the Company and its subsidiaries:		
- Realised	127,374	110,112
- Unrealised	4,178	3,038
	131,552	113,150
Total share of retained profits From jointly controlled entities:		
- Realised	1,401	985
	132,953	114,135
Less: Consolidation adjustments	(6,969)	(7,052)
Total Group retained profits as per consolidated accounts	125,984	107,083

**B14 Earnings per share (EPS)**

**Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR
	30-April -12	30-April -11	30-April-12	30-April-11 (Audited)

**Earnings**

Net profit for the year attributable to equity holders of the parent ('000)	9,163	7,738	33,827	28,370
Weighted average number of shares ('000)	199,156	199,652	199,156	199,652
Basic earnings per share (sen)	4.60	3.88	16.99	14.21

Diluted earning per share is not applicable as there were no dilutive potential ordinary shares during the reporting period.