

SINOTOP HOLDINGS BERHAD CO. NO. 114842-H
(FORMERLY KNOWN AS JOHN MASTER INDUSTRIES BERHAD)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

Unaudited Condensed Consolidated Statement of Comprehensive Income

	3 MONTHS ENDED		CUMULATIVE 3 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 31/3/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2009 RM'000 (Unaudited) restated	CURRENT YEAR TO DATE 31/3/2010 RM'000 (Unaudited)	PRECEDING YEAR TO DATE 31/3/2009 RM'000 (Unaudited) restated
Continuing operations				
Revenue	62	-	62	-
Operating Expenses	230	473	230	473
Other Operating Income	-	-	-	-
Loss from operations	(168)	(473)	(168)	(473)
Finance Costs	-	-	-	-
Loss before taxation	(168)	(473)	(168)	(473)
Taxation	-	33	-	33
Loss from continuing operation	(168)	(506)	(168)	(506)
Discontinued operations				
Loss from discontinued operations net of taxation Note 1	-	(7,773)	-	(7,773)
Loss for the period	(168)	(8,279)	(168)	(8,279)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	(168)	(8,279)	(168)	(8,279)
Attributable to:				
Equity holders of the parent	(168)	(8,271)	(168)	(8,271)
Minority interest	-	(8)	-	(8)
	(168)	(8,279)	(168)	(8,279)
Basic loss per share:				
- From continuing operations (sen)	(0.547)	(0.526)	(0.547)	(0.526)
- From discontinued operations (sen)	-	(8.074)	-	(8.074)
	(0.547)	(8.600)	(0.547)	(8.600)
Diluted Earning / (loss) per share:	-	-	-	-

This statement should be read in conjunction with the notes to this report and the Company's audited financial statements for the year ended 31st December 2009

Note 1 : Loss from discontinued operation, net of taxation

	PRECEDING YEAR TO DATE 31/3/2009 RM'000 (Unaudited) restated
Revenue	16,525
Operating Expenses	16,084
Other Operating Income	523
Loss from operations	<u>(7,447)</u>
Finance Costs	55
Loss before taxation	<u>(7,502)</u>
Taxation	271
Loss after taxation	<u>(7,773)</u>
	-
Included in operating expenses are	
Depreciation of property, plant and equipment	343

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT FINANCIAL PERIOD ENDED 31/3/2010 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/09 RM'000 AUDITED
ASSETS		
Current Assets		
Receivables	17	2
Cash & short term deposits	689	78,403
	<u>706</u>	<u>78,405</u>
Total assets	<u>706</u>	<u>78,405</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	6,142	6,142
Reserves	(7,690)	(7,522)
Total equity	<u>(1,548)</u>	<u>(1,380)</u>
Current Liabilities		
Payables	2,211	79,742
Taxation	43	43
Total current liabilities	<u>2,254</u>	<u>79,785</u>
Total liabilities	<u>2,254</u>	<u>79,785</u>
Total equity and liabilities	<u>706</u>	<u>78,405</u>
Net assets per share (RM)	<u>(0.0504)</u>	<u>(0.0449)</u>

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	AS AT FINANCIAL PERIOD ENDED 31/3/2010 RM'000 UNAUDITED	AS AT FINANCIAL PERIOD ENDED 31/3/2009 RM'000 UNAUDITED Restated
OPERATING ACTIVITIES		
Loss before tax before minority interest		
- Continuing operations	(168)	(473)
- Discontinued operations	-	(7,502)
	<u>(168)</u>	<u>(7,975)</u>
Non-cash items	-	7,993
Non-operating items - interest expenses	-	55
- interest income	(62)	(875)
Changes in working capital	(161)	(95)
Cash (used in) / generated from operations	<u>(391)</u>	<u>(897)</u>
Interest paid on bank borrowing	-	(53)
Tax paid (net)	-	108
Proceeds from disposal of land held for property development	-	17,235
Net cash (used in)/generated from operating activities	<u>(391)</u>	<u>16,393</u>
INVESTING ACTIVITIES		
Capital expenditure	-	(140)
Proceed from disposal of property, plant and equipment	-	12
Interest received	62	216
Gain arising from insurance claim	-	23
Capital repayment to shareholders	(77,385)	-
Net cash (used in)/generated from investing activities	<u>(77,323)</u>	<u>111</u>
FINANCING ACTIVITIES		
Repayment of loans	-	(26)
Net repayment of bankers' acceptance	-	859
Cash maintain in HDA account	-	2
Interest paid on borrowing	-	(3)
Net withdrawal of fixed deposits held under lien	-	6,572
Net cash generated from financing activities	<u>-</u>	<u>7,404</u>
Net increase in cash and cash equivalents	(77,714)	23,908
Cash and cash equivalents at beginning of the year	78,403	19,576
Cash and cash equivalents at end of the period	<u>689</u>	<u>43,484</u>

Note :

() Denotes cash outflow

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Non distributable >		Share premium	Distributable Unappropriated Profits	Equity Attributable to equity holders of the company	Minority Interest	Total Equity
	Share Capital	>					
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 1/1/09	122,833	2,656	2,656	14,776	140,265	108	140,373
Loss for the period	-	-	-	(8,271)	(8,271)	(8)	(8,279)
Balance at 31/3/09 (Unaudited)	122,833	2,656	2,656	6,505	131,994	100	132,094
Balance at 1/1/10	6,142	-	-	(7,522)	(1,380)	-	(1,380)
Loss for the period	-	-	-	(168)	(168)	-	(168)
Balance at 31/3/10 (Unaudited)	6,142	-	-	(7,690)	(1,548)	-	(1,548)

This statement should be read in conjunction with the notes to this report and the Company's audited financial statements for the year ended 31st December 2009

**SINOTOP HOLDINGS BERHAD
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**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH
2010**

**EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING
REQUIREMENTS**

**1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND
FINANCIAL PERIOD TO DATE**

The Company does not have any business operations, after the disposal of its entire business and undertakings on 9 October 2009 ("Disposal"). The current quarter revenue of RM 62,000 from continuing operations is mainly interest income earned from its existing cash balances.

The company recorded a loss before taxation of RM 168,000 from continuing operations for the current quarter as compared to a loss before taxation of RM 473,000 for the first quarter last year.

The reduction in current quarter losses were due to the reduction in operating expenses as the Company incurred lower expenses after the Disposal.

**2. MATERIAL CHANGE IN THE PROFIT BEFORE TAXATION FOR THE
REPORTED QUARTER AS COMPARED TO THE IMMEDIATE
PRECEDING QUARTER.**

The Company made a pre-tax loss of RM 168,000 during the first quarter ended 31 March 2010 as compared to a pre-tax loss of RM 240,000 during the immediate preceding quarter. This was due to lower expenses incurred after the Disposal.

3. CURRENT YEAR PROSPECTS

Following the completion of the Disposal last year, the Company does not have any business operations. However, upon the successful completion of the Asset Injection (as defined in Note 8 below), the new assets/businesses to be injected are expected to provide a different source of future income to Sinotop.

**4. EXPLANATORY NOTE FOR VARIANCE FROM PROFIT FORECAST
OR PROFIT GUARANTEE.**

Not applicable.

5. TAXATION (Continuing operations)

	Current year quarter ended 31/3/2010 RM '000	Current year cumulative quarter ended 31/3/2010 RM '000
Tax on profit for the year	-	-

There is no tax incurred as the Company is making losses.

6. SALE OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There were no sales of unquoted investments and / or properties by the Group during the financial period ended 31 March 2010.

7. QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Company during the financial period ended 31 March 2010.

The Company does not have any investment in quoted shares as at the end of the financial period.

8. STATUS OF CORPORATE PROPOSALS

Sinotop had on 9 September 2009 entered into a Conditional Sale and Purchase Agreement ("Conditional SPA") with Mr Pan Ding and Mr Pan Dong ("Vendors") in respect of an acquisition of the Be Top Group Limited and its subsidiary company, namely Top Textile (Suzhou) Co. Ltd. (collectively the "Be Top Group") ("Asset Injection") for a consideration of RMB755.0 million or RM393,229,168 which will be satisfied via the following:

- (a) proposed issuance of 780,281,000 new ordinary shares of RM0.20 each ("Sinotop Shares") to Gifted Investments Limited ("GIL") at an issue price of RM0.20 per Sinotop Share;
- (b) proposed issuance of RM172,068,800 nominal value of 5% coupon convertible bonds "A" ("Convertibles A") to GIL which are convertible into 860,344,000 new Sinotop Shares at a conversion price of RM0.20 per Convertible A; and
- (c) proposed issuance of RM65,104,168 nominal value of zero coupon convertible bonds "B" ("Convertibles B") to GIL which are convertible into 151,405,041 new Sinotop Shares at a conversion price of RM0.43 per Convertible B.

GIL is a special purpose vehicle incorporated for purposes of the Asset Injection. GIL is equally owned by the Vendors, who are also directors of GIL.

Completion of the Conditional SPA is subject to, inter alia, the following:-

- (1) the approval of the Securities Commission (“SC”) having been obtained in respect of the Asset Injection, the issuance of the Sinotop Shares and the Convertibles A and Convertibles B, the Exemption, the Rights Issue and the issuance of the new Sinotop Shares pursuant to the conversion of the Convertibles A and Convertibles B, whichever shall be applicable;

The SC had on 10 December 2009 approved the Asset Injection and Rights Issue (as defined herein) and on 15 January 2010 approved the Exemption.

- (2) the approval-in-principle of Bursa Malaysia Securities Berhad for the listing of and quotation for the Vendor Shares, the Rights Shares (as defined herein) and the new Sinotop Shares pursuant to the conversion of the Convertibles A and Convertibles B, which was obtained on 6 January 2010;
- (3) any other approvals/consents which may be required to carry out the sale and purchase and transfer of the entire issued and paid-up capital of Be Top Group Limited, including the approvals of any relevant authorities in Malaysia, the Peoples’ Republic of China and British Virgin Island, if applicable;
- (4) the results of the due diligence review (including but not limited to legal, financial and commercial due diligence reviews) by Sinotop into the Be Top Group and its affairs being to the satisfaction of Sinotop, and such due diligence not revealing or identifying any prohibition or restriction in respect of the implementation of the Asset Injection;
- (5) the Major Shareholders namely Mr Ho Chin Hou, Mr Ho Yeong Fan, Ms Ho Wei Ching and Ms Ho Wei Choon having issued to Sinotop an irrevocable undertaking to subscribe for (a) 87,108,470 new Rights Shares which represent 100% of their entitlement under the Rights Issue (as defined herein), and (b) Ho Yeong Fan having issued to Sinotop an irrevocable undertaking to subscribe for up to an additional 47,891,530 Rights Shares in the event the same are not fully subscribed by the other Sinotop Shareholders pursuant to the Rights Issue;

In conjunction with the Asset Injection, Sinotop is also proposing to undertake a renounceable rights issue of up to 307,082,550 new Sinotop Shares (“Rights Shares”) at an issue price of RM0.20 per Rights Share on the basis of ten (10) Right Shares for every one (1) existing Sinotop Share held in Sinotop (“Rights Issue”).

9. BORROWINGS

The Company does not have any borrowings as at 31 March 2010.

10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at the date of this announcement.

11. CHANGES IN MATERIAL LITIGATION

The Company does not have any material litigation.

12. PROPOSED DIVIDEND

The Board does not recommend the payment of any dividend for the financial period ended 31 March 2010.

13. EARNINGS PER SHARE

	Current year quarter ended 31/3/2010 RM '000	Current year cumulative quarter ended 31/3/2010 RM '000
a) Basic earnings per share		
Continuing operation		
Net loss attributable to equity holders of the Company	168	168
Weighted average number of Ordinary Share	30,708	30,708
Basic loss per share (sen)	0.547	0.547
b) Diluted earnings per share		
Not applicable		

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**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH
2010**

SELECTED EXPLANATORY NOTES PURSUANT TO FRS134

a) ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The financial statements of the Company are unaudited and have been prepared and presented on a basis consistent with the accounting policies and methods of computation adopted by the Group in the most recent annual financial statement except for the adoption of the new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010 (see Note (b))

b) CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following FRSs, Amendments to FRSs and Interpretations with effect from 1 January 2010:

- FRS 7 : Financial Instruments: Disclosures
- FRS 8 : Operating Segments
- FRS 101 : Presentation of Financial Statements
- FRS 139 : Financial Instruments: Recognition and Measurement
- Amendment to FRS 1 : First-time Adoption of Financial Reporting Standards
- Amendment to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
- Amendment to FRS 7 : Financial Instruments: Disclosures
- Amendment to FRS 8 : Operating Segments
- Amendment to FRS 107 : Statement of Cash Flows
- Amendment to FRS 108 : Accounting Policies, Changes in Accounting Estimates and Errors
- Amendment to FRS 110 : Events after the Reporting Period
- Amendment to FRS 118 : Revenue
- Amendment to FRS 127 : Consolidated and Separate Financial Statements
- Amendment to FRS 132 : Financial Instruments: Presentation
- Amendment to FRS 134 : Interim Financial Reporting
- Amendment to FRS 136 : Impairment of Assets
- Amendment to FRS 139 : Financial Instruments: Recognition and Measurement
- IC Interpretation 10 : Interim Financial Reporting and Impairment

The adoption of the above FRSs does not have any significant financial impact on the Group.

c) AUDITORS' REPORT

The auditors' report of the preceding financial statement of the Company and of the Group was not subject to any qualification.

d) SEASONAL OR CYCLICAL FACTORS

Not applicable as the Company does not have any business operations.

e) EXCEPTIONAL ITEM

Not applicable

f) CHANGES IN ESTIMATES

There were no changes to the estimates that had been used in the preparation of the current financial statement.

g) ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

h) DIVIDEND

There were no dividends paid for the financial period ended 31 March 2010.

i) SEGMENT INFORMATION

Not applicable as the Company does not have any business operations.

j) VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Not applicable

k) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Save for the corporate proposals disclosed under Note (8) there are no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period made up to a date not earlier than 7 days from the date of issue of the quarterly report.

l) CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period under review.

m) CHANGES IN CONTINGENT LIABILITIES / ASSETS

(i) There were no contingent liabilities as at the date of this announcement.

- (ii) There are no changes in contingent assets since the last annual financial statement.