

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

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

Unaudited Condensed Consolidated Statements of Comprehensive Income

	3 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM'000 (Unaudited) restated	CURRENT YEAR TO DATE 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR TO DATE 30/6/2009 RM'000 (Unaudited) restated
<b>Continuing operations</b>				
Revenue	2	-	64	-
Operating Expenses	815	239	1,045	712
Other Operating Income	-	-	-	-
Loss from operations	(813)	(239)	(981)	(712)
Finance Costs	-	-	-	-
Loss before taxation	(813)	(239)	(981)	(712)
Taxation	-	-	-	33
Loss from continuing operation	(813)	(239)	(981)	(745)
<b>Discontinued operations</b>				
(Loss)/ Profit from discontinued operations net of taxation Note 1	-	712	-	(7,061)
(Loss) / Profit for the period	(813)	473	(981)	(7,806)
Other Comprehensive Income	-	-	-	-
Total Comprehensive (Loss)/Income for the period	(813)	473	(981)	(7,806)
Attributable to:				
Equity holders of the parent	(813)	473	(981)	(7,798)
Minority interest	-	-	-	(8)
	(813)	473	(981)	(7,806)
Basic (loss)/profit per share:				
- From continuing operations (sen)	(2.648)	(0.195)	(3.195)	(0.607)
- From discontinued operations (sen)	-	0.580	-	(5.742)
	(2.648)	0.385	(3.195)	(6.348)
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 CORRESPONDING QUARTER 30/6/2009 RM'000 (Unaudited) restated	PRECEDING YEAR TO DATE 30/6/2009 RM'000 (Unaudited) restated
Revenue	12,080	28,605
Operating Expenses	5,803	21,887
Other Operating Income	785	1,308
Loss from operations	747	(6,700)
Finance Costs	35	90
Loss before taxation	712	(6,790)
Taxation	-	271
Loss after taxation	712	(7,061)
Included in operating expenses are	-	-
Depreciation of property, plant and equipment	223	566

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS AT FINANCIAL PERIOD ENDED 30/6/2010 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/09 RM'000 AUDITED
<b>ASSETS</b>		
<b>Current Assets</b>		
Receivables	12	2
Cash & short term deposits	135	78,403
	<u>147</u>	<u>78,405</u>
<b>Total assets</b>	<u>147</u>	<u>78,405</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	6,142	6,142
Reserves	(8,503)	(7,522)
<b>Total equity</b>	<u>(2,361)</u>	<u>(1,380)</u>
<b>Current Liabilities</b>		
Payables	2,465	79,742
Taxation	43	43
<b>Total current liabilities</b>	<u>2,508</u>	<u>79,785</u>
<b>Total liabilities</b>	<u>2,508</u>	<u>79,785</u>
<b>Total equity and liabilities</b>	<u>147</u>	<u>78,405</u>
<b>Net assets per share (RM)</b>	<u>(0.0769)</u>	<u>(0.0449)</u>

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

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	AS AT FINANCIAL PERIOD ENDED 30/6/2010 RM'000 UNAUDITED	AS AT FINANCIAL PERIOD ENDED 30/6/09 RM'000 UNAUDITED Restated
<b>OPERATING ACTIVITIES</b>		
Loss before tax before minority interest		
- Continuing operations	(981)	(712)
- Discontinued operations	-	(6,790)
	<u>(981)</u>	<u>(7,502)</u>
Non-cash items	-	8,227
Non-operating items - interest expenses	-	90
- interest income	(64)	(1,540)
Changes in working capital	98	(4,822)
Cash used in operations	<u>(947)</u>	<u>(5,547)</u>
Interest paid on bank borrowing	-	(88)
Tax paid (net)	-	(284)
Proceeds from disposal of land held for property development	-	17,235
Net cash (used in)/generated from operating activities	<u>(947)</u>	<u>11,316</u>
<b>INVESTING ACTIVITIES</b>		
Capital expenditure	-	(314)
Proceed from disposal of property, plant and equipment	-	21
Interest received	64	396
Gain arising from insurance claim	-	23
Capital repayment to shareholders	(77,385)	-
Net cash (used in)/generated from investing activities	<u>(77,321)</u>	<u>126</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of loans	-	(53)
Net repayment of bankers' acceptance	-	(234)
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>6,284</u>
Net (decrease)/increase in cash and cash equivalents	(78,268)	17,726
Cash and cash equivalents at beginning of the year	78,403	19,576
Cash and cash equivalents at end of the period	<u>135</u>	<u>37,302</u>

Note :

( ) Denotes cash outflow

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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					
Balance at 1/1/09	122,833		2,656	14,776	140,265	108	140,373
Loss for the period	-		-	(7,798)	(7,798)	(8)	(7,806)
Balance at 30/6/09 (Unaudited)	122,833		2,656	6,978	132,467	100	132,567
Balance at 1/1/10	6,142		-	(7,522)	(1,380)	-	(1,380)
Loss for the period	-		-	(981)	(981)	-	(981)
Balance at 30/6/10 (Unaudited)	6,142		-	(8,503)	(2,361)	-	(2,361)

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 CO. NO. 114842-H  
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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

PART 2 : SUMMARY OF KEY FINANCIAL INFORMATION

	3 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM'000 (Unaudited) Restated	CURRENT YEAR TO DATE 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2009 RM'000 (Unaudited) Restated
1 Revenue	2	-	64	-
2 Loss before taxation	(813)	(239)	(981)	(712)
3 (Loss) / Profit for the period	(813)	473	(981)	(7,806)
4 (Loss)/ Profit attributable to ordinary equity holders of the parent	(813)	473	(981)	(7,798)
5 Basic (loss)/Profit per share (sen)	(2.648)	0.385	(3.195)	(6.348)
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of the quarter 30/6/2010		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	(0.0769)		(0.0449)	

PART A3: ADDITIONAL INFORMATION

	3 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	CURRENT YEAR QUARTER ENDED 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM'000 (Unaudited) restated	CURRENT YEAR TO DATE 30/6/2010 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2009 RM'000 (Unaudited) restated
1 Gross interest income	2	665	64	1,540
2 Gross interest expenses	-	35	-	90

**SINOTOP HOLDINGS BERHAD  
(FORMERLY KNOWN AS JOHN MASTER INDUSTRIES BERHAD)**

**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 2,000 and current cumulative quarter of RM 64,000 from continuing operations is mainly interest income earned from its existing cash balances.

The Company incurred a loss before taxation of RM 813,000 and RM 981,000 from continuing operations for the current quarter and current cumulative quarter as compared to a loss before taxation of RM 239,000 and RM 745,000 in the corresponding quarter and corresponding period last year.

The increase in losses for current quarter and current cumulative quarter were due to the corporate expenses incurred for the Asset Injection (as defined in Note 8 below).

**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 813,000 during the second quarter ended 30 June 2010 as compared to a pre-tax loss of RM 168,000 during the immediate preceding quarter. This was due to the corporate expenses incurred for the Asset Injection .

**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, 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)**

	<b>Current year quarter ended 30/6/2010 RM '000</b>	<b>Current year cumulative quarter ended 30/6/2010 RM '000</b>
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Tax on profit for the year

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There was 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 30 June 2010.

**7. QUOTED SECURITIES**

There were no purchases or disposal of quoted securities by the Company during the financial period ended 30 June 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 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) the issuance of 780,281,000 new ordinary shares of RM0.20 each in Sinotop ("Sinotop Shares") to Gifted Investments Limited ("GIL") at an issue price of RM0.20 per Sinotop Share ("Vendors Shares");
- (b) the 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) the 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.

On 31 May 2010, the Vendors had issued a letter to the Company nominating Atlantic Acceptance Sdn Bhd (“AASB”) to be the allottee of 107,500,000 Vendors Shares from the 780,281,000 Vendors Shares to be received by GIL pursuant to Clause 3.3 of the Conditional sale and purchase agreement dated 9 September 2009 entered into between Sinotop and the Vendors for the purpose of the Asset Injection.

In conjunction with the Asset Injection, Sinotop has also undertaken 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) Rights Shares for every one (1) existing Sinotop Share held in Sinotop (“Rights Issue”).

As announced on 23 July 2010, the Company received total acceptances for 275,228,921 Rights Shares and excess applications for 27,934,342 excess Rights Shares, representing 98.72% of the total 307,082,550 Rights Shares made available under the Rights Issue.

AmInvestment Bank Berhad (a member of AmInvestment Bank Group) had on 3 August 2010 announced on the Company’s behalf that with the listing of the Vendors Shares and Rights Shares on even date, the Asset Injection and Rights Issue were deemed completed. It was also announced in the same announcement that Convertibles A and Convertibles B had been issued to GIL.

## **9. BORROWINGS**

The Company does not have any borrowings as at 30 June 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 30 June 2010.

**13. EARNINGS PER SHARE**

	<b>Current year quarter ended</b>	<b>Current year cumulative quarter ended</b>
	<b>30/6/2010</b>	<b>30/6/2010</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>a) Basic earnings per share</b>		
Continuing operation		
Net loss attributable to equity holders of the Company	813	981
Weighted average number of Ordinary Share	30,708	30,708
Basic loss per share (sen)	2.648	3.195
<b>b) Diluted earnings per share</b>		
Not applicable		

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**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 statements 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 30 June 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.