ANNUAL REPORT 2012

HING YIAP GROUP BERHAD
COMPANY NO. 22414-V

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Seventh Annual General Meeting of the Company will be held at Room Melati 1-3, Grand Dorsett Subang Hotel, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 25 September 2012 at 10:00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial period from 1 July 2011 to 31 March 2012 together with the Reports of the Directors and Auditors thereon. — Please refer to Explanatory Note 1

2. To declare a Final Dividend of 5% less income tax for the financial period ended 31 March 2012. — Resolution 1

3. To approve the payment of Directors' fees for the financial period ended 31 March 2012. — Resolution 2

4. To re-elect Mr. Cheah Yong Hock who shall retire by rotation pursuant to Article 102 of the Company's Articles of Association. — Resolution 3

5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and authorise the Directors to fix their remuneration. — Resolution 4

As Special Business

6. To consider and, if thought fit, to pass the following Ordinary and Special Resolutions with or without modifications:-

ORDINARY RESOLUTION 1
- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 — Resolution 5

THAT subject always to the Companies Act, 1965 ("the Act"), Memorandum and Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/ regulatory bodies, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Act to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting ("AGM") and that the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.

ORDINARY RESOLUTION 2
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE IN RESPECT OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE — Resolution 6

THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or it subsidiary companies be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as described in Section 2.1.4 of the Circular to Shareholders dated 30 August 2012 subject further to the following:-

i) the recurrent related party transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public where applicable and not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(a) the conclusion of the next annual general meeting of the Company following this annual general meeting, at which the approval hereby given will lapse, unless by a resolution passed at an annual general meeting, whereby the approval is renewed; or

(b) the expiration of the period within which the next annual general meeting of the Company after this annual general meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but such period shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

ORDINARY RESOLUTION 3
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK OF UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY Resolution 7

THAT subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and the approvals of all relevant governmental and/or regulatory authorities, the Company be authorised to the extent permitted by the law, to buy back such amount of ordinary shares of RM1.00 each in the Company's issued and paid up capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors deem fit and expedient in the interest of the Company provided that:-

i) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time; and

ii) the maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits and/or share premium of the Company.

That the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manners:-

a) cancel all the purchased ordinary shares; and/or
b) retain the purchased ordinary shares as treasury shares for distribution as dividend to shareholders and/or resell on the market of Bursa Securities; and/or
c) retain part of the purchased ordinary shares as treasury shares and cancel the remainder.

THAT the authority conferred by this resolution shall continue to be in force until:-

i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
iii) revoked or varied by ordinary resolution passed by shareholders of the company at a general meeting of the company.

whichever occurs first;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary and/or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Securities, and all other relevant governmental and/or regulatory authorities.

SPECIAL RESOLUTION
- PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY Resolution 8

THAT the proposed amendments, modifications, additions or deletions to the Articles of Association of the Company as set in the Appendix of the Circular to Shareholders dated 30 August 2012 be and are hereby approved and adopted AND THAT the Board of Directors be and is hereby authorised to give effect to the said amendments, modifications, additions or deletions.

7. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final dividend of 5% less tax in respect of the financial period ended 31 March 2012, if so approved by the shareholders at the Thirty-Seventh Annual General Meeting, will be paid on 25 October 2012 to shareholders who are registered in the Record of Depositors as at the close of business on 28 September 2012.

Further notice is given that a depositor shall qualify for entitlement only in respect of:

(1) Shares transferred into the depositor's securities account before 4.00 p.m. on 28 September 2012 in respect of ordinary transfers; and

(2) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
30 August 2012

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2012 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149 (1) (b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.

3. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy must be deposited at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or adjournment thereof.

Explanatory Notes: -

1. Item 1 of the Agenda

   The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolution 5

   The proposed adoption of Ordinary Resolution 1 is for the purpose of seeking a renewal of the general mandate to authorise the Directors of the Company to issue not more than 10% of the issued share capital of the Company subject to the approval of all the relevant governmental/ regulatory bodies. This authorisation will empower the Directors of the Company to issue shares notwithstanding that the authorisation has ceased to be in force if the shares are issued in pursuance of an offer, agreement, option or other instrument made or granted by the Directors while the authorisation was in force. This authorisation will expire at the conclusion of the next annual general meeting of the Company.

   This general mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

   The Company did not table any proposal for new allotment of shares pursuant to Section 132D of the Companies Act, 1965 at the Thirty-Sixth Annual General Meeting of the Company held on 16 December 2011. As such, as at the date of this notice, no new shares in the Company were issued under the provision of the general mandate, which will lapse at the conclusion of the Thirty-Seventh Annual General Meeting. Hence, no proceeds were raised therefrom.

3. Resolution 6

   The proposed adoption of Ordinary Resolution 2 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Thirty-Sixth Annual General Meeting held on 16 December 2011. The proposed renewal of the Shareholders' Mandate will enable the Group to enter into recurrent related party transactions of a revenue or trading nature to facilitate transactions in the normal course of business of the Company and/or its subsidiary companies which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on normal commercial terms and not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

   Further information on the proposed Ordinary Resolution 2 is set out in the Circular to Shareholders dated 30 August 2012.

4. Resolution 7

   The proposed adoption of Ordinary Resolution 3, if passed, is to renew the Shareholders' Mandate granted by the shareholders of the Company at the Thirty-Sixth Annual General Meeting held on 16 December 2011. The proposed renewal of the shareholders' mandate will empower the Directors to purchase the Company's shares up to ten percent (10%) of the issued and paid up capital of the Company by utilizing the retained profits and the share premium accounts of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

5. Resolution 8

   The proposed adoption of the Special Resolution is for the purpose of seeking the shareholders' approval for amendments to the Articles of Association of the Company following the recent amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, in relation to Disclosure and Other Obligations pursuant to Bursa Malaysia Securities Berhad's letter dated 22 September 2011.

   The amendments are aimed at providing greater clarity to the market.

PROFILE OF DIRECTORS

Ng Chin Huat

Ng Chin Huat, aged 42, Malaysian, is the Non-Independent Non-Executive Chairman of the Company and a member of the Audit Committee.

Mr. Ng was appointed to the Board on 1 March 2011. He holds a degree in Actuarial Science conferred by the University of Melbourne, Australia. Upon graduation, he was trained as an Actuary in Prudential Singapore for 2 years. Thereafter, he moved into the stock-broking industry in 1993, gaining employment with HLG Securities, Malaysia. Mr. Ng also sits on the board of Asia Brands Corporation Berhad and Group. He is currently the Executive Chairman of Asia Brands Corporation Berhad. Mr. Ng does not have any family relationship with any Director and/or major shareholder of the Company. He is a substantial shareholder of the Company by virtue of his direct interest in Everest Hectare Sdn. Bhd. via Section 6A of the Companies Act, 1965. He has no conflict of interest with the Company and has not been convicted of any offences within the last 10 years. Mr. Ng attended all the Board meetings held for the financial period ended 31 March 2012.

Kong Sau Kian

Kong Sau Kian, aged 48, Malaysian, is an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee.

Mr. Kong was appointed to the Board on 1 March 2011. He is a member of the Malaysian Institute of Accountants, graduated with a Bachelor of Accounting (Honours) degree from University of Malaya in 1988. Subsequently, he joined KPMG Peat Marwick, an international accounting firm until 1992 where his exposure include audit of wide range of industries, corporate restructuring, acquisition audit and other special assignments. Mr. Kong also sits on the board of LBS Bina Group Berhad and LBI Capital Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director of LBI Capital Berhad. Mr. Kong does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with Hing Yiap Group Berhad and does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offences within the last 10 years. Mr. Kong attended all Board meetings held for the financial period end 31 March 2012.

Lim Kim Meng

Lim Kim Meng, aged 41, Malaysian, is an Independent Non-Executive Director of the Company and a member of the Audit Committee.

Mr. Lim was appointed to the Board on 1 March 2011. He graduated with a Second Class Honours Bachelor of Laws Degree from the University of London and completed his Certificate of legal practice in 1994. He is the Managing Partner of Kamil Hashim Pury & Lim, Advocates & Solicitors. His professional experience includes being a member of the Malaysia Financial Markets Association, holding the position of licensed foreign exchange and money market dealer at Southern Bank Berhad (1994-1997) and Institutional Sales Dealer and Licensed KLSE Equities Dealer with HLG Securities (1997-1998). Mr. Lim does not hold any directorship on the board of other public companies. Mr. Lim does not have any family relationship with any Director and/or major shareholder nor any conflict of interest with Hing Yiap Group Berhad and does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offences within the last 10 years. Mr. Lim attended all Board meetings held for the financial period ended 31 March 2012.

Cheah Yong Hock

Cheah Yong Hock, aged 50, Malaysian, is the Executive Director/Chief Executive Officer of the Company. He was appointed to the Board on 15 August 2011.

Mr. Cheah graduated with a Chartered Institute of Marketing, United Kingdom. He has had more than 24 years of extensive experience in this field, ranging from retailing for supermarket chains to sales and marketing of mass customer products. He has held key positions in multi-national companies such as Kiwi Brands (M) Sdn. Bhd. and Guinness Anchor Marketing Sdn. Bhd. Prior to joining the Group, he was the National Sales Manager of Socma Trading (M) Sdn. Bhd. (a subsidiary of PSC Ltd in Singapore) in charge of the selling and distribution of Mentos in Malaysia. Mr. Cheah does not hold any directorship on the board of other public companies. Mr. Cheah does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with Hing Yiap Group Berhad and does not hold any shares in the Company and subsidiary companies. He has not been convicted of any offences within the last 10 years. Mr. Cheah attended all Board meetings held for the financial period ended 31 March 2012.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Ng Chin Huat
(Chairman/Non-Independent
Non-Executive Director)

Kong Sau Kian
(Independent Non-Executive Director)

Lim Kim Meng
(Independent Non-Executive Director)

Cheah Yong Hock
(Chief Executive Officer/Executive Director)

AUDIT COMMITTEE
Kong Sau Kian
(Chairman)

Ng Chin Huat
(Member)

Lim Kim Meng
(Member)

SECRETARIES
Chua Siew Chuan (MAICSA 0777689)

Mak Chooi Peng (MAICSA 7017931)

REGISTERED AND BUSINESS OFFICE
Lot 10449, Jalan Nenas,
Batu 4 ½, Kampung Jawa
41000 Klang, Selangor Darul Ehsan
Tel: 03-5161 8822
Fax: 03-5161 2728
Email: mail@hingyiap.com
Website: www.hingyiap.com

REGISTRAR
Securities Services (Holdings) Sdn Bhd
(Company No. 36869-T)
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Tel: 03-2084 9000
Fax: 03-2094 9940

AUDITORS
Crowe Horwath (AF: 1018)
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel: 03-2788 9999
Fax: 03-2788 9998

SOLICITORS
K. H. Tai & Co.
Tay & Partners

BANKERS
Malayan Banking Berhad
Ambank (M) Berhad
United Overseas Bank (Malaysia) Bhd
Public Bank Berhad

STOCK EXCHANGE
Main Market of Bursa Malaysia Securities Berhad

STOCK CODE AND STOCK NAME
Stock Code: 7722
Stock Name: HINGYIAP

CORPORATE STRUCTURE

HING YIAP GROUP BERHAD
COMPANY NO. 22414-V

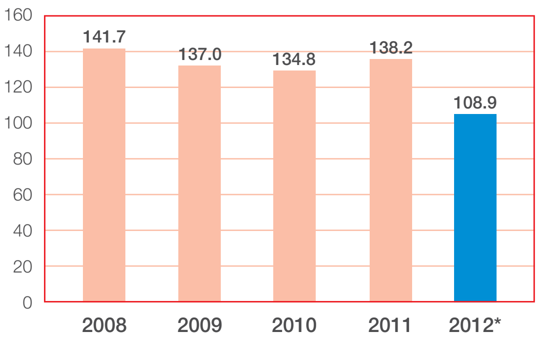
100%	ANTIONI SDN. BHD. (272511-U)
100%	B.U.M. MARKETING (MALAYSIA) SDN. BHD. (265399-P)
100%	BONTTON SDN. BHD. (272512-V)
100%	BUMCITY SDN. BHD. (514321-H)
100%	DIESEL MARKETING SDN. BHD. (163031-U)
100%	UBAY MARKETING SDN. BHD. (600899-A)
100%	COCOMAX SDN. BHD. (525476-P)
100%	B.U.M. HOLDINGS (M) SDN. BHD. (285352-X)

GROUP FINANCIAL INFORMATION

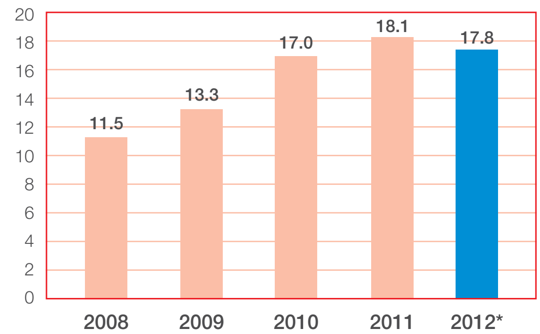
RM'000	2012*	2011	2010	2009	2008
Revenue	108,929	138,187	134,828	137,020	141,661
Profit/(Loss) Before Taxation	17,837	18,120	17,003	13,349	11,470
Earnings before interest, taxation, depreciation and amortisation	19,893	21,552	20,502	17,407	15,352
Net Profit/(Loss)	13,597	13,453	12,426	9,354	7,852
Paid-up Share Capital	41,787	41,787	41,787	41,787	41,787
Shareholders' Funds	111,852	99,904	89,503	80,472	74,252

Per share	2012*	2011	2010	2009	2008
Basic Earnings/(Loss) (sen)	32.53	32.19	29.74	22.39	18.79
Gross Dividend (sen)	5.0	5.0	10.0	7.5	-
Tax Exempt Final Dividend (sen)	-	-	-	-	5.0
Tax Exempt Special Dividend (sen)	-	-	-	2.5	2.5
Net Tangible Assets (RM)	2.50	2.22	1.96	1.75	1.71

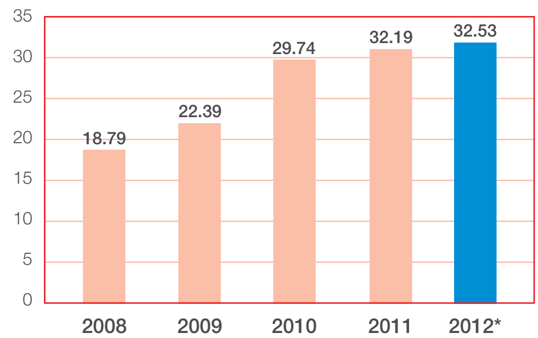
Revenue (RM Million)



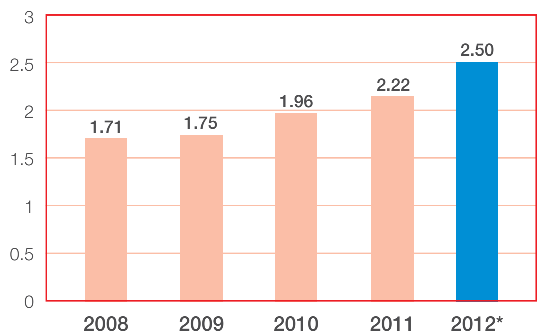
Profit Before Tax (RM Million)



Basic Earning Per Share (Sen)



Net Tangible Assets Per Share (RM)



* *The Group changed its financial year end from 30 June to 31 March with effect from financial period from 1 July 2011 to 31 March 2012. The results tabled are for the financial period of 9 months .*

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of **Hing Yiap Group Berhad** for the financial period ended 31 March 2012.

Market Trend and Development

2011 proved to be a challenging year across all sectors. The global economic outlook has become significantly more subdued since the second half of 2011. While the global economy remained fragile in the past year due to natural disasters, political unrests and Eurozone crisis , Asia's economy continues to demonstrate its resilience against macroeconomic headwinds. Against this background, the Malaysian economy grew 5.1% underpinned by strong domestic demand which in part, is due to the government's various economic transformation initiatives. The consumer sector continues to benefit from these various government measures to boost disposable income and this in turn helps to support demand for consumer products despite the deterioration of external economic conditions.

Domestic retail industry, with the apparel sub-sector in particular, remains highly competitive as retailers sought to improve and innovate their businesses and more malls are being built to provide consumers with increased choices. Shopping malls are also getting larger in size, with increased retail space to accommodate the expansion of existing brands as well as the entry of new ones.

Financial Results

The financial results of the Group cover a 9 month period from 1 July 2011 to 31 March 2012 due to the change in our financial year end from 30 June to 31 March. As such, the financial results this year and the last do not hold a like-to-like comparison.

The Group revenue under review during the 9-month financial period ended 31 March 2012 was RM101.6 million against RM131.6 million in the 12-month financial year ended 30 June 2011 from continuing operations.

Group profit before tax was RM22.9 million compared to RM28.0 million previously from continuing operations. This includes a one-time gain of RM4.4 million that was realized from the disposal of property, plant and equipment, as a result of discontinuation of the manufacturing division.

Correspondingly, net profit after tax was recorded at RM18.6 million this year as compared to RM23.4 million previously from continuing operations.

Shareholders' funds has increased by 12.0% to RM111.9 million compared to RM99.9 million previously. The Group has a healthy cash balance of RM24.6 million and total bank borrowings of RM10.2 million, which compared to cash balance of RM0.7 million and bank borrowings of RM7.5 million last year.

Dividend

The Board recommends a first and final dividend of 5% less Malaysian income tax, for the approval of the shareholders in the forthcoming Annual General Meeting.

CHAIRMAN'S STATEMENT (CONT'D)

Outsourcing of the manufacturing division

The Group's priority in the last financial year was to streamline its resource allocation and focus on its core business in the apparel segment. Amongst the initiatives taken in this front were:

- outsourcing of the manufacturing division
- disposal of non-core and non-revenue generating assets
- stock balance reduction

The decision to outsource the entire manufacturing division of the Group was made after careful deliberation of the management's core competencies and the need to maximise the return on our assets. As such, the Group then disposed off the manufacturing division including property, plant and equipment for a total consideration of RM10.5 million. The Board is hopeful that the outsourcing strategy will also further improve product cost efficiency in the long run.

As mentioned in last year's report, we expected the management to bring the stock level down from last year's closing figure of RM78.3 million. I am happy to report that the Group had succesfully reduced the amount by 28% to RM52.9 million as of 31 March 2012. The same comparative would be RM69.6 million closing balance for 31 March 2011.

Our core business remains in the casual adult and children apparel business under brand names such as *B.U.M Equipment, Diesel, Antioni, Bontton* and *Union Bay*. The Group's multi-brand strategy continues to be the main driver for its revenues and profits, with majority sales distribution via consignment counters and also numerous stand-alone retail stores across Malaysia. The total number of stores are illustrated as per table below.

Number of Stores	**Casual Wear Division**			**Children Division**		
	30.6.2011	Net Charges	31.3,2012	30.6.2011	Net Charges	31.3.2012
Consignment Stores	614	(74)	540	125	(5)	(120)
Stand-alone Stores	23	(4)	19	0	0	0

Number of stores

CHAIRMAN'S STATEMENT (CONT'D)

Corporate Development

On 11 July 2012, the Group announced the proposed acquisition of the entire equity interest in Anakku Sdn. Bhd., Audrey Sdn. Bhd., Mickey Junior Sdn. Bhd. (including its wholly-owned subsidiary, AIMB Cottonshop Sdn. Bhd.), Asia Brands Global Sdn. Bhd., Asia Brands HR Services Sdn. Bhd. and Asia Brands Assets Management Sdn. Bhd., for a total purchase consideration of RM245.0 million to be satisfied by cash payment of RM179.3million and the balance of RM65.7million via the issuance of 30,137,615 new ordinary shares of RM1.00 each in Hing Yiap at an issue price of RM2.18 per share ("Proposed Acquisitions").

The Proposed Acquisitions are expected to result in synergistic effects on the performances of the enlarged Hing Yiap Group via savings realised through the enlarged networks of customers, consolidation of operations, elimination of duplicate resources within the enlarged Group and the potential increase in efficiency and effectiveness of its marketing and distribution channels. The effects of the aforementioned synergies are expected to improve the revenue and profitability in the Group. Besides the greater economies of scale, the enlarged entity also expects to benefit from the increased and larger market share in the apparel trading and retailing businesses.

With the larger market share, the Group will increase its customer and supplier base, enhance its product range to cater for diversified customer base and sustain competitive advantages in the apparel trading and retailing businesses.

The Proposed Acquisitions will also complement and enhance the product variety of the enlarged Hing Yiap Group with the babies' and children wear, care and related products as well as the intimate women apparel market segments. The Proposed Acquisitions will enable the Group to create an immediate strong presence in the market of babies' and children's wear, care and related products as the Subject Companies carries the home-grown brand *Anakku* which was established for more than 30 years in Malaysia. Based on the Converging Knowledge's independent market research report dated 1 January 2012 ("IMR Report"), *Anakku* commands the largest market share of the domestic babies' apparel market at an estimated 28.1% (by revenue) and ranks number one in terms of number of points-of-sale in Malaysia. The Proposed Acquisitions will also allow the Hing Yiap Group to diversify its operations to include marketing and distribution of intimate women apparel through its new ownership of another home-grown brand *Audrey*. Based on the IMR Report, the *Audrey* brand is ranked second (by revenue) with the highest number of points-of-sale in Malaysia.

The consolidation of established brand names under Hing Yiap is expected to widen the earnings base of the Group. The diversified range of established brands under one umbrella will enable the Group to further grow its market share domestically and take advantage of the positive outlook of the retail apparel industry.

CHAIRMAN'S STATEMENT (CONT'D)

Future Outlook

Competition in the adult casualwear and childrenwear industries, is expected to get more intense as globalization and liberalization open up more economies and more sectors within the retail industry. We shall expect to see more brands being introduced, as newer shopping malls enter the market.

In the face of such developments, the Group had put in place strategies to reinvent ourselves in making the brands stay relevant to consumers and at the same time secure more presence in the retail footprint. In particular, we will continue to focus on strengthening resource planning and supply chain management. The decision to discontinue the manufacturing division and embark on a total outsourced strategy is expected to yield more efficient resource allocation as well as flexibility in procurement to achieve cost targets. On this front, the Group is working to improve and streamline operations by partnering key suppliers to strengthen the supply chain and enhance our cost competitiveness.

In order to strengthen our retail presence, we aim to open more stand-alone stores for brands such as *BUM Equipment* and *Diesel* to complement our presence in the consignment space. We had succesfully launched the pilot stores with improved design and ambience as we see this as key to compete with others in the market.

We are hopeful consumer sentiments continues to be buoyant and we are positive the Economic Transformation Program (ETP) and various other government initiatives will bring about the desired impact to boost the local economy.

New retail boutique design

Acknowledgement

On behalf of the Board, I would like to extend my appreciation and thanks to our management and our employees at all levels for their contributions, dedication and commitment without whom the current achievements of the Group would certainly not have been possible. At the same time, I also like to thank our customers, business partners, bankers, advisors, and shareholders for their continued support. We look forward to being able to create more value for all stakeholders in the coming year.

NG CHIN HUAT
Chairman

STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

At the Hing Yiap Group, we believe that Corporate Social Responsibility should be a commitment for all corporations. Not only should companies practice accountability, honesty and transparency in the conduct of their businesses, they should also uphold a fair degree of social responsibility in contributing towards the well being of their staff as well as the welfare of the community as a whole.

Internal CSR

Staff Training and Welfare

The Group recognizes the importance of employees as their most valuable asset. The Company constantly conducts various in-house and external training programs to enhance technical competencies as well as supervisory leadership skills in order to develop a competent workforce. Throughout the year, the company provides training to staffs not only in areas relating to their job skills alone but also towards their character and mental development. These courses include team building, leadership training and mental motivation. We believe such trainings benefit the Group's productivity as well as the well-being of the staff and the community they are in. Medical and hospitalization insurance are subscribed annually to cover employees health needs.

Safe and Healthy Working Environment

The Group strives to maintain a safe and healthy working environment for all our employees. Preventive procedures and programs such as fire evacuation exercise and safety trainings are conducted from time to time to create a high level of safety awareness among the employees. Inspection of the office building including warehouse is conducted regularly to prevent fire and industrial accident.

Community

Social Responsibilities

As a long standing culture of the group, we continue our communal projects of giving back to the society by contributing towards the "A Climb Beyond Disabilities" in October 2011. This will show the world that OKUs (OKU -Orang Kurang Upaya) with either physical or mental disabilities if given a chance could still achieve extraordinary goals. From the success of the 18 OKUs in ascending Mt Kinabalu, we are sure that more public will be able to see that OKU shave their own abilities and determination to achieve goals just like ordinary people. Besides, our Group also supported the Shelter Home for Children where we provided them with sets of apparel as well as monetary aid to the home of 25 children.

This Statement of Corporate Governance is made in accordance with a resolution of the Board dated 20 July 2012.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to take reasonable steps in ensuring that the financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, 1965, applicable financial reporting standards and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and the cash flows of the Group and the Company for that year then ended.

The Directors consider that in preparing the financial statements for the financial period ended 31 March 2012:

- the Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy, at any time, of the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that appropriate systems are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Hing Yiap Group Berhad ("Hing Yiap" or the "Company") believes in upholding the standards of Corporate Governance in conducting the affairs of the Company and its subsidiaries ("the Group") with integrity, transparency and professionalism. The Board of Directors ("the Board") commits to ensure that a sound framework of best practices of good corporate governance as prescribed in the Malaysian Code of Corporate Governance ("the Code"), is generally implemented and in place at all levels of the Group's businesses to protect and enhance long-term shareholders' value and all stakeholders' interest.

The Board is pleased to report on the manner in which the Principles set-out in Part 1 of the Code are applied and the extent of compliance with the Best Practices in Corporate Governance set-out in Part 2 of the said Code, pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main LR").

The Board recognises the importance of adopting a good corporate governance culture in the organisation. The Board takes cognizance of the fact that appropriate standards of corporate governance should be practised throughout the Group, based on the Group's culture and business, as a fundamental part of discharging its responsibilities towards the protection and enhancement of shareholder value and financial performance of the Group.

The Board recognises that cost competitiveness and effective management remain key considerations in the Group's operating environment.

The Board

The Board of Hing Yiap provides the leadership and control for the Group. The Board meets at regular intervals and is responsible for the proper management of the Group. All Board members bring an independent judgement to bear on the issues of strategy, performance and resources, including appointments and standards of conduct.

The Board meets at least four (4) times a year and additional Board meetings are convened where necessary. Sufficient notices are given to the Board prior to each meeting. During the financial period, the Board convened four (4) meetings and the attendance of the Directors are as follows:-

Directors	No. of Meetings attended
Ng Chin Huat	4/4
Kong Sau Kian	4/4
Lim Kim Meng	4/4
Cheah Yong Hock	4/4

The Company Secretaries record minutes of meetings and conclusions by the Board in the discharge of their duties and responsibilities.

The duties and responsibilities of the Board include determining the Company's overall strategic plans, performing periodic reviews of business and financial performance, engaging in succession planning and adopting practical risk management as well as implementing a strong framework of internal controls for the Company, developing and implementing an investor relations programme or shareholder communications policy for the Group.

Board Balance

The Articles of Association of Hing Yiap provides that the number of Directors shall not be less than two (2) or more than twenty (20). The current Board comprises four (4) Directors, of which one (1) Executive Director, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors, thus fulfilling the requirement of at least one-third of the Board comprises independent directors.

The Board is chaired by a Non-Independent Non-Executive Director. The Non-Executive Directors are independent of management and have no relationships that could materially interfere with the exercise of their independent judgement. Together, the Directors have wide ranging experience in business, corporate, banking and financial experience.

The Board is free to discuss all matters regarding the affairs of the Group, without any restrictions or limitations being imposed on any Director. Where matters discussed involve the interest of the Chairman, he shall state his interest and shall refrain from discussions and decision-making.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

No individual or a company of individuals dominates the Board's decision making.

The roles of the Chairman of the Board and the Chief Executive Officer are segregated.

All the Directors have an equal responsibility for the Group's operations and corporate accountability. The Independent Non-Executive Directors play a vital supporting role by contributing their knowledge and experience towards the development of the Group's objectives. They also provide a broader and independent view in the decision-making process.

Based on the nature of the Group's business and the size of its operations, the present Board representation fairly reflects the interest of the significant shareholder and minority shareholders.

Supply of Information

The regular agendas for Board meetings are the briefing by the Audit Committee Chairman on the outcome of Audit Committee meeting(s), review of periodic financial results, briefing by the Executive Director on the business aspects, briefing on corporate social responsibility activities, notation of circular resolutions passed, announcements made to Bursa Malaysia Securities Berhad and dealings in securities by Directors and principal officers, if any.

Relevant board papers are disseminated to all the Directors prior to the meetings in a timely manner to enable the Directors to review the material and obtain additional information or clarification prior to the meeting.

In the furtherance of their duties, the Directors have access to all information within the Group, to seek advice from independent professional advisors at the Group's expense and access to the advice and services of the Company Secretaries.

Appointments to the Board

The full Board assumes the responsibility for the appointment of new director due to the relatively small size of the Company's present board composition.

The Board is entitled to the services of the Company Secretaries who ensures that all appointments are properly made, that all necessary information is obtained from Directors, both for the internal records and for the purposes of meeting statutory obligations, as well as obligations arising from the Main LR or other regulatory requirements.

Directors' Training

As at the latest practicable date prior to the date of printing of this Annual Report, all the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by the Main LR of Bursa Securities for directors of public listed companies.

During the financial period ended 31 March 2012, the Directors attended training programmes such as corporate reforms, taxation update and group tax planning, financial reporting standards, marketing conference and amendments to the Main LR. The Directors will continue to attend relevant trainings and education programmes in order to keep themselves abreast of the latest development in the economy, industry and technology and discharge their duties and responsibilities more effectively.

Re-election

In accordance with the Articles of Association, all Directors who are appointed by the Board shall hold office only until the next annual general meeting and shall be eligible for re-appointment by the shareholders.

In addition, the Articles of Association also provides that at every annual general meeting, one-third of the Directors, including the Managing Director, shall retire from office provided always that all Directors shall retire at least once in every three (3) years. A retiring Director shall be eligible for re-election.

Remuneration

The Level and Make-up of Remuneration

The Board has adopted the Principle as recommended by the Code. The Board ensures that the level of remuneration is sufficient to attract and retain Directors needed to run the Group successfully. The component part of remuneration have been structured to link rewards to corporate and individual performance for Executive Directors whilst Non-Executive Directors' remuneration reflect their experience and level of responsibilities.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

The Board does not have a remuneration committee as it is of the opinion that the Board as a whole could determine the remuneration of Directors, with external advice where necessary.

The Board's policy is to ensure that the remuneration practices of the Company are competitive, thereby enabling the Company to attract and retain Directors needed to run the Company successfully and the linking of rewards to corporate and individual performance.

The Board as a whole determines the remuneration of the Non-Executive Directors, who do not take part in the discussions on their own remuneration.

Directors' Remuneration

Details of Directors' remuneration received and/ or receivable from the Company and its subsidiaries during the financial period ended 31 March 2012 are as follows:

(1) Aggregate Remuneration for the Board

	Executive Director RM	Non-Executive Directors RM	Total RM
Fees	-	99,000	99,000
Salaries and other emoluments	-	-	-
Bonus	-	-	-
Benefits-in-kind	-	-	-
Defined contribution plan	-	-	-
Compensation for loss of office	-	-	-
Total	**-**	**99,000**	**99,000**

(2) Number of Directors whose remuneration falls into the following bands:

	Number	
Amount	**Executive Directors**	**Non-Executive Directors**
Below RM 50,000	-	3
RM951,000 to RM1,000,000	-	-
RM1,051,000 to RM1,100,000	-	-

Shareholders

Dialogue between Companies and Investors

The Board recognises the importance of timely dissemination of information to shareholders and other interested parties to ensure that they are well informed of all major developments of the Group. Such information is communicated through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases. This information may be assessed from the website of the Bursa Securities at "www.bursamalaysia.com.my". In addition, interviews conducted from time to time by local journalists with the management of the Group are reported in the local newspapers and information on the Group and its business activities is available at the Company's website at www.hingyiap.com

The Board views the annual general meeting as an ideal opportunity to communicate with shareholders. Whilst the Company endeavours to provide as much information as possible to its shareholders, it is also wary of the legal and regulatory framework governing the release of material and price-sensitive information.

Annual General Meeting (AGM)

The Annual Report, which contains the Notice of AGM, is sent to the shareholders at least twenty-one (21) days prior to the date of the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Item of special business included in the Notice of AGM will be accompanied by an explanation of the proposed resolution.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

At each meeting, shareholders are able to participate in the question and answer session in respect of the matters listed in the Notice of AGM. There is no time limitation for shareholders to raise questions and to solicit reply from the Board.

Accountability and Audit

Financial Reporting

The Board has taken reasonable steps to provide a fair and balance assessment of the Company's financial performance and prospects. In this respect, the Audit Committee assists the Board to oversee the Company's financial reporting process and the quality of the financial reporting.

Internal Control

The Directors acknowledge their responsibility in maintaining a reasonable sound system of internal controls covering financial, operational and compliance and risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

The Group's Statement on Internal Control is detailed in pages 24 to 25.

Relationship with External Auditors

The Audit Committee and the Board have established formal and transparent arrangements to maintain an appropriate relationship with the auditors as stated in the Audit Committee Report in pages 20 to 23.

This Statement of Corporate Governance is made in accordance with a resolution of the Board dated 20 July 2012.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

Kong Sau Kian	*Chairman, Independent Non-Executive Director*
Ng Chin Huat	*Non-Independent Non-Executive Director*
Lim Kim Meng	*Independent Non-Executive Director*

In compliance with the Main Market Listing Requirements of Bursa Securities in relation to the composition of the Audit Committee members to be non-executive directors, the Audit Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

Meetings

The number of Audit Committee meetings held during the financial period ended 31 March 2012 and the attendance of each Audit Committee member are as follows:

	No. of Meetings attended
Present Members	
Kong Sau Kian	4/4
Ng Chin Huat	4/4
Lim Kim Meng	4/4

ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to oversee the Company's financial reporting process, corporate governance process and provide the Board with assurance of the quality and reliability of financial information used by the Board and of the financial information issued publicly by the Company. The Audit Committee assumes the following fundamental responsibilities in the Company:

- assessing the risks and control environment;
- overseeing financial reporting;
- evaluating the internal and external audit process; and
- reviewing conflict of interest situations and related party transactions.

TERMS OF REFERENCE

1. Membership

The Committee shall be appointed by the Board from amongst the non-executive Directors of the Company with a majority of them being independent directors and shall consist of not less than three (3) members. An Independent Non-Executive member shall not have any family relationship with an Executive Director of the Company or of any related company or any relationship, which in the opinion of the Board, would interfere with his/her independent judgement.

At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants, or if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967 or must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967.

No alternate director can be appointed as a member of the Committee.

The Chairman of the Committee shall be elected by the members of the Committee and shall be an independent non-executive member of the Committee.

Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary. In the event of any vacancy in the Committee, the vacancy should be filled within a period of three (3) months.

2. Attendance at Meetings

The majority of members present in order to form a quorum necessary for the transaction of business of the Audit Committee shall be the Independent Non-Executive Directors, and in any case shall not be less than two (2) Independent Non-Executive Directors.

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE (cont'd)

2. Attendance at Meetings (cont'd)

The chief executive officer, head of finance, internal auditors, representatives of the external auditors and certain senior management of the Group shall attend the meetings, only at the invitation of the Committee.

The Company Secretary shall be the secretary of the Committee.

3. Notices of Meetings and Minutes of Proceedings

The Secretary shall circulate the notice of meeting to the members of the Committee prior to the meeting and shall be responsible for the recording, safekeeping and production of the minutes of proceedings of the Committee.

The Secretary shall produce for inspection such minutes of proceedings of meetings of the Committee upon receiving instructions from the Committee or the Board of Directors of the Company.

The Secretary shall circulate the minutes of the Committee to all members of the Committee.

The Chairman of the Committee shall report on each of the meeting to the Board.

4. Frequency of Meetings

The Committee shall meet at least four (4) times during each financial year and hold such additional meetings as the Chairman shall deem necessary in order to fulfill its duties.

5. Proceedings of Meetings

In the absence of the Chairman, the Committee shall appoint one (1) of the independent non-executive members to chair that meeting.

Questions arising at any meeting shall be decided by a majority of votes of the members present. Save where two (2) members form a quorum or where only two (2) members are competent to vote on the question in issue, the vote of the Independent Non-Executive Directors shall be the decision of the Committee.

6. Authority

The Committee is authorised by the Board to investigate any matter within its terms of reference, empowered with the authority to seek the necessary resources that it requires to perform its duties. It is authorised to seek and to have full, free and unrestricted access to the Group's records, properties, personnel and other resources, and to seek any information it requires from any employee of the Group or from any other sources pertaining to the affairs of the Company and Group. All employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. Other Directors, who are not members of the Committee may attend the Committee's meeting only at the invitation of the Committee and specific to the relevant meeting.

It is also authorised to have direct communication channels with the external auditors and internal auditors of the Group, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

The Committee has no executive powers to implement its recommendations on behalf of the Board but to report its recommendations back to the Board for its consideration and implementation.

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia, the Committee has the responsibility of promptly reporting such matter to Bursa Malaysia.

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE (cont'd)

7. Duties and Functions

The duties and functions of the Committee shall be:

a) To perform the following and to report the same to the Board of Directors:

i) Review the adequacy and integrity of the internal control system, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

ii) To discuss with the external auditors on their audit plan before the commencement of the annual audit and ensure coordination where more than one audit firm is involved.

iii) To discuss with the external auditors on their evaluation of the system of internal control and to keep under review the effectiveness of internal control systems, and in particular, review the external auditors' management letter and management's responses as well as to monitor the implementation of the recommendations of the external auditors.

iv) To act as an intermediary between management or other employees, and the external auditors.

v) To discuss with the external auditors, the problems and reservations arising from the annual audits, including the state of assistance given by employees of the Group to the external auditors, and any matter that the external auditors may wish to discuss (in the absence of management, where necessary).

vi) To discuss with the external auditors on their audit report.

vii) To review with the internal auditors, the adequacy of the scope, function, competency and resources of the internal audit function and the necessary authority for the internal auditors to carry out their work.

viii) To review the internal audit programme and processes, consider major findings of internal audit work, processes or investigations undertaken and to consider management's responses and appropriate actions taken as well as to monitor the implementation of the recommendations of the internal auditors.

ix) To review any appraisal or assessment of the performance of members of the internal audit function, including an evaluation of the independence of the internal audit function.

x) To review the level of coordination between the internal and external auditors.

xi) To review the quarterly financial reports and annual financial statements before submission to the Board. The review shall focus, *inter alia*, the changes in or implementation of major accounting policies, significant adjustments arising from the annual audit, significant and unusual events, litigation that could affect results materially, the going concern assumption and compliance with accounting standards and other legal requirements.

xii) To review related party transactions and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that may question management integrity, and any other major transactions outside the ordinary course of business of the Group.

xiii) To review any letter of resignation from the external auditors and to consider whether there is reason (supported by grounds) to believe that the Group's external auditors is not suitable for re-appointment.

b) To recommend to the Board, the nomination and appointment of the external auditors, the audit fee, and any other terms of engagement.

c) To consider any other related matters, as defined by the Board from time to time.

d) To ensure compliance with the requirements of the Securities Commission, Companies Commission of Malaysia and Bursa Malaysia as well as the requirements of any other regulatory authorities.

AUDIT COMMITTEE REPORT (CONT'D)

REVIEW OF THE COMPOSITION OF THE AUDIT COMMITTEE

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board of Directors at least once in every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL PERIOD

In discharging its functions and duties, the following activities were undertaken by the Audit Committee during the financial year under review:

(a) Reviewed the quarterly results and year-to-date unaudited financial results of the Company and Group before tabling to the Board for consideration and approval.

(b) Reviewed the Audit Planning Memorandum of the external auditors in respect of the audit for the financial statements of the Company and the Group for the financial period ended 31 March 2012 including the audit fees.

(c) Reviewed the Internal Audit Report from the internal auditors on the stock count exercise.

(d) Reviewed the recurrent related party transactions of the Company and the Group.

(e) Reviewed the performance of the Company and the Group, and made recommendations for appropriate corrective measures to the Board of Directors.

(f) Reviewed the reports and the audited financial statements of the Company and of the Group prior to tabling to the Board for approval.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to an independent professional services firm providing assessments on the adequacy, efficiency and effectiveness of the Company's internal control systems in anticipating key business process exposure to risk.

For the financial period ended 31 March 2012, the internal audit function carried out a business process review with the objective to document the current processes and where applicable to document the processes intended to put in place for the future. The result of the business process review and recommendations for enhancement of existing business process were presented to the Audit Committee.

The cost incurred by the Company in connection with the outsourced internal audit function in the financial period ended 31 March 2012 amounted to RM20,000.

This report is made in accordance with a resolution of the Board dated 20 July 2012.

STATEMENT ON INTERNAL CONTROL

The Board is pleased to provide the following Statement on Internal Control which outlines the systems of internal controls of Hing Yiap pursuant to paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements.

The Board of Directors and the senior management affirm their responsibilities to maintain a sound system of internal controls that covers financial, operational, compliance and risk management practices in the organisation. The Board recognises that the system of internal controls can only provide reasonable assurance of the Group achieving its business objectives. The system will not provide absolute assurance against any material loss occurrence.

The Board also ensures that the external auditors review the Statement on Internal Control and report the results thereof to the Board annually.

The following elements of the system of internal controls are present in the Group:

- **Strategic Business Direction**

  The Group's business objectives are communicated throughout the organisation through its Business Plan, management meetings and interaction between the Executive Directors and management and employees.

- **Risk Identification**

  The Board is fully aware of the principal risks faced by Hing Yiap and has put in place the appropriate controls to identify, evaluate and manage these risks through the involvement of the Executive Directors in the day-to-day operations of the Group. The performance of Hing Yiap is monitored through strategic, management and operational level meetings. Significant matters identified during these meetings are highlighted to the Board on a timely basis.

- **Audit Committees**

  The Audit Committee is tasked with responsibilities on accounting and reporting practices, review of internal and external audit reports, and ensuring the adequacy of administrative, operating and accounting controls. The Board reviews the minutes of meetings of the Audit Committee. The terms of reference of the Audit Committee are set-out in the Audit Committee Report on pages 20 to 23 of the Annual Report.

- **Internal Audit Function**

  Hing Yiap has outsourced its internal audit function to an outsourced professional service provider, who reports to the Audit Committee. The Audit Committee is reviewing an internal audit plan, which was co-developed with the outsourced internal audit provider and management. Applying a risk-based approach, periodic internal audit visits have been carried out to review the adequacy and integrity of key internal controls of the Group's business to provide an independent assurance on the systems of internal control.

- **Policies and Procedures**

  To further improve internal controls and risk management in lieu with corporate re-structure, the internal audit function carried out a business process review in cash management during the financial period ended 31 March 2012. The business process review will be extended to other risk areas namely, inventories, trade receivable and fixed assets in the next financial period.

  No policies and procedures were reviewed on the manufacturing segment as we have disposed off this segment during the financial period ended 31 March 2012.

- **Organisation Structure and Corporate Culture**

  The current organisational structure enables a clear reporting line from lower management level up to the Board. Job functions and areas of responsibilities of certain employees are outlined in job descriptions and authority chart. Hing Yiap also practices an "open-door" policy that allows matters to be identified and resolved in a timely and efficiently manner.

STATEMENT ON INTERNAL CONTROL (CONT'D)

Additional key features of Hing Yiap's system of internal controls include the following:

- Internal control procedures are set out in a series of standard operating policies and procedures. These procedures are the subject of regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.
- Audit Committee holds regular meetings with management on the actions taken on internal control issued identified through reports prepare by the internal auditors, external auditors and/of management.
- Preparation of quarterly and yearly financial results; and key business indicators, such as announced or otherwise published to shareholders.
- Meetings involving Executive Directors, senior management and heads of department are regularly held with significant matters escalated to the Board.

The Board together with the management will continuously assess the suitability, adequacy and effectiveness of the Group's system of internal controls and will take corrective measures to enhance the system, as and when necessary.

Conclusion

The Board is of the view that the system of internal controls that has been instituted throughout the Group is sound and adequate to safeguard shareholders' investment and the Group's assets. Notwithstanding this, on-going reviews are continuously carried out to ensure the effectiveness of the system. The Board is committed towards operating a sound system of internal controls and effective risk management throughout the Group. The Board is also cognisant of the fact that the system of internal controls and risk management practices must continuously evolve to support the type of business and size of operations. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal controls.

This Statement on Internal Control is made in accordance with a resolution of the Board dated 20 July 2012.

OTHER DISCLOSURES

1) Status of utilisation of proceeds raised from any corporate proposal

The Company did not undertake any fund raising corporate exercise during the financial period.

2) Share buybacks for the financial period

The Company is authorised by the shareholders to undertake a share buyback programme but was not involved in any purchase of own shares during the financial period under review.

3) Amount of options, warrants or convertible securities exercised during the financial period

The Company does not have any outstanding warrants or convertible securities in the financial period under review.

4) Depository Receipt Programme

The Company had not sponsored any depository receipt programme during the financial period under review.

5) Particulars of sanctions and/or penalties imposed on the Company and subsidiary companies, Directors or management by the relevant regulatory bodies

To the best of the knowledge and belief of the Directors, the Company and its subsidiary companies, Directors and management have not been sanctioned nor penalised by any relevant authorities during the financial period under review.

6) Non-audit fees paid to external auditors for the financial period

Details of non-audit fees paid to the external auditors during the financial period under review are as follows:

	RM
Professional fees paid for the provision of tax services and other services	50,700
Professional fees paid for the review of Directors' Statement on Internal Control	5,000
	55,700

7) Deviation of actual results from profit forecast, estimate or projection or unaudited results previously made or released by the Company

The Company did not issue any profit forecast, estimate or projection in conjunction with any corporate proposal. In addition, the audited results did not deviate more than 10% from the unaudited results announced to Bursa Securities for the financial period ended 31 March 2012 under review.

8) Deviation of profit achieved in the financial period as compared to the profit guarantee

The Company had not undertaken any corporate proposal or activity which involves profit guarantee during the financial period under review.

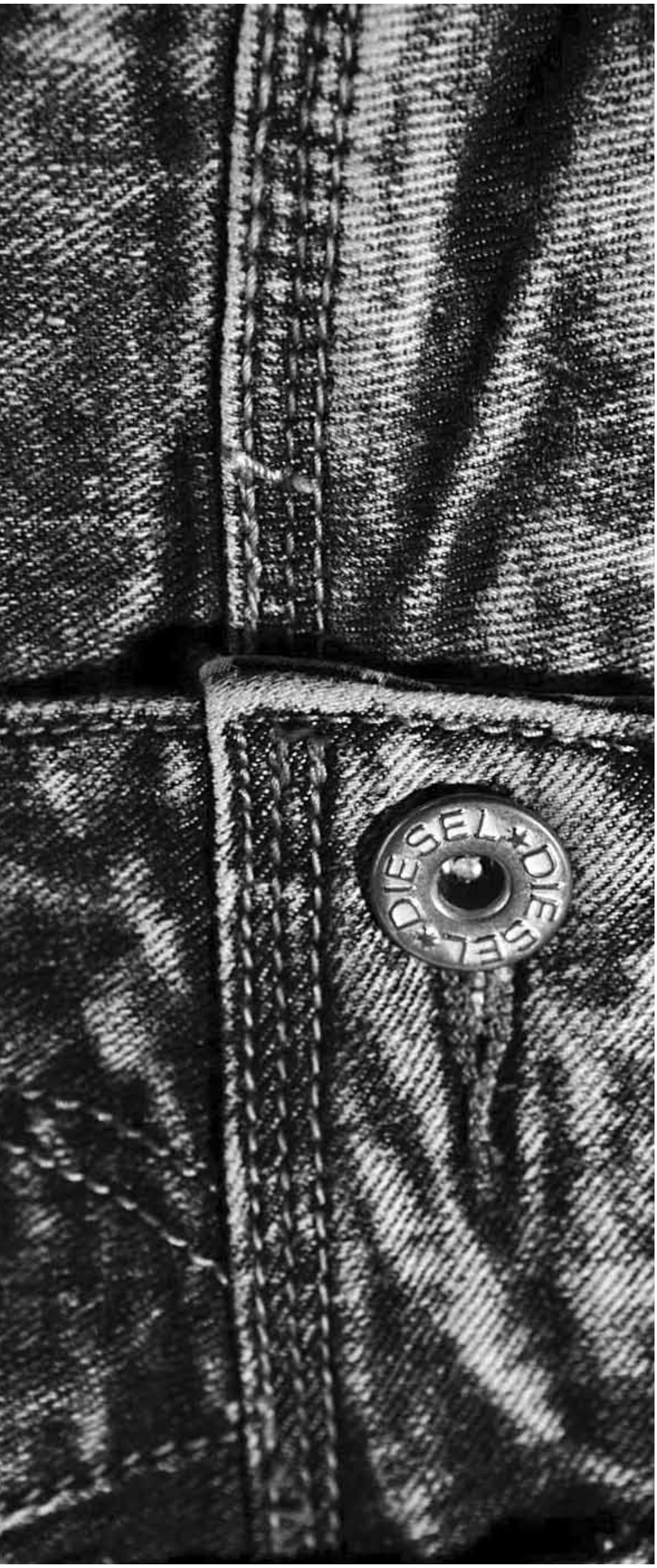
9) Material contracts entered into by the Company and subsidiary companies with Directors and/or major shareholders

Save for the recurrent related party transactions of a revenue or trading nature, as disclosed in Note 35 to the financial statements, neither the Company nor its subsidiary companies has entered into any arrangement or agreement, loan or otherwise, with any Director and/or shareholder during the financial period under review.

10) Contracts relating to loan with Directors and/or major shareholders

There were no contracts relating to a loan by the Company and its subsidiary companies involving Directors and/or major shareholders during the financial period under review.

This report is made in accordance with a resolution of the Board dated 20 July 2012



> FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 July 2011 to 31 March 2012.

CHANGE OF ACCOUNTING YEAR END

The Company changed its accounting year from 30 June to 31 March.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of property and investment holding, textile knitting and the manufacture of garments. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial period except for the discontinuance of the manufacturing and food and beverage segments as disclosed in Note 18 and Note 29 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial period	13,596,849	11,723,897

DIVIDENDS

A final dividend of 5 sen per ordinary share less 25% tax amounting to RM1,567,020 for the financial year ended 30 June 2011 was approved by the shareholders at the Annual General Meeting held on 16 December 2011 and paid on 13 January 2012.

At the forthcoming Annual General Meeting, a final dividend of 5 sen per ordinary share less 25% tax amounting to RM1,567,020 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 March 2013.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial period are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial period,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 38 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the discontinuance of the manufacturing and food and beverage segments as disclosed in Note 18 and Note 29 to the financial statements.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period.

HOLDING COMPANY

The holding company is Everest Hectare Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS

The directors who served since the date of the last report are as follows:-

NG CHIN HUAT
KONG SAU KIAN
LIM KIM MENG
CHEAH YONG HOCK

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares in the Company and its related corporations during the financial period are as follows:-

	Number Of Ordinary Shares Of RM1.00 Each			
	At 1.7.2011	Bought	Sold	At 31.3.2012
Indirect Interest				
Ng Chin Huat	21,089,520	-	-	21,089,520

By virtue of his shareholding in the holding company, Ng Chin Huat is deemed to have an interest in shares in the Company and its subsidiaries during the financial period to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial period had no interest in shares in the Company or its subsidiaries during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with companies in which the directors have substantial financial interests.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 20 JULY 2012

Ng Chin Huat **Cheah Yong Hock**

STATEMENT BY DIRECTORS

We, Ng Chin Huat and Cheah Yong Hock, being two of the directors of Hing Yiap Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 34 to 90 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012 and of their results and cash flows for the financial period ended on that date.

The supplementary information set out in Note 43, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 20 JULY 2012

Ng Chin Huat

Cheah Yong Hock

STATUTORY DECLARATION

I, Kok Tai Meng, I/C No. 670325-71-5075, being the officer primarily responsible for the financial management of Hing Yiap Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 90 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Kok Tai Meng, I/C No. 670325-71-5075,
at Kuala Lumpur in the Federal Territory
on this 20 July 2012

Kok Tai Meng

Before me,
Yap Lee Chin
No. W 591
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Hing Yiap Group Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Hing Yiap Group Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 90.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the financial period then ended.

Other Matters

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors whose report dated 20 October 2011, expressed an unmodified opinion on those statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 43 on page 91 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountant ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Hing Yiap Group Berhad (Incorporated in Malaysia)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Lee Kok Wai
Approval No: 2760/06/14 (J)
Chartered Accountant

20 July 2012

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2012

	Note	The Group 31.3.2012 RM	The Group 30.6.2011 RM	The Company 31.3.2012 RM	The Company 30.6.2011 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	20,491,001	21,141,002
Property, plant and equipment	7	11,166,865	18,726,062	5,811,133	13,316,765
Intangible assets	8	7,238,375	7,238,375	-	-
Investments in bonds	9	-	1,114,890	-	1,114,890
Deferred tax assets	10	848,000	825,526	872,000	-
		19,253,240	27,904,853	27,174,134	35,572,657
CURRENT ASSETS					
Inventories	11	52,953,405	78,300,294	-	11,176,996
Trade receivables	12	19,467,600	17,396,787	3,266,354	16,224
Other receivables, deposits and prepayments	13	9,762,163	1,458,704	6,269,136	2,612,504
Amount owing by subsidiaries	14	-	-	10,884,184	30,571,940
Amount owing by related parties	15	4,190	23,464	-	-
Investments in bonds	9	-	1,003,700	-	1,003,700
Other investment	16	2,140,079	-	2,140,079	-
Tax recoverable		1,148,986	1,827,944	698,731	1,751,160
Fixed deposits with licensed banks	17	17,907,647	57,485	17,907,647	57,485
Cash and bank balances		6,651,179	593,787	6,511,788	14,471
		110,035,249	100,662,165	47,677,919	47,204,480
Non-current assets classified as held for sale	18	513,743	595,038	1	1
		110,548,992	101,257,203	47,677,920	47,204,481
TOTAL ASSETS		129,802,232	129,162,056	74,852,054	82,777,138

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 March 2012

	Note	The Group 31.3.2012 RM	The Group 30.6.2011 RM	The Company 31.3.2012 RM	The Company 30.6.2011 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	41,787,199	41,787,199	41,787,199	41,787,199
Reserves	20	70,064,855	58,116,698	29,486,221	19,411,239
TOTAL EQUITY		111,852,054	99,903,897	71,273,420	61,198,438
NON-CURRENT LIABILITIES					
Hire purchase payables	21	-	84,383	-	84,383
Deferred tax liabilities	10	-	38,825	-	888,825
		-	123,208	-	973,208
CURRENT LIABILITIES					
Trade payables	22	2,815,406	16,613,425	28,918	15,216,600
Other payables and accruals	23	4,335,446	2,826,481	292,058	866,352
Amount owing to subsidiaries	14	-	-	347,408	609,218
Amount owing to related parties	15	2,857	237,220	-	-
Hire purchase payables	21	10,250	178,977	10,250	178,977
Bankers' acceptances	24	8,270,000	6,925,000	2,900,000	3,555,000
Provision for taxation		216,558	756,936	-	-
Bank overdrafts	25	1,932,410	336,571	-	179,345
		17,582,927	27,874,610	3,578,634	20,605,492
Liabilities directly associated with assets classified as held for sale	18	367,251	1,260,341	-	-
TOTAL LIABILITIES		17,950,178	29,258,159	3,578,634	21,578,700
TOTAL EQUITY AND LIABILITIES		129,802,232	129,162,056	74,852,054	82,777,138

The annexed notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
For the financial period ended 31 March 2012

	Note	The Group 1.7.2011 to 31.3.2012 RM	The Group 1.7.2010 to 30.6.2011 RM	The Company 1.7.2011 to 31.3.2012 RM	The Company 1.7.2010 to 30.6.2011 RM
CONTINUING OPERATIONS					
REVENUE	26	101,634,497	131,644,485	10,000,000	3,400,000
OTHER OPERATING INCOME		5,363,897	1,189,086	8,890,627	1,244,532
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(23,370,976)	17,028,202	-	-
RAW MATERIALS AND CONSUMABLES USED		(2,763,596)	(8,460,495)	-	-
PURCHASE OF FINISHED GOODS		(24,522,163)	(65,325,712)	-	-
STAFF COSTS		(18,641,969)	(27,929,643)	-	-
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		(1,539,417)	(2,233,854)	-	-
ALLOWANCE FOR IMPAIRMENT LOSS ON RECEIVABLES		(86,436)	-	(923,148)	(4,612,623)
BAD DEBTS WRITTEN OFF		(5,189)	-	-	-
IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT		(148,447)	-	-	-
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		(90,446)	(43,796)	-	-
IMPAIRMENT LOSS ON INVESTMENT IN A SUBSIDIARY		-	-	(549,999)	-
INVENTORIES WRITTEN OFF		(292,601)	(13,546)	-	-
REVERSAL OF INVENTORIES WRITTEN DOWN		-	888,548	-	-
OPERATING EXPENSES		(12,549,860)	(18,539,002)	-	-
OPERATING PROFIT		22,987,294	28,204,273	17,417,480	31,909
FINANCE COSTS		(123,885)	(158,336)	-	-
PROFIT BEFORE TAXATION	27	22,863,409	28,045,937	17,417,480	31,909
INCOME TAX EXPENSE	28	(4,240,489)	(4,667,217)	(2,439,875)	(1,768,568)
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		18,622,920	23,378,720	14,977,605	(1,736,659)

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the financial period ended 31 March 2012

	Note	The Group 1.7.2011 to 31.3.2012 RM	The Group 1.7.2010 to 30.6.2011 RM	The Company 1.7.2011 to 31.3.2012 RM	The Company 1.7.2010 to 30.6.2011 RM
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		18,622,920	23,378,720	14,977,605	(1,736,659)
DISCONTINUED OPERATIONS					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS					
- Asset held for sale	18	(190,018)	(2,299,963)	-	-
- Discontinued operations	29	(4,836,053)	(7,625,734)	(3,253,708)	1,139,617
		(5,026,071)	(9,925,697)	(3,253,708)	1,139,617
PROFIT/(LOSS) AFTER TAXATION		13,596,849	13,453,023	11,723,897	(597,042)
OTHER COMPREHENSIVE (EXPENSES)/ INCOME, NET OF TAX					
- Fair value changes of available-for-sale financial assets		(81,895)	98,400	(81,895)	98,400
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL PERIOD/YEAR		13,514,954	13,551,423	11,642,002	(498,642)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		13,596,849	13,453,023	11,723,897	(597,042)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		13,514,954	13,551,423	11,642,002	(498,642)
EARNINGS PER SHARE (SEN)					
Basic:					
- Continuing operations	30	44.56	55.94		
- Discontinued operations	30	(12.03)	(23.75)		
		32.53	32.19		
Diluted:					
- Continuing operations	30	NA	NA		
- Discontinued operations	30	NA	NA		
NET DIVIDEND PER ORDINARY SHARE IN RESPECT OF FINANCIAL PERIOD/YEAR (SEN)	31	3.75	7.50	3.75	7.50

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2012

		--------- Non-distributable ---------				Distributable	
	Note	Share capital RM	Share premium RM	Fair value adjustment reserve RM	Revaluation reserve RM	Retained profits RM	Total Equity RM
The Group							
Balance at 1.7.2010		41,787,199	1,356,445	-	697,240	45,662,135	89,503,019
Effect of adopting FRS 139		-	-	(16,505)	-	-	(16,505)
Profit after taxation for the financial year, net of tax:		-	-	-	-	13,453,023	13,453,023
Other comprehensive income for the financial year							
- Fair value changes of available-for-sale financial assets		-	-	98,400	-	-	98,400
Total comprehensive income for the financial year		-	-	98,400	-	13,453,023	13,551,423
Transaction with owners:							
- Dividend	31	-	-	-	-	(3,134,040)	(3,134,040)
Balance at 30.6.2011/1.7.2011		41,787,199	1,356,445	81,895	697,240	55,981,118	99,903,897
Profit after taxation for the financial period		-	-	-	-	13,596,849	13,596,849
Other comprehensive expenses for the financial period, net of tax:							
- Fair value changes of available-for-sale financial assets		-	-	(81,895)	-	-	(81,895)
- Revaluation on property disposed		-	-	-	(697,240)	697,240	-
Total comprehensive income for the financial period		-	-	(81,895)	(697,240)	14,294,089	13,514,954
Reversal of negative goodwill		-	-	-	-	223	223
Transaction with owners:							
- Dividend	31	-	-	-	-	(1,567,020)	(1,567,020)
Balance at 31.3.2012		41,787,199	1,356,445	-	-	68,708,410	111,852,054

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial period ended 31 March 2012

		--------- Non-distributable ---------				Distributable	
	Note	Share capital RM	Share premium RM	Fair value adjustment reserve RM	Revaluation reserve RM	Retained profits RM	Total Equity RM
The Company							
Balance at 1.7.2010		41,787,199	1,356,445	-	697,240	21,006,741	64,847,625
Effect of adopting FRS 139		-	-	(16,505)	-	-	(16,505)
Loss after taxation for the financial year		-	-	-	-	(597,042)	(597,042)
Total comprehensive income for the financial year, net of tax: - Fair value changes of available-for-sale financial assets		-	-	98,400	-	-	98,400
Total comprehensive expenses for the financial year		-	-	98,400	-	(597,042)	(498,642)
Transaction with owners: - Dividend		-	-	-	-	(3,134,040)	(3,134,040)
Balance at 30.6.2011/1.7.2011		41,787,199	1,356,445	81,895	697,240	17,275,659	61,198,438
Profit after taxation for the financial period		-	-	-	-	11,723,897	11,723,897
Total comprehensive (expenses)/ income for the financial period, net of tax: - Fair value changes of available-for-sale financial assets		-	-	(81,895)	-	-	(81,895)
- Revaluation on property disposed		-	-	-	(697,240)	697,240	-
Total comprehensive income for the financial period		-	-	(81,895)	(697,240)	12,421,137	11,642,002
Transaction with owners: - Dividend	31	-	-	-	-	(1,567,020)	(1,567,020)
Balance at 31.3.2012		41,787,199	1,356,445	-	-	28,129,776	71,273,420

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
For the financial period ended 31 March 2012

	Note	The Group 1.7.2011 to 31.3.2012 RM	The Group 1.7.2010 to 30.6.2011 RM	The Company 1.7.2011 to 31.3.2012 RM	The Company 1.7.2010 to 30.6.2011 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(loss) before taxation:					
- continuing operations		22,863,409	28,045,937	17,417,480	31,909
- discontinued operations		(5,026,071)	(9,925,697)	(3,253,708)	1,139,617
		17,837,338	18,120,240	14,163,772	1,171,526
Adjustments for:-					
Allowance of impairment losses					
- continuing operations		86,436	-	923,148	4,612,623
Amortisation of intangible assets		-	20,000	-	-
Bad debts written off					
- continuing operations		5,189	-	-	-
(Reversal of)/deposits written off		(57,076)	136,840	-	-
Depreciation of property, plant and equipment					
- continuing operations		1,539,417	2,233,854	-	-
- discontinued operations		240,707	822,294	282,599	551,440
Impairment loss on property, plant and equipment					
- continuing operations		148,447	-	-	-
- discontinued operations		-	970,759	-	-
Impairment loss on investment in subsidiary		-	-	549,999	-
Impairment loss on intangible assets					
- discontinued operations		-	140,000	-	-
Interest expense					
- continuing operations		123,885	158,336	-	-
- discontinued operations		151,614	196,943	147,170	161,496
Inventories written off					
- continuing operations		292,601	13,546	-	-
- discontinued operations		7,588	10,475	-	-
Property, plant and equipment written off					
- continuing operations		90,446	43,796	-	-
- discontinued operations		10,675	1,540	1	-
Provision for director gratuity		-	1,200,000	-	-
Unrealised (gain)/loss on foreign exchange					
- continuing operations		(778)	80	-	-
- discontinued operations		(529)	1,144	-	-
Dividend income		-	-	(10,000,000)	(3,400,000)
Gain on disposal of investment		(3,705)	-	(3,705)	-
Gain on disposal of property, plant and equipment		(4,413,508)	(52,732)	(4,379,224)	(75,291)
Gain on disposal of subsidiaries	32	(261,210)	-	(3,457,226)	-
Interest income		(331,946)	(137,969)	(375,307)	(191,732)
(Reversal of)/allowance for inventories written down					
- continuing operations		-	(888,548)	-	-
- discontinued operations		1,542,250	(20,000)	1,542,250	-
Reversal of fair value reserve		(81,895)	-	(81,895)	-
Operating profit/(loss) before working capital changes/Balance carried forward		16,925,946	22,970,598	(688,418)	2,830,062

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial period ended 31 March 2012

	Note	The Group 1.7.2011 to 31.3.2012 RM	The Group 1.7.2010 to 30.6.2011 RM	The Company 1.7.2011 to 31.3.2012 RM	The Company 1.7.2010 to 30.6.2011 RM
Operating profit/(loss) before working capital changes/Balance brought forward		16,925,946	22,970,598	(688,418)	2,830,062
Decrease/(Increase) in inventories		23,603,476	(17,854,579)	9,634,746	(708,061)
Increase in trade and other receivables		(10,736,043)	(3,839,699)	(6,906,762)	(2,528,118)
Decrease in trade and other payables		(12,666,532)	(6,874,817)	(15,761,976)	(6,726,248)
Decrease in amount owing by related party		2,857	-	-	-
Decrease in amount owing by subsidiaries		-	-	20,557,400	1,787,576
CASH FROM/(FOR) OPERATIONS		17,129,704	(5,598,497)	6,834,990	(5,344,789)
Interest paid					
- continuing operations		(123,885)	(158,336)	-	-
- discontinued operations		(151,614)	(196,943)	(147,170)	(161,496)
Income tax paid		(4,163,208)	(4,911,033)	(3,148,271)	(1,733,819)
NET CASH FROM/(FOR) OPERATING ACTIVITIES/BALANCE CARRIED FORWARD		12,690,997	(10,864,809)	3,539,549	(7,240,104)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Interest received		331,946	137,969	375,307	191,732
Dividend received		-	-	10,000,000	3,400,000
Purchase of investment in Singular Value Fund		-	(1,200,000)	-	-
Purchase of other investments		(2,140,079)	-	(2,140,079)	-
Advances to subsidiaries		-	-	(1,788,278)	(4,354,159)
Proceeds from disposal of property, plant and equipment		11,796,734	633,050	11,611,734	515,500
Proceeds from disposal of subsidiaries	32	3,573,377	-	3,557,228	-
Proceeds from disposal of bonds		2,122,295	-	2,122,295	-
Acquisition of subsidiaries		-	-	-	(2)
Purchase of property, plant and equipment					
- continuing operations		(1,815,178)	(3,075,172)	-	-
- discontinued operations		-	(132,458)	(9,478)	(973,687)
Repayment from related party		19,274	-	-	-
Repayment from holding company on subsidiary disposed		(2,972,008)	-	-	-
Repayment from related companies on subsidiary disposed		(183,874)	-	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		10,732,487	(3,636,611)	23,728,729	(1,220,616)
BALANCE CARRIED FORWARD		23,423,484	(14,501,420)	27,268,278	(8,460,720)

STATEMENTS OF CASH FLOWS (CONT'D)
For the financial period ended 31 March 2012

		The Group		The Company	
	Note	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
BALANCE BROUGHT FORWARD		23,423,484	(14,501,420)	27,268,278	(8,460,720)
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment of term loans		-	(171,662)	-	(109,162)
Repayment of hire purchase obligations		(434,600)	(635,810)	(253,110)	(176,871)
Drawdown/(Repayment) of bankers' acceptances		1,345,000	3,405,000	(655,000)	595,000
Repayment to related party		(237,220)	-	-	-
Dividend paid		(1,567,020)	(3,142,130)	(1,567,020)	(3,142,130)
Repayment to subsidiaries		-	-	(266,324)	(835,441)
NET CASH FOR FINANCING ACTIVITIES		(893,840)	(544,602)	(2,741,454)	(3,668,604)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		22,529,644	(15,046,022)	24,526,824	(12,129,324)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		266,201	15,312,223	(107,389)	12,021,935
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	33	22,795,845	266,201	24,419,435	(107,389)

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial period ended 31 March 2012

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Lot 10449, Batu 4 1/2, Kg. Jawa, 41000 Klang, Selangor Darul Ehsan.
Principal place of business	:	Lot 46, Lorong Kuang Bulan, Taman Kepong, 52100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 July 2012.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of property and investment holding, textile knitting and the manufacture of garments. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial period except for the discontinuance of the manufacturing and food and beverage segments as disclosed in Note 18 and Note 29 to the financial statements.

3. HOLDING COMPANY

The holding company is Everest Hectare Sdn. Bhd., a company incorporated in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

4. BASIS OF PREPARATION (CONT'D)

(a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments) (Cont'd):-

FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

Annual Improvement to FRSs (2010)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard has been applied prospectively during the current financial period with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, whilst maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by the non-controlling interests instead of by the parent. The Group has applied FRS 127 (Revised) prospectively during the current financial period with no financial impact on the financial statements of the Group but may impact the accounting of its future transactions or arrangements.

(iii) Amendments to FRS 5 requires assets and liabilities of a subsidiary to be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. The impact on the financial statements of the Group upon their initial application are disclosed in Note 18 to the financial statements.

(iv) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, as shown in Note 39(e) to the financial statements. Comparatives are not presented by virtue of the exemption given in the amendments.

(v) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Group and the Company upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) also clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013

4. BASIS OF PREPARATION (CONT'D)

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period (Cont'd):-

FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective Date
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

The Group's next set of financial statements for the annual period beginning on 1 April 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 January 2012.

Following the issuance of MFRSs (equivalent to IFRSs) by the MASB on 19 November 2011, the Group will be adopting the new accounting standards in the next financial year ending 31 March 2013. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vii) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(viii) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(ix) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139.

Business combinations from 1 July 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Business combinations before 1 July 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 July 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business combinations before 1 July 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- Financial Assets at Fair Value Through Profit or Loss

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established.

- Held-to-maturity Investments

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- Loans and Receivables Financial Assets

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- Available-for-sale Financial Assets

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment

Property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Certain land were revalued and stated at their revalued amounts. However, these properties have not been revalued since as the Group availed itself to the transitional provisions of FRS 116 (formerly MASB 15): Property, Plant and Equipment, by virtue of which these properties continue to be stated at their revalued amounts less accumulated depreciation and impairment.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Long term leasehold land and buildings	2%
Computer equipment	10% - 25%
Display counters	20%
Furniture and fixtures	5% - 25%
Electrical fittings	20%
Office equipment	10% - 25%
Plant, machinery and tools	10%
Store equipment	10% - 25%
Renovation	20%
Motor vehicles	20% - 25%
Hostel equipment	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

(h) Intangible Assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

The cost of acquiring the rights, interest and benefits to the operations, brands and patents pertaining to the "Antioni", "Bontton" and "B.U.M" trademarks are capitalised as intangible assets. The sub-licence fee paid to acquire the rights to manufacture, market and distribute the "Vanity Fair" brand of women intimate apparel and related accessories in Malaysia, is also capitalised as intangible asset. In addition, the cost of acquiring the rights to operate gourmet chocolate café and retail outlets known as "Theobroma Chocolate Lounge" is capitalised as intangible assets.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible Assets (Cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable, If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognised of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

(i) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and recognised and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(j) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(l) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Income Taxes (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(o) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(p) Related Parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of Goods

Revenue is recognised net of sales taxes and discounts upon transfer of the significant risks and rewards of ownership to the buyer. In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Food and Beverages

Revenue from food and beverages is recognised net of sale tax and upon transfer of significant risks and rewards of ownership to the buyer.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method, unless collectability is in doubt, in which case, it is recognised on receipts basis.

(iv) Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(v) Rental Income

Rental income is recognised on an accrual basis on the agreed upon rental rates, unless collectability is in doubt, in which case, it is recognised on receipts basis.

(vi) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(s) Non-Current Assets Held for Sale and Discontinued Operations

Non current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Upon classification as held for sale, non-current assets or components of a disposal group are not depreciated and are measured at the lower of their carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.3.2012 RM	**30.6.2011 RM**
Unquoted shares, at cost	25,598,098	25,698,100
Less: Accumulated impairment losses	(5,107,097)	(4,557,098)
	20,491,001	21,141,002
Accumulated impairment losses:-		
At 1 July 2011/2010	(4,577,098)	(7,107,097)
Addition during the financial period/year	(549,999)	-
Reclassified to asset held for sale	-	2,549,999
At 31 March 2012/30 June 2011	(5,107,097)	(4,557,098)

The details of the subsidiaries which are incorporated in Malaysia, are as follows:-

Name of Company	**Effective Equity Interest 31.3.2012 %**	**Effective Equity Interest 30.6.2011 %**	**Principal Activities**
Antioni Sdn. Bhd.	100	100	Retailing and distribution of the "Antioni" brand of ready-made sports and casual wear and related accessories.
B.U.M Marketing (Malaysia) Sdn. Bhd.	100	100	Retailing and distribution of the "B.U.M Equipment" brand ready-made casual wear and related accessories.
Bontton Sdn. Bhd.	100	100	Retailing and distribution of the "Bontton" brand ready-made casual wear and related accessories.
Bumcity Sdn. Bhd.	100	100	Operator of specialty stores known as "Bumcity".

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Effective Equity Interest 31.3.2012 %	Effective Equity Interest 30.6.2011 %	Principal Activities
Diesel Marketing Sdn. Bhd.	100	100	Retailing and distribution of the "Diesel" brand ready-made sports and casual wear and related accessories
Hing Yiap Trading Sdn. Bhd.^	-	100	Wholesaling of ready-made garments and fabrics.
Ubay Marketing Sdn. Bhd.	100	100	Retailing and distribution of the "Union Bay" brand of ready-made casual wear and related accessories.
Cocomax Sdn. Bhd.*	100	100	Retailing and distribution of the "Vanity Fair" brand of women intimate apparel and related accessories and operating of gourmet chocolate café and retail outlets known as "Theobroma Chocolate Lounge"
B.U.M. Holdings Sdn. Bhd.	100	100	Dormant
Hing Yiap Knitting Sdn. Bhd.^ (formerly known as Hing Yiap Properties Sdn. Bhd.)	-	100	Dormant

* classified as non-current asset held for sale as disclosed in Note 18 to the financial statements.

^ On 22 February 2012, the Company disposed of the entire issued and paid-up share capital of Hing Yiap Trading Sdn. Bhd. and Hiap Yiap Knitting Sdn. Bhd. for a total cash consideration of RM3,557,226 and RM2 respectively. The financial effects are disclosed in Note 32 to the financial statements.

The Company has assessed the recoverable amount of the investment in subsidiaries and determined that an impairment loss should be recognised for Bumcity Sdn.Bhd. as the management has decided to close down the operation of the subsidiary.

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.7.2011 RM	Additions RM	Disposals RM	disposal of Subsidiary RM	Written off RM	Impairment Loss RM	Depreciation Charge RM	Asset Held for Sale RM	At 31.3.2012 RM
The Group									
NET BOOK VALUE									
Freehold land	4,654,343	-	(2,764,343)	-	-	-	-	-	1,890,000
Buildings	5,994,210	-	(2,580,579)	-	-	-	(92,406)	-	3,321,225
Long term leasehold land and buildings	485,739	-	(485,327)	-	-	-	(412)	-	-
Computer equipment	975,684	144,353	(121,844)	(4,676)	(14,618)	(671)	(204,037)	(37,249)	736,942
Display counters	3,291,769	1,655,938	-	-	(62,706)	(109,052)	(1,135,140)	-	3,640,809
Furniture and fixtures	90,118	-	(42,084)	-	(348)	(96)	(12,223)	(737)	34,630
Electrical fittings	324,528	1,600	(47,626)	-	(23,449)	(34,191)	(37,794)	-	183,068
Office equipment	53,916	-	(23,414)	-	-	-	(7,782)	-	22,720
Plant, machinery and tools	1,155,664	2,700	(1,074,591)	-	-	-	(74,438)	-	9,335
Store equipment	58,774	10,587	(4,812)	-	-	-	(11,873)	-	52,676
Renovation	6	-	-	-	-	-	-	-	6
Motor vehicles	1,814,114	-	(238,606)	-	-	-	(202,381)	(97,673)	1,275,454
Hostel equipment	6,075	-	-	-	-	(4,437)	(1,638)	-	-
	18,904,940	1,815,178	(7,383,226)	(4,676)	(101,121)	(148,447)	(1,780,124)	(135,659)	11,166,865

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.7.2010 RM	Additions RM	Disposals RM	Written off RM	Impairment Loss RM	Depreciation Charge RM	Asset held for Sale RM	At 30.6.2011 RM
The Group								
NET BOOK VALUE								
Freehold land	4,654,343	-	-	-	-	-	-	4,654,343
Buildings	6,133,397	15,500	-	-	-	(154,687)	-	5,994,210
Long term leasehold land and buildings	496,954	-	-	-	-	(11,215)	-	485,739
Computer equipment	965,777	325,233	-	-	(45,452)	(269,874)	(63,629)	912,055
Display counters	4,604,629	987,744	(54,531)	(25,423)	(455,518)	(1,765,131)	-	3,291,770
Furniture and fixtures	671,244	48,498	-	(1,539)	(400,206)	(227,879)	(1,085)	89,033
Electrical fittings	464,011	38,462	-	(18,374)	(60,809)	(98,762)	-	324,528
Office equipment	55,983	12,000	-	-	-	(14,067)	-	53,916
Plant, machinery and tools	1,261,364	71,950	(37)	-	-	(177,613)	-	1,155,664
Store equipment	64,040	28,500	-	-	(8,774)	(24,992)	-	58,774
Renovation	6	-	-	-	-	-	-	6
Motor vehicles	969,865	1,679,743	(525,750)	-	-	(309,744)	(114,165)	1,699,949
Hostel equipment	8,259	-	-	-	-	(2,184)	-	6,075
	20,349,872	3,207,630	(580,318)	(45,336)	(970,759)	(3,056,148)	(178,879)	18,726,062

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial period ended 31 March 2012

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Impairment RM	Accumulated Depreciation RM	Asset Held for Sale RM	Net Book Value RM
The Group					
At 31.3.2012					
Freehold land	1,890,000	-	-	-	1,890,000
Buildings	4,193,312	-	(872,087)	-	3,321,225
Computer equipment	4,218,951	(35,863)	(3,408,897)	(37,249)	736,942
Display counters	14,841,452	(425,760)	(10,774,883)	-	3,640,809
Furniture and fixtures	1,165,587	(279,566)	(850,654)	(737)	34,630
Electrical fittings	965,599	(75,077)	(707,454)	-	183,068
Office equipment	118,374	-	(95,654)	-	22,720
Plant, machinery and tools	304,248	-	(294,913)	-	9,335
Store equipment	450,010	(8,774)	(388,560)	-	52,676
Renovation	525,317	-	(525,311)	-	6
Motor vehicles	2,384,668	-	(1,011,541)	(97,673)	1,275,454
Hostel equipment	21,842	(4,437)	(17,405)	-	-
	31,079,360	(829,477)	(18,947,359)	(135,659)	11,166,865

	At Cost RM	At Valuation RM	Accumulated Impairment RM	Accumulated Depreciation RM	Asset Held for Sale RM	Net Book Value RM
The Group						
At 30.6.2011						
Freehold land	2,790,000	1,864,343	-	-	-	4,654,343
Buildings	5,698,675	2,035,657	-	(1,740,122)	-	5,994,210
Long term leasehold land and buildings	697,511	-	-	(211,772)	-	485,739
Computer equipment	4,452,094	-	(45,452)	(3,430,958)	(63,629)	912,055
Display counters	13,767,012	-	(455,518)	(10,019,724)	-	3,291,770
Furniture and fixtures	1,592,631	-	(400,206)	(1,102,307)	(1,085)	89,033
Electrical fittings	1,286,113	-	(60,809)	(900,776)	-	324,528
Office equipment	199,509	-	-	(145,593)	-	53,916
Plant, machinery and tools	6,001,455	-	-	(4,845,791)	-	1,155,664
Store equipment	446,923	-	(8,774)	(379,375)	-	58,774
Renovation	525,317	-	-	(525,311)	-	6
Motor vehicles	3,561,336	-	-	(1,747,222)	(114,165)	1,699,949
Hostel equipment	21,842	-	-	(15,767)	-	6,075
	41,040,418	3,900,000	(970,759)	(25,064,718)	(178,879)	18,726,062

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.7.2011 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charge RM	At 31.3.2012 RM
The Company						
NET BOOK VALUE						
Freehold land	4,654,343	-	(2,764,343)	-	-	1,890,000
Buildings	5,994,210	-	(2,580,579)	-	(92,406)	3,321,225
Long term leasehold land and buildings	485,739	-	(485,327)	-	(412)	-
Computer equipment	140,203	5,178	(121,844)	-	(11,356)	12,181
Furniture and fixtures	54,751	-	(42,084)	-	(3,916)	8,751
Electrical fittings	51,807	1,600	(47,626)	(1)	(5,775)	5
Office equipment	26,078	-	(23,414)	-	(2,664)	-
Plant, machinery and tools	1,155,664	2,700	(1,074,591)	-	(74,438)	9,335
Store equipment	5,125	-	(4,812)	-	(313)	-
Motor vehicles	748,845	-	(87,890)	-	(91,319)	569,636
	13,316,765	9,478	(7,232,510)	(1)	(282,599)	5,811,133

	At 1.7.2010 RM	Additions RM	Disposals RM	Depreciation Charge RM	At 30.6.2011 RM
The Company					
NET BOOK VALUE					
Freehold land	4,654,343	-	-	-	4,654,343
Buildings	6,133,397	15,500	-	(154,687)	5,994,210
Long term leasehold land and buildings	496,954	-	-	(11,215)	485,739
Computer equipment	112,098	53,627	-	(25,522)	140,203
Furniture and fixtures	63,166	-	-	(8,415)	54,751
Electrical fittings	57,627	8,890	-	(14,710)	51,807
Office equipment	19,950	12,000	-	(5,872)	26,078
Plant, machinery and tools	1,261,363	71,950	(37)	(177,612)	1,155,664
Store equipment	5,875	-	-	(750)	5,125
Motor vehicles	529,954	811,720	(440,172)	(152,657)	748,845
	13,334,727	973,687	(440,209)	(551,440)	13,316,765

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
The Company			
At 31.3.2012			
Freehold land	1,890,000	-	1,890,000
Buildings	4,193,312	(872,087)	3,321,225
Computer equipment	21,468	(9,287)	12,181
Furniture and fixtures	24,708	(15,957)	8,751
Electrical fittings	117,187	(117,182)	5
Plant, machinery and tools	304,248	(294,913)	9,335
Motor vehicles	1,013,339	(443,703)	569,636
	7,564,262	(1,753,129)	5,811,133

	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Net Book Value RM
The Company				
At 30.6.2011				
Freehold land	2,790,000	1,864,343	-	4,654,343
Buildings	5,698,675	2,035,657	(1,740,122)	5,994,210
Long term leasehold land and buildings	697,511	-	(211,772)	485,739
Computer equipment	328,055	-	(187,852)	140,203
Furniture and fixtures	189,976	-	(135,225)	54,751
Electrical fittings	373,304	-	(321,497)	51,807
Office equipment	81,135	-	(55,057)	26,078
Plant, machinery and tools	6,001,455	-	(4,845,791)	1,155,664
Store equipment	7,500	-	(2,375)	5,125
Motor vehicles	1,529,824	-	(780,979)	748,845
	17,697,435	3,900,000	(8,280,670)	13,316,765

At the end of the reporting period, the plant and equipment acquired under hire purchase and finance lease terms are as follows:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Display counter, furnitures and fixtures	-	472,061	-	-
Electrical fittings	-	33,096	-	-
Computer and office equipment	-	32,731	-	-
Motor vehicles	123,128	265,443	123,128	151,279
Plant, machinery and tools	-	596,661	-	596,661
Store equipment	-	6,580	-	-
	123,128	1,406,572	123,128	747,940

Certain freehold land and buildings has been pledged as security for banking facilities granted to the Company as disclosed in Note 24 to the financial statements.

8. INTANGIBLE ASSETS

	Trademarks RM	Sub-licence Fee RM	Franchise Fee RM	Total RM
Group				
At 30 June 2011/ 31 March 2012				
Deemed cost/Cost	7,238,375	180,000	-	7,418,375
Accumulated amortisation and impairment losses	-	180,000	-	180,000
	7,238,375	-	-	7,238,375
At 30 June 2011				
Deemed cost/Cost				
At 1 July 2010	7,238,375	180,000	200,000	7,618,375
Reclassified to:				
Attributable to discontinued operation and assets classified as held for sale	-	-	(200,000)	(200,000)
At 30 June 2011	7,238,375	180,000	-	7,418,375
Accumulated amortisation and impairment losses				
At 1 July 2010	-	180,000	40,000	220,000
Amortisation for the year	-	-	20,000	20,000
Impairment losses	-	-	140,000	140,000
Attributable to discontinued operations and assets classified as held for sale	-	-	(200,000)	(200,000)
At 30 June 2011	-	180,000	-	180,000
	7,238,375	-	-	7,238,375

8. INTANGIBLE ASSETS (CONT'D)

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flows projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rate as stated below. The key assumptions used for the value-in-use calculations are:

	Gross Margin		Growth Rate		Discount Rate	
	31.3.2012	30.6.2011	31.3.2012	30.6.2011	31.3.2012	30.6.2011
Trademarks	44.0%	47.0%	1.80%	5.0%	9.0%	10.0%

The key assumptions used by management in the determination of the impairment testing of the trademarks are as follows:-

(i) Budgeted gross margin

The basis used to determine the budgeted gross margin is the average gross margins achieved in recent years immediately before the budgeted year increased by the effects of merchandising improvement and new marketing strategies.

(ii) Growth rate

The basis used to determine the growth rate is the revenue growth achieved in recent years taking into account increase in consumers spending as a result of merchandising improvement and new marketing strategies.

(iii) Discount rate

The discount rates used are pre-tax and reflect the borrowing costs.

Sensitivity to changes in assumptions

Management has considered the possibility of greater than budgeted cost of goods sold. The Group believes that it will be able to pass on the effect of increase in cost of goods sold to its customers through increase in selling prices which will be supported by product improvements.

9. INVESTMENTS IN BONDS

	The Group/The Company	
	31.3.2012 RM	30.6.2011 RM
Unquoted bonds		
- Available-for-sale investment	-	1,114,890
- Held-to-maturity investment	-	1,003,700
	-	2,118,590
Represented by:-		
At cost	-	1,003,700
At fair value	-	1,114,890
	-	2,118,590

10. DEFERRED TAX ASSETS

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
At 1 July 2011/2010	786,701	1,888,950	(888,825)	995,000
Recognised in profit or loss (Note 28)	61,299	(1,102,249)	1,760,825	(1,883,825)
At 31 March 2012/30 June 2011	848,000	786,701	872,000	(888,825)

Presented after appropriate offsetting as follows:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Deferred tax assets	848,000	825,526	872,000	-
Deferred tax liabilities	-	(38,825)	-	(888,825)
	848,000	786,701	872,000	(888,825)

The deferred tax assets of the Group represent tax benefits arising from temporary differences between depreciation and capital allowances on qualifying cost of property, plant and equipment, provision of bonus and inventories written down/off.

11. INVENTORIES

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Cost				
Raw materials	-	2,763,596	-	2,763,596
Work-in-progress	-	5,885,126	-	5,885,126
Finished goods	50,343,258	66,421,186	-	2,528,274
	50,343,258	75,069,908	-	11,176,996
Net realisable value:				
Finished goods	2,610,147	3,230,386	-	-
	52,953,405	78,300,294	-	11,176,996

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial period ended 31 March 2012

12. TRADE RECEIVABLES

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Trade receivables	19,702,048	17,644,610	3,266,354	16,224
Allowance for impairment losses	(234,448)	(247,823)	-	-
	19,467,600	17,396,787	3,266,354	16,224
Allowance for impairment losses:				
At 1 July 2011/2010	247,823	283,027	-	-
Addition during the financial period/year	100,320	-	-	-
Disposal of subsidiary	(99,811)	-	-	-
Reversal of allowance for impairment loss	(13,884)	(35,204)	-	-
At 31 March 2012/30 June 2011	234,448	247,823	-	-

The Group's normal trade credit terms range from 12 to 120 days (30.6.2011 – 14 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Other receivables	8,048,328	448,502	6,150,836	3,290
Dividends receivable	-	-	-	2,550,000
Deposits	1,445,328	872,560	56,510	25,610
Prepayments	268,507	137,642	61,790	33,604
	9,762,163	1,458,704	6,269,136	2,612,504

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	31.3.2012 RM	30.6.2011 RM
Amount owing by:-		
Trade balance	5,136,760	25,689,646
Non-trade balances	16,832,339	15,044,061
	21,969,099	40,733,707
Allowance for impairment losses	(11,084,915)	(10,161,767)
	10,884,184	30,571,940
Allowance for impairment losses:-		
At 1 July 2011/2010	(10,161,767)	(5,549,144)
Addition during the financial period/year	(923,148)	(4,612,623)
At 31 March 2012/30 June 2011	(11,084,915)	(10,161,767)
Amount owing to:-		
Trade	(4,514)	-
Non-trade balances	(342,894)	(609,218)
	(347,408)	(609,218)

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D)

The trade balance is subject to the normal trade credit terms ranging from 12 to 120 days (30.6.2011 – 14 to 120 days).

The non-trade balances are unsecured, interest-free and receivable/repayable on demand. The amounts owing are to be settled in cash.

15. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing by/(to) the related parties consist of the following:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Amount owing by:-				
Non-trade	4,190	23,464	-	-
Amount owing to:-				
Trade	(2,857)	-	-	-
Non-trade	-	(237,220)	-	-
	(2,857)	(237,220)	-	-

The amounts owing by/(to) the related parties are unsecured, interest-free and receivable/repayable on demand. The amounts owing are to be settled in cash.

16. OTHER INVESTMENT

	The Group/The Company	
	31.3.2012 RM	30.6.2011 RM
At fair value	2,140,079	-

Investments in money market of the Group are designated as fair value through profit or loss financial assets and are measured at fair value.

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.70% to 3.20% (30.6.2011 – 1.58% to 2.64%) per annum. The deposits have maturity periods ranging from 1 to 7 days (30.6.2011 – 1 to 3 days).

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 24 October 2011, the Company entered into a Share Sale Agreement to dispose of its wholly-owned subsidiary, Cocomax Sdn. Bhd. ("Cocomax") for a total cash consideration of RM600,000. Cocomax was operating the Group's chain of gourmet chocolate cafes and retail outlets known as "Theobroma Chocolate Lounge" that was previously reported in the food and beverage segment. However, the disposal was terminated on 24 November 2011. After the termination of the agreement, the Company is still actively looking for a buyer to complete the disposal.

As at the reporting date, the assets and liabilities related to Cocomax have been presented in the statement of financial position as "Non-current assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" respectively, and its results are presented separately on the statement of comprehensive income as "Loss from discontinued operations, net of tax".

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

The major classes of assets and liabilities of Cocomax classified as held for sale are as follows:-

	The Group	
	31.3.2012	**30.6.2011**
	RM	**RM**
Assets		
Plant and equipment	135,659	178,879
Inventories	54,530	153,555
Other receivables, deposits and prepayments	154,125	233,759
Cash and bank balances	169,429	28,845
Assets of disposal group classified as held for sale	513,743	595,038
Liabilities		
Loans and borrowings	-	258,835
Trade and other payables	367,251	1,001,506
Liabilities directly associated with assets classified as held for sale	367,251	1,260,341
Net assets/(liabilities) directly associated with assets classified as held for sale	146,492	(665,303)

	The Company	
	31.3.2012	**30.6.2011**
	RM	**RM**
Investment in a subsidiary	1	1

An analysis of the results of the assets held for sale is as follows:-

	The Group	
	1.7.2011 to 31.3.2012	**1.7.2010 to 30.6.2011**
	RM	**RM**
Revenue	3,666,807	6,260,552
Other income	183,296	295,033
Operating expenses	(4,035,677)	(8,820,101)
Loss from operations	(185,574)	(2,264,516)
Finance costs	(4,444)	(35,447)
Loss before taxation	(190,018)	(2,299,963)
Income tax expense	-	-
Loss after taxation from assets held for sale	(190,018)	(2,299,963)

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

Included in the loss before taxation from the assets held for sale are the following:-

	The Group	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Auditors' remuneration	8,000	8,000
Amortisation of intangible assets	-	20,000
(Reversal of)/deposit written off	(57,076)	136,840
Depreciation of plant and equipment	32,546	448,465
Foreign exchange loss/(gain):		
- realised	3,454	6,620
- unrealised	(529)	1,144
Impairment loss on intangible assets	-	140,000
Impairment loss on plant and equipment	-	970,759
Interest expense:		
- bank overdraft	384	1,089
- hire purchase	4,059	34,090
- others	1	268
Inventories written off	7,588	10,475
Plant and equipment written off	10,674	1,540
Royalty expenses	134,033	314,001
Rental of land and buildings	1,529,629	2,111,315
Staff costs		
- salaries, wages, bonuses and allowance	747,931	967,836
- defined contribution plan	75,854	121,934
- other benefits	459	12,315
Reversal of inventories written down	-	(20,000)

The cash flows attributable to the assets held for sale are the following:-

	The Group	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Net cash for operating activities	(615,891)	(577,298)
Net cash for investing activities	(142,006)	(20,272)
Net cash from financing activities	975,826	634,936
Net cash from discontinued operations	217,929	37,366

19. SHARE CAPITAL

	31.3.2012 Number Of Shares	30.6.2011 Number Of Shares	31.3.2012 RM	30.6.2011 RM
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	100,000,000	100,000,000	100,000,000	100,000,000
ISSUED AND FULLY PAID- UP	41,787,199	41,787,199	41,787,199	41,787,199

20. RESERVES

		The Group		The Company	
	Note	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Share premium	(a)	1,356,445	1,356,445	1,356,445	1,356,445
Fair value reserve	(b)	-	81,895	-	81,895
Revaluation reserve	(c)	-	697,240	-	697,240
Retained earnings	(d)	68,708,410	55,981,118	28,129,776	17,275,659
		70,064,855	58,116,698	29,486,221	19,411,239

(a) Share Premium

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

(c) Revaluation Reserve

The revaluation reserve represents the increase in the fair value of freehold land and buildings of the Group (net of deferred tax, where applicable).

(d) Retained Earnings

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 and tax-exempt income to frank the payment of dividends out of its entire profits without incurring additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

21. HIRE PURCHASE PAYABLES

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Minimum hire purchase payments:				
- not later than one year	10,303	188,461	10,303	188,461
- later than one year and not later than two years	-	87,758	-	87,758
	10,303	276,219	10,303	276,219
Less: Future finance charges	(53)	(12,859)	(53)	(12,859)
Present value of hire purchase payables	10,250	263,360	10,250	263,360

The hire purchase payables are repayable as follows:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Current portion:				
- not later than one year	10,250	178,977	10,250	178,977
Non-current portion:				
- later than one year and not later than two years	-	84,383	-	84,383
	10,250	263,360	10,250	263,360

The hire purchase payables of the Group and of the Company bore an interest of 4.46% (30.6.2011 – 3.54% to 4.00%) at the end of the reporting period.

22. TRADE PAYABLES

The Group and the Company's normal credit terms range from 30 to 120 days (30.6.2011 – 14 to 150 days) and 30 to 150 days (30.6.2011 – 30 to 150 days) respectively.

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Other payables	1,165,892	899,488	125,062	380,021
Dividend payable	-	29,997	-	29,997
Provision for compensated benefits	-	212,599	-	41,691
Accruals	3,169,554	1,684,397	166,996	414,643
	4,335,446	2,826,481	292,058	866,352

24. BANKERS' ACCEPTANCES

The bankers' acceptances of the Group bore effective interest rates ranging from 3.72% to 5.45% (30.6.2011 – 4.25% to 5.36%) per annum at the reporting date and are secured by:

(i) a legal charge over the Company's freehold land and buildings;

(ii) a negative pledge; and

(ii) a corporate guarantee of the Company.

25. BANK OVERDRAFTS

The bank overdrafts of the Group bore weighted average effective interest rates ranging from 7.85% to 8.60% (30.6.2011 – 7.85% to 8.60%) per annum and are secured in the same manner as the bankers' acceptances disclosed in Note 24 to the financial statements.

26. REVENUE

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	**1.7.2010 to 30.6.2011 RM**	**1.7.2011 to 31.3.2012 RM**	**1.7.2010 to 30.6.2011 RM**
Sales of goods less returns and discounts	99,786,567	129,880,354	-	-
Royalty income	1,847,930	1,764,131	-	-
Dividend income	-	-	10,000,000	3,400,000
	101,634,497	131,644,485	10,000,000	3,400,000

27. PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	**1.7.2010 to 30.6.2011 RM**	**1.7.2011 to 31.3.2012 RM**	**1.7.2010 to 30.6.2011 RM**
Profit before taxation from continuing operations is arrived at after charging/(crediting):-				
Audit fee:				
- current financial year	111,334	147,000	-	-
- underprovision in the previous financial year	5,520	-	-	-
Other firm of auditor				
- current financial year	-	1,200	-	-
Allowance for impairment loss on receivables	86,436	-	923,148	4,612,623
Bad debts written off	5,189	-	-	-
Depreciation of property, plant and equipment	1,539,417	2,233,854	-	-
Directors' fees	99,000	44,000	99,000	44,000
Impairment loss on property, plant and equipment	148,447	-	-	-
Impairment loss on investment in a subsidiary	-	-	549,999	-
Interest expense:				
- bankers' acceptances	112,121	135,260	-	-
- bank overdraft	11,764	21,713	-	-
- hire purchase	-	746	-	-
- others	-	617	-	-

27. PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS (CONT'D)

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Inventories written off	292,601	13,546	-	-
Property, plant and equipment written off	90,446	43,796	-	-
Rental of equipment	17,549	41,160	-	-
Rental of land and buildings	3,362,940	4,548,653	-	-
Royalty expense	156,236	177,567	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	16,428,471	24,586,860	-	-
- defined contribution plan	1,932,524	3,004,372	-	-
- other related expenses	280,974	338,411	-	-
Dividend income	-	-	(10,000,000)	(3,400,000)
(Gain)/Loss on foreign exchange				
- realised	(987)	(3,305)	-	-
- unrealised	(778)	80	-	-
Gain on disposal of investment	(3,705)	-	(3,705)	-
Gain on disposal of property, plant and equipment	(4,413,508)	(52,732)	(4,379,224)	(75,291)
Gain on disposal of subsidiaries	(261,210)	-	(3,457,226)	-
Interest income	(331,946)	(137,969)	(331,946)	(137,969)
(Reversal of)/Allowance for inventories written down	-	(888,548)	-	-
Rental of premises	(32,400)	(36,000)	(32,400)	(36,000)
Rental income from land and buildings and store equipment	-	(185,950)	(691,200)	(892,200)

28. INCOME TAX EXPENSE

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Current tax				
Current financial year	4,271,734	3,917,371	4,200,000	-
Under/(Over)provision in the previous financial year	30,054	(352,403)	700	(115,257)
	4,301,788	3,564,968	4,200,700	(115,257)
Deferred tax (Note 10):				
Current financial year	415,843	1,162,295	(766,683)	1,549,355
(Over)/Underprovision in the previous financial year	(477,142)	(60,046)	(994,142)	334,470
	(61,299)	1,102,249	(1,760,825)	1,883,825
	4,240,489	4,667,217	2,439,875	1,768,568

28. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Profit before taxation from continuing operations	22,863,409	28,045,937	17,417,480	31,909
Loss before taxation from discontinued operations	(5,026,071)	(9,925,697)	(3,253,708)	1,139,617
	17,837,338	18,120,240	14,163,772	1,171,526
Tax at the statutory tax rate of 25%	4,459,336	4,530,060	3,540,943	292,882
Tax effects of:-				
Non-taxable income	(86,311)	(33,767)	(817,316)	(33,767)
Non-deductible expenses	559,814	328,757	709,690	1,345,592
Utlisation of deferred tax assets previously not recognised	(245,262)	(280,902)	-	-
Deferred tax assets not recognised during the financial period	-	535,518	-	-
Group relief	-	-	-	(55,352)
(Over)/Underprovision in the previous financial year				
- income tax	30,054	(352,403)	700	(115,257)
- deferred tax	(477,142)	(60,046)	(994,142)	334,470
Tax expense for the financial year	4,240,489	4,667,217	2,439,875	1,768,568

No deferred tax assets are recognised in respect of the following items:-

	The Group	
	31.3.2012 RM	30.6.2011 RM
Unutilised tax losses	10,385,724	11,497,000
Unabsorbed capital allowances	1,830,739	1,875,000
Other deductible differences	2,469,276	2,321,115
	14,685,739	15,693,115

29. DISCONTINUED OPERATIONS

On 22 December 2011, the Group entered into a Sale and Purchase Agreement to dispose of the manufacturing segment for a total consideration of RM10.5 million. The gain on disposal of property, plant and equipment of the manufacturing segment amounted to RM4.4 million and was reflected in continuning operations. The segment was not a discontinued operations or classified as held for sale as at 30 June 2011 and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations. Management has committed to a plan to sell this segment due to the strategic decision to place greater focus on the Group's core business, being the trading of garments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial period ended 31 March 2012

29. DISCONTINUED OPERATIONS (CONT"D)

Loss attributable to the discontinued operations was as follows:-

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Revenue	3,627,816	282,114	26,259,447	74,589,115
Operating expenses	(8,316,699)	(7,746,352)	(29,365,985)	(73,288,002)
(Loss)/Profit for the financial period/year	(4,688,883)	(7,464,238)	(3,106,538)	1,301,113
Finance costs	(147,170)	(161,496)	(147,170)	(161,496)
(Loss)/Profit for the financial period/ year	(4,836,053)	(7,625,734)	(3,253,708)	1,139,617

Included in loss before taxation from the discontinued operations are the following:-

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Audit fee:				
- current financial year	40,000	50,000	40,000	50,000
- under/(over)provision in the previous financial year	7,245	-	7,245	-
Depreciation of plant and equipment	208,161	373,829	282,599	551,440
Directors' remuneration				
- fees	-	240,000	-	240,000
- salaries and other emoluments	-	780,000	-	780,000
- defined contribution plan	-	129,000	-	129,000
- retirement benefits	-	1,200,000	-	1,200,000
- compensation paid to directors for loss of office	-	1,335,500	-	1,335,500
- benefits-in-kind	-	38,507	-	35,176
Interest expense:				
- bankers' acceptances	135,671	136,848	135,671	136,848
- bank overdraft	2,869	6,536	2,869	6,536
- hire purchase	8,630	16,794	8,630	16,794
- term loan	-	1,318	-	1,318
Property, plant and equipment written off	1	-	1	-
Rental of premises	-	272,600	-	272,600
Rental of equipment	3,780	5,480	3,780	5,480
Staff costs				
- salaries, wages, bonuses and allowance	152,503	645,201	1,132,862	4,083,069
- defined contribution plan	18,834	61,260	106,966	359,635
- other benefits	11,139	670,332	50,154	802,779
Inventories written down	1,542,250	-	1,542,250	-
Interest income from advances to subsidiaries	-	-	(43,361)	(53,763)

30. EARNINGS/(LOSS) PER SHARE

	The Group	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Continuing operations		
Profit after taxation (RM)	18,622,920	23,378,720
Weighted average number of ordinary shares	41,787,199	41,787,199
Basic earnings per share (Sen)	44.56	55.94
Discontinued operations		
Loss attributable to owners of the Company (RM)	(5,026,071)	(9,925,697)
Weighted average number of ordinary shares	41,787,199	41,787,199
Basic loss per share (Sen)	(12.03)	(23.75)

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

31. DIVIDENDS

	The Group/Company Net dividen per share		The Group/Company Amount	
	2012 sen	2011 sen	2012 RM	2011 RM
In respect of the financial year ended 30 June 2011/2010				
- Final dividend of 5 sen less 25% tax per share	3.75	-	1,567,020	-
- Final dividend of 10 sen less 25% tax per share	-	7.50	-	3,134,040
	3.75	7.50	1,567,020	3,134,040

32. DISPOSAL OF SUBSIDIARIES

22 February 2012, the Company entered into Share Sale Agreements to dispose of the following subsidiaries:-

(i) Hing Yiap Trading Sdn. Bhd.
(ii) Hing Yiap Knitting Sdn. Bhd. (formerly known as Hing Yiap Properties Sdn. Bhd.)

The effects of the disposal of the subsidiaries on the Group's financial statements are as follows:-

(a) Effects on Statements of Comprehensive Income

	The Group	
	31.3.2012 RM	**30.6.2011 RM**
Revenue	2,923,422	-
Purchase of finished goods	(791,367)	-
Staff costs	(1,634,647)	-
Allowance for impairment of receivables	(99,811)	-
Operating expenses	(409,029)	-
Operating loss	(11,432)	-
Finance costs	(3,301)	-
Loss before taxation	(14,733)	-
Tax expense	(214,842)	-
Loss after taxation	(229,575)	-

(b) Effects on Statements of Financial Position

The effects on the statements of financial position of the Group as at the date of disposal and the comparatives for the previous financial year were as follows:-

	The Group	
	31.3.2012 RM	**30.6.2011 RM**
Office equipment	4,676	-
Trade receivables	457,570	-
Other receivables	14,850	-
Amount owing by immediate holding company	2,972,008	-
Amount owing by related companies	183,874	-
Deferred tax assets	950	-
Cash and bank balances	17,322	-
Trade payables	(72,503)	-
Other payables	(182,967)	-
Provision for taxation	(66,514)	-
Bank overdraft	(33,471)	-
Fair value of net assets disposed	3,295,795	-
Negative goodwill	223	-
Share of group's assets	3,296,018	-
Gain on disposal	261,210	-
Sale proceeds from disposal of subsidiaries, net of incidental costs	3,557,228	-
Cash and cash equivalents	16,149	-
Cash flow on disposal of subsidiaries	3,573,377	-

33. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Continuing operations:				
Cash and bank balances	6,651,179	593,787	6,511,788	14,471
Fixed deposits with licensed banks	17,907,647	57,485	17,907,647	57,485
Bank overdrafts	(1,932,410)	(336,571)	-	(179,345)
	22,626,416	314,701	24,419,435	(107,389)
Discontinued operations:				
Cash and bank balances	169,429	28,845	-	-
Bank overdraft	-	(77,345)	-	-
	169,429	(48,500)	-	-
Cash and bank balances	22,795,845	266,201	24,419,435	(107,389)

34. DIRECTORS' REMUNERATION

(a) The aggregate amounts of remuneration payable to the directors of the Company during the financial year are as follows:-

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Executive directors:				
- fees	-	96,000	-	96,000
- salaries and other emoluments	-	780,000	-	780,000
- defined contribution plan	-	129,000	-	129,000
- retirement benefits	-	1,200,000	-	1,200,000
- compensation paid to directors for loss of office	-	1,335,500	-	1,335,500
- benefits-in-kind	-	38,507	-	35,176
Non-executive directors:				
- fees	99,000	188,000	99,000	188,000
	99,000	3,767,007	99,000	3,763,676

(b) The number of directors of the Company where total remuneration payable during the financial year falls within the following bands is analysed as follows:-

	The Group		The Company	
	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM	1.7.2011 to 31.3.2012 RM	1.7.2010 to 30.6.2011 RM
Executive directors:-				
RM951,000 – RM1,000,000	-	1	-	1
RM1,051,000 – RM1,100,000	-	2	-	2
Non-executive directors:-				
Below RM50,000	3	6	3	6

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group has related party relationships with its directors, key management personnel entities within the same group of companies and associated company.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	Note	The Group 1.7.2011 to 31.3.2012 RM	The Group 1.7.2010 to 30.6.2011 RM	The Company 1.7.2011 to 31.3.2012 RM	The Company 1.7.2010 to 30.6.2011 RM
Sale of goods to subsidiaries		-	-	(22,631,631)	(74,307,001)
Income from rental of land and buildings and store equipment to subsidiaries		-	-	(843,849)	(856,200)
Interest income from advances to subsidiaries		-	-	(43,361)	(53,763)
Income from subsidiaries' share of holding company's corporate management expenses		-	-	(614,955)	(4,902,613)
Sales of goods to related parties	(a)	(251,855)	-	-	-
Purchase of goods from related parties	(a)	68,198	-	-	-
Key management personnel compensation:					
- short-term employee benefits		435,167	4,682,591	-	3,743,009
- defined contribution plan		53,749	270,672	-	178,518

(a) A company in which Mr. Ng Chin Huat has substantial financial interests.

36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

(i) Manufacturing – Textile knitting and the manufacture of garments
(ii) Trading – Wholesale, retail and distribution of ready-made sports and casual wear women intimate apparel and related accessories
(iii) Food and beverage – Rights to operate gourmet chocolate cafés and retail outlets known as "Theobroma Chocolate Lounge".

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

36. OPERATING SEGMENTS (CONT'D)

(a) Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Manufacturing (Discontinued)		Trading (Continuing)		Food And Beverage (Discontinued)		Adjustments And Elimination			Per Consolidated Financial Statements	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM	Notes	31.3.2012 RM	30.6.2011 RM
Revenue											
External sales	3,627,816	282,114	101,634,497	131,644,485	3,666,807	6,260,552	-	-		108,929,120	138,187,151
Inter-segment sales	22,631,631	74,307,001	3,573,434	4,008,283	-	-	(26,205,065)	(78,315,284)	A	-	-
Total revenue	26,259,447	74,589,115	105,207,931	135,652,768	3,666,807	6,260,552	(26,025,065)	(78,315,284)		108,929,120	138,187,151
Results											
Interest income	43,361	53,763	331,946	137,969	-	-	(43,361)	(53,763)		331,946	137,969
Finance costs	(147,170)	(161,494)	(167,246)	(193,280)	(4,444)	(54,268)	43,361	53,763		(275,499)	(355,279)
Profit/(loss) before taxation	(3,253,708)	1,139,617	28,954,961	17,562,588	(203,518)	(2,494,685)	(7,660,397)	1,912,720		17,837,338	18,120,240
Income tax expense										(4,240,489)	(4,667,217)
Profit after taxation										13,596,849	13,453,023
Assets											
Segment assets	50,650,242	78,907,387	111,959,628	103,668,472	704,369	643,660	(37,649,072)	(66,068,201)		125,665,167	117,151,318
Unallocated assets										4,137,065	12,010,738
Total assets										129,802,232	129,162,056
Liabilities											
Segment liabilities	668,384	16,692,170	26,220,057	46,625,982	11,341,613	10,818,551	(30,709,094)	(50,908,072)		7,520,960	23,228,631
Unallocated liabilities										10,429,218	6,029,528
Total liabilities										17,950,178	29,258,159
Other information											
Capital expenditure	-	973,687	1,815,178	2,101,485	-	132,458	-	-	B	1,815,178	3,207,630
Depreciation and amortisation	208,161	373,829	1,539,417	2,233,854	32,546	448,465	-	-		1,780,124	3,056,148
Non-cash expenses other than depreciation and amortisation	1,542,250	4,537,332	(4,078,608)	918,121	(39,343)	1,247,996	22,526	(5,462,023)	C	(2,553,175)	1,241,426

36. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

Nature of eliminations to arrive at amounts reported in the consolidated financial statements are as disclosed below:-

A Inter–segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of :

	The Group	
	31.3.2012 RM	30.6.2011 RM
Building	-	15,500
Computer equipment	144,353	325,233
Display counters	1,655,938	987,744
Furniture and fixtures	-	48,498
Electrical fittings	1,600	38,462
Office equipment	-	12,000
Plant, machinery and tools	2,700	71,950
Store equipment	10,587	28,500
Motor vehicles	-	1,679,743
	1,815,178	3,207,630

C Other material non-cash items expenses consist of the following items as presented in the respective notes to the financial statements:-

	The Group	
	31.3.2012 RM	30.6.2011 RM
Allowance for impairment loss on receivables	2,709,926	5,598,863
Bad debts written off	5,189	-
Gain on disposal of investment	(3,705)	-
Gain on disposal of subsidiaries	(3,457,226)	-
Impairment loss on intangible assets	-	140,000
Impairment loss in subsidiary	549,999	-
Inventories written down	1,542,250	-
Inventories written off	300,189	-
Property, plant and equipment:		
Gain on disposals	(4,413,508)	(97,432)
Loss on disposals	-	44,700
Written off	101,121	45,335
Impairment loss	148,447	970,759
Reversal of deposits written off	(57,076)	-
Unrealised foreign exchange (gain)/loss	(1,307)	1,224
	(2,575,701)	6,703,449
Elimination	22,526	(5,462,023)
	(2,553,175)	1,241,426

(b) Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

37. OPERATING LEASE COMMITMENTS

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	31.3.2012 RM	30.6.2011 RM
Not more than one year	1,946,173	2,556,596
Later than one year and not later than five years	981,799	509,622
	2,927,972	3,066,218

38. CONTINGENT LIABILITIES

Group

Ongoing legal proceedings

On 11 January 2002, the subsidiaries, Bontton Sdn. Bhd. (proprietor of the "Diesel" trademark in relation to articles of clothing in Malaysia) and Diesel Marketing Sdn. Bhd. (the authorised licensee of Bontton Sdn. Bhd. For the said "Diesel" trademark) (collectively referred to as "the Plaintiffs"), filed a suit against Apcott PP (M) Sdn. Bhd. (1st Defendant), based on passing-off and claiming an injunction to restrain the 1st Defendant from using the "Diesel" name in relation to bags and other fashion goods in Malaysia and to claim for general damages. Subsequently, Diesel S.P.A, a corporation incorporated in Italy, successfully applied to be a joint party to the above suit as the 2nd Defendant.

Pursuant thereto, the Plaintiffs filed an Amended Writ and Statement of Claim which included a claim for Rectification of the Register of Trade Marks to expunge and to vary the 2nd Defendant's registration for the mark "Diesel".

On 15 November 2002, an interim injunction entered against the 1st Defendant restraining the 1st Defendant, until the disposal of the main suit, from carrying on the business of manufacturing, distributing, selling or otherwise dealing by way of trade in certain fashion goods using the trademark "Diesel". On the same date, the 1st Defendant had also given an undertaking to the Court that they had never carried on the business of importing, distributing, selling or otherwise dealing in the course of trade with wearing apparel using the trademark "Diesel" and would not do so until the final disposal of the said suit.

Both defendants have filed their respective Defence and Counter-Claim, which include a claim for injunction and damages arising from alleged infringement and passing-off of the 2nd Defendant's "Diesel" mark by the Plaintiffs.

The Plaintiffs filed their Reply and Defence to Counter-Claim of both defendants on 10 February 2004. The matter is now pending the filing of the Reply to Defence to Counter-Claim by both defendants. Thereafter, pleadings will be deemed closed and all parties will then proceed to discovery. This is currently pending a trial date to be set by High Court to complete the discovery.

The Group has not made any allowance for possible losses arising from this litigation as the maximum exposure of liabilities to the Group, if any, will depend on the outcome of the suit.

Others

	The Company	
	31.3.2012 RM	30.6.2011 RM
Corporate guarantees given to financial institutions in respect of credit facilities extended to subsidiaries	26,660,000	27,547,933

39. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 39(a)(iii) to the financial statements.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	31.3.2012 Increase/ (Decrease) RM	**30.6.2011 Increase/ (Decrease) RM**	**31.3.2012 Increase/ (Decrease) RM**	**30.6.2011 Increase/ (Decrease) RM**
Effects on profit after taxation				
Increase of 25 basis points (bp)	19,237	(18,154)	37,494	(9,336)
Decrease of 25 bp	(19,237)	18,154	(37,494)	9,336
Effects on equity				
Increase of 25 bp	19,237	(18,154)	37,494	(9,336)
Decrease of 25 bp	(19,237)	18,154	(37,494)	9,336

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

39. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) customers which constituted approximately 69% of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
The Group				
31.3.2012				
Not past due	15,799,146	-	-	15,799,146
Past due:				
- less than 60 days	3,345,505	-	-	3,345,505
- over 60 days	557,397	(234,448)	-	322,949
	19,702,048	(234,448)	-	19,467,600
30.6.2011				
Not past due	10,406,885	-	-	10,406,885
Past due:				
- less than 60 days	6,694,211	-	-	6,694,211
- over 60 days	543,514	(247,823)	-	295,691
	17,644,610	(247,823)	-	17,396,787

39. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2012						
Trade payables	-	2,815,406	2,815,406	2,815,406	-	-
Other payables and accruals	-	4,335,446	4,335,446	4,335,446	-	-
Amount owing to related parties	-	2,857	2,857	2,857	-	-
Hire purchase payables	4.46	10,250	10,303	10,303	-	-
Bankers' acceptances	3.72 – 5.45	8,270,000	8,270,000	8,270,000	-	-
Bank overdrafts	7.85 – 8.60	1,932,410	1,932,410	1,932,410	-	-
		17,366,369	17,366,422	17,366,422	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial period ended 31 March 2012

39. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2011						
Trade payables	-	16,613,425	16,613,425	16,613,425	-	-
Other payables and accruals	-	2,826,481	2,826,481	2,826,481	-	-
Amount owing to related parties	-	237,220	237,220	237,220	-	-
Hire purchase payables	3.54 – 4.00	263,360	276,219	188,461	87,758	-
Bankers' acceptances	4.25 – 5.36	6,925,000	6,925,000	6,925,000	-	-
Bank overdrafts	7.85 – 8.60	336,571	336,571	336,571	-	-
		27,202,057	27,214,916	27,127,158	87,758	-

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2012						
Trade payables	-	28,918	28,918	28,918	-	-
Other payables and accruals	-	292,058	292,058	292,058	-	-
Amount owing to subsidiaries	-	347,408	347,408	347,408	-	-
Bankers' acceptances	3.72-4.67	2,900,000	2,900,000	2,900,000	-	-
Hire purchase payables	4.46	10,250	10,303	10,303	-	-
		3,578,634	3,578,687	3,578,687	-	-

39. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2011						
Trade payables	-	15,216,600	15,216,600	15,216,600	-	-
Other payables and accruals	-	866,352	866,352	866,352	-	-
Amount owing to subsidiaries	-	609,218	609,218	609,218	-	-
Bankers' acceptances	2.77-5.33	3,555,000	3,555,000	3,555,000	-	-
Hire purchase payables	3.54-4.00	263,360	276,219	188,461	87,758	-
Bank overdraft	7.50-8.10	179,345	179,345	179,345	-	-
		20,689,875	20,702,734	20,614,976	87,758	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period is not presented as its cash and cash equivalent exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

(c) Classification Of Financial Instruments

	The Group 31.3.2012 RM	The Group 30.6.2011 RM	The Company 31.3.2012 RM	The Company 30.6.2011 RM
Financial assets				
Available-for-sale financial assets				
Investments in bonds	-	1,114,890	-	1,114,890
Held-to-maturity				
Investments in bonds	-	1,003,700	-	1,003,700

39. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments (cont'd)

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Loans and receivables financial assets				
Trade receivables	19,467,600	17,396,787	3,266,354	16,224
Other receivables and deposits	9,493,656	1,321,062	6,207,346	2,578,900
Amount owing by subsidiaries	-	-	10,884,184	30,571,940
Amount owing by related parties	4,190	23,464	-	-
Fixed deposits with licensed banks	17,907,647	57,485	17,907,647	57,485
Cash and bank balances	6,651,179	593,787	6,511,788	14,471
	53,524,272	19,392,585	44,777,319	33,239,020
Fair value through profit or loss				
Other investments	2,140,079	-	2,140,079	-
Financial liabilities				
Other financial liabilities				
Hire purchase payables	10,250	263,360	10,250	263,360
Trade payables	2,815,406	16,613,425	28,918	15,216,600
Other payables and accruals	4,335,446	2,826,481	292,058	866,352
Amount owing to subsidiaries	-	-	347,408	609,218
Amount owing to related party	2,857	237,220	-	-
Bankers' acceptances	8,270,000	6,925,000	2,900,000	3,555,000
Bank overdrafts	1,932,410	336,571	-	179,345
	17,366,369	27,202,057	3,578,634	20,689,875

(d) Fair Values Of Financial Instruments

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
The Group/The Company				
2012				
Financial assets				
Fair value through profit or loss				
- other investments	2,140,079	-	-	2,140,079

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

During the financial period, the Company has undertaken the following:-

(a) On 24 October 2011, the Company entered into a Share Sale Agreement to dispose of its wholly-owned subsidiary, Cocomax for a total cash consideration of RM600,000. Cocomax was operating the Group's chain of gourmet chocolate cafes and retail outlets known as "Theobroma Chocolate Lounge" that was previously reported in the food and beverage segment. However, the disposal was terminated on 24 November 2011. After the termination of the agreement, the Company is still actively looking for a buyer to complete the disposal.

(b) On 22 December 2011, the Group entered into a Sale and Purchase Agreement to dispose of the manufacturing segment for a total consideration of RM10.5 million. The segment was not a discontinued operations or classified as held for sale as at 30 June 2011 and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations. Management is committed to a plan to sell this segment due to the strategic decision to place greater focus on the Group's core business, being the trading of garments.

(c) On 22 February 2012, the Company disposed of its entire equity interest in Hing Yiap Trading Sdn. Bhd. and Hing Yiap Knitting Sdn. Bhd. (formerly known as Hing Yiap Properties Sdn. Bhd.) for a total consideration of RM3,557,226 and RM2 respectively.

41. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Company entered into a conditional Share Sale Agreement with a vendor for the proposed acquisition of the entire equity interest of the vendor's subsidiaries for a total purchase consideration of RM245 million to be satisfied by way of a cash consideration of RM179.3 million and the balance of RM65.7 million to be satisfied via the issuance of 30,137,615 new ordinary shares of RM1 each at an issue price of RM2.18 per share.

42. COMPARATIVE FIGURES

The Group changed its financial year end from 30 June to 31 March. Accordingly, the financial statements of the Group for the financial period ended 31 March 2012 cover a 9 month period from 1 July 2011 to 31 March 2012 as compared to the 12 month period from 1 July 2010 to 30 June 2011.

The following comparative figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM	As Previously Reported RM
The Group		
STATEMENTS OF COMPREHENSIVE INCOME(EXTRACT):-		
Revenue	131,644,485	132,358,431
Other operating income	1,189,086	900,176
Changes in inventories of finished goods and work-in-progress	17,028,202	16,872,920
Purchase of finished goods	(65,325,712)	(66,033,412)
Staff costs	(27,929,643)	(32,972,432)
Depreciation of property, plant and equipment	(2,233,854)	(2,607,683)
Reversal of/(allowance for) inventories written down	888,548	1,000,000
Property, plant and equipment written off	(43,796)	-
Inventories written off	(13,546)	(2,474)
Operating expenses	(18,539,002)	(20,311,992)
Finance costs	(158,336)	(322,836)
Loss after taxation from discontinued operations	(9,925,697)	(2,299,963)
STATEMENTS OF CASH FLOW (EXTRACT):-		
Net cash for operating activities	(10,864,809)	(10,639,945)
Net cash for investing activities	(3,636,611)	(3,499,138)
Net cash for financing activities	(544,602)	(906,939)

42. COMPARATIVE FIGURES (CONT'D)

	As Restated RM	As Previously Reported RM
The Company		
STATEMENT OF COMPREHENSIVE INCOME(EXTRACT):-		
Revenue	3,400,000	77,989,115
Other operating income	1,244,532	1,298,295
Changes in inventories of finished goods and work-in-progress	-	(186,516)
Raw materials and consumables used	-	(4,487,951)
Purchase of finished goods	-	(57,391,346)
Staff costs	-	(8,973,983)
Depreciation of property, plant and equipment	-	(551,439)
Operating expenses	-	(1,750,530)
Finance costs	-	(161,496)
Profit after taxation from discontinued operations	1,139,617	-
STATEMENT OF CASH FLOW (EXTRACT):-		
Net cash for operating activities	(7,240,104)	(9,005,680)
Net cash for investing activities	(1,220,616)	(128,985)
Net cash for financing activities	(3,668,604)	(2,994,659)

43. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	31.3.2012 RM	30.6.2011 RM	31.3.2012 RM	30.6.2011 RM
Total retained profits/(accumulated losses):				
- realised	46,762,147	40,114,243	27,257,776	17,914,384
- unrealised	1,535,000	315,001	872,000	(638,725)
	48,297,147	40,429,244	28,129,776	17,275,659
Add: Consolidation adjustments	20,411,263	15,551,874	-	-
At 31 March 2012/30 June 2011	68,708,410	55,981,118	28,129,776	17,275,659

PROPERTIES
As at 31 March 2012

Location	Tenure	Land sq ft	Built-up sq ft	Approximate age of building years	Book value as at 31.3.2012 RM	Last valuation date	Description and current use
Property, Plant and Equipment							
Lot 46, Lorong Kuang Bulan, Taman Kepong, 52100 Kuala Lumpur	Freehold	16,500	30,192	23	2,884,681.86	8.1.1999	*Land and 4-storey detached industrial building, for own industrial use and office
Lot 48, Lorong Kuang Bulan, Taman Kepong, 52100 Kuala Lumpur	Freehold	16,619	13,806	31	2,326,543.00	21.8.2003	* Land and 2-storey detached industrial building, for own industrial use
						5,211,225	

** Acquisition date, based on sale and purchase agreement. No revaluation carried-out since acquisition.*

SHAREHOLDINGS STATISTICS

As at 15 August 2012

Authorised Share Capital	:	RM100,000,000/-
Issued and Paid-Up Share Capital	:	RM41,787,199/-
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	394	27.84	13,797	0.03
100 – 1,000	150	10.60	107,381	0.26
1,001 - 10,000	715	50.53	2,780,801	6.65
10,001 – 100,000	117	8.27	4,028,560	9.64
100,001 – 2,089,359*	38	2.69	13,767,140	32.95
2,089,360 and above**	1	0.07	21,089,520	50.47
TOTAL	**1,415**	**100.00**	**41,787,199**	**100.00**

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality/ Incorporated in	No. of Shares Beneficially Held			
		Direct	%	Indirect	%
Ng Chin Huat	Malaysian	-	-	*21,089,520	50.47
Kong Sau Kian	Malaysian	-	-	-	-
Lim Kim Meng	Malaysian	-	-	-	-
Cheah Yong Hock	Malaysian	-	-	-	-
Total Shareholdings		-	-	*21,089,520	50.47

** Deemed interested by virtue of his direct interest in Everest Hectare Sdn. Bhd. via Section 6A of the Companies Act, 1965.*

SHAREHOLDINGS STATISTICS (CONT'D)

As at 15 August 2012

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	No. of Shares Beneficially Held Direct	%	Indirect	%
Everest Hectare Sdn. Bhd.	Malaysia	21,089,520	50.47	-	-
Ng Chin Huat	Malaysian	-	-	*21,089,520	50.47
Yap Su P'ing	Malaysian	-	-	*21,089,520	50.47

* Deemed interested by virtue of his/ his spouse direct interest in Everest Hectare Sdn. Bhd. via Section 6A of the Companies Act, 1965

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Share Beneficially Held	%
1.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EVEREST HECTARE SDN. BHD.	21,089,520	50.47
2.	NG TIONG SENG CORPORATION SDN. BHD.	1,510,000	3.61
3.	DREAMBOND RESOURCES SDN. BHD.	1,265,000	3.03
4.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	937,700	2.24
5.	CHOI CHOONG HIN	900,000	2.15
6.	LIEW TEOW WOON	700,000	1.68
7.	CHING CHOOI SIM	672,000	1.61
8.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	576,000	1.38
9.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)(CIMB EQUITIES)	491,100	1.18
10.	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT ALPHA- 30 FUND	486,000	1.16
11.	OSK NOMINEES (TEMPATAN) SDN BERHAD PLEDGED SECURITIES ACCOUNT FOR NG TIONG SENG CORPORATION SDN. BHD.	438,000	1.05
12.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR CIMB ISLAMIC BALANCED GROWTH FUND (230122)	383,000	0.92
13.	TAN CHOON PIEW	350,000	0.84
14.	CHING CHOOI KUAN	329,600	0.79
15.	LIM PENG JIN	324,100	0.78

SHAREHOLDINGS STATISTICS (CONT'D)

As at 15 August 2012

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name	No. of Share Beneficially Held	%
16.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB-PRINCIPAL EQUITY FUND 2	321,100	0.77
17.	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG YOKE YUNG (PNG)	300,000	0.72
18.	AMANAHRAYA TRUSTEES BERHAD CIMB ISLAMIC EQUITY AGGRESSIVE FUND	299,000	0.72
19.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG MOO JIN (SEC 17 PJ-CL)	270,000	0.65
20.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOAY TEIK CHUAN	263,600	0.63
21.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG PEK SEE (CEB)	255,800	0.61
22.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG LUP YAN	200,000	0.48
23.	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR COLIN CHUAH CHIN YU (M & A)	200,000	0.48
24.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB ISLAMIC BALANCED FUND	193,900	0.46
25.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND	191,300	0.46
26.	AMANAHRAYA TRUSTEES BERHAD CIMB PRINCIPAL EQUITY AGGRESSIVE FUND 1	183,600	0.44
27.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	166,400	0.40
28.	SBB NOMINEES (TEMPATAN) SDN. BHD. MAA TAKAFUL SHARIAH GROWTH FUND	162,100	0.39
29.	AMANAHRAYA TRUSTEES BERHAD PB ASIA EMERGING GROWTH FUND	161,200	0.39
30.	CHOI YU LOONG	160,860	0.38

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HING YIAP GROUP BERHAD

(NO:22414-V)

Number of shares held	
CDS Account No.	

PROXY FORM

(Please refer to the notes below before completing this form)

I/We.. I.C.No...
(FULL NAME IN BLOCK LETTERS)

of..
(FULL ADDRESS)

being a member of **Hing Yiap Group Berhad** hereby appoints ....

.... I.C.No...
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

or failing him/her,.. I.C. No...
(FULL NAME IN BLOCK LETTERS)

of..
(FULL ADDRESS)

or failing him/ her, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held at Room Melati 1-3, Grand Dorsett Subang Hotel, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 25 September 2012 at 10.00 a.m. or any adjournment thereof, in the manner as indicated below:-

No.	Resolutions	For	Against
1	To declare a Final Dividend of 5% less income tax for the financial period ended 31 March 2012		
2	To approve the payment of Directors' Fees for the financial period ended 31 March 2012.		
3	To re-elect Mr. Cheah Yong Hock as a Director of the Company		
4	To re-appoint Messrs. Crowe Horwath as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
5	As Special Business Ordinary Resolution 1 - Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965		
6	Ordinary Resolution 2 - Proposed Renewal of Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature		
7	Ordinary Resolution 3 - Proposed Renewal of Authority for Share Buy Back of up to Ten Percent (10%) of the Issued and Paid-up Share Capital of the Company		
8	Special Resolution - Proposed Amendments to the Articles of Association of the Company		

(Please indicate with an "X" in the appropriate boxes above how you wish your vote to be cast. If you do not do so, your proxy shall vote as he thinks fit, or at his/their discretion.)

Dated this .... day of 2012

....
Signature of Shareholder

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2012 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.*
2. *A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149 (1) (b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.*
3. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy must be deposited at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or adjournment thereof.*

Fold here for sealing

Fold here

Affix
Stamp
Here

HING YIAP GROUP BERHAD
(Company No. 22414-V)

Lot 10449, Jalan Nenas
Batu 4 ½, Kampung Jawa
41000 Klang, Selangor Darul Ehsan

Fold here

www.hingyiap.com