

**SUIWAH CORPORATION BHD.****COMPANY NO: 253837 H****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(The figures have not been audited)

	<b>6 Months Ended 30 Nov 2010 RM' 000</b>	<b>6 Months Ended 30 Nov 2009 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,497	6,576
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	5,237	5,174
Amortisation of prepaid land lease payment	188	188
Amortisation of land use rights	286	-
Amortisation of deferred capital grant	(13)	-
Interest expense	146	234
Interest income	(96)	(277)
Share of losses in an associate	-	90
Operating profit before working capital changes	14,245	11,985
Net changes in property development cost	301	(1,195)
Increase in receivables	(13,967)	(5,668)
Increase in inventories	(5,184)	(10,373)
Increase in payables	4,788	14,684
Cash generated from operations	183	9,433
Interest paid	(146)	(234)
Interest received	96	277
Tax paid	(1,046)	(1,573)
Net cash (used in) / generated from operating activities	(913)	7,903
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in short term investment	6,379	10,796
Purchase of property, plant and equipment	(3,184)	(3,614)
Increase in investment in an associate	-	(11)
Net cash generated from investing activities	3,195	7,171
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(413)	(223)
Purchase of treasury shares	(41)	(60)
Net changes in bankers' acceptance	(3,055)	(464)
Net cash generated from financing activities	(3,509)	(747)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,227)	14,327
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(23)	(18)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	20,896	12,981
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	19,646	27,290
Cash and cash equivalents comprise:		
Cash and bank balances	11,016	20,100
Deposit with licensed banks	9,495	7,190
Overdraft	(865)	-
	19,646	27,290

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements)

## SUIWAH CORPORATION BHD.

COMPANY NO: 253837 H

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	As At End of Current Quarter 30 Nov 2010 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2010 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	76,831	78,884
Land held for development	6,529	800
Land use rights	796	1,082
Prepaid land lease payments	31,381	31,569
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>120,205</u>	<u>117,003</u>
<b>Current assets</b>		
Property development cost	-	16,608
Short term investment	454	6,833
Inventories	44,835	29,074
Trade receivables	42,195	30,326
Other receivables	14,355	13,240
Loan receivables	216	59
Cash and bank balances	20,511	26,108
	<u>122,566</u>	<u>122,248</u>
<b>TOTAL ASSETS</b>	<u>242,771</u>	<u>239,251</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	61,000	61,000
Share premium	13,935	13,935
Treasury shares	(4,851)	(4,810)
Other reserves	1,399	1,428
Retained earnings	95,289	92,927
	<u>166,772</u>	<u>164,480</u>
Minority interest	(53)	15
<b>Total equity</b>	<u>166,719</u>	<u>164,495</u>
<b>Non-current liabilities</b>		
Long term loan	3,198	4,202
Deferred capital grant	129	142
Deferred tax liabilities	3,620	3,558
	<u>6,947</u>	<u>7,902</u>
<b>Current liabilities</b>		
Short term borrowings	2,206	9,400
Trade payables	53,150	48,413
Other payables	8,551	8,500
Deferred capital grant	25	25
Proposed dividend	3,460	-
Taxation	1,713	516
	<u>69,105</u>	<u>66,854</u>
<b>Total liabilities</b>	<u>76,052</u>	<u>74,756</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>242,771</u>	<u>239,251</u>
Net assets per share attributable to equity holders of the parent (RM)	2.89	2.85
	-	-

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2010 and the accompanying explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Statement of Comprehensive Income**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30 Nov</b>		<b>30 Nov</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	2,746	2,792	6,179	4,923
Other comprehensive income:				
Realisation of revaluation reserves	(10)	(10)	(20)	(20)
Foreign exchange difference	43	3	(9)	2
Total comprehensive income for the period	<u>2,779</u>	<u>2,785</u>	<u>6,150</u>	<u>4,905</u>
Total comprehensive income attributable to:				
Equity holders of the parent	2,813	2,737	6,219	4,785
Minority Interest	(34)	48	(69)	120
	<u>2,779</u>	<u>2,785</u>	<u>6,150</u>	<u>4,905</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the accompany explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Statement of Comprehensive Income**

(The figures have not been audited)

	<b>Individual Quarter 3 Months Ended 30 Nov</b>		<b>Cumulative Quarter 6 Months Ended 30 Nov</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Revenue	105,224	97,962	213,460	191,741
Other operating income	289	449	543	746
Total operating expenses	(101,719)	(94,790)	(205,453)	(185,864)
Profit from operations	<u>3,794</u>	<u>3,621</u>	<u>8,550</u>	<u>6,623</u>
Finance income	25	131	96	277
Finance cost	(100)	(136)	(149)	(234)
Share of loss of an associate	-	(44)	-	(90)
Profit before taxation	<u>3,720</u>	<u>3,572</u>	<u>8,497</u>	<u>6,576</u>
Income tax	(973)	(780)	(2,318)	(1,653)
Profit for the period	<u><u>2,746</u></u>	<u><u>2,792</u></u>	<u><u>6,179</u></u>	<u><u>4,923</u></u>
<b>Profit attributable to:</b>				
Equity holders of the parent	2,780	2,744	6,247	4,803
Minority Interest	(34)	48	(68)	120
	<u><u>2,746</u></u>	<u><u>2,792</u></u>	<u><u>6,179</u></u>	<u><u>4,923</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
Basic (based on ordinary share - sen)	4.82	4.76	10.83	8.32
Fully diluted (based on ordinary share - sen)	4.82	4.76	10.83	8.32

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 Nov 2010 arising from the assumed conversion of the existing Employee Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for the quarters are presented as equals to basic earnings per share

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the accompany explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figures have not been audited)

For The Six Months Ended 30 Nov 2010

	← Attributable to Equity Holders of the Parent →						Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non - distributable →			Distributable						
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Foreign exchange Reserve RM'000	Share Option Reserve RM'000				
<b>At 31 May 2010</b>										
As previously reported	61,000	13,935	(4,810)	1,510	(946)	864	92,927	164,480	15	164,495
Effect of applying FRS 139	-	-	-	-	-	-	(445)	(445)	-	(445)
As restated	61,000	13,935	(4,810)	1,510	(946)	864	92,482	164,035	15	164,050
<b>Total comprehensive income for the period</b>	-	-	-	(20)	(9)	-	6,247	6,218	(68)	6,150
	-	-	-	(20)	(9)	-	6,247	6,218	(68)	6,150
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(41)	-	-	-	-	(41)	-	(41)
Realisation of revaluation reserves	-	-	-	-	-	-	20	20	-	20
First and final dividend	-	-	-	-	-	-	(3,460)	(3,460)	-	(3,460)
<b>At 30 November 2010</b>	61,000	13,935	(4,851)	1,490	(955)	864	95,289	166,772	(53)	166,719

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Six Months Ended 30 Nov 2009

	← Attributable to Equity Holders of the Parent →						Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non - distributable →			Distributable						
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Foreign exchange Reserve RM'000	Share Option Reserve RM'000				
<b>At 31 May 2009</b>										
	61,000	13,935	(4,750)	1,549	(525)	864	89,704	161,777	1,156	162,933
<b>Total comprehensive income for the period</b>	-	-	-	(20)	2	-	4,803	4,785	120	4,905
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
Realisation of revaluation reserves	-	-	-	-	-	-	20	20	-	20
First and final dividend	-	-	-	-	-	-	(3,462)	(3,462)	-	(3,462)
<b>At 30 November 2009</b>	61,000	13,935	(4,810)	1,529	(523)	864	91,065	163,060	1,276	164,336

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD. (Company No: 253837 H)  
INTERIM REPORT FOR THE SIX-MONTHS PERIOD ENDED 30 NOVEMBER 2010  
NOTES TO INTERIM FINANCIAL REPORT  
PART A – EXPLANATORY NOTES PURSUANT TO FRS134**

**A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with FRS134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2010.

**A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2010, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group with effect from 1 June 2010.

**FRSs, Amendments to FRSs and Interpretations**

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate

Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment- Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Improvements to FRSs – issued in 2009

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group.

The adoption of the above FRSs, Amendments to FRSs and Interpretations above did not have any significant effect on the results or financial position of the Group except as discussed below:

**(a) FRS 139: Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. 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, transactions costs that are directly attributable to the acquisition or issue of the financial instruments.

**i) Financial Assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sales financial assets or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group’s financial assets include cash and deposits and loans and receivables.

ii) Loans and receivables

Prior to 1 June 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loan and receivables are initially measured at fair value and subsequently amortised cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

Prior to 1 June 2010, allowance for doubtful debts was recognized when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivables' carrying amount and the present value of the estimated future cash flows discounted at the receivables' original effective interest rate. As at 1 June 2010, the Group has measured the allowance for impairment losses as at that date in accordance with FRS 139.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss. Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument or financial liabilities that are specifically designated into this category upon initial recognition).

Derivatives

Prior to the adoption of FRS 139 all derivative financial instruments were recognised in the financial statements only upon settlement. With the adoption of FRS 139, derivative financial instruments that are not designated or do not qualify for hedge accounting are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the income statement.

At the date of authorisation of these financial statements, the following new FRSs and Interpretations and Amendments to certain FRSs and Interpretation were issued but not yet effective and have not been applied by the Group:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
FRS 1: First time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combination (Revised)	1 July 2010
Amendments to FRS 127: Consolidation and Separate Financial Statements	1 July 2010
Amendments to FRS 2: Share-based payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distribution of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
Technical Release 3: Guidance on Disclosures of Transition to IFRSs	1 January 2011
Technical Release i-4: Shariah Compliant Sale Contracts	1 January 2011
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

The above pronouncements are expected to have no significant impact to the financial position and results of the Group upon their initial application.

### Effect of adoption of FRS 139

In accordance with the transitional provision of FRS 139, the changes are applied prospectively and the comparatives as of 31 May 2010 are not restated. Instead, the changes have been accounted for by restating the opening retained earnings in the balance sheet as of 1 June 2010:

	As at 1 June 2010
	Retained Earnings ('000)
Previously stated at	92,927
<b>Effect of applying FRS 139</b>	
Impairment of trade receivables	(826)
Amortisation of borrowings	381
Restated at	92,482

### A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the annual financial statements for the financial year ended 31 May 2010 was not subject to any qualification.

### A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve and remain profitable for financial year 2011.

As for our manufacturing arm, Qdos Group is expected to remain profitable for the financial year 2011.

### A5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review and financial year to date.

### A6. Changes in Estimates

There was no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current year.

### A7. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 May 2010.

### A8. Debt and Equity Securities

There were no shares exercised and listed pursuant to the Suiwah Employee Share Option Scheme ("ESOS") for the quarter under review. There were no shares exercised and listed between 1 Sept 2010 and 27 January 2011.

There were no cancellation of shares and resale of treasury shares during the quarter.

### A9. Dividends Paid

The first and final dividend in respect of financial year ended 31 May 2010, of 8% less 25% taxation on 57,674,148 ordinary shares, amounting to total dividend payable of RM3,460,449 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 30 November 2010 and has been subsequently paid on 23 Dec 2010.

### A10. Segmental Information

	6 months ended 30.11.2010 (RM'000)
<b>Segment Revenue</b>	
Retail	144,856
Manufacturing	66,225
Property investment and development	2,165
Money lending	214
Group revenue	<b>213,460</b>



	<b>6 months ended 30.11.2010 (RM'000)</b>
<b>Segment Results</b>	
Retail	3,677
Manufacturing	5,157
Property investment and development	(497)
Money lending	213
Profit from operations	8,550
Finance income	96
Finance cost	(149)
Taxation	(2,318)
Profit after tax	<b>6,179</b>

The directors are of the opinion that inter-segment transactions are minimal and have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

#### **A11. Valuation of Property, Plant and Equipment**

The value of properties has been brought forward without amendments from the annual financial statements for the year ended 31 May 2010.

#### **A12. Subsequent Material Events**

There were no material events subsequent to the end of the interim period.

#### **A13. Changes in the Composition of the Group**

On 6 September 2010, the Company and its wholly owned subsidiary, Sunshine Wholesale Mart Sdn Bhd ("SWMSB") incorporated a subsidiary, i.e. Sunshine Amanjaya Pte Ltd in the Federal Territory of Labuan, Malaysia with an issued and paid up share capital of USD100 comprising 100 new ordinary shares of USD1 each. The Company and SWMSB each have an equity interest of 50% and 1% respectively in the said subsidiary, comprising 51 ordinary shares of USD1 each, while the remaining 49% shareholdings are held by third parties.

#### **A14. Changes in Contingent Liabilities**

As at the period ended 30 November 2010, the Company has given corporate guarantees amounting to RM5,404,175 to secure banking facilities granted to its subsidiaries.

#### **A15. Capital Commitments**

The Group's capital commitments as at 27 January 2011 are as follow:

	RM'000
Approved and contracted for:	
Plant and Machinery	230
<b>Total</b>	<b>230</b>

#### **A16. Authorisation for Issue**

On 27 January 2011, the Board of Directors authorised this interim report together with its accompanying disclosure notes as set out in Part A & Part B.

**SUIWAH CORPORATION BHD. (Company No: 253837 H)**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1. Review of Performance of the Group**

The Group's revenue for the quarter under review was RM105.224 million as compared to RM97.962 million for the preceding year corresponding quarter ended 30 November 2009, recording an increase of 7.41%

The Group's profit before tax for the same period was RM3.720 million as compared with the profit before tax of RM3.572 million previously, an increase of 4.14%. The increase in the overall Group's turnover and profitability was mainly due overall improved performance in manufacturing in the current quarter.

The results for the current financial period have not been affected by any transactions or events of a material or unusual nature that has arisen between 30 November 2010 and the date of this report.

**B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

The Group's revenue for the quarter ended 30 November 2010 was RM105.224 million as compared to RM108.236 million for the preceding quarter ended 31 Aug 2010, a decrease of 2.78%

The Group's profit before tax for the current quarter was RM3.720 million, as compared with profit before tax of RM4.778 million recorded in the preceding quarter, a decrease of 22.14%. The decrease in the Group's revenue and profitability, which was mainly due to higher consumer spending following the celebration of Hari Raya sales recorded in the preceding quarter.

**B3. Commentary on Prospects**

The Group continues to respond positively to the ongoing improving economics conditions by ensuring that our customers will have good value in return. The Group expects to remain profitable.

**B4. Variance from Profit Forecast and Profit Guarantee**

This is not applicable to the Group.

**B5. Taxation**

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year	903	792	2,178	1,677
Deferred taxation	70	(12)	140	(24)
Total	973	780	2,318	1,653

**B6. Profits on Sale of investments and/or Properties**

There were no sales of investments and/or properties by the Group during the quarter under review.

**B7. Sales of Unquoted Investments and Properties**

There were no sales of unquoted investment and properties for the current quarter and financial to date.

**B8. Quoted Securities**

- (a) There were no disposals of quoted securities during the quarter under review.
- (b) As at the end of the quarter, investments in quoted securities of the Group were as follows:-

	<b>RM</b>
Total investment at cost	10,302
Total investment at carrying value/book value (after provision for diminution in value)	<u>3,197</u>
Total market value of quoted investments at end of the quarter	<u>2,648</u>

**B9. Status of Corporate Proposals**

On 6 September 2010, the Company and its wholly owned subsidiary, Sunshine Wholesale Mart Sdn Bhd (“SWMSB”) incorporated a subsidiary, i.e. Sunshine Amanjaya pte Ltd in the Federal Territory of Labuan, Malaysia with an issued and paid up share capital of USD100 comprising 100 new ordinary shares of USD1 each. The Company and SWMSB each have an equity interest of 50% and 1% respectively in the subsidiary, comprising 51 ordinary shares of USD1 each. The remaining 49% shareholding is subscribed by third parties.

**B10. Group Borrowings**

The Group’s total borrowings as at end of the financial period under review are:

- (a) Secured by way of:
- Fixed deposits of certain subsidiaries amounting to RM5.50 million;
  - First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM28,845,171 and
  - a corporate guarantee by the Company.

- (b) Short term borrowings

	<b>RM</b>
Term loan due within 12 months	1,911,444
Bankers’ Acceptance	294,474
	<u>2,205,918</u>

- (c) Long term borrowings

	<b>RM</b>
Term loan	<u>3,198,257</u>

- (d) There were no borrowings or debt securities denominated in foreign currencies.

**B11. Financial Instruments**

- (a) Contract value and fair value of derivatives as at 30 November 2010

The Group has no outstanding derivatives financial instruments as at 30 November 2010.

- (b) Gain/(losses) arising from fair value changes of financial liabilities

The gain/(loss) arising from fair value changes of financial liabilities had no significant impact on the financial position and results of the Group for the current quarter ended 30 November 2010.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies except for those changes which have been disclosed under Note A2 Changes in Accounting Policies of this quarterly report. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 31 May 2010.

**B12. Material Litigation**

As of the date of this announcement, neither the Company nor any of its subsidiary companies are aware of or engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of the Company are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group

**B13. Dividend**

The first and final dividend in respect of financial year ended 31 May 2010, of 8% less 25% taxation on 57,674,148 ordinary shares, amounting to total dividend payable of RM3,460,449 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 30 November 2010 and has been subsequently paid on 23 Dec 2010.

**B14. Earnings Per Share**

The basic earnings per share has been calculated by dividing the Group's net profit for the period attributable to ordinary equity holders of the Company by the weighted number of ordinary shares in issue in the respective periods as follows:

	<b>Current Quarter ended 30.11.2010</b>	<b>Preceding Quarter ended 30.11.2009</b>	<b>Current Cumulative Quarter ended 30.11.2010</b>	<b>Preceding Cumulative Quarter ended 30.11.2009</b>
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	2,780	2,744	6,247	4,803
Weighted number of ordinary shares in issue ('000)				
- Basic	57,674	57,703	57,684	57,719
- Diluted	57,674	57,703	57,684	57,719
Basic earnings per share (sen)	4.82	4.76	10.83	8.32
Diluted earnings per share (sen)*	4.82	4.76	10.83	8.32

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 November 2010 arising from the assumed conversion of the Employees Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share is presented as equals to basic earnings per share.

**B15. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 January 2011.