

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

Condensed Consolidated Income Statement

(The figures have not been audited)

	Individual Quarter 3 Months Ended 28 Feb		Cumulative Quarter 9 Months Ended 28 Feb	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	116,925	128,926	330,385	320,666
Other operating income	368	651	911	1,397
Total operating expenses	(111,794)	(123,552)	(317,247)	(309,416)
Profit from operations	<u>5,499</u>	<u>6,025</u>	<u>14,049</u>	<u>12,647</u>
Finance income	75	114	171	391
Finance cost	(73)	(86)	(222)	(320)
Share of loss of an associate	-	(39)	-	(129)
Profit before taxation	<u>5,501</u>	<u>6,014</u>	<u>13,998</u>	<u>12,589</u>
Income tax	(1,298)	(1,276)	(3,616)	(2,929)
Profit for the period	<u>4,203</u>	<u>4,738</u>	<u>10,382</u>	<u>9,660</u>
Profit attributable to:				
Equity holders of the parent	3,753	4,738	10,000	9,540
Minority Interest	450	-	382	120
	<u>4,203</u>	<u>4,738</u>	<u>10,382</u>	<u>9,660</u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	6.51	8.21	17.34	16.53
Fully diluted (based on ordinary share - sen)	6.51	8.21	17.34	16.53

* The effect on the basic earnings per share for the individual and cumulative quarters ended 28 Feb 2011 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 FINANCIAL POSITION

(The figures have not been audited)

	As At End of Current Quarter 28 Feb 2011 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,390	78,884
Land held for development	7,267	800
Land use rights	742	1,082
Prepaid land lease payments	31,289	31,569
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>118,356</u>	<u>117,003</u>
Current assets		
Property development cost	-	16,608
Short term investment	457	6,833
Inventories	35,993	29,074
Trade receivables	45,571	30,326
Other receivables	14,645	13,240
Loan receivables	200	59
Cash and bank balances	38,343	26,108
	<u>135,209</u>	<u>122,248</u>
TOTAL ASSETS	<u>253,565</u>	<u>239,251</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	61,000	61,000
Share premium	13,935	13,935
Treasury shares	(4,854)	(4,810)
Other reserves	1,344	1,428
Retained earnings	99,052	92,927
	<u>170,477</u>	<u>164,480</u>
Minority interest	397	15
Total equity	<u>170,874</u>	<u>164,495</u>
Non-current liabilities		
Long term loan	2,987	4,202
Deferred capital grant	123	142
Deferred tax liabilities	3,631	3,558
	<u>6,741</u>	<u>7,902</u>
Current liabilities		
Short term borrowings	1,047	9,400
Trade payables	62,846	48,413
Other payables	9,855	8,500
Deferred capital grant	25	25
Taxation	2,177	516
	<u>75,950</u>	<u>66,854</u>
Total liabilities	<u>82,691</u>	<u>74,756</u>
TOTAL EQUITY AND LIABILITIES	<u>253,565</u>	<u>239,251</u>
Net assets per share attributable to equity holders of the parent (RM)	2.96	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)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	28 Feb		28 Feb	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,203	4,738	10,382	9,660
Other comprehensive income:				
Realisation of revaluation reserves	(10)	(10)	(30)	(30)
Foreign exchange difference	(45)	(4)	(54)	(2)
Total comprehensive income for the period	<u>4,148</u>	<u>4,724</u>	<u>10,298</u>	<u>9,628</u>
Total comprehensive income attributable to:				
Equity holders of the parent	3,698	4,724	9,916	9,508
Minority Interest	450	-	382	120
	<u>4,148</u>	<u>4,724</u>	<u>10,298</u>	<u>9,628</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 CHANGES IN EQUITY

(The figures have not been audited)

For The Ninth Months Ended 28 Feb 2011

	← Attributable to Equity Holders of the Parent →						Distributable	Total	Minority Interest	Total Equity
	Non - distributable									
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 May 2010										
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
Total comprehensive income for the period	-	-	-	(30)	(54)	-	10,000	9,916	382	10,298
	-	-	-	(30)	(54)	-	10,000	9,916	382	10,298
Transaction with owners:										
Purchase of treasury shares	-	-	(44)	-	-	-	-	(44)	-	(44)
Realisation of revaluation reserves	-	-	-	-	-	-	30	30	-	30
First and final dividend	-	-	-	-	-	-	(3,460)	(3,460)	-	(3,460)
At 28 Feb 2011	61,000	13,935	(4,854)	1,480	(1,000)	864	99,052	170,477	397	170,874

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Ninth Months Ended 28 Feb 2010

	← Attributable to Equity Holders of the Parent →						Distributable	Total	Minority Interest	Total Equity
	Non - distributable									
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 May 2009	61,000	13,935	(4,750)	1,549	(525)	864	89,704	161,777	1,156	162,933
Total comprehensive income for the period	-	-	-	(30)	(2)	-	9,540	9,508	120	9,628
Transaction with owners:										
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
Additional investment in subsidiary	-	-	-	-	-	-	(44)	(44)	(1,316)	(1,360)
Realisation of revaluation reserves	-	-	-	-	-	-	30	30	-	30
First and final dividend	-	-	-	-	-	-	(3,462)	(3,462)	-	(3,462)
At 28 Feb 2010	61,000	13,935	(4,810)	1,519	(527)	864	95,768	167,749	(40)	167,709

(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
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	9 Months Ended 28 Feb 2011 RM' 000	9 Months Ended 28 Feb 2010 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,998	12,589
Adjustments for:		
Depreciation of property, plant and equipment	7,947	7,428
Amortisation of prepaid land lease payment	280	280
Amortisation of land use rights	340	-
Amortisation of deferred capital grant	(19)	-
Interest expense	222	320
Interest income	(171)	(391)
Share of losses in an associate	-	129
Operating profit before working capital changes	22,597	20,355
Net changes in property development cost	-	(987)
Increase in receivables	(14,498)	(16,712)
Increase in inventories	102	(8,693)
Increase in payables	15,787	24,759
Cash generated from operations	23,988	18,722
Interest paid	(222)	(320)
Interest received	171	391
Tax paid	(1,859)	(3,196)
Net cash (used in) / generated from operating activities	22,078	15,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional purchase of investment in subsidiary	-	(1,360)
Decrease in short term investment	6,376	12,748
Purchase of property, plant and equipment	(3,453)	(2,736)
Increase in investment in an associate	-	(11)
Net cash generated from investing activities	2,923	8,641
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(625)	(424)
Dividends paid	(3,460)	(3,462)
Purchase of treasury shares	(44)	(60)
Net changes in bankers' acceptance	(3,350)	(1,470)
Net cash generated from financing activities	(7,479)	(5,416)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,522	18,822
EFFECTS OF EXCHANGE RATE CHANGES	(75)	(30)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,896	12,981
CASH AND CASH EQUIVALENTS AT END OF PERIOD	38,343	31,773
Cash and cash equivalents comprise:		
Cash and bank balances	23,057	12,689
Deposit with licensed banks	15,286	19,084
Overdraft	-	-
	38,343	31,773

(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)
INTERIM REPORT FOR THE NINE-MONTHS PERIOD ENDED 28 FEBRUARY 2011
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 IC Interpretation 15: Agreements for the Construction of Real Estate	30 August 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
Improvements to FRSS issued in 2010	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 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirements	1 July 2011
FRS 124: Related Party Disclosure	1 January 2012
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
Effect of applying FRS 139	
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 slow down especially in the coming 4th quarter as the major festival seasons were already over.

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 March 2011 and 28 April 2011.

During the quarter, the Company bought back 2,000 units of its own shares for a total cash consideration RM2,876. The price paid per share was RM1.43. The said shares are currently held as treasury shares.

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 December 2010.

A10. Segmental Information

	9 months ended 28.2.2011 (RM'000)
Segment Revenue	
Retail	230,979
Manufacturing	87,980
Property investment and development	7,108
Money lending	225
Trading	4,093
Group revenue	330,385

	9 months ended 28.2.2011 (RM'000)
Segment Results	
Retail	6,343
Manufacturing	5,946
Property investment and development	748
Money lending	225
Trading	787
Profit from operations	14,049
Finance income	171
Finance cost	(222)
Taxation	(3,616)
Profit after tax	10,382

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 18 March 2011, the Group's subsidiaries, Qdos Flexcircuits Sdn Bhd and Qdos Flexcircuits (India) Private Limited have entered into a Share Holders Agreement with M.J.Shantharam, Valdel Real Estate Pvt. Ltd. and Exora Technologies Pvt. Ltd. ("Exora") to subscribe up to 22,500,000 new shares of Rupees 10 each in Exora, representing 49% of the equity interest in Exora, for a total cash consideration of approximately RM15 million. The purpose of this investment in Exora is for the Group to venture into the development of commercial / residential properties in India through a special purpose vehicle called Unival Willows Estate Pvt. Ltd.

A14. Changes in Contingent Liabilities

As at the period ended 28 February 2011, the Company has given corporate guarantees amounting to RM4,033,794 to secure banking facilities granted to its subsidiaries.

A15. Capital Commitments

The Group's capital commitments as at 28 April 2011 are as follow:

	RM'000
Approved and contracted for:	
Plant and Machinery	36
Computers	9
Total	45

A16. Authorisation for Issue

On 28 April 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 RM116.926 million as compared to RM128.926 million for the preceding year corresponding quarter ended 28 February 2010, recording a decrease of 9.31%

The Group's profit before tax for the same period was RM5.501 million as compared with the profit before tax of RM6.014 million previously, a decrease of 8.53%. The decrease in the overall Group's turnover and profitability was due the commencement of a new retail outlet in preceding quarter ended 28 February 2010.

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 28 February 2011 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 28 February 2011 was RM116.926 million as compared to RM105.224 million for the preceding quarter ended 30 November 2010, an increase of 11.12%

The Group's profit before tax for the current quarter was RM5.501 million, as compared with profit before tax of RM3.720 million recorded in the preceding quarter, an increase of 47.88%. The increase in the Group's revenue and profitability, which was mainly due to higher consumer spending following the celebration of Chinese New Year sales recorded in the current quarter.

B3. Commentary on Prospects

Domestic demand is likely to be the key driver of growth. Inflation is seen rising this year, mainly reflecting global increases in food and fuel prices and reductions in fuel subsidies domestically. This will affect the overall consumers' purchasing power. Nevertheless, the Group will continue to implement effective promotional strategies by ensuring our consumers 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	1,228	1,288	3,406	2,965
Deferred taxation	70	(12)	210	(36)
Total	1,298	1,276	3,616	2,929

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:-

	RM
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>2,604</u>

B9. Status of Corporate Proposals

On 18 March 2011, the Group's subsidiaries, Qdos Flexcircuits Sdn Bhd and Qdos Flexcircuits (India) Private Limited have entered into a Share Holders Agreement with M.J.Shantharam, Valdel Real Estate Pvt. Ltd. and Exora Technologies Pvt. Ltd. ("Exora") to subscribe up to 22,500,000 new shares of Rupees 10 each in Exora, representing 49% of the equity interest in Exora, for a total cash consideration of approximately RM15 million. The purpose of this investment in Exora is for the Group to venture into the development of commercial / residential properties in India through a special purpose vehicle called Unival Willows Estate Pvt. Ltd.

B10. Group Borrowings

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

- (a) Secured by way of:
- First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM28,767,833 and
 - a corporate guarantee by the Company.

- (b) Short term borrowings

Term loan due within 12 months	RM <u>1,046,604</u>
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- (c) Long term borrowings

Term loan	RM <u>2,987,190</u>
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- (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 28 February 2011.**

The Group has no outstanding derivatives financial instruments as at 28 February 2011.

- (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 28 February 2011.

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 December 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:

	Current Quarter ended 28.2.2011	Preceding Quarter ended 28.2.2010	Current Cumulative Quarter ended 28.2.2011	Preceding Cumulative Quarter ended 28.2.2010
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	3,753	4,738	10,000	9,540
Weighted number of ordinary shares in issue ('000)				
- Basic	57,673	57,703	57,681	57,714
- Diluted	57,673	57,703	57,681	57,714
Basic earnings per share (sen)	6.51	8.21	17.34	16.53
Diluted earnings per share (sen)*	6.51	8.21	17.34	16.53

* The effect on the basic earnings per share for the individual and cumulative quarters ended 28 February 2011 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. Disclosure of Realised and Unrealised Profit / Losses

	Current financial period ended 28 February 2011 (RM'000)	As at preceding financial period ended 30 November 2011 (RM'000)
Total retained profits of the Group:		
- Realised	93,938	89,980
- Unrealised	5,228	5,445
	99,166	95,425
Less : Consolidation adjustments	(114)	(136)
Total Group retained profits	99,052	95,289

B16. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2011.