

SUIWAH CORPORATION BHD. (COMPANY NO: 253837 H)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	As At End of Current Quarter 31 May 2011 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	103,649	110,453
Land held for development	7,666	800
Land use rights	687	1,082
Investment in an associate	8,664	-
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>125,334</u>	<u>117,003</u>
Current assets		
Property development cost	-	16,608
Short term investment	461	6,833
Inventories	34,412	29,074
Trade receivables	33,937	30,326
Other receivables	13,112	13,240
Loan receivables	127	59
Cash and bank balances	34,116	26,108
	<u>116,165</u>	<u>122,248</u>
TOTAL ASSETS	<u>241,499</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	817	1,428
Retained earnings	101,474	91,096
	<u>172,372</u>	<u>162,649</u>
Minority interest	380	15
Total equity	<u>172,752</u>	<u>162,664</u>
Non-current liabilities		
Long term loan	3,326	4,202
Deferred capital grant	290	142
Deferred tax liabilities	3,219	2,948
	<u>6,835</u>	<u>7,292</u>
Current liabilities		
Short term borrowings	2,211	9,400
Trade payables	46,215	48,413
Other payables	10,612	8,500
Deferred revenue	1,153	2,441
Deferred capital grant	25	25
Taxation	1,696	516
	<u>61,912</u>	<u>69,295</u>
Total liabilities	<u>68,747</u>	<u>76,587</u>
TOTAL EQUITY AND LIABILITIES	<u>241,499</u>	<u>239,251</u>
Net assets per share attributable to equity holders of the parent (RM)	2.99	2.82

(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)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	12 Months Ended 31 May 2011 RM' 000	12 Months Ended 31 May 2010 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	20,140	11,811
Adjustments for:		
Amortisation of deferred income	(52)	(33)
Amortisation of land use rights	395	210
Bad debts written off	637	171
Deposit written off	-	200
Depreciation of property, plant and equipment	10,800	10,457
(Gain) / Loss on disposal of property, plant & equipment	(11)	8
Goodwill on consolidation written off	(15)	45
Interest expense	283	434
Interest income	(524)	(620)
Inventories written down	34	72
Inventories written off	481	187
Net unrealised foreign exchange gain / (losses)	131	(105)
Property, plant and equipment written off	67	59
Provision for liquidated damages	42	403
Reversal of inventories written down	(72)	(98)
Reversal of provision for doubtful debts	-	(36)
Reversal of deferred revenue	(1,288)	-
Share of losses in an associate	-	922
Operating profit before working capital changes	<u>31,048</u>	<u>24,088</u>
Decrease / (Increase) in property development cost	9,742	(1,316)
Increase in receivables	(5,751)	(10,918)
Increase in inventories	(5,781)	(3,277)
(Decrease) / Increase in payables	<u>(390)</u>	<u>1,741</u>
Cash generated from operations	28,868	10,318
Interest paid	(283)	(434)
Interest received	524	620
Tax paid	(2,902)	(4,513)
Net cash generated from operating activities	<u>26,207</u>	<u>5,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of minority interest in a subsidiary	-	(1,360)
Shares issued by a newly incorporated subsidiary to minority interest	-	64
Proceeds from government grant	200	200
Decrease in short term investment	6,372	13,710
Proceeds from disposal of property, plant and equipment	18	12
Purchase of property, plant and equipment	(4,072)	(8,361)
Investment in an associate	(9,033)	(11)
Net cash used in investing activities	<u>(6,515)</u>	<u>4,254</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(837)	(656)
Dividends paid	(3,460)	(3,462)
Purchase of treasury shares	(44)	(60)
Net changes in bankers' acceptance	(2,016)	1,880
Net cash used in financing activities	<u>(6,357)</u>	<u>(2,298)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	13,335	7,946
EFFECTS OF EXCHANGE RATE CHANGES	(113)	(59)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>20,895</u>	<u>13,008</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>34,117</u>	<u>20,895</u>
Cash and cash equivalents comprise:		
Cash and bank balances	18,221	7,544
Deposit with licensed banks	15,896	18,564
Less: Overdraft	-	(5,213)
	<u>34,117</u>	<u>20,895</u>

(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)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

For The Twelve Months Ended 31 May 2011

	← Attributable to Equity Holders of the Parent →						Retained Profits	Total	Minority Interest	Total Equity
	← Non - distributable →			Distributable						
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve				
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 IC 13	-	-	-	-	-	-	(1,831)	(1,831)	-	(1,831)
As restated	61,000	13,935	(4,810)	1,510	(946)	864	91,096	162,649	15	162,664
Total comprehensive income for the period	-	-	-	(39)	(573)	-	13,799	13,187	380	13,567
	-	-	-	(39)	(573)	-	13,799	13,187	380	13,567
Transaction with owners:										
Purchase of treasury shares	-	-	(44)	-	-	-	-	(44)	-	(44)
Realisation of revaluation reserves	-	-	-	-	-	-	39	39	-	39
Additional investment in subsidiary	-	-	-	-	-	-	-	-	(15)	(15)
First and final dividend	-	-	-	-	-	-	(3,460)	(3,460)	-	(3,460)
At 31 May 2011	61,000	13,935	(4,854)	1,472	(1,519)	864	101,474	172,372	380	172,752

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Twelve Months Ended 31 May 2010

	← Attributable to Equity Holders of the Parent →						Retained Profits	Total	Minority Interest	Total Equity
	← Non - distributable →			Distributable						
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve				
At 31 May 2009										
As previously reported	61,000	13,935	(4,750)	1,549	(525)	864	89,703	161,776	1,156	162,932
Total comprehensive income for the period	-	-	-	(39)	(421)	-	6,647	6,187	110	6,297
	-	-	-	(39)	(421)	-	6,647	6,187	110	6,297
Transaction with owners:										
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
Additional investment in subsidiary	-	-	-	-	-	-	-	-	(1,315)	(1,315)
Shares issued from incorporation of a subsidiary to minority interest	-	-	-	-	-	-	-	-	64	64
Realisation of revaluation reserves	-	-	-	-	-	-	39	39	-	39
First and final dividend	-	-	-	-	-	-	(3,462)	(3,462)	-	(3,462)
At 31 May 2010	61,000	13,935	(4,810)	1,510	(946)	864	92,927	164,480	15	164,495

(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 Comprehensive Income

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31 May		31 May	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,797	(2,903)	14,179	6,757
Other comprehensive income:				
Realisation of revaluation reserves	(9)	(9)	(39)	(39)
Foreign exchange difference	(519)	(419)	(573)	(421)
Total comprehensive income for the period	<u>3,269</u>	<u>(3,331)</u>	<u>13,567</u>	<u>6,297</u>
Total comprehensive income attributable to:				
Equity holders of the parent	3,271	(3,321)	13,187	6,187
Minority Interest	(2)	(10)	380	110
	<u>3,269</u>	<u>(3,331)</u>	<u>13,567</u>	<u>6,297</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 Income Statement

(The figures have not been audited)

	Individual Quarter 3 Months Ended 31 May		Cumulative Quarter 12 Months Ended 31 May	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	93,045	93,110	423,430	413,776
Other operating income	(33)	240	878	1,637
Total operating expenses	(87,162)	(93,450)	(404,409)	(402,866)
Profit from operations	<u>5,850</u>	<u>(100)</u>	<u>19,899</u>	<u>12,547</u>
Finance income	353	229	524	620
Finance cost	(61)	(114)	(283)	(434)
Share of loss of an associate	-	(793)	-	(922)
Profit before taxation	<u>6,142</u>	<u>(778)</u>	<u>20,140</u>	<u>11,811</u>
Income tax	(2,345)	(2,125)	(5,961)	(5,054)
Profit for the period	<u><u>3,797</u></u>	<u><u>(2,903)</u></u>	<u><u>14,179</u></u>	<u><u>6,757</u></u>
Profit attributable to:				
Equity holders of the parent	3,799	(2,893)	13,799	6,647
Minority Interest	<u>(2)</u>	<u>(10)</u>	<u>380</u>	<u>110</u>
	<u><u>3,797</u></u>	<u><u>(2,903)</u></u>	<u><u>14,179</u></u>	<u><u>6,757</u></u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	6.59	(5.01)	23.93	11.52
Fully diluted (based on ordinary share - sen)	6.59	(5.01)	23.93	11.52

* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 May 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 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)
INTERIM REPORT FOR THE TWELVE-MONTHS PERIOD ENDED 31 MAY 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 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group’s major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. As such, no further segment information disclosures will be necessary

(b) FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognized directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two link statements of comprehensive income.

(c) 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.

(d) Amendments to FRS 117 Leases (Improvements to FRS issued in 2009)

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. The Group has applied this change in accounting policy in accordance with the transitional provisions of the Amendments to FRS 117.

The following are effects arising from the adoption of Amendments to FRS 117:

	As Previously stated RM'000	Effect of adopting Amendments to FRS 117 RM'000	As Restated RM'000
Balance Sheet			
31 May 2010			
Property, plant and equipment	78,884	31,569	110,453
Prepaid land lease payment	31,569	(31,569)	-
1 June 2009			
Property, plant and equipment	82,827	31,942	114,769
Prepaid land lease payment	31,942	(31,942)	-

(e) IC Interpretation 13: Customer Loyalty Programmes

On 1 June 2010, the Group adopted IC Interpretation 13 Customer Loyalty Programmes, which is effective for annual periods beginning on or after 1 June 2010.

The Group operates the customer loyalty programme, which allows customers to accumulate points when they purchase products in the Group's stores. The points can be redeemed for free or for discounted goods from the Group's stores. The Group historically recognised the full revenue from the sale of goods.

On adoption of IC INT 13, the Group changed its policy for revenue recognition such that consideration received from the sale of goods is allocated to the goods sold and the points issued that are expected to be redeemed.

The consideration allocated to the points issued is measured at the fair value of the points. It is recognised as a liability (deferred revenue) in the statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number expected to be redeemed.

The change in accounting policy has been applied retrospectively. The effects of adoption on the financial statements are as follows:

	Group	
	As at 31 May 2011	As at 31 May 2010 Restated
	RM'000	RM'000
(Decrease) / Increase in:		
Sales of goods	1,288	(2,441)
Tax expense	322	(610)
Net Profit	966	(1,831)
	As at 31 May 2011	As at 31 May 2010 Restated
	RM'000	RM'000
(Decrease) / Increase in:		
Deferred revenue	(1,288)	2,441
Deferred tax asset	(322)	610
Retained earnings	(966)	1,831

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
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
Amendments to FRSs "Improvements to FRSs (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.

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 2012.

As for our manufacturing arm, Qdos Group is expected to remain profitable for the financial year 2012.

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 except for:

Deferred revenue

The Group allocates the consideration received from the sale of goods to the goods sold and the points issued under its customer loyalty programme. The consideration allocated to the points issued is measured at their fair value. Fair value is determined by applying statistical techniques. In applying the statistical techniques, the following factors are considered, among others:

- The range of products available to the customers
- The prices at which the Group sells the products which can be redeemed and the discounts available for these products
- The frequency with which each type of product is redeemed
- Changes in the popularity of the programme
- Changing patterns in the redemption rates

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 June 2011 and 29 July 2011.

There were no share buy back for the Company during the quarter. A total number of 3,328,100 shares are held as treasury shares as at 31 May 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 December 2010.

The Board has recommended a first and final dividend of 8% less 25% income tax in respect of the financial year ended 31 May 2011.

A10. Segmental Information

	12 months ended 31.5.2011 (RM'000)
Segment Revenue	
Retail	298,958
Manufacturing	111,142
Property investment and development	9,013
Money lending	234
Trading	4,083
Group revenue	423,430

	12 months ended 31.5.2011 (RM'000)
Segment Results	
Retail	10,343
Manufacturing	7,216
Property investment and development	1,316
Money lending	233
Trading	791
Profit from operations	19,899
Finance income	524
Finance cost	(283)
Taxation	(5,961)
Profit after tax	14,179

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 31 May 2011, the Company has given corporate guarantees amounting to RM5,536,415 to secure banking facilities granted to its subsidiaries.

A15. Capital Commitments

The Group's capital commitments as at 29 July 2011 are as follow:

	RM'000
Approved and contracted for:	
Office Equipment	20
Computers	21
Total	41

A16. Authorisation for Issue

On 29 July 2011, the Board of Directors authorised this interim report together with its accompanying disclosure notes as set out in Part A & Part B.

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 RM93.045 million as compared to RM93.110 million for the preceding year corresponding quarter ended 31 May 2010, recording a decrease of 0.07%

The Group's profit before tax for the same period was RM6.142 million as compared with the loss before tax of RM778K previously. The Group's overall lower operating cost has resulted in improved profit performance during the reporting period.

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 31 May 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 31 May 2011 was RM93.045 million as compared to RM116.925 million for the preceding quarter ended 28 Feb 2011, a decrease of 20.42%. The decrease in the Group's revenue was mainly due to overall lower consumers spending, as the two major festivals, i.e. Chinese New Year and Christmas, were celebrated in the preceding quarter ended 28 February 2011.

The Group's profit before tax for the current quarter was RM6.142 million, as compared with profit before tax of RM5.501 million recorded in the preceding quarter, an increase of 11.65%. The overall lower operating cost has resulted in improved profit performance during the reporting period.

B3. Commentary on Prospects

Domestic demand remained resilient. Government response to rising inflation has been forthcoming. Positive sentiment brought about by PEMANDU's effort to accelerate private investment climate has driven the Group's efforts in continuously expanding its business operation via the Economic Transformation Program. 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 RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
Tax expense for the year	2,554	892	5,960	3,857
Deferred taxation	17	611	227	575
(Over) / Under provision:				
Income Tax	(269)	(119)	(269)	(119)
Deferred Tax	43	741	43	741
Total	2,345	2,125	5,961	5,054

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)	3,179
Total market value of quoted investments at end of the quarter	2,586

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 RM28,690,500 and
 - a corporate guarantee by the Company.
- (b) Short term borrowings
- | | |
|--------------------------------|-----------------|
| Term loan due within 12 months | RM
2,210,331 |
|--------------------------------|-----------------|
- (c) Long term borrowings
- | | |
|-----------|-----------------|
| Term loan | RM
3,326,084 |
|-----------|-----------------|
- (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 31 May 2011.

The Group has no outstanding derivatives financial instruments as at 31 May 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 31 May 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.

The Board has recommended a first and final dividend of 8% less 25% income tax in respect of the financial year ended 31 May 2011.

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 31.5.2011	Preceding Quarter ended 31.5.2010	Current Cumulative Quarter ended 31.5.2011	Preceding Cumulative Quarter ended 31.5.2010
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	3,799	(2,893)	13,799	6,647
Weighted number of ordinary shares in issue ('000)				
- Basic	57,672	57,703	57,672	57,703
- Diluted	57,672	57,703	57,672	57,703
Basic earnings per share (sen)	6.59	(5.01)	23.92	11.52
Diluted earnings per share (sen) *	6.59	(5.01)	23.92	11.52

* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 May 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 31 May 2011 (RM'000)	As at preceding financial period ended 28 February 2011 (RM'000)
Total retained profits of the Group:		
- Realised	131,509	93,938
- Unrealised	3,215	5,228
	134,724	99,166
Less : Consolidation adjustments	(33,250)	(114)
Total Group retained profits	101,474	99,052

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 29 July 2011.