

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(The figures have not been audited)

	Individual Quarter 3 Months Ended 31 Aug		Cumulative Quarter 3 Months Ended 31 Aug	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	95,158	97,798	95,158	97,798
Other operating income	503	462	503	462
Total operating expenses	(92,320)	(94,640)	(92,320)	(94,640)
Profit from operations	<u>3,342</u>	<u>3,620</u>	<u>3,342</u>	<u>3,620</u>
Finance income	112	84	112	84
Finance cost	(129)	(49)	(129)	(49)
Share of loss of an associate	(1)	(107)	(1)	(107)
Profit before taxation	<u>3,324</u>	<u>3,548</u>	<u>3,324</u>	<u>3,548</u>
Income tax	(769)	(1,095)	(769)	(1,095)
<b>Profit for the period</b>	<u><u>2,555</u></u>	<u><u>2,453</u></u>	<u><u>2,555</u></u>	<u><u>2,453</u></u>
Other comprehensive income:				
Foreign exchange difference	52	13	52	13
Total comprehensive income for the period	<u>2,607</u>	<u>2,466</u>	<u>2,607</u>	<u>2,466</u>
<b>Profit for the period attributable to:</b>				
Owner of the parent	2,556	2,457	2,556	2,457
Non-controlling interests	<u>(1)</u>	<u>(4)</u>	<u>(1)</u>	<u>(4)</u>
	<u>2,555</u>	<u>2,453</u>	<u>2,555</u>	<u>2,453</u>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	2,608	2,470	2,608	2,470
Non-controlling interests	<u>(1)</u>	<u>(4)</u>	<u>(1)</u>	<u>(4)</u>
	<u>2,607</u>	<u>2,466</u>	<u>2,607</u>	<u>2,466</u>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic	4.46	4.28	4.46	4.28
Fully diluted	4.46	4.28	4.46	4.28

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2012 and the accompany explanatory notes attached to the interim financial statements)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	As At End of Current Quarter 31 Aug 2012 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2012 (Unaudited) RM'000 (Restated)	Opening Balance As At 1 June 2011 (Unaudited) RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	95,813	96,926	74,959
Investment property	-	-	28,691
Land held for development	7,666	7,666	7,666
Land use rights	418	472	687
Investment in an associate	12,457	12,457	8,664
Other investments	3	3	3
Goodwill on consolidation	4,665	4,665	4,665
	<u>121,022</u>	<u>122,188</u>	<u>125,334</u>
<b>Current assets</b>			
Property development costs	16,460	16,268	-
Inventories	34,650	34,062	34,412
Trade receivables	29,880	25,220	33,937
Other receivables	8,629	8,721	13,111
Loan receivables	53	17	127
Short term investment	11,210	3,842	461
Cash and bank balances	34,095	31,144	34,116
	<u>134,977</u>	<u>119,274</u>	<u>116,164</u>
<b>TOTAL ASSETS</b>	<u>255,999</u>	<u>241,462</u>	<u>241,498</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	61,000	61,000	61,000
Share premium	13,935	13,935	13,935
Treasury shares	(5,319)	(5,317)	(4,854)
Other reserves	-	-	864
Retained earnings	106,555	103,947	101,401
	<u>176,171</u>	<u>173,565</u>	<u>172,346</u>
Minority interest	1,000	1,001	381
<b>Total equity</b>	<u>177,171</u>	<u>174,566</u>	<u>172,727</u>
<b>Non-current liabilities</b>			
Long term loan	2,185	2,410	3,326
Deferred capital grant	202	215	265
Deferred tax liabilities	3,721	3,793	3,243
	<u>6,108</u>	<u>6,418</u>	<u>6,834</u>
<b>Current liabilities</b>			
Short term borrowings	918	2,513	2,210
Trade payables	57,892	44,386	46,194
Other payables	12,388	11,783	10,631
Deferred revenue	1,220	1,278	1,153
Deferred capital grant	50	50	50
Taxation	252	469	1,698
	<u>72,720</u>	<u>60,479</u>	<u>61,937</u>
<b>Total liabilities</b>	<u>78,828</u>	<u>66,896</u>	<u>68,771</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>255,999</u>	<u>241,462</u>	<u>241,498</u>
Net assets per share attributable to equity holders of the parent (RM)	3.07	3.03	2.99
	-	-	-

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2012 and the accompanying explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO: 253837 H**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>3 Months Ended 31 Aug 2012 RM' 000</b>	<b>3 Months Ended 31 Aug 2011 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,324	3,548
<b>Adjustments for:</b>		
Amortisation of deferred income	(13)	(13)
Amortisation of land use rights	54	54
Depreciation of property, plant and equipment	2,500	2,597
Interest expense	129	49
Interest income	(112)	(84)
Reversal of deferred revenue	(58)	(167)
Share of losses in an associate	1	107
Operating profit before working capital changes	<u>5,825</u>	<u>6,091</u>
Increase in property development cost	(192)	-
(Increase) / Decrease in receivables	(4,604)	760
Increase in inventories	(588)	(2,246)
Increase in payables	<u>14,111</u>	<u>12,752</u>
Cash generated from operations	14,552	17,357
Interest paid	(129)	(49)
Interest received	112	84
Tax paid	<u>(1,050)</u>	<u>(1,430)</u>
Net cash generated from operating activities	<u>13,485</u>	<u>15,962</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in short term investment	(7,368)	(7,011)
Purchase of property, plant and equipment	(1,387)	(196)
Investment in an associate	-	(5,770)
Net cash used in investing activities	<u>(8,755)</u>	<u>(12,977)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(225)	(215)
Purchase of treasury shares	(2)	(459)
Net changes in bankers' acceptance	<u>(1,595)</u>	<u>(1,333)</u>
Net cash used in financing activities	<u>(1,822)</u>	<u>(2,007)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,908	978
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	43	(101)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>31,144</u>	<u>34,116</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>34,095</u>	<u>34,993</u>
Cash and cash equivalents comprise:		
Cash and bank balances	32,995	30,893
Deposit with licensed banks	<u>1,100</u>	<u>4,100</u>
	<u>34,095</u>	<u>34,993</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2012 and the accompanying explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figures have not been audited)

For The Three Months Ended 31 Aug 2012

Note	Attributable to Owners of the Parent							Total RM'000	Non Controlling 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 Currency Translation Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000			
<b>Opening balance at 1 June 2012</b>	61,000	13,935	(5,317)	1,433	(3,951)	-	106,465	173,565	1,001	174,566
Effects of translation to MFRS	-	-	-	(1,433)	3,951	-	(2,518)	-	-	-
<b>At 1 June 2012, restated</b>	<b>61,000</b>	<b>13,935</b>	<b>(5,317)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,947</b>	<b>173,565</b>	<b>1,001</b>	<b>174,566</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	2,608	2,608	(1)	2,607
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(2)	-	-	-	-	(2)	-	(2)
<b>Closing balance at 31 Aug 2012</b>	<b>61,000</b>	<b>13,935</b>	<b>(5,319)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,555</b>	<b>176,171</b>	<b>1,000</b>	<b>177,171</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Three Months Ended 31 Aug 2011

Note	Attributable to Owners of the Parent							Total RM'000	Non Controlling 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 Currency Translation Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000			
<b>Opening balance at 1 June 2011</b>	61,000	13,935	(4,854)	1,472	(1,520)	864	101,449	172,346	381	172,727
Effects of transition to MFRS	-	-	-	(1,472)	1,520	-	(48)	-	-	-
<b>At 1 June 2011, restated</b>	<b>61,000</b>	<b>13,935</b>	<b>(4,854)</b>	<b>-</b>	<b>-</b>	<b>864</b>	<b>101,401</b>	<b>172,346</b>	<b>381</b>	<b>172,727</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	2,470	2,470	(4)	2,466
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(459)	-	-	-	-	(459)	-	(459)
<b>Closing balance at 31 Aug 2011</b>	<b>61,000</b>	<b>13,935</b>	<b>(5,313)</b>	<b>-</b>	<b>-</b>	<b>864</b>	<b>103,871</b>	<b>174,357</b>	<b>377</b>	<b>174,734</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2012 and the explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD. (Company No: 253837 H)  
INTERIM REPORT FOR THE THREE-MONTHS PERIOD ENDED 31 AUGUST 2012  
NOTES TO INTERIM FINANCIAL REPORT  
PART A – EXPLANATORY NOTES PURSUANT TO MFRS134**

**A1. Basis of preparation**

**First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)**

These condensed consolidated interim financial statements, for the period ended 31 August 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 May 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 May 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 June 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial position, financial performance and cash flows is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has no impact on the statements of comprehensive income and statements of cash flows.

**A2. Changes in accounting policies**

The audited financial statements of the Group for the year ended 31 May 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 May 2012 except as discussed below:

**i) Business Combination**

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

*Acquisition before date of transition*

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained; and
- (ii) There is no re-measurement of original fair values determined at the tie of business combination (date of acquisition).

**ii) Property, plant and equipment**

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) *Property, Plant and Equipment* which was effective for periods ending on or after 1 September 1988. By virtue of this transition provision, the Group has recorded certain leasehold buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those leasehold buildings on the basis of their previous revaluations subject to continuity its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116, *Property, Plant and Equipment*. At the date of transition to MFRS, the Group elected to regard the revalued amounts of leasehold buildings as at March 2000 as deemed cost at the date of revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus was transferred to retained earnings on date of transition to MFRS.

**iii) Foreign currency translation reserve**

Under FRS, the Group recognized translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed zeros at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences were adjusted to retained earnings.

The reconciliation of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS is provided below:

## Retained earnings

The changes which affected the retained earnings are as follows:

		1 June 2011	31 August 2011	31 May 2012
	Note	RM'000	RM'000	RM'000
Revaluation reserve	A2(ii)	1,472	1,462	1,433
Foreign currency translation reserve	A2(iii)	(1,520)	(1,507)	(3,951)
		(48)	(45)	(2,518)

At the date of authorisation of these interim financial reports, the following MFRSs, amendments to MFRSs, and IC interpretation were issued but not yet effective and have not been applied by the Group :

	Effective for Annual periods beginning on or after
<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	
MFRS 3 <i>Business Combinations</i>	1 January 2013
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)</i>	1 January 2015
MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 11 <i>Joint Arrangements</i>	1 January 2013
MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13 <i>Fair value measurement</i>	1 January 2013
MFRS 119 <i>Employee Benefits</i>	1 January 2013
MFRS 127 <i>Separate Financial Statements (IAS 27 as amended by IASB in December 2003 &amp; May 2011)</i>	1 January 2013
MFRS 128 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
Amendments to MFRS 1 <i>Government Loans</i>	1 January 2013
Amendments to MFRS 7 <i>Disclosure - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements 2009-2011 Cycle</i> "	1 January 2013
Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013

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

The auditors' report of the annual financial statements for the financial year ended 31 May 2012 was not subject to any qualification.

### A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve further and remain profitable for financial year 2013.

Our manufacturing arm, Qdos is expected to remain profitable for financial year 2013.

### 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 2012.

### A8. Debt and Equity Securities

During the quarter, the Company bought back 1,000 units of its own shares for a total consideration of RM1,514. The price paid per share was RM1.50

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

There were no dividends proposed or paid in this quarter under review.

#### A10. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Retail	74,791	74,624	74,791	74,624
Manufacturing	19,811	19,437	19,811	19,437
Property investment and development	556	1,178	556	1,178
Trading	0	2,559	0	2,559
<b>Group revenue</b>	<b>95,158</b>	<b>97,798</b>	<b>95,158</b>	<b>97,798</b>
<b>Segment Results</b>				
Retail	1,034	1,225	1,034	1,225
Manufacturing	2,400	2,511	2,400	2,511
Property investment and development	28	109	28	109
Trading	(137)	(190)	(137)	(190)
Share of loss of associate	(1)	(107)	(1)	(107)
<b>Group profit before tax</b>	<b>3,324</b>	<b>3,548</b>	<b>3,324</b>	<b>3,548</b>
Taxation	(769)	(1,095)	(769)	(1,095)
<b>Group profit after tax</b>	<b>2,555</b>	<b>2,453</b>	<b>2,555</b>	<b>2,453</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.

Further analysis of the segments performance is disclosed in notes B1.

#### A11. Related Party Transactions

During the current quarter under review and up to the date of this announcement, the Group did not enter into any related party transactions or recurrent related party transactions of a revenue or trading nature that has not been included or exceeded the estimated value by 10% or more which had been mandated by the shareholders during the Annual General Meeting held on 30 November 2011.

#### 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

There were no changes to the composition of the Group for the quarter under review.

#### A14. Changes in Contingent Liabilities

As at the period ended 31 May 2012, the Company has given corporate guarantees amounting to RM3,103,008 to secure banking facilities granted to its subsidiaries.

#### A15. Capital Commitments

The Group's capital commitments as at 31 October 2012 are as follow:

	RM'000
Approved and contracted for:	
Machinery and equipment	114
<b>Total</b>	<b>114</b>

#### A16. Authorisation for Issue

On 31 October 2012, 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 BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

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

The Group's revenue for the period ended 31 August 2012 was RM95.158 million as compared to RM97.798 million for the preceding year corresponding period ended 31 August 2011, recording a decrease of 2.70%. The decrease in revenue during the reporting period was mainly attributed to:

- a) Trading – due to decrease demand from discontinued parts
- b) Property investment and development – decrease by 52.80% resulted from zero sales recorded from its property development project in Jawi, Penang.

The Group's profit before tax for the period under review was RM3.324 million as compared with the profit before tax of RM3.548 million previously, a decrease of 6.31%. The overall drop in profitability during the reporting period was mainly due to:

- a) Retail – decrease by 15.59%, impacted by higher promotional expenses incurred and increases in staff cost during the reporting quarter
- b) Manufacturing – decrease by 4.42%, due to higher production and overheads costs, e.g. staff cost incurred in the current quarter
- c) Trading – experience a lesser loss during the quarter, i.e. RM137k as compare to loss of RM190k recorded in the preceding year quarter, contributed by forex gain during the quarter
- d) Property investment and development – decrease by 74.31%, resulted from zero sales recorded during 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 31 August 2012 and the date of this report.

**B2. Material Changes in the Quarterly Profit before Taxation**

The Group's profit before tax for the current quarter was RM3.324million, as compared with profit before tax of RM3.454 million recorded in the preceding quarter, a decrease of 3.76%. The marginal decrease in profit before tax was contributed by overall higher operational cost incurred in retail, such as discounts and rebates given to consumers following the celebration of Hari Raya festive season recorded in the current quarter.

**B3. Commentary on Prospects**

In light with the recent 2013 Budget, Malaysia growth next year will be largely driven by domestic sector. As such, the retail segment is currently focusing to add value to its businesses through improved operation efficiency, such as customer care service, fair price policy, new store opening, and strong brand image that emotionally connects the Group with consumers.

As for the manufacturing segment, the Group remains positive with the improved manufacturing efficiencies and upgraded technological capabilities. Operation and engineering teams have been strengthened with talent development program. KPI system establishment and ERP system revamp.

With the above, the Group expects to achieve satisfactory financial performance for financial year 2013.

**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	833	1,133	833	1,133
Deferred taxation	(64)	(38)	(64)	(38)
Total	769	1,095	769	1,095

**B6. Status of Corporate Proposals**

There were no changes to the composition of the Group for the quarter under review.

**B7. 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 917,879
(c) Long term borrowings		
Term loan		RM 2,185,129
(d) There were no borrowings or debt securities denominated in foreign currencies.		

#### B8. Financial Instruments

##### (a) Contract value and fair value of derivatives as at 31 August 2012

The Group has no outstanding derivatives financial instruments as at 31 August 2012.

##### (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 August 2012.

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 2012.

#### B9. 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

#### B10. Dividend

There were no dividends proposed or paid in this quarter under review.

#### B11. 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 31.8.2012	Preceding Quarter ended 31.8.2011	Current Cumulative Quarter ended 31.8.2012	Preceding Cumulative Quarter ended 31.8.2011
Profit attributable to ordinary owner of the parent for the financial period (RM'000)	2,556	2,457	2,556	2,457
Weighted number of ordinary shares in issue ('000)				
- Basic	57,353	57,357	57,353	57,357
- Diluted	57,353	57,357	57,353	57,357
Basic earnings per share (sen)	4.46	4.28	4.46	4.28
Diluted earnings per share (sen)	4.46	4.28	4.46	4.28

#### B12. Disclosure of Realised and Unrealised Profit / Losses

	Current financial period ended 31 August 2012 (RM'000)	As at preceding financial period ended 31 May 2012 (RM'000)
Total retained profits of the Group:		
- Realised	125,248	118,715
- Unrealised	3,899	5,080
	<b>129,147</b>	<b>123,795</b>
Less : Consolidation adjustments	(22,592)	(17,330)
Total Group retained profits	<b>106,555</b>	<b>106,465</b>

#### B14. 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 31 October 2012.