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FOR THE NINE MONTHS ENDED

March 31, 2011

Beaumont Select Corporations Inc.

Beaumont Select Corporations Inc.

Management Discussion and Analysis and Financial Statements.

The auditors had no involvement in the preparation of the financial statements.

CORPORATE PROFILE

Beaumont Select Corporations Inc. is a management corporation, which manages investments in the food processing and real estate industries as well as a portfolio of equity securities.

The Food Division concentrates on providing high quality private label and branded products of a specialty nature in the food sector. These products are distributed to food wholesalers and retailers in North America including most major retail chains in Canada. The Frozen Food Unit is the largest processor of perogies and the largest private label processor of panzerottis in Canada, on a poundage basis, through its wholly owned subsidiary Naleway Foods Ltd. The production facility is located in Winnipeg.

The Real Estate Division owns an industrial building in Winnipeg with a total area of approximately 30,000 square feet. The building is leased on a long-term basis to Naleway Foods Ltd. The Real Estate division also looks for developed and undeveloped real estate acquisition opportunities that can assist in the improvement, diversification and enhancement of the Corporation's financial returns.

The Corporation manages a portfolio of equity securities held for investment purposes overseen by the Corporation's Investment Division. The Investment Division operates within investment guidelines established by the Board of Directors of the Corporation and reports to the Investment Committee of the Board.

REPORT TO SHAREHOLDERS

The Corporation's interim financial statements for the third quarter ended March 31, 2011 were not audited or reviewed by the Corporation's auditors. This quarterly Management's Discussion and Analysis (MD&A) was made as of May 15, 2011.

FINANCIAL HIGHLIGHTS

The Corporation's financial results for the nine months ended March 31, 2011 compared to the same period in the previous fiscal year included the following:

- The Corporation's success in the equity markets continued into the third quarter, as the total equity in the portfolio (total portfolio less margin loans) climbed 59% for the first nine months. During the same period the TSX Composite index climbed 25%.

  Changes to the portfolio of equity securities:

$ millions	**Mar 31, 2011**	Jun 30, 2010	9 month Change
Portfolio value	**$ 29.489**	$ 16.833	75%
Margin Loan	**16.091**	8.424	91%
Equity in Portfolio	**13.398**	8.409	59%

- Sales in the Frozen Food Division increased by 2.3% in the third quarter compared to the third quarter of 2009-10, as export sales to the United States rose. For the nine month period, sales fell 1.5% on lower volume and lower demand.

- Operating margin decreased to 6.2% from 10.4% for the first nine months last year because of rising input costs.

- Net income was $4,151,000 for the first nine months ($0.25 cents per share) and $2,196,000 ($0.13 cents per share) for the third quarter on the strength of the equity portfolio.

Financial Highlights
(in thousands of dollars except share and per share information)

	Three Months Ended		Nine Months Ended	
	Mar 2011	Mar 2010	**Mar 2011**	Mar 2010
Net Sales	**$ 4,984**	**$ 4,873**	**$ 15,346**	**$ 15,586**
Operating Income (Loss)	**(223)**	**25**	**(346)**	**(31)**
Net Income (Loss)	**2,196**	**1,593**	**4,151**	**4,227**
Net Income (Loss) per share -basic	**0.13**	**0.10**	**0.25**	**0.25**
Net Income (Loss) per share -diluted	**0.13**	**0.09**	**0.25**	**0.25**
Funds from (required by) Operations	**(144)**	**357**	**339**	**871**
Funds from operations per share - basic	**(0.01)**	**0.02**	**0.02**	**0.05**
Funds from operations per share - diluted	**(0.01)**	**0.02**	**0.02**	**0.05**
EBITDA	**2,776**	**2,160**	**5,626**	**6,084**
EBITDA per share – basic	**0.17**	**0.13**	**0.35**	**0.37**
EBITDA per share – diluted	**0.17**	**0.13**	**0.35**	**0.37**
			as at	
			Mar 2011	Mar 2010
Total Assets			**47,987**	**34,793**
Total Long-Term Debt			**2,645**	**1,140**
Shareholder's Equity			**24,302**	**19,775**
Shares outstanding – Weighted Average	**16,228,132**	**16,526,541**	**16,283,582**	**16,605,673**
Shares outstanding – End of Period			**16,226,597**	**16,463,597**

For the nine months the Investment Division generated a total investment gain of $5,208,271 comprised mainly of increased unrealized gains of $3,698,249 and $1,291,477 in realized gains. In addition, the investment portfolio generated investment income of $694,738, surpassing the margin interest expense of $324,867. During the nine months the TSX Composite index increased by 25%, while the equity portion of the portfolio (total securities less margin loan) grew 59% from $8,409,000 as of June 30th to $13,397,962 at March 31, 2011. The bulk of the increase occurred in the third quarter, with unrealized gains of $2,599,880 and realized gains of $264,234.

Net Dividends and distribution income grew 23% compared to the first nine months of 2009-10 to $543,412. By the end of the third quarter 50.2% of the portfolio was in dividend paying stocks compared to 76% at the start of the year and 55% at the start of the quarter. Dividends continue to cover margin interest by a factor of more than 100% each month.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's discussion and analysis (MD&A) of the unaudited results for the nine months and the latest three months (referred to as the third quarter or Q3) in the fiscal year ending June 30, 2011 (referred to as 2010-11) should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended June 30, 2010 and the accompanying notes as well as the Corporation's unaudited consolidated financial statements and notes for the nine months ended March 31, 2011. All financial information is reported in accordance with Canadian generally accepted accounting principles (GAAP) unless noted otherwise. The financial measure of earnings before interest, taxes, depreciation and amortization (EBITDA) or funds from operations referred in this MD&A do not have a standardized definition prescribed by GAAP and are therefore not readily comparable to similar measures presented by other corporations even in the same industry.

The Corporation's method of calculating EBITDA and funds from operations may not be comparable to similarly titled amounts reported by other issuers. The Corporation believes these earnings measures are useful supplemental measures of performance, as they provide investors with an indication of the amount of funds available for reinvestment or distribution to shareholders. Investors should be cautioned, however, that EBITDA and funds from operations should not be construed as alternatives to using net income as a measure of profitability or the statement of cash flows as a measure of liquidity and cash positions.

CONSOLIDATED FINANCIAL ANALYSIS

Revenues

Overall revenues decreased 1.5% (or $240,000) for the first nine months of 2010-11 to $15,346,000 compared to $15,586,000 in the first nine months of 2009-10. The drop in sales continued to reflect the loss of a key US account, as well as weakness in Canadian Sales. However, sales for the most recent quarter rose 2.3% (or $111,000) as sales increased to the United States.

Operating Margin

The operating margin for the first nine months of fiscal 2010-11 decreased to 6.2% ($950,000) from 10% ($1,617,000) for the three quarters of 2009-10. For the third quarter, the operating margin moved to 4.1% compared to 8% in the third quarter of 2009-10. Higher raw material costs were the key contributor to a reduced margin for the period.

Financing Expenses

Interest on long term debt and bank charges totalled $67,185 for the first nine months, similar to the $70,000 spent during the first nine months of 2009-10. During the latest three months, long term interest expense was $31,581 compared to $25,000 in the prior year. Interest costs moved up during the quarter as the costs of the new mortgage were incurred.

During the year the portfolio grew as a result of realized and unrealized gains, as well as additional margin loans. Margin loans grew due to additional new investments to $16,091,237 from the year end number of $8,424,000, with an average loan for nine months of $11,221,247, for an effective interest rate of 3.87%. Margin interest totalled $324,867 for the nine months, and $137,731 for the three months. The margin loans represented on average 52% of the portfolio, with fluctuations between 48% and 57% of the market value.

Other Income
For the first nine months the Investment Division's contribution to other income included a realized gains of $1,291,477 and unrealized gains of $3,698,249. Dividends and distribution income grew 1% from the first nine months of 2009-10 to $694,738 ($147,199 for Q3), as the portfolio grew in size, while the percentage of income trusts dropped to 6%. At the end of March 2011, the number of income trusts has shrunk substantially and while 50.2% of the portfolio holdings by market value pay a dividend, only three income trusts remain in the portfolio, with one planning to convert to a corporation in the next three months.

In addition to the dividends from the equity portfolio, the Corporation earned $27,701 in interest income from bank accounts and promissory notes.

The latest quarter generated realized gains of $264,234 and unrealized gains of $2,599,880 within the investment portfolio. Realized gains were highest in the oil exploration and energy services sector, with some realized losses in the mining sector.

At the end of the third quarter, the marketable securities portfolio had an unrealized gains balance of $5,238,843. 45% of our unrealized gains are within the Transportation sector, with another 16% within the Consumer sector.

Net Income
Net Income before income taxes was $4,802,478 for the first nine months ($2,472,367 for the third quarter) compared to $5,408,000 for the same period in the previous year ($1,919,000 for Q3 2009-10). The majority of the income was generated from the Investment Division as it added $4,989,725 in realized and unrealized gains from the investment portfolio.

Cash Flow from Operating Activities, EBITDA
Funds from operations for the latest nine months decreased to $339,000 from $871,000 in the same period of 2009-10. This change was due to lower operating margin in the food division, tempered somewhat by lower corporate and administrative costs.

EBITDA for the first nine months of 2010-11 fell to $5,626,000 ($0.35 per basic share) from $6,084,000 ($0.37 per basic share) last year. Lower current and deferred taxes compared to the prior year made the greatest difference.

The material difference between EBITDA and cash flow from operating activities is due to the fact that virtually all realized and unrealized gains and losses in the Investment Division are reinvested into the equity securities portfolio. These positive factors are partly offset in the funds flow calculation with the exclusion of depreciation and amortization as well as current and deferred taxes.

EBITDA compared to Net Income

	3 months		9 months	
	Mar 2011	Mar 2010	**Mar 2011**	Mar 2010
Net Income	**$2,196**	**$1,593**	**$4,151**	**$4,227**
Add back:				
Margin Interest	**138**	**68**	**325**	**162**
Long-term Interest	**32**	**25**	**67**	**70**
Current and Deferred Taxes	**254**	**278**	**584**	**1,038**
Depreciation	**180**	**171**	**541**	**525**
Amortization	**9**	**25**	**26**	**62**
EBITDA	**2,776**	**2,160**	**5,626**	**6,084**

Investing activities

The Food Division invested $55,299 in new equipment during the third quarter, and head office added $23,239 in leasehold improvements bringing the total to $492,572 in property and equipment investments for the first nine months.

$3,232 was capitalized in the development of new packaging in the third quarter, bringing the total to $13,437 for the first nine months of the year. Under the IFRS rules, capitalizing of product packaging will not be allowed and these amounts will be expensed in the current period.

Deferred Tax Assets and Liabilities

The Corporation's balance sheet includes a total of $2,871,000 of deferred tax assets and $2,167,000 of deferred tax liabilities. Deferred tax liabilities increased as the bulk of the Corporation's income is derived from unrealized gains. The Corporation's ability to realize the value of the deferred tax assets is dependent upon the Corporation generating taxable income within the time frame for those tax losses. A portion of these assets have an expiry date or include tax losses that are capital in nature. The Corporation currently believes these qualifying conditions can be met. In the event such an assessment no longer seems reasonable, impairment to that asset will have occurred and a corresponding charge will be required at that time. The appropriateness of the deferred tax liability (and also deferred tax assets) carried on the Corporation's balance sheet is in turn monitored and tested through the regular annual income tax filing process.

Related Party Transactions

The following related party transactions occurred during the third quarter of 2010-11:

Management fees were charged by companies associated with the Chairman, CEO, Chief Operating Officer of the Corporation, and by the Vice President of Naleway Foods Ltd. for management services which are included in Corporate and Administrative expenses aggregating $70,514 during the quarter. ($211,543 for the first nine months)

Rent at $6,667 per month or $20,000 per quarter ($53,336 for the eight months beginning August 1st 2010) was paid to Somerset Properties Ltd, a company owned 80.7% by the Chairman and 19.3% by the Corporation. The lease enabled the Corporation to invest its funds in investments that could bring a much higher rate of return.

Fees were paid to current and former directors of the Corporation for professional, management and other services rendered during the quarter in the ordinary course of business. The aggregate $31,247 of such expenses was included in Corporate and Administrative Expenses during the quarter ($112,662 for the first nine months).

FINANCING ACTIVITIES & LOANS

In the third quarter the Corporation borrowed $2.215 million from a Tier 1 Canadian Chartered bank for the purpose of purchasing new equipment and other investments. The loan has a twenty year amortization at a rate of prime plus 0.5% per annum, secured by the Winnipeg building. A portion of the funds were used to repay the previous mortgage on the building. Currently the remaining cash has not yet been deployed.

As a result of the new mortgage financing, the previous bank loan was paid off entirely, although the Corporation continues to have the operating line of $2,535,000 available.

During the first nine months the portfolio margin loan balance increased $7,665,655 to $16,091,237 compared to the beginning of the fiscal year. The outstanding margin loan balance at March 31, 2011 represented 54% of the portfolio's market value, an increase compared to 50% of the portfolio's market value as of June 30, 2010. This was done to take advantage of a stronger stock market.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2011, the Corporation had total operating credit facilities of $2,535,000 with various institutions and was available at the end of the third quarter. The operating facilities may be drawn down or repaid at any time as there are no scheduled repayment terms. The Corporation believes that available cash flow from operations, working capital surplus and its borrowing facilities will be sufficient to fund its required limited capital expenditures and debt repayment obligations. Any material capital expenditure will likely require new credit facilities as a supplement to existing cash reserves. The Corporation and its affiliates were in compliance with all banking ratios during the nine months of the year.

Dividends and income trust distributions from the Investment Division exceeded margin interest expense by a minimum of 100% for the first nine months and continue to be cash flow positive net of margin interest charges. Distributions and dividends totalled $694,738 before return on capital of $151,326, while margin interest totalled $324,867.

The Corporation understands that dividends and income trust distributions are not guaranteed, can be reduced or eliminated at any time, and can be made up of returns of capital. In order to ensure positive cash flow from the investment portfolio, individual investments may be sold and/or replaced from time to time in order to rebalance the equity portfolio.

Most large investment holdings are in liquid stocks, and provide an available cash source to fund any new or existing investments. The Corporation has regularly realized portions of its equity securities portfolio as and when capital resources were required for operations, or to maintain adequate margin excess position.

During the latest nine months a number of income trusts converted to dividend paying corporations, often reducing their dividend payout at the same time. Therefore the Investment Division may need to either reduce the use of margin, or rely more on realized gains to ensure positive cash flow.

SUMMARY OF QUARTERLY RESULTS

Quarterly results are unaudited

$ Thousands (except per share data)

	2011			2010				2009
	Q-3	Q-2	Q-1	Q-4	Q-3	Q-2	Q-1	Q-4
Revenue	**$4,984**	$5,502	$4,861	$3,800	4,873	$5,681	$5,033	$4,425
Operating Margin	**$188**	$473	$289	144	390	832	389	$448
Income (Loss) before discontinued operations and extraordinary items	**$2,196**	$1,337	$617	521	1,641	1,826	903	2,588
Per share- basic and diluted	**0.13**	0.08	0.04	0.03	0.1	0.11	0.05	0.16
Income Loss after discontinued operations and extraordinary items	**$2,196**	$1,337	617	582	1,593	1,760	874	341
EBITDA	**2,776**	1,845	1,005	-903	2,160	2,707	1,225	360
Per share- basic and diluted	**0.17**	0.12	0.06	0.06	0.10	0.16	0.07	0.02

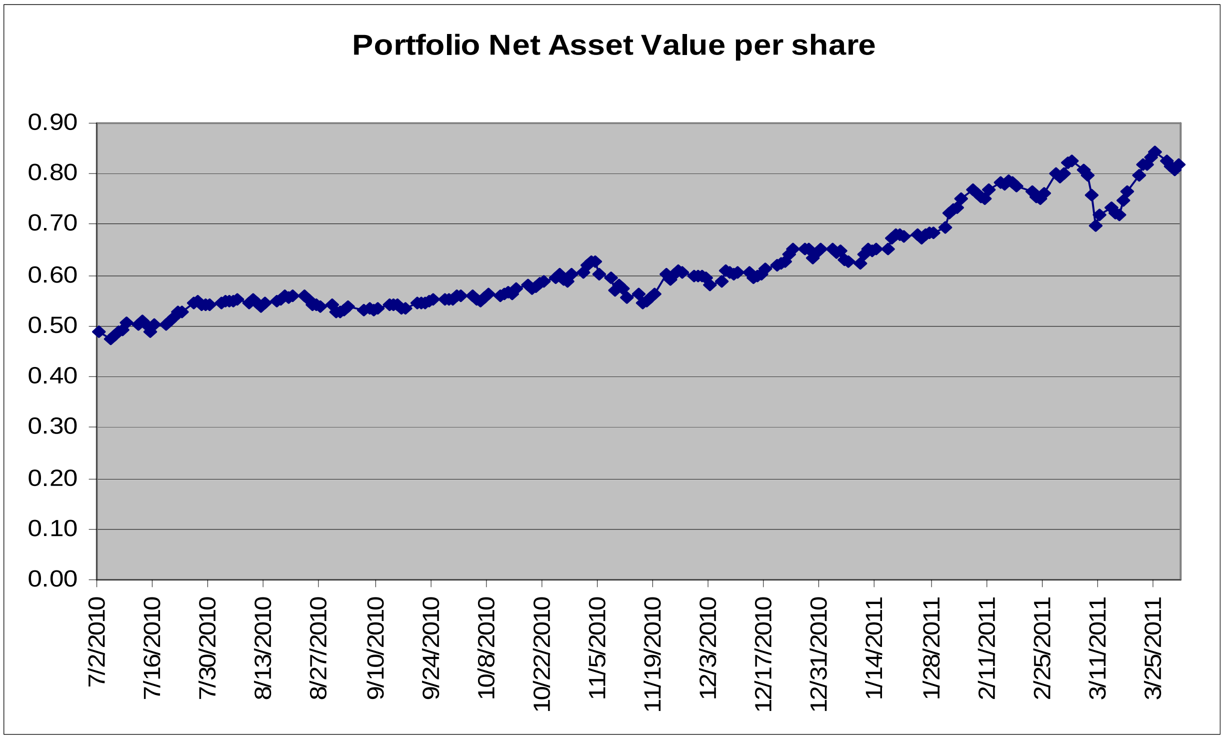
REPURCHASE OF COMMON SHARES

In June 2010, the Corporation received approval from The TSX Venture Exchange to acquire an additional 819,155 shares, representing approximately 5% of the issued and outstanding class “A” shares, through a renewed Normal Course Issuer Bid. During the third quarter of 2010-11, the Corporation repurchased approximately 33,500 shares from the market for an aggregate cost of $27,670 (or an average of $0.83 per share) in a continued effort to improve shareholder value. For the first nine months 182,500 shares were purchased at a total cost of $137,325. At the end of the third quarter the number of shares outstanding was 16,226,597.

Subsequent to the end of the quarter, the Corporation has purchased 10,000 shares under its Normal Course Issuer bid. The number of shares outstanding as of May 15, 2011 is 16,216,597.

DIVISIONAL REPORTING

INVESTMENT DIVISION



By the end of the third quarter the net asset value of the equity portfolio was $0.83 per share.

During the first nine months of 2010-11 the portfolio of equity investments rose ahead of a rising stock market. The S&P TSX Composite index increased 25% during the nine months (5.5% for the third quarter), but was outperformed by the portfolio with its 59% gain on portfolio equity (portfolio value less corresponding margin loan) in the first nine months, including 24% in the third quarter.

For the first nine months the portfolio of investments recorded an investment gain of $5,208,271 (third quarter - $2,721,838). The investment gain was made up of the following:

In thousands ($000)	Three months ending		Nine months ending	
Investment Portfolio	**Mar 2011**	Mar 2010	**Mar 2011**	**Mar 2010**
Dividends and distributions	**$147**	**$345**	**$695**	**$802**
Return of Capital	**(151)**	**$(113)**	**(151)**	**(113)**
Interest expense	**(138)**	**(68)**	**(325)**	**(162)**
Realized gains	**264**	**2,067**	**1,291**	**2,200**
Unrealized gains	**2,600**	**(333)**	**3,698**	**2,804**
Total investment gain (loss)	**$2,722**	**$1,898**	**$5,208**	**$5,531**
S&P TSX Composite Index Growth	**5.5%**	**2.5%**	**25%**	**17.1%**
Portfolio Equity Growth	**24%**	**12.8%**	**59%**	**91%**

During the first nine months, the greatest realized gains occurred in the transportation, real estate investment trust and oil exploration sectors, while the greatest realized losses occurred in the construction and financial sectors.

During the third quarter, gains were greatest in the oil exploration, energy services and energy trust sectors, while the greatest realized losses occurred in the mining and transportation sectors.

As at March 31, 2011, 32.2% of investments (by market value) were in the oil exploration sector, followed by the transportation (13.9%), energy services (12.5%) and consumer (12%) sectors.

At the end of the third quarter, the five largest investments comprised 60.5% of the total portfolio's cost base, and 63.1% of the total market value. The top investments are (by size of investment):

- Equal Energy Ltd
- Student Transportation of America Ltd
- Premium Brands Holding Corporation
- Altus Group Inc.
- AutoCanada Inc

The remainder of the portfolio is spread out over 70 other stocks. Overall the portfolio is weighted 6.1% by market value into income trusts, and 50% by market value pay a dividend or distribution. The Corporation continues to monitor the market as a whole, along with a wide variety of stocks, and will change its market weight from time to time.

The portfolio has moved away from US equity investments but does have cash within its US dollar account. We have added small positions in two private placements.

It is the practice of the Corporation to take the return on capital from investments as a deduction from distributions earned and reduce the cost base of the investment. Dividends and distributions totalled $694,738, and were reduced by the total return on capital reported of $151,326, for a net distribution total of $543,412.

Use of leverage within the portfolio has been increased. At the start of the year the margin loan represented 50% of the portfolio, and by the end of the nine months represented 55%. The margin still available at the end of March was $2,422,792. The Corporation monitors margin levels daily and adjusts based on the daily situation.

As expected, the percentage of investments in income trusts continues to fall as the trust structure continues to be wound down. By the end of the third quarter income trusts made up 6.1% of the portfolio, compared to 7.5% at the start of the third quarter. Dividend and distribution paying stocks made up 55% of the portfolio by market value at the end of the third quarter, down from 76% at the start of the year as the portfolio increases its weighting towards growth stocks.

As of May 15, 2011 the total market value of the portfolio of investments has decreased to $25,564.735 from its March 31st, 2011 position, and the margin loans have decreased to $13,821,262, resulting in a decrease in the equity portion of the portfolio ($11,743,474) as the Corporation moves to a more defensive position. Altus Group has fallen out of the top five investments, replaced by AutoCanada in fourth position and Avenex Energy in fifth position. The top five stocks presently comprise 64% of the total portfolio by market value.

Net Asset Value is not a GAAP or IFRS accounting term, but is commonly used to demonstrate what the value of each share would be if all investments were liquidated. It is calculated by subtracting the margin owed from the total investments held, then dividing by the number of shares outstanding. At the end of the third quarter the net asset value per share for the equity investments was $0.83. As at May 15, 2011, the net asset value had fallen to $0.72.

FOOD DIVISION

Sales softened 1.5% during the nine months of fiscal 2010-11 compared to the same period in fiscal 2009-10, as the effect of weak sales in the first two quarters continues to be felt. Third quarter sales rose 2.3% from the third quarter sales of 2009-10, as we were able to regain market share within the United States. Operating margins decreased to 6.2% of sales in the first nine months (3.8% in the latest quarter), largely due to higher prices for raw materials. Sales fell in both the US and Canada overall, but were up 2.2% in the most recent quarter as some of the export sales lost last year have been replaced.

After a strong push, sales are beginning to increase to the United States.

The Food Division added $387,242 in new equipment during the first nine months, including $55,299 during the third quarter. As part of the refinancing of the Winnipeg building, funds are now available for additional equipment purchases designed to enhance productivity. These purchases are expected to take place over the next twelve to eighteen months.

REAL ESTATE DIVISION

The Corporation owns one building in Winnipeg, which is currently leased to the Food Division.

The new mortgage replaced a smaller mortgage with a value of $2,215,000, and is signed with a 20 year amortization and an interest rate of prime plus 0.5%.
By the end of the third quarter the funds had been advanced to the Corporation, but have not yet been deployed, other than to pay off the previous mortgage and reduce the operating bank loan to zero.

The Real Estate division continues to investigate new real estate investments.

Changes in Accounting Policies
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Beaumont Select Corporations Inc has a year end of June 30th, and therefore is not required to file interim or annual financial statements under IFRS until June 30th, 2011. However, in order to provide comparable data for the June 30, 2011 financial results, the Corporation's financial statements for the year ending June 30th, 2011 must be provided in both IFRS (for comparison to 2011) and Canadian GAAP (for comparison to 2010).

The Corporation has recognized the following changes to be made as a result of upcoming changes to IFRS:

1) The terminology 'Future Income taxes' is incompatible with IFRS and will be changed to 'Deferred taxes'.
2) IFRS does not permit the separate presentation of extraordinary items. Therefore Earnings per share will be presented after all extraordinary items and / or discontinued operations.
3) IFRS requires the disclosure of segment liabilities, so debt for subsidiaries will be broken out instead of aggregated.
4) Discontinued operations will have to be called 'separate major business or geographical area'.
5) Valuation of stock based compensation is treated differently under IFRS than under Canadian GAAP, for those defined as non-employees.
6) In the first year under IFRS the Corporation needs to present
    a) Opening IFRS statement of financial position as at the date of transition to IFRS.
    b) A reconciliation of total comprehensive income under CA GAAP or total comprehensive income under IFRS.
7) Research and development costs that under Canadian GAAP which were capitalized and amortized will now need to be expensed.
8) Non-Controlling Interest will now be classified as part of shareholder's equity rather than as a liability.

While the conversion to IFRS provides the Corporation the option to revalue its equipment and building to market value, the Corporation has decided not to take this route. The manufacturing equipment used is highly specialized, and therefore very difficult to value. IFRS requires a revaluation every year, and due to the extremely small market for such equipment, it would be expected that large swings would be seen in the value of the equipment.

It is currently planned that the Corporation will take a charge against retained earnings under the IFRS opening balance sheet to remove the product development costs that are currently capitalized. As at March 31st, 2011 this value stands at $207,385.

OUTLOOK

Since the end of the third quarter the Canadian and US stock markets have weakened, with the S&P TSX composite index falling 5.2% by May 13, 2011. During the same time period, the decline in the equity value of the investment portfolio was 12.3%.

We believe that the world economy is continuing to improve, but that the stock market performance will be very erratic and will be subject to worldwide economic data and especially that of the USA. It is expected that the Food Division to continue to be subject to strong competitive pressure and input cost pressure.

Forward-Looking Statements

This quarterly report, and principally in the Outlook section, contains forward-looking statements including statements regarding the business and anticipated financial performance of the Corporation. Words such as “anticipate”, “expect”, “believe”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions, as they relate to the Corporation and its management, are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect the Corporation’s current expectations concerning future results and events.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results and performance of the Corporation to be materially different from the future results and performance expressed or implied by such forward-looking statements. A number of factors could affect the actual results, including but not limited to, input costs, competition, general stock market sentiment and access to capital markets. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Corporation’s expectations only as of the date of this report and not as a representation by the Corporation that the objectives and plans of the Corporation will be achieved. The Corporation undertakes no obligation to update publicly or otherwise revise any forward looking statements, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Risk Management

The Corporation’s activities expose it to a variety of risks, including both financial and operating risks. These include, but are not limited to, the following:

Focus on Key Products, Customers

The Food Division offers a limited number of products. Its reliance on key product lines and key customers creates a risk both on the individual product as well as the dependence on the whole line in terms of sales revenue.

Operational downtime

The Food Division maintains a regular maintenance program and adequate insurance on its facilities and equipment with the objective of limiting production downtime. An extended period of unfilled orders could adversely affect future sales; however this has not been an issue to date given the Food Division’s strong order fill rate over decades of operations.

Exchange Rates

While the percentage of sales to the United States is small, any change in exchange rates can affect the Corporation both in terms of revenue and cost of goods sold, as some of the ingredients are either sourced from the United States and/or priced in US dollars. Overall, a decrease in the Canadian Dollar versus the US Dollar is beneficial to the Corporation.

Interest Rates

As both an investor and a borrower of funds, changes in interest rates can affect the Corporation's returns as well as costs. The Corporation regularly monitors costs and returns and seeks to make adjustments quickly to mitigate risks.

Credit Risk

As both a long term and short term borrower, the Corporation is dependent on others to lend money to finance raw and finished goods inventories, and provide guarantees to customers and suppliers.

Margin Risk

The Corporation's Investment Division uses margin loans to enhance returns on investment. However, a fall in the value of investments results in a greater loss as the equity base is smaller.

Investment Risk

The Corporation's Investment Division invests in primarily securities publicly listed on Canadian stock markets in order to enhance returns, but has suffered losses when individual investments decline in value. The value of the investments is subject to changes in the corporation, worldwide economic data, political shocks and terrorist threats, amongst other factors.

Contingencies

The Corporation or its subsidiaries are involved in other litigation or claims in the ordinary course of business (currently mostly as plaintiffs). The amounts at stake in these disputes are not material individually nor in the aggregate. Therefore, no amount associated with these claims has been accrued as assets or liabilities, or recorded as income or charged as expenses on these consolidated financial statements. In the event that the Corporation is successful in a claim or is found to be liable for a claim, the resulting settlement will be appropriately recorded to the income statement in the period as incurred.

Additional Information

For additional information on the Corporation, readers should also refer to the Corporation's annual report and other additional information filed on www.sedar.com.

Winston Ho Fatt
Chairman and Chief Executive Officer
May 15, 2011