

**COMPANY NO : 253837 H**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(The figures have not been audited)

|  | <b>Individual Quarter</b><br><b>3 Months Ended</b><br><b>28/29 Feb</b> |                              | <b>Cumulative Quarter</b><br><b>9 Months Ended</b><br><b>28/29 Feb</b> |                              |
|--|--|------------------------------|--|------------------------------|
|  | <b>2012</b><br><b>RM'000</b>   | <b>2011</b><br><b>RM'000</b> | <b>2012</b><br><b>RM'000</b>   | <b>2011</b><br><b>RM'000</b> |
| Revenue  | 107,057  | 108,458                      | 290,538  | 294,351                      |
| Other operating income                             | 374  | 348                          | 1,711  | 841                          |
| Total operating expenses                           | (99,628)   | (106,637)                    | (276,810)  | (286,511)                    |
| Profit from operations                             | <u>7,803</u>   | <u>2,169</u>                 | <u>15,439</u>  | <u>8,681</u>                 |
| Finance income                                     | 165  | 319                          | 416  | 736                          |
| Finance cost                                       | (821)  | (44)                         | (1,006)  | (138)                        |
| Share of loss of an associate                      | (1)  | (1)                          | (5)  | (111)                        |
| Profit before taxation                             | <u>7,146</u>   | <u>2,443</u>                 | <u>14,844</u>  | <u>9,168</u>                 |
| Income tax   | (1,736)  | (754)                        | (3,805)  | (2,605)                      |
| <b>Profit for the period</b>                       | <u><u>5,410</u></u>  | <u><u>1,689</u></u>          | <u><u>11,039</u></u>   | <u><u>6,563</u></u>          |
| Other comprehensive income:                        |  |                              |  |                              |
| Foreign exchange difference                        | 30   | (103)                        | 43   | 174                          |
| Total comprehensive income for the period          | <u><u>5,440</u></u>  | <u><u>1,586</u></u>          | <u><u>11,082</u></u>   | <u><u>6,737</u></u>          |
| <b>Profit for the period attributable to:</b>      |  |                              |  |                              |
| Owner of the parent                                | 5,413  | 1,690                        | 11,045   | 6,569                        |
| Non-controlling interests                          | (4)  | (1)                          | (6)  | (6)                          |
|  | <u><u>5,410</u></u>  | <u><u>1,689</u></u>          | <u><u>11,039</u></u>   | <u><u>6,563</u></u>          |
| <b>Total comprehensive income attributable to:</b> |  |                              |  |                              |
| Owner of the parent                                | 5,444  | 1,587                        | 11,088   | 6,743                        |
| Non-controlling interests                          | (4)  | (1)                          | (6)  | (6)                          |
|  | <u><u>5,440</u></u>  | <u><u>1,586</u></u>          | <u><u>11,082</u></u>   | <u><u>6,737</u></u>          |
| <b>Earnings per share attributable</b>             |  |                              |  |                              |
| <b>to owners of the parent (sen per share)</b>     |  |                              |  |                              |
| Basic  | 9.44   | 2.95                         | 19.26  | 11.45                        |
| Fully diluted                                      | 9.44   | 2.95                         | 19.26  | 11.45                        |

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(The figures have not been audited)

|   | <b>As At End of<br/>Current Quarter<br/>28 Feb 2013<br/>(Unaudited)<br/>RM'000</b> | <b>As At Preceding<br/>Financial Year End<br/>31 May 2012<br/>(Unaudited)<br/>RM'000<br/>(Restated)</b> |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>Non-current assets</b>   |  |   |
| Property, plant and equipment   | 102,246  | 96,926  |
| Investment property   | -  | -   |
| Land held for development   | 7,666  | 7,666   |
| Land use rights   | 311  | 472   |
| Investment in an associate  | 12,452   | 12,457  |
| Other investments   | 3  | 3   |
| Goodwill on consolidation   | 4,665  | 4,665   |
|   | <u>127,343</u>   | <u>122,188</u>  |
| <b>Current assets</b>   |  |   |
| Property development costs  | 16,464   | 16,268  |
| Inventories   | 35,300   | 34,062  |
| Trade receivables   | 23,593   | 25,220  |
| Other receivables   | 6,525  | 8,721   |
| Loan receivables  | 36   | 17  |
| Short term investment   | 8,543  | 3,842   |
| Cash and bank balances  | 48,560   | 31,144  |
|   | <u>139,021</u>   | <u>119,274</u>  |
| <b>TOTAL ASSETS</b>   | <u>266,364</u>   | <u>241,462</u>  |
| <b>EQUITY AND LIABILITIES</b>   |  |   |
| <b>Equity attributable to equity holders of the parent</b>                |  |   |
| Share capital   | 61,000   | 61,000  |
| Share premium   | 13,935   | 13,935  |
| Treasury shares   | (5,347)  | (5,317)   |
| Other reserves  | -  | -   |
| Retained earnings   | 111,594  | 103,947   |
|   | <u>181,182</u>   | <u>173,565</u>  |
| Minority interest   | 995  | 1,001   |
| <b>Total equity</b>   | <u>182,177</u>   | <u>174,566</u>  |
| <b>Non-current liabilities</b>  |  |   |
| Long term loan  | 1,727  | 2,410   |
| Deferred capital grant  | 177  | 215   |
| Deferred tax liabilities  | 3,742  | 3,793   |
|   | <u>5,646</u>   | <u>6,418</u>  |
| <b>Current liabilities</b>  |  |   |
| Short term borrowings   | 918  | 2,513   |
| Trade payables  | 66,280   | 44,386  |
| Other payables  | 9,157  | 11,783  |
| Deferred revenue  | 1,242  | 1,278   |
| Deferred capital grant  | 50   | 50  |
| Taxation  | 894  | 469   |
|   | <u>78,541</u>  | <u>60,479</u>   |
| <b>Total liabilities</b>  | <u>84,187</u>  | <u>66,896</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                       | <u>266,364</u>   | <u>241,462</u>  |
| Net assets per share attributable to equity holders<br>of the parent (RM) | 3.16   | 3.03  |

**SUIWAH CORPORATION BHD.**  
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**CHANGES IN EQUITY**

| Note                                  | Attributable to Owners of the Parent |                            |                              |                                  |  |                                      |                                | Total<br>RM'000 | Non<br>Controlling<br>Interest<br>RM'000 |
|---------------------------------------|--------------------------------------|----------------------------|------------------------------|----------------------------------|--|--------------------------------------|--------------------------------|-----------------|--|
|                                       | Share<br>Capital<br>RM'000           | Share<br>Premium<br>RM'000 | Treasury<br>Shares<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Foreign Currency<br>Translation<br>Reserve<br>RM'000 | Share<br>Option<br>Reserve<br>RM'000 | Retained<br>Earnings<br>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                                    |
| 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>Total comprehensive income</b>     | <b>-</b>                             | <b>-</b>                   | <b>-</b>                     | <b>-</b>                         | <b>-</b>   | <b>-</b>                             | <b>11,088</b>                  | <b>11,088</b>   | <b>(6)</b>                               |
| <b>Transaction with owners:</b>       |                                      |                            |                              |                                  |  |                                      |                                |                 |  |
| Purchase of treasury shares           | -                                    | -                          | (30)                         | -                                | -  | -                                    | -                              | (30)            | -  |
| First & final dividend                | -                                    | -                          | -                            | -                                | -  | -                                    | (3,441)                        | (3,441)         | -  |
| <b>Closing balance at 28 Feb 2013</b> | <b>61,000</b>                        | <b>13,935</b>              | <b>(5,347)</b>               | <b>-</b>                         | <b>-</b>   | <b>-</b>                             | <b>111,594</b>                 | <b>181,182</b>  | <b>995</b>                               |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Nine Months Ended 29 Feb 2013

| Note                                      | Attributable to Owners of the Parent |                            |                              |                                  |  |                                      |                                | Total<br>RM'000 | Non<br>Controlling<br>Interest<br>RM'000 |
|---|--------------------------------------|----------------------------|------------------------------|----------------------------------|--|--------------------------------------|--------------------------------|-----------------|--|
|   | Share<br>Capital<br>RM'000           | Share<br>Premium<br>RM'000 | Treasury<br>Shares<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Foreign Currency<br>Translation<br>Reserve<br>RM'000 | Share<br>Option<br>Reserve<br>RM'000 | Retained<br>Earnings<br>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                                      |
| 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>Total comprehensive income</b>         | <b>-</b>                             | <b>-</b>                   | <b>-</b>                     | <b>-</b>                         | <b>-</b>   | <b>-</b>                             | <b>6,743</b>                   | <b>6,743</b>    | <b>(6)</b>                               |
| <b>Transaction with owners:</b>           |                                      |                            |                              |                                  |  |                                      |                                |                 |  |
| Purchase of treasury shares               | -                                    | -                          | (463)                        | -                                | -  | -                                    | -                              | (463)           | -  |
| First & final dividend                    | -                                    | -                          | -                            | -                                | -  | -                                    | (3,441)                        | (3,441)         | -  |
| Increase in share capital by a subsidiary | -                                    | -                          | -                            | -                                | -  | -                                    | -                              | -               | 629                                      |
| <b>Closing balance at 29 Feb 2012</b>     | <b>61,000</b>                        | <b>13,935</b>              | <b>(5,317)</b>               | <b>-</b>                         | <b>-</b>   | <b>864</b>                           | <b>104,703</b>                 | <b>175,185</b>  | <b>1,004</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**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | <b>9 Months<br/>Ended<br/>28 Feb 2013<br/>RM' 000</b> | <b>9 Months<br/>Ended<br/>29 Feb 2012<br/>RM' 000</b> |
|---|---|---|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |   |   |
| Profit before taxation  | 14,844  | 9,168   |
| <b>Adjustments for:</b>                                       |   |   |
| Amortisation of deferred income                               | (38)  | (38)  |
| Amortisation of land use rights                               | 161   | 161   |
| Depreciation of property, plant and equipment                 | 7,293   | 7,716   |
| Depreciation of investment property                           | -   | 232   |
| Property, plant and equipment written off                     | 123   | -   |
| Interest expense  | 1,006   | 138   |
| Interest income   | (416)   | (736)   |
| Reversal of deferred revenue                                  | (36)  | (56)  |
| Share of losses in an associate                               | 5   | 111   |
| Operating profit before working capital changes               | <u>22,942</u>   | <u>16,696</u>   |
| Increase in property development cost                         | (196)   | -   |
| Increase / (Decrease) in receivables                          | 3,804   | (2,969)   |
| Increase in inventories                                       | (1,238)   | (698)   |
| Increase in payables  | <u>19,268</u>   | <u>19,182</u>   |
| Cash generated from operations                                | 44,580  | 32,211  |
| Interest paid   | (1,006)   | (138)   |
| Interest received   | 416   | 736   |
| Tax paid  | <u>(3,416)</u>  | <u>(3,879)</u>  |
| Net cash generated from operating activities                  | <u>40,574</u>   | <u>28,930</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |   |   |
| Increase in short term investment                             | (4,701)   | (7,248)   |
| Purchase of property, plant and equipment                     | (12,736)  | (7,873)   |
| Decrease / (Increase) in investment in an associate           | 5   | (5,765)   |
| Additional investment in a subsidiary                         | -   | 629   |
| Net cash used in investing activities                         | <u>(17,432)</u>                                       | <u>(20,257)</u>                                       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |   |   |
| Repayment of bank term loan                                   | (683)   | (653)   |
| Dividend paid   | (3,441)   | (3,441)   |
| Purchase of treasury shares                                   | (30)  | (463)   |
| Net changes in bankers' acceptance                            | <u>(1,595)</u>  | <u>(1,333)</u>  |
| Net cash used in financing activities                         | <u>(5,749)</u>  | <u>(5,890)</u>  |
| <b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b> | 17,393  | 2,783   |
| <b>EFFECTS OF EXCHANGE RATE CHANGES</b>                       | 23  | 18  |
| <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>48,560</u>   | <u>36,917</u>   |
| Cash and cash equivalents comprise:                           |   |   |
| Cash and bank balances  | 47,663  | 35,834  |
| Deposit with licensed banks                                   | <u>897</u>  | <u>1,083</u>  |
|   | <u>48,560</u>   | <u>36,917</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)**  
**INTERIM REPORT FOR THE NINE-MONTHS PERIOD ENDED 28 FEBRUARY 2013**  
**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 28 Feb 2013, 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 time 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<br>2011 | 29 February<br>2012 | 31 May<br>2012 |
|--------------------------------------|---------|----------------|---------------------|----------------|
|                                      | Note    | RM'000         | RM'000              | RM'000         |
| Revaluation reserve                  | A2(ii)  | 1,472          | 1,442               | 1,433          |
| Foreign currency translation reserve | A2(iii) | (1,520)        | (1,347)             | (3,951)        |
|                                      |         | (48)           | 95                  | (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 :

| MFRSs, Amendments to MFRSs and IC Interpretations   | Effective for annual periods beginning on or after |
|---|--|
| MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)   | 1 July 2012  |
| Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)                                      | 1 January 2013                                     |
| MFRS 3 Business Combinations (IFRS 3 <i>Business Combinations</i> issued by IASB in March 2004)   | 1 January 2013                                     |
| MFRS 10 Consolidated Financial Statements   | 1 January 2013                                     |
| MFRS 11 Joint Arrangements  | 1 January 2013                                     |
| MFRS 12 Disclosure of interests in Other Entities   | 1 January 2013                                     |
| MFRS 13 Fair Value Measurement  | 1 January 2013                                     |
| MFRS 127 Separate Financial Statements  | 1 January 2013                                     |
| MFRS 128 Investment in Associate and Joint Ventures   | 1 January 2013                                     |
| MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)                                    | 1 January 2013                                     |
| IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine  | 1 January 2013                                     |
| Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities   | 1 January 2013                                     |
| Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans                                 | 1 January 2013                                     |
| Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle)             | 1 January 2013                                     |
| Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle) | 1 January 2013                                     |
| Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)   | 1 January 2013                                     |
| Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)                                       | 1 January 2013                                     |
| Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)  | 1 January 2013                                     |
| Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance   | 1 January 2013                                     |
| Amendments to MFRS 11: Joint Arrangements: Transition Guidance  | 1 January 2013                                     |
| Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance   | 1 January 2013                                     |
| Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities   | 1 January 2014                                     |

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

### MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

### MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted

Upon adoption of MFRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of MFRS 13 is expected to result in higher fair value of certain properties of the Group.

## Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

### MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

### 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.

Manufacturing arm, Qdos Group 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 19,000 units of its own shares for a total cash consideration RM28,156. The price paid per share was RM1.48. The said shares are currently held as treasury shares.

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

### A9. Dividends Paid

The first and final dividend in respect of financial year ended 31 May 2012, of 8% less 25% taxation on 57,353,148 ordinary shares, amounting to total dividend payable of RM3,441,189 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 22 November 2012 and has been subsequently paid on 14 December 2012.

### A10. Segmental Information

|                                     | Individual Quarter |                     | Cumulative Quarter |                     |
|-------------------------------------|--------------------|---------------------|--------------------|---------------------|
|                                     | Current<br>RM'000  | Preceding<br>RM'000 | Current<br>RM'000  | Preceding<br>RM'000 |
| <b>Segment Revenue</b>              |                    |                     |                    |                     |
| Retail                              | 89,766             | 87,520              | 233,842            | 227,006             |
| Manufacturing                       | 16,277             | 18,651              | 54,444             | 56,016              |
| Property investment and development | 1,014              | 1,069               | 2,252              | 3,525               |
| Trading                             | 0                  | 1,218               | 0                  | 7,804               |
| <b>Group revenue</b>                | <b>107,057</b>     | <b>108,458</b>      | <b>290,538</b>     | <b>294,351</b>      |
| <b>Segment Results</b>              |                    |                     |                    |                     |
| Retail                              | 5,014              | 2,255               | 7,499              | 4,080               |
| Manufacturing                       | 2,209              | 200                 | 7,702              | 4,847               |
| Property investment and development | (24)               | 168                 | 137                | 474                 |
| Trading                             | (52)               | (179)               | (489)              | (122)               |
| Share of loss of associate          | (1)                | (1)                 | (5)                | (111)               |
| <b>Group profit before tax</b>      | <b>7,146</b>       | <b>2,443</b>        | <b>14,844</b>      | <b>9,168</b>        |
| Taxation                            | (1,736)            | (754)               | (3,805)            | (2,605)             |
| <b>Group profit after tax</b>       | <b>5,410</b>       | <b>1,689</b>        | <b>11,039</b>      | <b>6,563</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 22 November 2012.

**A12. Subsequent Material Events**

On 3 April 2013, the Company's wholly owned subsidiary, Qdos Holdings Bhd, incorporated a subsidiary, known as Qdos Interconnect Sdn Bhd ("QISB"). The authorized share capital of QISB is RM100,000 divided into 100,000 ordinary shares of RM1.00 each. The total issued and paid up capital is RM100 divided into 100 ordinary shares of RM1.00 each.

**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 28 February 2013, the Company has given corporate guarantees amounting to RM2,644,755 to secure banking facilities granted to its subsidiaries.

**A15. Capital Commitments**

The Group's capital commitments as at 29 April 2013 are as follow:

|                              | RM'000    |
|------------------------------|-----------|
| Approved and contracted for: |           |
| Building                     | 47        |
| <b>Total</b>                 | <b>47</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 28 Feb 2013 was RM107.057 million as compared to RM108.458 million for the preceding year corresponding period ended 29 Feb 2012, recording a decrease of 1.29%. The marginal decrease in Group revenue during the reporting period was mainly attributed to:

Retail sales – increase by 2.57% resulted from longer Chinese New Year sales period recorded in the current quarter

Manufacturing – decrease by 12.73% resulted from cost down in price and some EOL products

Trading – zero sales recorded in the current reporting period as a result of decrease demand for discontinue parts

Property investment and development – decrease by 5.14% resulted from sales of 1 unit of terrace house in the current quarter

The Group's profit before tax for the period under review was RM7.146 million as compared with the profit before tax of RM2.443 million previously, an increase of 192.51%. The overall increase in profitability during the reporting period was mainly due to:

Retail – increase by RM2.759 million. The increase was due to higher sales achieved in the current quarter coupled with the reversal of rental expenses amounting RM1.9 million and electricity expenses amounting RM245K which were over billed by the landlord previously

Manufacturing – increase by RM2.009 million. The sharp increase was mainly due to overall improved production yield, material cost down exercise and overheads cost savings effects during the reporting quarter

Property investment and development – experience loss during the quarter, i.e. RM24K as compared to profit of RM168K recorded in the preceding year quarter, resulted from under charged of material cost by main contractor for Taman Jawi Ria

The results for the current financial period have not been affected by any transactions or events of a material or unusual nature that has arisen between 28 February 2013 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 RM7.146 million, as compared with profit before tax of RM4.372 million recorded in the preceding quarter, an increase of 63.45%. The increase in profit before tax was derived by overall improved consumer spending in retail, following the celebration of Chinese New Year sales recorded in the current quarter.

**B3. Commentary on Prospects**

Going forward, retail sales remain favorable driven by resilient local consumer sentiment and stable employment outlook. We aim to be a great volume retailer, ensuring that our customers find our products desirable and that they are constantly delighted by the price, quality, range and services.

Manufacturing outlook remains positive. Qdos Group has successfully implemented several lean manufacturing projects and achieved significant enhancement in efficiency and effectiveness.

The Group will continue taking initiative to implement cost effective measures and maximizing staff performance. With this, the Group remains optimistic to achieve satisfactory performance for the financial year ending 31 May 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            | Preceding | Current            | Preceding |
|                          | RM'000             | RM'000    | RM'000             | RM'000    |
| Tax expense for the year | 1,703              | 655       | 3,841              | 2,546     |
| Deferred taxation        | 33                 | 99        | (36)               | 59        |
| Total                    | 1,736              | 754       | 3,805              | 2,605     |

**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 | 1,726,876 |
|   |    |           |
| (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 28 February 2013

The Group has no outstanding derivatives financial instruments as at 28 February 2013.

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

The gain/(loss) arising from fair value changes of financial liabilities had no significant impact on the financial position and results of the Group for the current quarter ended 28 February 2013.

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

The first and final dividend in respect of financial year ended 31 May 2012, of 8% less 25% taxation on 57,353,148 ordinary shares, amounting to total dividend payable of RM3,441,189 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 22 November 2012 and has been subsequently paid on 14 December 2012.

## 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<br>28.2.2013 | Preceding Quarter<br>ended 29.2.2012 | Current Cumulative<br>Quarter ended<br>28.2.2013 | Preceding Cumulative<br>Quarter ended<br>29.2.2012 |
|---|------------------------------------|--------------------------------------|--|--|
| Profit attributable to ordinary owner of the parent for the financial period (RM'000) | 5,413                              | 1,690                                | 11,045   | 6,569  |
| Weighted number of ordinary shares in issue ('000)                                    |                                    |                                      |  |  |
| - Basic   | 57,334                             | 57,357                               | 57,334   | 57,357   |
| - Diluted   | 57,334                             | 57,357                               | 57,334   | 57,357   |
| Basic earnings per share (sen)  | 9.44                               | 2.95                                 | 19.26  | 11.45  |
| Diluted earnings per share (sen)  | 9.44                               | 2.95                                 | 19.26  | 11.45  |

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

|                                      | <b>Current financial period<br/>ended 28 Feb 2013 (RM'000)</b> | <b>As at preceding financial period<br/>ended 30 Nov 2012 (RM'000)</b> |
|--------------------------------------|--|--|
| Total retained profits of the Group: |  |  |
| - Realised                           | 128,060  | 123,119  |
| - Unrealised                         | 303  | 2,523  |
|                                      | <b>128,363</b>   | <b>125,642</b>   |
| Less : Consolidation adjustments     | (16,769)   | (19,491)   |
| Total Group retained profits         | <b>111,594</b>   | <b>106,151</b>   |

**B13. 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 April 2013.