

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31 May		31 May	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	88,440	81,797	374,575	372,335
Other operating income	576	501	4,105	1,296
Total operating expenses	(85,160)	(78,027)	(361,869)	(354,837)
Profit from operations	<u>3,856</u>	<u>4,271</u>	<u>16,811</u>	<u>18,794</u>
Finance income	87	154	258	570
Finance cost	(207)	(82)	(921)	(172)
Share of profit / (loss) in a jointly controlled entity	47	-	74	(5)
Profit before taxation	<u>3,783</u>	<u>4,343</u>	<u>16,222</u>	<u>19,187</u>
Income tax	3,510	(1,685)	2,995	(5,490)
Profit for the period	<u><u>7,293</u></u>	<u><u>2,658</u></u>	<u><u>19,217</u></u>	<u><u>13,697</u></u>
Other comprehensive income:				
Foreign exchange difference	(3)	(487)	21	(444)
Total comprehensive income for the period	<u><u>7,290</u></u>	<u><u>2,171</u></u>	<u><u>19,237</u></u>	<u><u>13,253</u></u>
Profit for the period attributable to:				
Owner of the parent	7,290	2,846	19,080	13,891
Non-controlling interests	3	(188)	137	(194)
	<u><u>7,293</u></u>	<u><u>2,658</u></u>	<u><u>19,217</u></u>	<u><u>13,697</u></u>
Total comprehensive income attributable to:				
Owner of the parent	7,287	2,359	19,100	13,447
Non-controlling interests	3	(188)	137	(194)
	<u><u>7,290</u></u>	<u><u>2,171</u></u>	<u><u>19,237</u></u>	<u><u>13,253</u></u>
Earnings per share attributable				
to owners of the parent (sen per share)				
Basic	12.72	4.96	33.29	24.23
Fully diluted	12.72	4.96	33.29	24.23

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2013 and the accompany explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 Months Ended 31 May 2014 RM' 000 (Unaudited)	12 Months Ended 31 May 2013 RM' 000 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,222	19,187
Adjustments for:		
Amortisation of deferred income	(50)	(50)
Amortisation of land use rights	215	215
Bad debts written off	34	466
Depreciation of property, plant and equipment	10,494	9,852
Gain on disposal of property, plant & equipment	(797)	-
Interest expense	921	172
Interest income	(258)	(570)
Inventories written down	-	553
Unrealised foreign exchange (gains) / losses	343	214
Property, plant and equipment written off	47	186
Share of (profit) / losses in an associate	(74)	5
Operating profit before working capital changes	27,097	30,230
Increase in property development costs	(194)	(198)
(Increase) / Decrease in receivables	(926)	7,678
Increase in inventories	(225)	(2)
Increase in payables	3,750	6,620
Increase in deferred revenue	396	39
Cash generated from operations	29,898	44,367
Interest paid	(921)	(172)
Interest received	258	570
Tax refund / (paid)	567	(4,795)
Net cash generated from operating activities	29,802	39,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short term investment	(10,610)	(9,857)
Proceeds from disposal of property, plant and equipment	3,907	19
Purchase of property, plant and equipment	(26,748)	(28,862)
Acquisition of patent licence	-	(6,906)
Net cash used in investing activities	(33,451)	(45,606)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(1,304)	(916)
Dividends paid	(3,508)	(3,441)
Purchase of treasury shares	(27)	(30)
Term loan drawdown	12,000	-
Net changes in bankers' acceptance	1,584	1,742
Net cash used in financing activities	8,745	(2,645)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	5,096	(8,281)
EFFECTS OF EXCHANGE RATE CHANGES	(309)	195
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23,058	31,144
CASH AND CASH EQUIVALENTS AT END OF PERIOD	27,845	23,058
Cash and cash equivalents comprise:		
Cash and bank balances	26,621	31,651
Deposit with licensed banks	1,224	549
Overdraft	-	(9,142)
	27,845	23,058

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

For The Twelve Months Ended 31 May 2014

	← Attributable to equity holders of the Company →					Non Controlling Interest RM'000	Total Equity RM'000	
	← Non-distributable		→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
Opening balance at 1 June 2013	61,000	13,935	(5,347)	(2,875)	118,863	185,576	807	186,383
Total comprehensive income	-	-	-	21	19,080	19,101	137	19,238
	-	-	-	21	19,080	19,101	137	19,238
Transaction with owners:								
Purchase of treasury shares	-	-	(27)	-	-	(27)	-	(27)
First and final dividend	-	-	-	-	(3,508)	(3,508)	-	(3,508)
Closing balance at 31 May 2014	61,000	13,935	(5,374)	(2,854)	134,435	201,142	944	202,086

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Twelve Months Ended 31 May 2013

	← Attributable to equity holders of the Company →					Non Controlling Interest RM'000	Total Equity RM'000	
	← Non-distributable		→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
Opening balance at 1 June 2012	61,000	13,935	(5,317)	(2,431)	108,413	175,600	1,001	176,601
Total comprehensive income	-	-	-	(444)	13,891	13,447	(194)	13,253
	-	-	-	(444)	13,891	13,447	(194)	13,253
Transaction with owners:								
Purchase of treasury shares	-	-	(30)	-	-	(30)	-	(30)
First and final dividend	-	-	-	-	(3,441)	(3,441)	-	(3,441)
Closing balance at 31 May 2013	61,000	13,935	(5,347)	(2,875)	118,863	185,576	807	186,383

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2013 and the explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD.**COMPANY NO: 253837 H****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(The figures have not been audited)

	As At End of Current Quarter 31 May 2014 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2013 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	131,663	115,732
Inventory property	6,866	9,700
Land use rights	41	256
Intangible asset	6,906	6,906
Investment in a jointly controlled entity	12,143	12,069
Investment in securities	3	3
Goodwill on consolidation	4,665	4,665
	<u>162,287</u>	<u>149,331</u>
Current assets		
Inventory property	16,660	16,466
Inventories	33,736	33,511
Trade receivables	17,767	22,307
Other receivables	8,350	2,973
Loan receivables	84	29
Short term investment	24,309	13,699
Cash and bank balances	27,845	32,200
	<u>128,751</u>	<u>121,184</u>
TOTAL ASSETS	<u>291,038</u>	<u>270,516</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	61,000	61,000
Share premium	13,935	13,935
Treasury shares	(5,374)	(5,347)
Other reserves	(2,854)	(2,875)
Retained earnings	134,435	118,863
	<u>201,142</u>	<u>185,576</u>
Minority interest	944	807
Total equity	<u>202,086</u>	<u>186,383</u>
Non-current liabilities		
Long term loan	11,370	1,480
Deferred capital grant	115	165
Deferred tax liabilities	1,734	2,621
	<u>13,219</u>	<u>4,266</u>
Current liabilities		
Short term borrowings	6,659	13,411
Trade payables	56,108	46,503
Other payables	10,431	16,287
Deferred revenue	1,713	1,317
Deferred capital grant	50	50
Taxation	772	2,299
	<u>75,733</u>	<u>79,867</u>
Total liabilities	<u>88,952</u>	<u>84,132</u>
TOTAL EQUITY AND LIABILITIES	<u>291,038</u>	<u>270,516</u>
Net assets per share attributable to equity holders of the parent (RM)	3.51	3.24

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE TWELVE-MONTHS PERIOD ENDED 31 MAY 2014
NOTES TO INTERIM FINANCIAL REPORT
PART A – EXPLANATORY NOTES PURSUANT TO MFRS134

A1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 May 2014 are unaudited, have been prepared in accordance with Malaysian Financial Reporting Standards (“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. These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2013. 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 2013.

A2. Significant accounting policies

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 2013 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 June 2013:

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income
MFRS 3 Business Combination (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 Employee Benefits
MFRS 127 Separate Financial Statements
MFRS 128 Investment in Associate and Joint Ventures
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132, MFRS 134: Annual Improvements 2009-2011 Cycle
Amendments to MFRS 1: Government Loans
Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosures of Interest in Other Entities: Transition Guidance

The adoption of the above MFRSs and amendments to MFRSs did not have material impact on the financial statements upon the initial application on 1 June 2013 except as discussed below:

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor’s returns. Under MFRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders. The application of MFRS 10 has no impact on the Group’s and the Company’s financial position or financial performance.

MFRS 11 Joint Arrangements

MFRS 11 replaces MFRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly controlled entities (“JCE”) using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method. The application of MFRS 11 has no impact on the Group’s and the Company’s financial position or financial performance.

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. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures. Based on the initial assessment upon adoption of this MFRS 13, the Group does not foresee any material impact on its financial position or performance.

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified (“recycled”) to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group’s financial position or performance.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

MFRS 128 Investments in Associates and Joint Ventures

As a consequence of the new MFRS 11 and MFRS 12, MFRS 128 is renamed as MFRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

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
Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 Recoverable Amount Disclosures for Non Financial Assets	1 January 2014
Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

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 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but will not have an impact on classification and measurements of the Group’s financial liabilities. 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 2013 was not subject to any qualification.

A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve further in the first quarter of financial year 2015, in anticipation of better retail sales driven by Ramadhan and Hari Raya celebration.

Manufacturing arm, Qdos Group is expected to remain profitable for financial year 2015.

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 2013.

A8. Debt and Equity Securities

There were no share buyback for the Company during the quarter. A total number of 3,681,100 shares are held as treasury shares as at 31 May 2014.

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 2013, of 8% less 25% taxation on 57,322,148 ordinary shares amounting to total dividend payable of RM3,439,329 (6.00 sen per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2013 and has been subsequently paid on 18 December 2013.

The Board has recommended a final single tier dividend in respect of the financial year ended 31 May 2014, of 6% per ordinary shares.

A10. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Current RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
Segment Revenue				
Retail	72,281	63,369	306,296	297,211
Manufacturing	15,189	17,682	65,214	72,126
Property investment and development	970	746	3,065	2,998
Group revenue	88,440	81,797	374,575	372,335
Segment Results				
Retail	3,067	1,984	8,699	9,483
Manufacturing	603	2,670	7,544	10,372
Property investment and development	107	168	25	305
Trading	(41)	(479)	(120)	(968)
Share of profit/(loss) in a jointly controlled entity	47	-	74	(5)
Group profit before tax	3,783	4,343	16,222	19,187
Taxation	3,510	(1,685)	2,995	(5,490)
Group profit after tax	7,293	2,658	19,217	13,697

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 28 November 2013.

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 2014, the Company has given corporate guarantees amounting to RM18,029,254 to secure banking facilities granted to its subsidiaries.

A15. Capital Commitments

The Group's capital commitments as at 31 July 2014 are as follow:

	RM'000
Approved and contracted for:	
Property, plant & equipment	5,925
Total	5,925

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 May 2014 was RM88.440 million as compared to RM81.797 million for the preceding year corresponding period ended 31 May 2013, recording an increase of 8.12%. The increase in Group revenue during the reporting period was mainly attributed to:

- a) Retail sales – increase by 14.06% resulted from the opening of new retail outlet in Bertam, Penang
- b) Manufacturing – decrease by 14.10% resulted from reduced in customer demand

The Group's profit before tax for the period under review was RM3.783 million as compared with the profit before tax of RM4.343 million previously, a decrease of 12.89%. The decrease in profitability during the reporting period was mainly due to:

- a) Retail – increase by 54.59% contributed by higher sales and additional trade discounts received resulted from the opening of a new retail outlet during the year
- b) Manufacturing – decrease by 77.42%. The decrease was mainly due to lower sales and margin achieved as a result of market competition

Other than the above mentioned 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 2014 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 RM3.783 million, as compared with profit before tax of RM4.945 million recorded in the preceding quarter, a decrease of 23.50%. The overall decrease in profitability during the reporting period was mainly due to:

- a) Retail – decrease by 12.47% resulted from lower consumer spending during the reporting period, as a result of the end of festival celebration, i.e. Chinese New Year recorded in the preceding quarter
- b) Manufacturing – decrease by 62.00% resulted from lower sales and margin achieved as a result of market competition and reduced in forex gain during the reporting period.

B3. Commentary on Prospects

On 10 July 2014, Bank Negara Malaysia (BNM) raised its benchmark overnight policy rate by 25 basis points as part of measures to curb rising household debts. The rate hike would have an impact on businesses and consumers as changes in the OPR would be passed on through changes in the base lending rate.

In view of the above, the biggest challenges ahead for retail are higher cost of doing business and reduced purchasing power from the consumers.

Manufacturing outlook remains positive for the next financial year with the latest venture into the cutting edge IC substrate industry.

The Group will continue to embark on a series of adjustments to its business strategies with an aim to delivering satisfactory performance for financial year 2015.

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	1,485	1,971	4,681	5,812
Deferred taxation	(790)	(82)	(829)	(118)
(Over) / under provision:				
Income Tax	(4,148)	(4)	(6,790)	(4)
Deferred Tax	(57)	(200)	(57)	(200)
Total	(3,510)	1,685	(2,995)	5,490

During the financial period, the company had obtained approval from Ministry of International Trade and Industry (MIDA) for 100% tax exemption on the statutory income from "Fine Resolution Interconnect Flexible Printed Circuit Boards" for a 5 years period from 1 Jun 2009 to 31 May 2014. The revise tax for the period from 1 Jun 2009 to 31 May 2013 which to be discharged by the Inland Revenue Board is amounting to approximately RM6.8 million.

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 of a subsidiary with net book values of RM28,690,500	
• Fixed charged over a freehold land and building with a net book values of RM37,645,394	
• a corporate guarantee by the Company	
(b) Short term borrowings	
Term loan	RM <u>6,659,164</u>
(c) Long term borrowings	
Term loan	RM <u>11,370,090</u>
(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 May 2014

The Group has no outstanding derivatives financial instruments as at 31 May 2014.

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

The gain/(loss) arising from fair value changes of financial liabilities had no significant impact on the financial position and results of the Group for the current quarter ended 31 May 2014.

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 2013.

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 2013, of 8% less 25% taxation on 57,322,148 ordinary shares amounting to total dividend payable of RM3,439,329 (6.00 sen per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2013 and has been subsequently paid on 18 December 2013.

The Board has recommended a final single tier dividend in respect of the financial year ended 31 May 2014, of 6% per ordinary shares.

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 31.5.2014	Preceding Quarter ended 31.5.2013	Current Cumulative Quarter ended 31.5.2014	Preceding Cumulative Quarter ended 31.5.2013
Profit attributable to ordinary owner of the parent for the financial period (RM'000)	7,290	2,846	19,080	13,891
Weighted number of ordinary shares in issue ('000)				
- Basic	57,319	57,334	57,319	57,334
- Diluted	57,319	57,334	57,319	57,334
Basic earnings per share (sen)	12.72	4.96	33.29	24.23
Diluted earnings per share (sen)	12.72	4.96	33.29	24.23

B12. Disclosure of Realised and Unrealised Profit / Losses

	Current financial period ended 31 May 2014 (RM'000)	As at preceding financial period ended 31 May 2013 (RM'000)
Total retained profits of the Group:		
- Realised	157,789	133,148
- Unrealised	(1,125)	(1,357)
	158,914	131,791
Less : Consolidation adjustments	(24,479)	(12,928)
Total Group retained profits	134,435	118,863

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 31 July 2014.