

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

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

	<b>Individual Quarter 3 Months Ended 31 Aug</b>		<b>Cumulative Quarter 3 Months Ended 31 Aug</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Revenue	92,366	98,124	92,366	98,124
Other operating income	2,662	961	2,662	961
Total operating expenses	(90,916)	(95,383)	(90,916)	(95,383)
Profit from operations	<u>4,112</u>	<u>3,702</u>	<u>4,112</u>	<u>3,702</u>
Finance income	78	61	78	61
Finance cost	(313)	(284)	(313)	(284)
Share of profit / (loss) in a jointly controlled entity	15	(159)	15	(159)
Profit before taxation	<u>3,892</u>	<u>3,320</u>	<u>3,892</u>	<u>3,320</u>
Income tax	(1,182)	(1,038)	(1,182)	(1,038)
<b>Profit for the period</b>	<u><u>2,710</u></u>	<u><u>2,282</u></u>	<u><u>2,710</u></u>	<u><u>2,282</u></u>
Other comprehensive income:				
Foreign exchange difference	<u>(678)</u>	<u>(491)</u>	<u>(678)</u>	<u>(491)</u>
Total comprehensive income for the period	<u><u>2,032</u></u>	<u><u>1,791</u></u>	<u><u>2,032</u></u>	<u><u>1,791</u></u>
<b>Profit for the period attributable to:</b>				
Equity holders of the Company	2,707	2,282	2,707	2,282
Non-controlling interests	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u><u>2,710</u></u>	<u><u>2,282</u></u>	<u><u>2,710</u></u>	<u><u>2,282</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,029	1,791	2,029	1,791
Non-controlling interests	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u><u>2,032</u></u>	<u><u>1,791</u></u>	<u><u>2,032</u></u>	<u><u>1,791</u></u>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>				
Basic	4.72	3.98	4.72	3.98
Fully diluted	4.72	3.98	4.72	3.98

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2015 and the accompany explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
**COMPANY NO: 253837 H**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 Months Ended 31 Aug 2015 RM' 000</b>	<b>3 Months Ended 31 Aug 2014 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,892	3,320
<b>Adjustments for:</b>		
Amortisation of deferred income	(13)	(13)
Amortisation of land use rights	-	41
Amortisation of intangible assets	86	86
Bad debts recovered	(14)	-
Depreciation of property, plant and equipment	1,782	2,234
Interest expense	313	284
Interest income	(78)	(61)
Unrealised foreign exchange gains	(1,436)	-
Property, plant and equipment written off	3	1
Share of (profit) / losses in a joint venture	(15)	159
Operating profit before working capital changes	<u>4,520</u>	<u>6,051</u>
Increase in inventory property	(92)	(38)
Decrease / (Increase) in receivables	4,446	(8,539)
Increase in inventories	(949)	(2,273)
Increase in payables	3,566	12,195
Reversal of deferred revenue	11	107
Cash generated from operations	<u>11,502</u>	<u>7,503</u>
Interest paid	(313)	(284)
Interest received	78	61
Tax paid	(2,217)	(1,638)
Net cash generated from operating activities	<u>9,050</u>	<u>5,642</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease / (Increase) in short term investment	3,915	(3,099)
Purchase of property, plant and equipment	(1,973)	(1,277)
Net cash used in investing activities	<u>1,942</u>	<u>(4,376)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(190)	(1,669)
Purchase of treasury shares	(42)	(14)
Net changes in bankers' acceptance	-	(4,921)
Net cash used in financing activities	<u>(232)</u>	<u>(6,604)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,760	(5,338)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	1,907	19
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>20,338</u>	<u>27,845</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>33,005</u>	<u>22,526</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	34,132	21,297
Deposit with licensed banks	531	1,229
Overdraft	(1,658)	-
	<u>33,005</u>	<u>22,526</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(The figures have not been audited)

	<b>As At End of Current Quarter 31 Aug 2015 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year End 31 May 2015 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	140,777	140,589
Inventory property	6,866	6,866
Intangible asset	6,101	6,187
Investment in a joint venture	12,728	12,713
Investment in securities	3	3
Goodwill on consolidation	4,665	4,665
Long term prepayment	500	500
	<u>171,640</u>	<u>171,522</u>
<b>Current assets</b>		
Inventory property	17,043	16,951
Inventories	38,155	37,206
Trade receivables	24,714	29,110
Other receivables	11,933	12,741
Loan receivables	-	2
Short term investment	12,377	16,292
Cash and bank balances	34,663	25,490
	<u>138,885</u>	<u>137,791</u>
<b>TOTAL ASSETS</b>	<u>310,525</u>	<u>309,313</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	(5,445)	(5,403)
Other reserves	(2,766)	(2,088)
Retained earnings	142,582	139,875
	<u>209,306</u>	<u>207,319</u>
Minority interest	114	884
<b>Total equity</b>	<u>209,420</u>	<u>208,204</u>
<b>Non-current liabilities</b>		
Long term loan	9,914	10,104
Deferred capital grant	52	65
Trade and other payables	8,033	6,881
Deferred tax liabilities	1,519	1,519
	<u>19,518</u>	<u>18,569</u>
<b>Current liabilities</b>		
Short term borrowings	2,432	5,926
Trade payables	62,938	59,138
Other payables	13,699	13,933
Derivative liabilities	220	220
Deferred revenue	1,934	1,923
Deferred capital grant	50	50
Tax payable	314	1,349
	<u>81,587</u>	<u>82,541</u>
<b>Total liabilities</b>	<u>101,105</u>	<u>101,109</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>310,525</u>	<u>309,313</u>
Net assets per share attributable to equity holders of the parent (RM)	3.65	3.62

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements)

**SUIWAH CORPORATION BHD.**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(The figures have not been audited)

For The Three Months Ended 31 August 2015

	←← Attributable to equity holders of the Company →→					Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	← Non-distributable		→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000			
<b>Opening balance at 1 June 2015</b>	61,000	13,935	(5,403)	(2,088)	139,875	207,319	884	208,204
<b>Total comprehensive income</b>	-	-	-	(678)	2,707	2,029	3	2,032
	-	-	-	(678)	2,707	2,029	3	2,032
<b>Transaction with owners:</b>								
Purchase of treasury shares	-	-	(42)	-	-	(42)	-	(42)
Dissolution of a subsidiary	-	-	-	-	-	-	(774)	(774)
<b>Closing balance at 31 Aug 2015</b>	61,000	13,935	(5,445)	(2,766)	142,582	209,306	114	209,420

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Three Months Ended 31 August 2014

	←← Attributable to equity holders of the Company →→					Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	← Non-distributable		→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000			
<b>Opening balance at 1 June 2014</b>	61,000	13,935	(5,374)	(2,912)	133,187	199,836	876	200,712
<b>Total comprehensive income</b>	-	-	-	(491)	2,282	1,791	-	1,791
	-	-	-	(491)	2,282	1,791	-	1,791
<b>Transaction with owners:</b>								
Purchase of treasury shares	-	-	(14)	-	-	(14)	-	(14)
<b>Closing balance at 31 August 2014</b>	61,000	13,935	(5,388)	(3,403)	135,469	201,613	876	202,489

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2015 and the explanatory notes attached to

**SUIWAH CORPORATION BHD. (Company No: 253837 H)**  
**INTERIM REPORT FOR THE THREE-MONTHS PERIOD ENDED 31 AUGUST 2015**  
**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 August 2015 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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2015. 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 2015.

**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 2015 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 June 2015:.

Amendments to MFRS 119: Defined Benefits Plans: Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above standards and interpretations did not have material impact on the financial statements upon the initial application on 1 June 2015.

The standards and interpretations are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRSs 2012- 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127: Equity Method In Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Account	1 January 2016
MFRS 9 Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018

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, other than for MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is still in the process of assessing the impact of MFRS 15 and MFRS 9.

**A3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the annual financial statements for the financial year ended 31 May 2015 was not subject to any qualification.

**A4. Comments About Seasonal or Cyclical Factors**

The business operations of retail segment generally performed better during major local festivals, school holidays and carnival sales.

Manufacturing arm, Qdos Group is expected to remain profitable for financial year 2016.

**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 2014.

#### A8. Debt and Equity Securities

During the quarter, the Company bought back 14,200 units of its own shares for a total consideration of RM41,561. A total number of 3,705,600 shares are held as treasury shares as at 31 August 2015.

#### A9. Dividends Paid

There were no dividends proposed or paid for the quarter under review.

#### A10. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Current RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
<b>Segment Revenue</b>				
Retail	71,798	81,893	71,798	81,893
Manufacturing	19,636	15,011	19,636	15,011
Property investment and development	842	1,093	842	1,093
Trading	90	127	90	127
<b>Group revenue</b>	<b>92,366</b>	<b>98,124</b>	<b>92,366</b>	<b>98,124</b>
<b>Segment Results</b>				
Retail	2,349	2,445	2,349	2,445
Manufacturing	1,637	1,274	1,637	1,274
Property investment and development	(120)	(272)	(120)	(272)
Trading	11	32	11	32
Share of profit/(loss) in a joint venture	15	(159)	15	(159)
Group profit before tax	<b>3,892</b>	<b>3,320</b>	<b>3,892</b>	<b>3,320</b>
Taxation	(1,182)	(1,038)	(1,182)	(1,038)
Group profit after tax	<b>2,710</b>	<b>2,282</b>	<b>2,710</b>	<b>2,282</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 17 Nov 2014.

#### 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 August 2015, the Company has given corporate guarantees amounting to RM12,345,479 to secure banking facilities granted to its subsidiaries.

#### A15. Capital Commitments

The Group's capital commitments as at 27 October 2015 are as follow:

	RM'000
Approved and contracted for:	
Property, plant & equipment	3,656
<b>Total</b>	<b>3,656</b>

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

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

Quarter Results:

For the current quarter ended 31 August 2015, the Group recorded total revenue of RM92.366 million, a decrease of 5.87% from RM98.124 million recorded in the preceding year corresponding quarter ended 31 August 2014. The Group profit before tax for the period under review was RM3.892 million, as compared with the profit before tax of RM3.320 million previously, an increase of 17.23%.

The net decrease of 5.87% in the Group revenue is explained by an increase in manufacturing revenue of 30.81%, which was offset by a decrease in retail revenue of 12.33% and 22.96% from property investment and development segment.

Higher demand from customers for certain product lines has caused manufacturing segment recorded a 30.81% increase in sales, as compared previously. Profit before tax increase by 28.49%, impacted by higher forex gain and tooling income received during the reporting period.

Malaysians consumers are tightening their belts. Goods and services tax and the weakening ringgit are eating away consumers' disposable income. This has resulted the retail business segment registered a decline of 12.33% in revenue to RM71.798 million and profit before tax decrease by 3.93% to RM2.349 million as compared to the preceding year corresponding quarter.

Property investment and development segment registered a decrease in revenue of 22.96%, from RM1.093 million to RM842K. Loss for the reporting period decrease to RM120K as compared to loss of RM272K recorded in the preceding corresponding quarter ended 31 August 2014, mainly due to lower operating cost incurred during the reporting period.

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 31 May 2015 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 RM3.892 million, as compared with profit before tax of RM2.412 million recorded in the preceding quarter, an increase of 61.36%.

Retail – decrease by 24.25%, from RM3.101 million to RM2.349 million, resulted from higher operating cost incurred during the reporting period, following festive seasons during the reporting quarter.

Manufacturing – recorded profit before tax of RM1.637 million as compared to loss of RM1.115 million recorded in the preceding quarter, attributable from higher forex gain due to US Dollar denominated transaction and tooling income received during the reporting quarter.

Property investment and development – recorded loss of RM120K compared to profit before tax of RM479K, mainly due to sales of 9 units of semidetached houses recorded in the preceding quarter.

**B3. Commentary on Prospects**

World economic outlook appears gloomy. Malaysians are experiencing financial deterioration, and environmental impact to agriculture producing locally, consumer spending is expected to be less robust going forward. Further marketing activities such as giving discounts and sales promotions are expected in order to lift the sentiment. The Group will continue its efforts to create new revenue streams by promoting brand management that will authentically engage with consumers who are wiser about their purchasing habits and more mindful of living healthier lifestyles.

Manufacturing continues to see strong growth prospect, as over 20 new FPC projects developed over the last two years will be going into mass production by end of this quarter.

The Group is confident to deliver a satisfactory performance in financial year 2016.

**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	1,182	927	1,182	927
Deferred taxation	-	111	-	111
Total	1,182	1,038	1,182	1,038

## 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:	
• Fixed charged over a freehold land and building with a net book values of RM37,162,786	
• a corporate guarantee by the Company	
(b) Short term borrowings	
Term loan	RM <u>2,431,939</u>
(c) Long term borrowings	
Term loan	RM <u>9,913,540</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 August 2015

The Group has no outstanding derivatives financial instruments as at 31 August 2015.

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

The gain/(loss) arising from fair value changes of financial liabilities had no significant impact on the financial position and results of the Group for the current quarter ended 31 August 2015.

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 2015.

## B9. Material Litigation

As of the date of this announcement, neither the Company nor any of its subsidiary companies are aware of or engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of the Company are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group

## B10. Dividend

There were no dividends proposed or paid for the quarter under review.

## B11. Earnings Per Share

The basic earnings per share has been calculated by dividing the Group's net profit for the period attributable to ordinary equity holders of the Company by the weighted number of ordinary shares in issue in the respective periods as follows:

	Current Quarter ended 31.8.2015	Preceding Quarter ended 31.8.2014	Current Cumulative Quarter ended 31.8.2015	Preceding Cumulative Quarter ended 31.8.2014
Profit attributable to equity holders of the Company (RM'000)	2,707	2,282	2,707	2,282
Weighted number of ordinary shares in issue ('000)				
- Basic	57,295	57,314	57,295	57,314
- Diluted	57,295	57,314	57,295	57,314
Basic earnings per share (sen)	4.72	3.98	4.72	3.98
Diluted earnings per share (sen)	4.72	3.98	4.72	3.98



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

	<b>Current financial period ended 31 August 2015 (RM'000)</b>	<b>As at preceding financial period ended 31 May 2015 (RM'000)</b>
Total retained profits of the Group:		
- Realised	168,114	163,888
- Unrealised	(1,413)	(1,596)
	<b>166,701</b>	<b>162,292</b>
Less : Consolidation adjustments	(24,119)	(22,417)
Total Group retained profits	<b>142,582</b>	<b>139,875</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 27 October 2015.