

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

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

	Individual Quarter 3 Months Ended 28/29 Feb		Cumulative Quarter 9 Months Ended 28/29 Feb	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	115,082	108,933	303,832	288,382
Other operating income	436	(210)	2,784	2,108
Total operating expenses	(111,705)	(106,453)	(295,393)	(282,651)
Profit from operations	<u>3,813</u>	<u>2,270</u>	<u>11,223</u>	<u>7,839</u>
Finance income	131	112	243	264
Finance cost	(297)	(270)	(908)	(868)
Share of profit in a jointly controlled entity	37	38	126	94
Profit before taxation	<u>3,684</u>	<u>2,150</u>	<u>10,684</u>	<u>7,328</u>
Income tax	(1,160)	(785)	(3,708)	(2,808)
Profit for the period	<u>2,524</u>	<u>1,365</u>	<u>6,976</u>	<u>4,520</u>
Other comprehensive income:				
Foreign exchange difference	<u>1,614</u>	<u>22</u>	<u>1,619</u>	<u>(696)</u>
Total comprehensive income for the period	<u>4,138</u>	<u>1,387</u>	<u>8,595</u>	<u>3,824</u>
Profit for the period attributable to:				
Equity holders of the Company	2,525	1,355	6,979	4,499
Non-controlling interests	<u>(1)</u>	<u>10</u>	<u>(3)</u>	<u>21</u>
	<u>2,524</u>	<u>1,365</u>	<u>6,976</u>	<u>4,520</u>
Total comprehensive income attributable to:				
Equity holders of the Company	4,138	1,377	8,599	3,803
Non-controlling interests	<u>(1)</u>	<u>10</u>	<u>(3)</u>	<u>21</u>
	<u>4,137</u>	<u>1,387</u>	<u>8,596</u>	<u>3,824</u>
Earnings per share attributable to owners of the parent (sen per share)				
Basic	4.41	2.37	12.19	7.86
Fully diluted	4.41	2.37	12.19	7.86

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 28 Feb 2017 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2016 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	168,823	146,488
Inventory property	6,888	6,888
Intangible asset	6,755	6,578
Investment in a joint venture	13,814	13,688
Investment in securities	3	3
Goodwill on consolidation	4,665	4,665
Long term prepayment	500	500
	<u>201,448</u>	<u>178,811</u>
Current assets		
Inventory property	33,586	18,137
Inventories	38,885	37,047
Trade receivables	26,838	20,930
Other receivables	10,797	15,889
Loan receivables	-	2
Tax recoverable	3,987	3,192
Derivative receivables	105	105
Short term investment	152	8,993
Cash and bank balances	42,291	26,353
	<u>156,641</u>	<u>130,648</u>
TOTAL ASSETS	<u>358,089</u>	<u>309,459</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	(5,558)	(5,550)
Other reserves	1,131	(488)
Retained earnings	149,041	144,066
	<u>219,549</u>	<u>212,963</u>
Minority interest	123	255
Total equity	<u>219,672</u>	<u>213,218</u>
Non-current liabilities		
Long term loan	8,652	9,280
Government grant	3,906	3,047
Trade and other payables	8,043	7,456
Deferred tax liabilities	2,028	2,028
	<u>22,629</u>	<u>21,811</u>
Current liabilities		
Short term borrowings	5,696	6,078
Trade payables	67,575	52,940
Other payables	40,218	12,750
Deferred revenue	1,546	1,771
Government grant	695	420
Tax payable	58	472
	<u>115,788</u>	<u>74,430</u>
Total liabilities	<u>138,417</u>	<u>96,241</u>
TOTAL EQUITY AND LIABILITIES	<u>358,089</u>	<u>309,459</u>
Net assets per share attributable to equity holders of the parent (RM)	3.83	3.72

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2016 and the accompanying explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD.
COMPANY NO: 253837 H
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 Months Ended 28 Feb 2017 RM' 000	9 Months Ended 29 Feb 2016 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,684	7,328
Adjustments for:		
Amortisation of deferred income	(459)	(234)
Amortisation of intangible assets	298	259
Bad debts recovered	(18)	(69)
Bad debts written off	18	-
Depreciation of property, plant and equipment	6,199	5,482
Gain on disposal of property, plant & equipment	(8)	4
Interest expense	908	868
Interest income	(243)	(264)
Unrealised foreign exchange gains	165	163
Property, plant and equipment written off	3	3
Share of (profit) / losses in a joint venture	(126)	(94)
Operating profit before working capital changes	17,421	13,446
Increase in inventory property	(15,449)	(412)
(Increase) / Decrease in receivables	(1,607)	4,231
Increase in inventories	(1,838)	(5,157)
Increase in payables	42,691	12,285
(Decrease) / Increase of deferred revenue	(225)	207
Cash generated from operations	40,993	24,600
Interest paid	(908)	(868)
Interest received	243	264
Tax paid	(4,123)	(3,923)
Net cash generated from operating activities	36,205	20,073
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease / (Increase) in short term investment	8,841	4,151
Increase in land held for development	-	(13)
Purchase of property, plant and equipment	(28,537)	(4,722)
Proceed from disposal of property, plant and equipment	8	(4)
Distribution to non-controlling interest	(129)	-
Net cash used in investing activities	(19,817)	(588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(626)	(581)
Purchase of treasury shares	(8)	(147)
Net changes in bankers' acceptance	(2,997)	-
NCIA facilitation fund	-	600
MIDA matching grant	1,400	3,146
Dividend	(2,004)	(3,438)
Net cash used in financing activities	(4,235)	(420)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	12,153	19,065
EFFECTS OF EXCHANGE RATE CHANGES	1,452	364
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23,812	20,338
CASH AND CASH EQUIVALENTS AT END OF PERIOD	37,417	39,767
Cash and cash equivalents comprise:		
Cash and bank balances	41,420	39,307
Deposit with licensed banks	871	534
Overdraft	(4,874)	(74)
	37,417	39,767

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

(The figures have not been audited)

For The Nine Months Ended 28 Feb 2017

	←← 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 2016	61,000	13,935	(5,550)	(488)	144,066	212,963	255	213,218	
Total comprehensive income	-	-	-	1,619	6,979	8,599	(3)	8,596	
	-	-	-	1,619	6,979	8,599	(3)	8,596	
Transaction with owners:									
Purchase of treasury shares	-	-	(8)	-	-	(8)	-	(8)	
Distribution to non-controlling interest	-	-	-	-	-	-	(129)	(129)	
First and final dividend	-	-	-	-	(2,004)	(2,004)	-	(2,004)	
Closing balance at 28 Feb 2017	61,000	13,935	(5,558)	1,131	149,041	219,549	123	219,672	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended 29 Feb 2016

	←← 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 2015	61,000	13,935	(5,403)	(2,088)	139,875	207,319	884	208,203	
Total comprehensive income	-	-	-	(696)	4,499	3,803	21	3,824	
	-	-	-	(696)	4,499	3,803	21	3,824	
Transaction with owners:									
Purchase of treasury shares	-	-	(147)	-	-	(147)	-	(147)	
Distribution to non-controlling interest	-	-	-	-	-	-	(774)	(774)	
First and final dividend	-	-	-	-	(3,438)	(3,438)	-	(3,438)	
Closing balance at 29 Feb 2016	61,000	13,935	(5,550)	(2,784)	140,936	207,537	131	207,668	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2016 and the 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 2017
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 28 February 2017 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 2016. 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 2016.

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 2016 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 June 2016:

Annual Improvements to MFRSs 2012 – 2014 Cycle
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants
Amendments to MFRS 11: Accounting for Acquisition of Interest in Joint Operations
Amendments to MFRS 127: Equity Method in Separate Financial Statements
Amendments to MFRS 101: Disclosure Initiatives
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception
MFRS 14: Regulatory Deferral Accounts

The adoption of the above standards and interpretations did not have material impact on the financial statements upon the initial application on 1 June 2016.

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.

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Classification to MFRS 15	1 January 2018
MFRS 16: Leases	1 January 2019

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 2016 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 2017.

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 2016.

A8. Debt and Equity Securities

During the quarter, the Company bought back 500 units of its own shares for a total consideration of RM1,250. A total number of 3,750,100 shares are held as treasury shares as at 28 Feb 2017.

A9. Dividends Paid

The first and final single tier dividend in respect of financial year ended 31 May 2016, 3.5% of 57,250,648 ordinary shares amounting to total dividend payable of RM2,003,773 (3.5 sen per share) has been approved by the shareholders at the Company's Annual General Meeting held on 28 October 2016 and has been subsequently paid on 17 November 2016

A10. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Retail	89,519	89,377	231,673	224,935
Manufacturing	24,441	18,304	68,765	59,531
Property investment and development	827	1,149	2,915	3,636
Trading	295	103	479	280
Group revenue	115,082	108,933	303,832	288,382
Segment Results				
Retail	2,414	1,908	6,474	5,365
Manufacturing	2,228	475	6,594	2,885
Property investment and development	(1,021)	(280)	(2,560)	(1,101)
Trading	26	9	50	85
Share of profit/(loss) in a joint venture	37	38	126	94
Group profit before tax	3,684	2,150	10,684	7,328
Taxation	1,160	785	3,708	2,808
Group profit after tax	2,524	1,365	6,976	4,520

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 October 2016.

A12. Subsequent Material Events

There were no material events subsequent to the end of this 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 28 February 2017, the Company has given corporate guarantees amounting to RM14,347,207 to secure banking facilities granted to its subsidiaries.

A15. Capital Commitments

The Group's capital commitments as at 28 April 2017 are as follow:

	RM'000
Approved and contracted for:	
Property, plant & equipment	42,200
Total	42,200

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 28 Feb 2017, the Group recorded total revenue of RM115.082 million, an increase of 5.64% from RM108.933 million recorded in the preceding year corresponding quarter ended 29 Feb 2016. The Group profit before tax for the period under review was RM3.684 million as compared with profit before tax of RM2.150 million previously, an increase of 71.35%. The overall increase in the Group's quarterly performance was mainly due to:

Manufacturing segment experienced 33.53% increase in revenue from RM18.304 million to RM24.441 million. Profit before tax for the period under review was RM2.228 million as compared to profit before tax of RM0.475 million previously, an increase of 369.05%, arising from new project commercialization with a premium from higher technological value add content undertaken by the Group.

Retail business segment registered a marginal increase in revenue from RM89.377 to RM89.519 million. Profit before tax for the period under review was RM2.414 million as compared to profit before tax of RM1.908 million previously, an increase by 26.52%, arising from improved margin and higher rebates from suppliers during the current reporting period.

Lower rental collection caused property investment and development segment registered a decrease in revenue of 28.02%, from RM1.149 million to RM827K. Loss for the reporting period was RM1.021 million as compared to loss of RM0.280 million previously, as a result of lower rental collection incurred during the reporting period and written off of long outstanding payables in the preceding year corresponding period.

Commencement of trading in construction materials caused the trading revenue to increase by 186.41% from RM103K to RM295K. Profit before tax for the period under review was RM26K as compared to RM9K previously, impacted by intense competition from competitors.

Financial Year-To-Date Results:

The Group's revenue for the 9 months period ended 28 Feb 2017; amounting RM303.832 million, an increase of 5.36% from RM288.382 million recorded in the preceding year corresponding period ended 29 Feb 2016. The Group profit before tax for the period under review was RM10.684 million, as compared with the profit before tax of RM7.328 million previously, an increase of 45.80%.

The overall increase in the Group's financial year to date performance can be explained by:

New project commercialization with a premium from higher technological value add content, which augmented the contribution from the manufacturing sector caused manufacturing segment to record a 15.51% increase in revenue and profit before tax increase by 128.56%, as compared previously.

Total revenue registered by the retail business segment for financial year to date increased by 3.00% to RM231.673 million compared to RM224.935 million recorded in the preceding year corresponding period. Profit before tax recorded an improved growth rate, i.e. 20.67%. The overall improvement was mainly due to contributions from new retail outlet and higher consumer spending from the existing retail outlets.

Property investment and development segment registered a decrease in revenue of 19.83%, from RM3.636 million to RM2.915 million. Loss for the reporting period was RM2.560 million as compared to loss before tax of RM1.101 million, recorded in the preceding corresponding period ended 29 Feb 2016, mainly due to the lower rental collection, higher operating cost incurred during the reporting period and the written off of long outstanding payables recorded in the preceding corresponding period ended 29 Feb 2016.

Commencement of trading in construction materials caused the trading revenue to increase by 71.07% from RM280K to RM479K. Profit before tax for the period under review was RM50K as compared to RM85K previously, impacted by intense competition from competitors.

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 Feb 2017 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 RM3.684 million, as compared with profit before tax of RM3.875 million recorded in the preceding quarter, decrease by 4.93%.

Retail – decrease by 7.76%, from RM2.617 million to RM2.414 million, resulted from higher operating cost incurred during the current reporting period

Manufacturing – increase by 7.01%, from RM2.082 million to RM2.228 million, due to higher sales and improved margin during the reporting period.

Property investment and development – recorded loss before tax of RM1.021 million compared to loss of RM895K, mainly due higher operating cost incurred during the reporting quarter.

Trading – increase by 136.36%, from RM11K to RM26K, resulted from the commencement of trading in construction materials during the reporting period.

B3. Commentary on Prospects

The growth rate for the retail division will be impacted by the Group's successful development of a new enhancement to its e-commerce software.

The demand for the manufacturing was strong for a typical low season of the year, due to the new projects developed over the last two years. With process technology innovations and operation optimization, the Group continues to win more business from our valued customers, including automotive, telecommunications, and wearable electronics.

Barring any unforeseen circumstances, the Group's business sentiments remain positive and expect to deliver a satisfactory performance for financial year 2017.

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	1,270	825	3,762	2,860
Deferred tax	(110)	(40)	(54)	(52)
Total	1,160	785	3,708	2,808

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 RM31,705,784
- a corporate guarantee by the Company

(b) Short term borrowings

Term loan	RM 4,873,778
Overdraft	821,844
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(c) Long term borrowings

Term loan	RM 8,651,585
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(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 2017

The Group has no outstanding derivatives financial instruments as at 28 February 2017.

(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 28 February 2017.

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 2016.

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 single tier dividend in respect of financial year ended 31 May 2016, 3.5% of 57,250,648 ordinary shares amounting to total dividend payable of RM2,003,773 (3.5 sen per share) has been approved by the shareholders at the Company's Annual General Meeting held on 28 October 2016 and has been subsequently paid on 17 November 2016

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 28.2.2017	Preceding Quarter ended 29.2.2016	Current Cumulative Quarter ended 28.2.2017	Preceding Cumulative Quarter ended 29.2.2016
Profit attributable to equity holders of the Company (RM'000)	2,525	1,355	6,979	4,499
Weighted number of ordinary shares in issue ('000)				
- Basic	57,250	57,254	57,250	57,254
- Diluted	57,250	57,254	57,250	57,254
Basic earnings per share (sen)	4.41	2.37	12.19	7.86
Diluted earnings per share (sen)	4.41	2.37	12.19	7.86

B12. Disclosure of Realised and Unrealised Profit / Losses

	Current financial period ended 28 Feb 2017 (RM'000)	As at preceding financial period ended 31 May 2016 (RM'000)
Total retained profits of the Group:		
- Realised	171,923	166,350
- Unrealised	1,225	234
	173,148	166,584
Less : Consolidation adjustments	(24,107)	(22,518)
Total Group retained profits	149,041	144,066

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 28 April 2017.