

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 31 Aug		Cumulative Quarter 3 Months Ended 31 Aug	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	105,704	96,584	105,704	96,584
Other operating income	739	751	739	751
Total operating expenses	(101,711)	(94,013)	(101,711)	(94,013)
Profit from operations	<u>4,732</u>	<u>3,322</u>	<u>4,732</u>	<u>3,322</u>
Finance income	123	62	123	62
Finance cost	(181)	(284)	(181)	(284)
Share of (loss) / profit in a jointly controlled entity	(2)	29	(2)	29
Profit before taxation	<u>4,672</u>	<u>3,129</u>	<u>4,672</u>	<u>3,129</u>
Income tax	(1,475)	(1,256)	(1,475)	(1,256)
Profit for the period	<u>3,197</u>	<u>1,873</u>	<u>3,197</u>	<u>1,873</u>
Other comprehensive income:				
Foreign exchange difference	<u>(13)</u>	<u>(123)</u>	<u>(13)</u>	<u>(123)</u>
Total comprehensive income for the period	<u>3,184</u>	<u>1,750</u>	<u>3,184</u>	<u>1,750</u>
Profit for the period attributable to:				
Equity holders of the Company	3,197	1,874	3,197	1,874
Non-controlling interests	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
	<u>3,197</u>	<u>1,873</u>	<u>3,197</u>	<u>1,873</u>
Total comprehensive income attributable to:				
Equity holders of the Company	3,184	1,751	3,184	1,751
Non-controlling interests	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
	<u>3,184</u>	<u>1,750</u>	<u>3,184</u>	<u>1,750</u>
Earnings per share attributable to owners of the parent (sen per share)				
Basic	5.58	3.27	5.58	3.27
Fully diluted	5.58	3.27	5.58	3.27

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2017 and the accompany 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 August 2017 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2017 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	198,854	191,918
Inventory property	6,888	6,888
Intangible asset	6,296	6,411
Investment in a joint venture	16,622	16,624
Investment in securities	3	3
Goodwill on consolidation	4,665	4,665
Long term prepayment	500	500
	<u>233,828</u>	<u>227,008</u>
Current assets		
Inventory property	45,371	41,860
Inventories	40,477	37,421
Trade receivables	26,556	25,816
Other receivables	13,820	11,791
Tax recoverable	4,096	4,377
Derivative receivables	105	232
Short term investment	6,209	4,408
Cash and bank balances	20,403	19,687
	<u>157,037</u>	<u>145,594</u>
TOTAL ASSETS	<u>390,865</u>	<u>372,602</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	74,935	74,935
Treasury shares	(5,558)	(5,558)
Other reserves	772	785
Retained earnings	154,847	151,650
	<u>224,996</u>	<u>221,812</u>
Minority interest	320	320
Total equity	<u>225,316</u>	<u>222,132</u>
Non-current liabilities		
Long term loan	8,221	8,371
Government grant	3,495	3,664
Trade and other payables	53,631	45,907
Deferred tax liabilities	1,423	1,423
	<u>66,770</u>	<u>59,364</u>
Current liabilities		
Short term borrowings	5,595	8,331
Trade payables	75,515	61,250
Other payables	14,516	18,432
Deferred revenue	2,080	2,042
Government grant	651	665
Tax payable	422	386
	<u>98,779</u>	<u>91,106</u>
Total liabilities	<u>165,549</u>	<u>150,470</u>
TOTAL EQUITY AND LIABILITIES	<u>390,865</u>	<u>372,602</u>
Net assets per share attributable to equity holders of the parent (RM)	3.16	3.12

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2017 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

	3 Months Ended 31 Aug 2017 RM' 000	3 Months Ended 31 Aug 2016 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,672	3,129
Adjustments for:		
Amortisation of deferred income	(177)	(108)
Amortisation of intangible assets	101	96
Bad debts recovered	-	(18)
Bad debts written off	-	18
Depreciation of property, plant and equipment	2,181	1,965
Gain on disposal of property, plant & equipment	-	(5)
Interest expense	181	284
Interest income	(123)	(62)
Inventories written down	-	699
Unrealised foreign exchange gains	(360)	286
Property, plant and equipment written off	88	-
Share of loss / (profit) in a joint venture	2	(29)
Operating profit before working capital changes	<u>6,565</u>	<u>6,255</u>
Increase in inventory property	(3,511)	(1,849)
Increase in receivables	(2,488)	(4,033)
Increase in inventories	(3,056)	(5,938)
Increase in payables	18,073	9,417
Increase of deferred revenue	38	325
Cash generated from operations	<u>15,621</u>	<u>4,177</u>
Interest paid	(181)	(284)
Interest received	123	62
Tax paid	(1,439)	(1,368)
Net cash generated from operating activities	<u>14,124</u>	<u>2,587</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / Decrease in short term investment	(1,801)	2,112
Purchase of property, plant and equipment	(9,205)	(4,456)
Proceed from disposal of property, plant and equipment	-	5
Distribution to non-controlling interest	-	(128)
Net cash used in investing activities	<u>(11,006)</u>	<u>(2,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(217)	(204)
Purchase of treasury shares	-	(7)
Net changes in bankers' acceptance	(2,295)	(2,997)
Net cash used in financing activities	<u>(2,512)</u>	<u>(3,208)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>606</u>	<u>(3,088)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>484</u>	<u>(338)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>14,540</u>	<u>24,092</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>15,630</u>	<u>20,666</u>
Cash and cash equivalents comprise:		
Cash and bank balances	19,517	22,744
Deposit with licensed banks	886	868
Overdraft	(4,773)	(2,946)
	<u>15,630</u>	<u>20,666</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2017 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 Three Months Ended 31 August 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	74,935	-	(5,558)	785	151,650	221,812	320	222,132
Total comprehensive income	-	-	-	(13)	3,197	3,184	-	3,184
	-	-	-	(13)	3,197	3,184	-	3,184
Transaction with owners:								
Purchase of treasury shares	-	-	-	-	-	-	-	-
First and final dividend	-	-	-	-	-	-	-	-
Closing balance at 31 August 2017	74,935	-	(5,558)	772	154,847	224,996	320	225,316

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Three Months Ended 31 August 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 2016	61,000	13,935	(5,550)	(488)	144,066	212,963	255	213,218
Total comprehensive income	-	-	-	(123)	1,874	1,751	(1)	1,750
	-	-	-	(123)	1,874	1,751	(1)	1,750
Transaction with owners:								
Purchase of treasury shares	-	-	(7)	-	-	(7)	-	(7)
Distribution to non-controlling interest	-	-	-	-	-	-	(128)	(128)
Closing balance at 31 August 2016	61,000	13,935	(5,557)	(611)	145,940	214,707	126	214,833

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2017 and the explanatory notes attached to

SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE THREE-MONTHS PERIOD ENDED 31 AUGUST 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 31 May 2018 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 2017. 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 2017.

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 2017 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 June 2017:.

Amendments to MFRS 107 Disclosures Initiatives
Amendments to MFRS 116 and MFRS 112 Recognition of Deferred tax for Unrealised Losses
Annual Improvements to MFRSs 2014 – 2016 (Amendments to MFRS 12 Disclosure of Interest in Other Entities)

The adoption of the above standards and interpretations did not have material impact on the financial statements upon the initial application on 1 June 2017.

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
Annual Improvements to MFRSs 2014 – 2016 (Amendments to MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards)	1 January 2018
Annual Improvements to MFRSs 2014 – 2016 (Amendments to MFRS 128 Investment in Associates and Joint Ventures)	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140: Transfer of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
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 15: Classification to MFRS 15	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
MFRS 16: Leases	1 January 2019
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 and MFRS 16 Leases. The Group is still in the process of assessing the impact of MFRS 15, MFRS 9 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 2017 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 2018.

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 2017.

A8. Debt and Equity Securities

There were no share buyback during the quarter. A total number of 3,750,100 shares are held as treasury shares as at 31 August 2017.

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
Segment Revenue				
Retail	80,272	74,597	80,272	74,597
Manufacturing	22,102	20,719	22,102	20,719
Property investment and development	884	1,174	884	1,174
Trading	2,446	96	2,446	96
Group revenue	105,704	96,586	105,704	96,586
Segment Results				
Retail	3,599	1,446	3,599	1,446
Manufacturing	2,133	2,284	2,133	2,284
Property investment and development	(1,128)	(643)	(1,128)	(643)
Trading	70	13	70	13
Share of profit/(loss) in a joint venture	(2)	29	(2)	29
Group profit before tax	4,672	3,129	4,672	3,129
Taxation	1,475	1,256	1,475	1,256
Group profit after tax	3,197	1,873	3,197	1,873

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 31 August 2017, the Company has given corporate guarantees amounting to RM13,815,644 to secure banking facilities granted to its subsidiaries.

A15. Capital Commitments

The Group's capital commitments as at 26 October 2017 are as follow:

	RM'000
Approved and contracted for:	
Property, plant & equipment	177
Total	177

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 quarter under review, the Group registered total revenue of RM105.704 million, which was higher by 9.44% as compared with RM96.586 million recorded in the preceding year corresponding quarter, for both manufacturing and retail business segments. Group's total profit before tax of RM4.672, an increase of 49.31% over RM3.129 million registered in the previous financial period. The overall increase can be explained by:

Manufacturing segment experienced 6.68% increase in revenue from RM20.719 million to RM22.102 million. Profit before tax for the period under review was RM2.133 million as compared to profit before tax of RM2.284 million previously, a decrease of 6.61%, arising from lower tooling income received and higher professional fee incurred during the current reporting period.

Retail business segment registered 7.61% increase in revenue from RM74.597 million to RM80.272 million. Profit before tax for the period under review was RM3.599 million as compared to profit before tax of RM1.446 million previously, mainly due to higher revenue generated in the current quarter as a result of contribution from new retail outlet which opened in November 2016, the comparatives are which not included in the previous quarter.

Lower rental collection caused property investment and development segment registered a decrease in revenue of 24.70%, from RM1.174 million to RM0.884 million. Loss for the reporting period was RM1.128 million as compared to loss of RM0.643 million previously, as a result of lower rental collection, higher operational cost such as depreciation incurred during the reporting period.

Trading in construction materials, carried out by a wholly owned subsidiary, Sunshine Paramount Sdn Bhd, continue to register increase in revenue from RM0.096 million to RM2.446 million. Profit before tax for the period under review was RM0.070 million as compared to RM0.013 million previously, as a result of higher turnover recorded during the reporting quarter.

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 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 RM4.672 million, as compared with profit before tax of RM2.979 million recorded in the preceding quarter, increase by 56.83%.

Retail – profit before tax increase from RM0.188 million to RM3.599 million, resulted from higher consumer spending during the reporting period, i.e. Hari Raya celebration.

Manufacturing – profit before tax increase by 10.58%, from RM1.929 million to RM2.133 million, as a result of new products commercialization with a higher technological value add content recorded in the current quarter.

Property investment and development – recorded loss before tax of RM1.128 million compared to loss of RM0.835 million, mainly due reversal of provision for liquidated damages in the preceding quarter.

Trading – profit before tax increase by 105.88%, from RM0.034million to RM0.070 million, resulted from the higher sales of construction materials during the reporting period.

B3. Commentary on Prospects

The Group is looking into ways to strengthen its customer base and improve the distribution channel. Currently, the Group is in the midst of developing new products and opportunity to venture into new business segments which synergies with the Group's current business model. The Group will continue to leverage on its competitive strengths to maintain sustainable occupancy rate with well-balanced tenant mix to maintain its positioning as a shopping lifestyle destination.

Manufacturing division experiences high prospect projects entering commercialization stage during the past few months. The Group foresee continuous growth in the flexible electronics sphere. The new expansion project at Batu Kawan has also taken off and the rate of construction work is progressing in accordance with the milestone target. The Group will continue its mission to create and add values to all customers, employees and shareholders by delivering innovative, competitive and quality interconnect technology solutions.

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	1,484	1,334	1,484	1,334
Deferred tax for the year	(9)	(78)	(9)	(78)
Total	1,475	1,256	1,475	1,256

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 RM35,889,426		
• a corporate guarantee by the Company		
(b) Short term borrowings		
Term loan	RM	821,844
Overdraft		4,772,577
Bankers Acceptance		-
		<hr/>
(c) Long term borrowings		
Term loan	RM	8,221,223
		<hr/>
(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 2017

The Group has no outstanding derivatives financial instruments as at 31 August 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 31 August 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 2017.

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 current 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 31.8.2017	Preceding Quarter ended 31.8.2016	Current Cumulative Quarter ended 31.8.2017	Preceding Cumulative Quarter ended 31.8.2016
Profit attributable to equity holders of the Company (RM'000)	3,197	1,874	3,197	1,874
Weighted number of ordinary shares in issue ('000)				
- Basic	57,250	57,251	57,250	57,251
- Diluted	57,250	57,251	57,250	57,251
Basic earnings per share (sen)	5.58	3.27	5.58	3.27
Diluted earnings per share (sen)	5.58	3.27	5.58	3.27

B12. Disclosure of Realised and Unrealised Profit / Losses

	Current financial period ended 31 August 2017 (RM'000)	As at preceding financial period ended 31 May 2017 (RM'000)
Total retained profits of the Group:		
- Realised	180,804	177,382
- Unrealised	201	116
	181,005	177,498
Less : Consolidation adjustments	(26,158)	(25,848)
Total Group retained profits	154,847	151,650

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 26 October 2017.