

**SUIWAH CORPORATION BHD.**  
**COMPANY NO: 253837 H**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(The figures have not been audited)

	<b>As At End of Current Quarter 30 Nov 2004 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year End 31 May 2004 (Audited) RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	49,330	48,773
Land held for development	11,891	11,891
Interest in property	12,950	-
Other investments	7	7
Goodwill on consolidation	8,665	4,834
	<u>82,843</u>	<u>65,505</u>
<b>CURRENT ASSETS</b>		
Inventories	33,869	29,517
Trade receivables	38,055	38,363
Other receivables	4,735	7,026
Loan receivables	6,953	7,188
Cash and bank balances	25,694	27,844
	<u>109,306</u>	<u>109,938</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	3,457	4,559
Trade payables	51,845	51,809
Other payables	7,736	8,482
Taxation	2,169	1,192
Proposed Dividend	2,540	-
	<u>67,747</u>	<u>66,042</u>
<b>NET CURRENT ASSETS</b>	<u>41,559</u>	<u>43,896</u>
	<u>124,402</u>	<u>109,401</u>
<b>Financed by:</b>		
Share Capital	50,798	40,700
Reserves	68,055	38,843
Shareholders' equity	118,853	79,543
Minority interests	2,199	26,269
	<u>121,052</u>	<u>105,812</u>
Deferred income	170	374
Deferred taxation	3,180	3,215
Non-current liabilities	3,350	3,589
	<u>124,402</u>	<u>109,401</u>
Net tangible assets per share (RM)	2.17	1.84

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2004)

The accompanying notes are an integral part of this statement.

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

**Condensed Consolidated Income Statement**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30 Nov</b>		<b>30 Nov</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	100,609	83,639	201,636	162,054
Operating expenses	(93,121)	(79,639)	(187,107)	(154,842)
Other operating income	495	340	1,167	803
Profit from operations	<u>7,983</u>	<u>4,340</u>	<u>15,696</u>	<u>8,015</u>
Finance Income, net	140	45	287	127
Profit before taxation	<u>8,123</u>	<u>4,385</u>	<u>15,983</u>	<u>8,142</u>
Income tax	(1,482)	(869)	(2,574)	(1,576)
Profit after taxation	<u>6,641</u>	<u>3,516</u>	<u>13,409</u>	<u>6,566</u>
Minority interests	(397)	(946)	(1,854)	(1,742)
Net profit for the period	<u><u>6,244</u></u>	<u><u>2,570</u></u>	<u><u>11,555</u></u>	<u><u>4,824</u></u>

**Earnings per share**

Basic (based on ordinary share - sen)	12.29	6.31	24.36	11.85
Fully diluted (based on ordinary share - sen)	-	-	-	-

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2004)

The accompanying notes are an integral part of this statement.

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

For The Six Months Ended 30 November 2004

	Reserves				Retained Profits RM'000	Total RM'000
	Non - distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Foreign Exchange reserve RM'000		
Balance as at 1 June 2004	40,700	3,845	1,672	-	33,326	79,543
Issuance of shares in respect of acquisition of a subsidiary	10,098	20,197	-	-	-	30,295
Realisation of revaluation reserves			(18)	-	18	-
Net profit for 6 months	-	-	-	-	11,555	11,555
First and Final tax exempt dividend					(2,540)	(2,540)
<b>Balance as at 30 November 2004</b>	<b>50,798</b>	<b>24,042</b>	<b>1,654</b>	<b>-</b>	<b>42,359</b>	<b>118,853</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Six Months Ended 30 November 2003

	Reserves				Retained Profits RM'000	Total RM'000
	Non - distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Foreign Exchange reserve RM'000		
<b>At 31 May 2003</b>						
As previously stated	40,700	3,845	2,537	-	22,991	70,073
Prior year adjustment	-	-	(828)	-	14	(814)
<b>At 31 May 2003 (restated)</b>	<b>40,700</b>	<b>3,845</b>	<b>1,709</b>	<b>-</b>	<b>23,005</b>	<b>69,259</b>
Realisation of revaluation reserves			(18)	-	18	-
Net profit for 6 months	-	-	-	-	4,824	4,824
First and Final tax exempt dividend					(2,035)	(2,035)
<b>Balance as at 30 November 2003</b>	<b>40,700</b>	<b>3,845</b>	<b>1,691</b>	<b>-</b>	<b>25,812</b>	<b>72,048</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2004)

The accompanying notes are an integral part of this statement.

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

	<b>6 Months Ended 30 Nov 2004 RM' 000</b>	<b>6 Months Ended 30 Nov 2003 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,983	8,142
<b>Adjustments for:</b>		
Amortisation of goodwill	540	341
Amortisation of deferred income	(204)	(204)
Depreciation	3,697	3,932
Interest expense	80	157
Interest income	(367)	(284)
Operating profit before working capital changes	<u>19,729</u>	<u>12,084</u>
(Increase)/decrease in inventories	(4,352)	5,250
(Increase)/Decrease in receivables	2,834	(11,692)
(Decrease)/increase in payables	<u>(710)</u>	<u>6,632</u>
Cash generated from operations	17,501	12,274
Interest received	367	284
Interest paid	(80)	(157)
Taxation paid	<u>(1,631)</u>	<u>(1,844)</u>
Net cash from operating activities	<u>16,157</u>	<u>10,557</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(4,254)	(3,108)
Interest in property	<u>(12,950)</u>	<u>-</u>
Net cash used in investing activity	<u>(17,204)</u>	<u>(3,108)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(4)	(2)
Net changes in short term borrowings	<u>844</u>	<u>(3,303)</u>
Net cash generated from/(used in) financing activities	<u>840</u>	<u>(3,305)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(207)	4,144
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>25,901</u>	<u>22,156</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>25,694</u>	<u>26,300</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,236	5,184
Deposit with licensed banks	<u>18,458</u>	<u>21,116</u>
	<u>25,694</u>	<u>26,300</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2004)

The accompanying notes are an integral part of this statement.

**SUIWAH CORPORATION BHD. (Company No: 253837 H)**  
**INTERIM REPORT FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2004**  
**NOTES TO INTERIM FINANCIAL REPORT**  
**PART A – DISCLOSURE NOTES AS REQUIRED UNDER MASB**

**A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with MASB 26 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 May 2004 except for the adoption of MASB 31 and 32 which became effective from 1 January 2004. The adoption of MASB 31 to MASB 32 have not given rise to any adjustments to the opening balances of retained profits of the prior year and the current period or to changes in comparatives.

**A2. Auditors' Report**

The auditors' report of the annual financial statements for the financial year ended 31 May 2004 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

Retail sales were slow during the current quarter. It is anticipated to improve with the coming year-end school holidays and festive seasons.

As for our manufacturing arm, Qdos Group, the revenue for the coming year is likely to improve following increase in customers' orders.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cashflow**

There were no unusual items for the current quarter and financial year to-date.

**A5. Individually Significant Items**

There were no individually significant items for the current quarter and financial year to-date.

**A6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years.**

There was no material changes in estimates of amounts reported in the prior interim period of the current financial year or prior financial years.

**A7. Issuance and Repayments of Debt and Equity Securities**

In the previous financial quarter, the Company issued 10,098,290 new ordinary shares of RM1.00 each in the Company pursuant to the acquisition of the remaining 49% equity interest in a subsidiary, Qdos Holdings Sdn. Bhd. ("Qdos"). Following the acquisition, Qdos is now a wholly owned subsidiary of the Company.

There were no issuances and repayments of debt and equity securities for the quarter under review.

#### **A8. Dividends Paid**

The first and final tax exempt dividend in respect of financial year ended 31 May 2004, of 5% on 50,798,290 ordinary shares, amounting to a total dividend payable of RM2,539,915 (5 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 22 November 2004 and has been subsequently paid on 7 December 2004.

#### **A9. Segmental Report**

	<b>6 months ended 30.11.2004 (RM'000)</b>
<b>Segment Revenue</b>	
Retail	131,977
Manufacturing	69,268
Property investment and development	63
Money lending	328
Group revenue	<b>201,636</b>

	<b>6 months ended 30.11.2004 (RM'000)</b>
<b>Segment Results</b>	
Retail	5,761
Manufacturing	9,836
Property investment and development	(15)
Money lending	114
Profit from operations	<b>15,696</b>
Finance income, net	287
Taxation	(2,574)
Profit after taxation	<b>13,409</b>
Minority interests	(1,854)
Net profit	<b>11,555</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.

#### **A10. Valuation of Property, Plant and Equipment**

The valuation of properties has been brought forward without amendments from the annual financial statements for the year ended 31 May 2004.

### **A11. Material Events Subsequent To The End of The Interim Period**

Subsequent to the end of the interim period:

- (i) the Company issued an additional 10,159,658 new ordinary shares of RM1.00 each pursuant to the bonus issue of one (1) new ordinary share of RM1.00 each for every five (5) existing ordinary shares of RM1.00 each. The new bonus shares were granted listing and quotation on 11 January 2005; and
- (ii) On 17 January 2005, the Company announced the proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the Second Board to the Main Board of Bursa Malaysia Securities Berhad.

### **A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group in the current quarter. The Company has completed the acquisition of the remaining 49% equity interest in Qdos Holdings Sdn. Bhd. ("Qdos") in the previous quarter. Following this, Qdos is now a wholly owned subsidiary of the Company.

### **A13. Contingent Assets Or Liabilities**

There are no material contingent assets or liabilities as at 27 January 2005.

### **A14. Capital Commitments**

The Group's capital commitments as at 27 January 2005 are as follows:

	RM'000
Approved and contracted for:	
Land & building	29,300
Furniture, fittings and renovation	-
Computer	-
Plant & equipment	1,308
Investment in unquoted shares:	
- Crimson Omega Sdn Bhd	450
<b>Total</b>	<b>31,058</b>
Approved but not contracted for	Nil

### **A15. Authorisation for Issue**

On 27 January 2005, the Board of Directors authorised this interim report for issue.

**SUIWAH CORPORATION BHD. (Company No: 253837 H)**

**PART B: ADDITIONAL NOTES AS REQUIRED BY APPENDIX 9B OF THE BURSA  
MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

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

The Group's revenue for the quarter under review was RM100.609 million as compared to RM83.639 million for the preceding year corresponding quarter ended 30 November 2003, recording an increase of 20.29%. The Group's profit before tax for the same period was RM8.123 million as compared with RM4.385 million previously, registering an increase of 85.25%. The revenue and profitability of the Group are better mainly due to the increase in revenue of Qdos Group

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 30 November 2004 and the date of this report.

**B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

The Group's revenue for the quarter ended 30 November 2004 was RM100.609 million as compared to RM101.027 million for the preceding quarter ended 31 August 2004, a decrease of 0.41%. The decrease was mainly due to the entry of a new market player in the retail segment. Profit before tax for the current quarter was RM8.123 million, an increase of 3.35% as compared with RM7.860 million recorded in the preceding quarter. The increase was mainly due to higher manufacturing revenue of Qdos Group in the current quarter.

**B3. Prospects for Current Financial Year**

With the robust domestic economic activities, recovery in private investment and higher disposable income, coupled with the Group's continuous efforts to meet customers varied and evolving demands in the face of increasing competition, it is expected that the performance for the Group will continue to improve in the coming financial year.

**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	1,491	873	2,592	1,584
Deferred taxation	(9)	(4)	(18)	(8)
Total	<u>1,482</u>	<u>869</u>	<u>2,574</u>	<u>1,576</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation as Qdos Group is eligible for tax incentives. Certain subsidiaries of the Group are also eligible for the tax incentive provided to small and medium scale companies as proposed in the 2003/4 Budget.



**B6. Profits on Sale of investments and/or Properties**

There were no sales of investments and/or properties by the Group during the quarter under review.

**B7. Quoted Securities**

- (a) There were no disposals of quoted securities during the quarter under review.
- (b) As at the end of the quarter, investments in quoted securities of the Group were as follows:-

	<b>RM</b>
Total investment at cost	10,327
Total investment at carrying value/book value (after provision for diminution in value)	7,367
Total market value of quoted investments at end of the quarter	5,220

**B8. Status of Corporate Proposals**

The proposed acquisition of Level 1 together with the Concourse Area of Level 1 of Sunshine Square Complex, Penang for a cash consideration of RM17,500,000 has been approved by all authorities and is pending settlement of the purchase consideration.

The proposed bonus issue of 10,159,658 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share of RM1.00 each for every five (5) existing ordinary shares of RM1.00 each held in the Company was completed on 11 January 2005 with the listing and quotation of the bonus shares.

On 31 March 2004, the Group announced the following proposals:

- (i) On 31 March 2004, Crimson Omega Sdn Bhd, a 70% owned subsidiary of Suiwah Corporation Bhd., entered into a Sale and Purchase Agreement with Farlim Group (Malaysia) Bhd and Trustees of Leong San Tong Khoo Kongsi (Penang) Registered for the acquisition of a 99 year lease in respect of a piece of land held under Lot No. 7703, Mukim 13, north East District, Penang for a cash consideration of RM29,500,000.
- (ii) On 31 March 2004, Suiwah Corporation Bhd entered into a Share Sale Agreement with Farlim Group (Malaysia) Bhd for the acquisition of 30,000 ordinary shares of RM1.00 each in Crimson Omega Sdn Bhd ("COSB") and 600,000 10% redeemable cumulative preference shares of RM1.00 each in COSB, representing 30% equity interest in COSB for a cash consideration of RM500,000.

The proposals as announced on 31 March 2004 have been approved by the authorities and shareholders and are pending settlement of the purchase consideration.

On 17 January 2005, the Company announced the proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the Second Board to the Main Board of Bursa Malaysia Securities Berhad. The Company expects to submit the application to the authorities within 3 months from the date of announcement.

## **B9. Group Borrowings**

The Group's total borrowings as at end of the financial period under review are:

(a) Secured by way of:

- Fixed deposits of subsidiaries amounting to RM5.50 million;
- A legal charge over certain of the directors' personal properties and jointly and severally guaranteed by the directors;

(b) Short term borrowings

	<b>RM</b>
Term loan due within 12 months	-
Bankers' acceptance	3,456,851
Bank overdraft	-
	<u>3,456,851</u>

(c) Long term borrowings

	<b>RM</b>
Term loan	<u>Nil</u>

(d) There were no borrowings or debt securities denominated in foreign currencies.

## **B10. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk outstanding as at 27 January 2005.

## **B11. Material Litigation**

As of the date of this announcement, neither the Company nor any of its subsidiary companies are 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.

## **B12. Dividend**

The first and final tax exempt dividend in respect of financial year ended 31 May 2004, of 5% on 50,798,290 ordinary shares, amounting to a total dividend payable of RM2,539,915 (5 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 22 November 2004 and has been subsequently paid on 7 December 2004.

**B13. Earnings Per Share**

The basic earnings per share has been calculated based on the Group's profit after taxation and minority interest by the weighted number of ordinary shares in issue in the respective periods as follows:

	<b>Current Quarter ended 30.11.2004</b>	<b>Preceding Quarter ended 30.11.2003</b>	<b>Current Cumulative Quarter ended 30.11.2004</b>	<b>Preceding Cumulative Quarter ended 30.11.2003</b>
Net profit for the financial period (RM'000)	6,244	2,570	11,555	4,824
Weighted number of ordinary shares in issue ('000)	50,798	40,700	47,432	40,700
Basic earnings per share (sen)	12.29	6.31	24.36	11.85

The Company does not have any potential dilutive ordinary shares outstanding as at 30 November 2004. Accordingly, no diluted earnings per share were presented.