

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

Condensed Consolidated Income Statement

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	28/29 Feb		28/29 Feb	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Revenue	115,665	95,700	317,301	257,754
Operating expenses	(106,926)	(88,629)	(294,033)	(243,471)
Other operating income	561	190	1,728	993
Profit from operations	<u>9,300</u>	<u>7,261</u>	<u>24,996</u>	<u>15,276</u>
Finance Income, net	23	406	310	533
Profit before taxation	<u>9,323</u>	<u>7,667</u>	<u>25,306</u>	<u>15,809</u>
Income tax	(1,634)	(1,524)	(4,208)	(3,100)
Profit after taxation	<u>7,689</u>	<u>6,143</u>	<u>21,098</u>	<u>12,709</u>
Minority interests	(109)	(1,581)	(1,963)	(3,323)
Net profit for the period	<u><u>7,580</u></u>	<u><u>4,562</u></u>	<u><u>19,135</u></u>	<u><u>9,386</u></u>

Earnings per share

Basic (based on ordinary share - sen) *	12.43	8.97	32.59	18.45
Fully diluted (based on ordinary share - sen)	-	-	-	-

* The comparative basic earnings per share has been restated to take into account the effect of the one (1) for five (5) bonus issue completed in the current quarter.

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

	As At End of Current Quarter 28 February 2005 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2004 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	83,054	48,773
Land held for development	11,891	11,891
Other investments	7	7
Goodwill on consolidation	9,036	4,834
	<u>103,988</u>	<u>65,505</u>
CURRENT ASSETS		
Inventories	32,239	29,517
Trade receivables	34,241	38,363
Other receivables	4,447	7,026
Loan receivables	6,301	7,188
Cash and bank balances	27,995	27,844
	<u>105,223</u>	<u>109,938</u>
CURRENT LIABILITIES		
Short term borrowings	1,166	4,559
Trade payables	58,781	51,809
Other payables	7,581	8,482
Taxation	2,241	1,192
	<u>69,769</u>	<u>66,042</u>
NET CURRENT ASSETS	<u>35,454</u>	<u>43,896</u>
	<u>139,442</u>	<u>109,401</u>
Financed by:		
Share Capital	60,958	40,700
Reserves	65,475	38,843
Shareholders' equity	126,433	79,543
Minority interests	779	26,269
	<u>127,212</u>	<u>105,812</u>
Long term loan	9,000	-
Deferred income	68	374
Deferred taxation	3,162	3,215
Non-current liabilities	12,230	3,589
	<u>139,442</u>	<u>109,401</u>
Net tangible assets per share (RM)	1.93	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 STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended 28 February 2005

	Reserves					Total RM'000
	Non - distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Foreign Exchange reserve RM'000	Retained Profits 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
Bonus issue of 1 for 5	10,160	-	-	-	-	10,160
Capitalisation of bonus issue	-	(10,160)	-	-	-	(10,160)
Realisation of revaluation reserves	-	-	(27)	-	27	-
Net profit for 9 months	-	-	-	-	19,135	19,135
First and Final tax exempt dividend	-	-	-	-	(2,540)	(2,540)
Balance as at 28 February 2005	60,958	13,882	1,645	-	49,948	126,433

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended 29 February 2004

	Reserves					Total RM'000
	Non - distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation reserve RM'000	Foreign Exchange reserve RM'000	Retained Profits RM'000	
At 31 May 2003	40,700	3,845	2,537	-	22,991	70,073
As previously stated	-	-	(828)	-	14	(814)
Prior year adjustment	40,700	3,845	1,709	-	23,005	69,259
At 31 May 2003 (restated)	40,700	3,845	1,709	-	23,005	69,259
Realisation of revaluation reserves	-	-	(27)	-	27	-
Net profit for 9 months	-	-	-	-	9,386	9,386
First and Final tax exempt dividend	-	-	-	-	(2,035)	(2,035)
Balance as at 29 February 2004	40,700	3,845	1,682	-	30,383	76,610

(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
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 Months Ended 28 Feb 2005 RM' 000	9 Months Ended 29 Feb 2004 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	25,306	15,809
Adjustments for:		
Amortisation of goodwill	539	512
Amortisation of deferred income	(306)	(306)
Depreciation	5,703	5,922
Interest expense	160	216
Interest income	(470)	(749)
Negative goodwill written off	(1,400)	-
Operating profit before working capital changes	<u>29,532</u>	<u>21,404</u>
(Increase)/decrease in inventories	(2,722)	3,818
Decrease/(increase) in receivables	7,588	(11,375)
Increase in payables	<u>6,071</u>	<u>14,440</u>
Cash generated from operations	40,469	28,287
Interest received	470	749
Interest paid	(160)	(216)
Tax paid	<u>(3,211)</u>	<u>(2,709)</u>
Net cash from operating activities	<u>37,568</u>	<u>26,111</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in a subsidiary	(500)	-
Purchase of property, plant and equipment	<u>(39,984)</u>	<u>(3,935)</u>
Net cash used in investing activity	<u>(40,484)</u>	<u>(3,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Draw down of term loan	10,000	-
Repayment of term loan	(87)	(3)
Net changes in bankers acceptance	(2,363)	(3,860)
Dividends paid	<u>(2,540)</u>	<u>(2,035)</u>
Net cash generated from/(used in) financing activities	<u>5,010</u>	<u>(5,898)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,094	16,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>25,901</u>	<u>22,156</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>27,995</u>	<u>38,434</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,438	5,242
Deposit with licensed banks	<u>20,557</u>	<u>33,192</u>
	<u>27,995</u>	<u>38,434</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.

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SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE NINE-MONTH PERIOD ENDED 28 FEBRUARY 2005
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. During the current quarter, the Group changed its accounting policy on amortisation of goodwill. Goodwill is not amortised but tested for impairment annually. Negative goodwill not amortised is recognised in the income statement immediately.

The change in the accounting policy on goodwill has resulted in an increase in profit before taxation of RM1,719,500.00. No adjustment is made to the opening balances of retained profits or changes in comparatives as the effect from this change is not material.

The adoption of the new MASBs did not give 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 are expected to slow down especially in the coming 4th quarter as the festival seasons such as Christmas, Hari Raya and Chinese New Year were already over.

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.

The Company issued 10,159,658 new ordinary shares of RM1.00 each in January pursuant to the bonus issue on the basis of one new ordinary share of RM1.00 each for every five existing ordinary shares of RM1.00 each.

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

	9 months ended 28.2.2005 (RM'000)
Segment Revenue	
Retail	222,253
Manufacturing	94,479
Property investment and development	94
Money lending	475
Group revenue	317,301

	9 months ended 28.2.2005 (RM'000)
Segment Results	
Retail	11,533
Manufacturing	13,325
Property investment and development	(29)
Money lending	167
Profit from operations	24,996
Finance income, net	310
Taxation	(4,208)
Profit after taxation	21,098
Minority interests	(1,963)
Net profit	19,135

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

There were no material events subsequent to the end of the interim period.

A12. Changes in the Composition of the Group

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.

On 18 February 2005 the Company completed the acquisition of 30% of the equity interest in Crimson Omega Sdn Bhd, therefore Crimson Omega Sdn Bhd is now a wholly owned subsidiary of the Company.

A13. Contingent Assets Or Liabilities

There are no material contingent assets or liabilities as at 28 April 2005.

A14. Capital Commitments

The Group's capital commitments as at 28 April 2005 are as follows:

	RM'000
Approved and contracted for:	
Furniture, fittings and renovation	83
Computer	23
Plant & equipment	1,734
Total	1,840
Approved but not contracted for	Nil

A15. Authorisation for Issue

On 28 April 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 RM115.665 million as compared to RM95.700 million for the preceding year corresponding quarter ended 29 February 2004, recording an increase of 20.86%. The Group's profit before tax for the same period was RM9.323 million as compared with RM7.667 million previously, registering an increase of 21.60%. The revenue and profitability of the Group are better mainly due to the increase in revenue for retail and 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 28 February 2005 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 28 February 2005 was RM115.665 million as compared to RM100.609 million for the preceding quarter ended 30 November 2004, an increase of 14.96%. Profit before tax for the current quarter was RM9.323 million, an increase of 14.77% as compared with RM8.123 million recorded in the preceding quarter. The improvement was mainly due to higher retail turnover in the 3rd quarter following festival seasons such as Christmas, Hari Raya and Chinese New Year. As for manufacturing arm, Qdos Group, the increase was mainly due to higher sales orders received.

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, the Group has continued to face off increasing competition effectively and will deliver improved performance for 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	1,643	1,532	4,235	3,116
Deferred taxation	(9)	(8)	(27)	(16)
Total	<u>1,634</u>	<u>1,524</u>	<u>4,208</u>	<u>3,100</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 2004/05 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:-

	RM
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	4,902

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 was completed on 31 March 2005.

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 were completed on 18 February 2005..

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 will be completed on 29 April 2005.

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

	RM
Term loan due within 12 months	916,663
Bankers' acceptance	249,423
Bank overdraft	-
	<u>1,166,086</u>

(c) Long term borrowings

	RM
Term loan	<u>9,000,000</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 28 April 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:

	Current Quarter ended 28.2.2005	Preceding Quarter ended 29.2.2004	Current Cumulative Quarter ended 28.2.2005	Preceding Cumulative Quarter ended 29.2.2004
Net profit for the financial period (RM'000)	7,580	4,562	19,135	9,386
Weighted number of ordinary shares in issue ('000)	60,958	50,860	58,714	50,860
Basic earnings per share (sen)	12.43	8.97	32.59	18.45

The comparative basic earnings per share have been restated to take into account the effect of the one (1) for five (5) bonus issue completed in the current quarter.

The Company does not have any potential dilutive ordinary shares outstanding as at 28 February 2005. Accordingly, no diluted earnings per share were presented.