

**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>9 Months Ended</b>	
	<b>28 Feb</b>		<b>28 Feb</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	114,395	115,665	321,332	317,301
Operating expenses	(105,477)	(106,926)	(298,430)	(294,033)
Other operating income	257	561	800	1,728
Profit from operations	<u>9,175</u>	<u>9,300</u>	<u>23,702</u>	<u>24,996</u>
Finance Income/(Cost), net	90	23	(122)	310
Profit before taxation	<u>9,265</u>	<u>9,323</u>	<u>23,580</u>	<u>25,306</u>
Income tax	(1,822)	(1,634)	(4,050)	(4,208)
Profit after taxation	<u>7,443</u>	<u>7,689</u>	<u>19,530</u>	<u>21,098</u>
Minority interests	4	(109)	13	(1,963)
Net profit for the period	<u><u>7,447</u></u>	<u><u>7,580</u></u>	<u><u>19,543</u></u>	<u><u>19,135</u></u>

**Earnings per share**

Basic (based on ordinary share - sen)	12.21	12.43	32.04	32.59
Fully diluted (based on ordinary share - sen) *	12.21	-	32.03	-

\* The effect on the basic earnings per share for the individual quarter ended 28 February 2006 arising from the assumed conversion of the existing Employees' Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for that quarter is presented as equal to basic earnings per share.

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2005)

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)

	<b>As At End of Current Quarter 28 Feb 2006 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year End 31 May 2005 (Audited) RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	99,740	101,193
Land held for development	12,693	12,504
Other investments	3	3
Goodwill on consolidation	9,036	9,036
	<u>121,472</u>	<u>122,736</u>
<b>CURRENT ASSETS</b>		
Inventories	37,295	31,652
Trade receivables	25,023	24,669
Other receivables	3,934	2,305
Loan receivables	1,457	2,882
Cash and bank balances	48,301	31,487
	<u>116,010</u>	<u>92,995</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	1,000	6,526
Trade payables	66,885	53,595
Other payables	5,984	8,956
Taxation	1,495	974
	<u>75,364</u>	<u>70,051</u>
<b>NET CURRENT ASSETS</b>	<u>40,646</u>	<u>22,944</u>
	<u>162,118</u>	<u>145,680</u>
<b>Financed by:</b>		
Share capital	61,000	60,958
Reserves	89,259	72,047
Shareholders' equity	<u>150,259</u>	<u>133,005</u>
Minority interests	787	801
	<u>151,046</u>	<u>133,806</u>
Long term loan	7,917	8,667
Deferred tax liabilities	3,155	3,207
Non-current liabilities	<u>11,072</u>	<u>11,874</u>
	<u>162,118</u>	<u>145,680</u>
Net assets per share (RM)	2.46	2.18

**SUIWAH CORPORATION BHD.**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>9 Months Ended 28 Feb 2006 RM' 000</b>	<b>9 Months Ended 28 Feb 2005 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	23,580	25,306
<b>Adjustments for:</b>		
Amortisation of goodwill	-	539
Amortisation of deferred income	-	(306)
Depreciation	5,019	5,703
Interest expense	674	160
Interest income	(552)	(470)
Loss in disposal of property, plant and equipment	57	-
Negative goodwill written off	-	(1,400)
Operating profit before working capital changes	<u>28,778</u>	<u>29,532</u>
Increase in inventories	(5,643)	(2,722)
(Increase)/decrease in receivables	(558)	7,588
Increase in payables	<u>10,318</u>	<u>6,071</u>
Cash generated from operations	32,895	40,469
Interest received	552	470
Interest paid	(674)	(160)
Taxation paid	<u>(3,581)</u>	<u>(3,211)</u>
Net cash generated from operating activities	<u>29,192</u>	<u>37,568</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of additional shares in a subsidiary	-	(500)
Property development expenditure incurred	(189)	-
Purchase of property, plant and equipment	(4,888)	(39,984)
Proceeds from disposal of property, plant and equipment	<u>1,265</u>	<u>-</u>
Net cash used in investing activities	<u>(3,812)</u>	<u>(40,484)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	-	10,000
Proceeds from exercise of share options	95	-
Repayment of bank term loan	(750)	(87)
Net changes in short term borrowings	(4,217)	(2,363)
Dividends paid	<u>(2,384)</u>	<u>(2,540)</u>
Net cash (used in)/generated from financing activities	<u>(7,256)</u>	<u>5,010</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18,124	2,094
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>30,177</u>	<u>25,901</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>48,301</u>	<u>27,995</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,322	7,438
Deposit with licensed banks	<u>40,979</u>	<u>20,557</u>
	<u>48,301</u>	<u>27,995</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2005)

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 2006

	Reserves					Total RM'000
	Share capital RM'000	Share premium RM'000	Non - distributable		Distributable	
				Revaluation reserve RM'000	Foreign exchange reserve RM'000	Retained Profits RM'000
<b>Balance as at 31 May 2005</b>	60,958	13,882	1,635	5	56,525	133,005
Arising from exercise of share options	42	53	-	-	-	95
Realisation of revaluation reserves			(27)	-	27	-
Net profit for 9 months	-	-	-	-	19,543	19,543
First & Final Dividend	-	-	-	-	(2,384)	(2,384)
<b>Balance as at 28 February 2006</b>	<b>61,000</b>	<b>13,935</b>	<b>1,608</b>	<b>5</b>	<b>73,711</b>	<b>150,259</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Nine Months Ended 28 February 2005

	Reserves					Total RM'000
	Share capital RM'000	Share premium RM'000	Non - distributable		Distributable	
				Revaluation reserve RM'000	Foreign exchange reserve RM'000	Retained profits RM'000
<b>Balance as at 31 May 2004</b>	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 of 5	10,160	-	-	-	-	-
Capitalisation of bonus issue		(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)
<b>Balance as at 28 February 2005</b>	<b>60,958</b>	<b>13,882</b>	<b>1,645</b>	<b>-</b>	<b>49,948</b>	<b>126,433</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2005)

The accompanying notes are an integral part of this statement.

**SUIWAH CORPORATION BHD. (Company No: 253837 H)**  
**INTERIM REPORT FOR THE NINE-MONTHS PERIOD ENDED 28 FEBRUARY 2006**  
**NOTES TO INTERIM FINANCIAL REPORT**  
**PART A – DISCLOSURE NOTES AS REQUIRED UNDER FRS 134**

**A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with FRS 134 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 2005.

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 2005.

**A2. Auditors' Report**

The auditors' report of the annual financial statements for the financial year ended 31 May 2005 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

Retail sales are expected to slow down especially in the coming 4<sup>th</sup> quarter as the festival seasons such as Christmas, Chinese New Year were already over.

As for our manufacturing arm, Qdos Group, sales are likely to be lower in the 3<sup>rd</sup> and 4<sup>th</sup> quarter. It is due to lack in meeting customers' expectation and the on-going upgrading of the existing manufacturing facilities. However, sales is expected to increase gradually during the 1<sup>st</sup> and 2<sup>nd</sup> quarter of financial year 2007 upon completion of the upgrading of Qdos' existing manufacturing facilities.

**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**

700 shares were exercised and listed pursuant to the Suiwah Employee Share Option Scheme ("ESOS") for the quarter under review. There were no shares exercised and listed between 1 March 2006 and 26 April 2006.

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

The first and final dividend in respect of financial year ended 31 May 2005, of 1.1% tax exempt dividend and 3.9% less 28% dividend on 60,999,548 ordinary shares, amounting to a total dividend payable of RM2,383,868 (3.9 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2005 and has been subsequently paid on 15 December 2005.

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

	<b>9 months ended 28.2.2006 (RM'000)</b>
<b>Segment Revenue</b>	
Retail	237,621
Manufacturing	83,525
Property investment and development	77
Money lending	109
Group revenue	<b>321,332</b>

	<b>9 months ended 28.2.2006 (RM'000)</b>
<b>Segment Results</b>	
Retail	11,552
Manufacturing	12,154
Property investment and development	(50)
Money lending	46
Profit from operations	<b>23,702</b>
Finance costs, net	(122)
Taxation	(4,050)
Profit after taxation	<b>19,530</b>
Minority interests	13
Net profit	<b>19,543</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 value of properties has been brought forward without amendments from the annual financial statements for the year ended 31 May 2005.

**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**

There were no changes in the composition of the Group during the current quarter.

**A13. Contingent Assets Or Liabilities**

There are no material contingent assets or liabilities as at 26 April 2006.

**A14. Capital Commitments**

The Group's capital commitments as at 26 April 2006 are as follows:

	RM'000
Approved and contracted for:	
Computers	12
Plant & equipment	6,631
<b>Total</b>	<b>6,643</b>
Approved but not contracted for	Nil

**A15. Authorisation for Issue**

On 26 April 2006, the Board of Directors authorised this interim report together with its accompanying disclosure notes as set out in Part A & Part B.

**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 RM114.395 million as compared to RM115.665 million for the preceding year corresponding quarter ended 28 February 2005, recording a decrease of 1.1%. The Group's profit before tax for the same period was RM9.265 million as compared with RM9.323 million previously, registering a decrease of 0.62%. The decrease in revenue and profitability for the Group was mainly due to overall aggressive market competition.

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 2006 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 2006 was RM114.935 million as compared to RM107.803 million for the preceding quarter ended 30 November 2005, an increase of 6.62%. Profit before tax for the current quarter was RM9.265 million, an increase of 12.78% as compared with RM8.215 million recorded in the preceding quarter. The increase was mainly due to higher retail sales recorded during the festival seasons such as Christmas and Chinese New Year.

**B3. Prospects for Current Financial Year**

Although there are robust domestic economic activities, sustained private investment and higher disposable income, the Group is continuing its efforts in facing off increasing competition, thus continuing to meet customers varied and evolving demands and delivering 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	1,834	1,643	4,086	4,235
Deferred taxation	(12)	(9)	(36)	(27)
Total	<u>1,822</u>	<u>1,634</u>	<u>4,050</u>	<u>4,208</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation as Qdos Group is enjoying pioneer status. Certain subsidiaries of the Group are also enjoying tax incentive provided to small and medium scale companies as proposed in the 2005/06 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	8,825
Total investment at carrying value/book value (after provision for diminution in value)	3,278
Total market value of quoted investments at end of the quarter	2,665

**B8. Status of Corporate Proposals**

Pursuant to the announcement made on 25 May 2005, there is no further development as at to date.

**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 certain subsidiaries amounting to RM5.50 million;
  - A legal charge over certain of the directors' personal properties and jointly and severally guaranteed by the directors;
  - First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM30,314,490; and
  - a corporate guarantee by the Company.

- (b) Short term borrowings

	<b>RM</b>
Term loan due within 12 months	1,000,008
Bankers' acceptance	-
Bank overdraft	-
	<u>1,000,008</u>

- (c) Long term borrowings

	<b>RM</b>
Term loan	<u>7,916,645</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 26 April 2006.

## **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 dividend in respect of financial year ended 31 May 2005, of 1.1% tax exempt dividend and 3.9% less 28% dividend on 60,999,548 ordinary shares, amounting to a total dividend payable of RM2,383,868 (3.9 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2005 and has been subsequently paid on 15 December 2005

## **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 28.2.2006</b>	<b>Preceding Quarter ended 28.2.2005</b>	<b>Current Cumulative Quarter ended 28.2.2006</b>	<b>Preceding Cumulative Quarter ended 28.2.2005</b>
Net profit for the financial period (RM'000)	7,447	7,580	19,543	19,135
Weighted number of ordinary shares in issue ('000)				
- Basic	61,000	60,958	60,986	58,714
- Diluted	61,000	-	61,024	-
Basic earnings per share (sen)	12.21	12.43	32.04	32.59
Diluted earnings per share (sen) *	12.21	-	32.03	-

\* The effect on the basic earnings per share for the individual quarter ended 28 February 2006 arising from the assumed conversion of the Employees' Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for that quarter is presented as equals to basic earnings per share.