

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 31 May 2007 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2006 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	105,105	100,407
Land held for development	2,000	2,000
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>111,773</u>	<u>107,075</u>
Current assets		
Development properties	12,279	10,965
Short term investment	10,000	-
Inventories	30,581	32,420
Trade receivables	17,584	21,838
Other receivables	7,950	6,937
Loan receivables	395	2,260
Cash and bank balances	21,581	35,172
	<u>100,370</u>	<u>109,592</u>
TOTAL ASSETS	<u>212,143</u>	<u>216,667</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	(2,993)	-
Other reserves	2,795	2,401
Retained earnings	75,394	72,300
	<u>150,131</u>	<u>149,636</u>
Minority interest	716	779
Total equity	<u>150,847</u>	<u>150,415</u>
Non-current liabilities		
Long term loan	6,667	7,667
Deferred tax liabilities	2,853	3,303
	<u>9,520</u>	<u>10,970</u>
Current liabilities		
Short term borrowings	3,938	2,995
Trade payables	39,728	42,212
Other payables	7,038	8,693
Taxation	1,072	1,382
	<u>51,776</u>	<u>55,282</u>
Total liabilities	<u>61,296</u>	<u>66,252</u>
TOTAL EQUITY AND LIABILITIES	<u>212,143</u>	<u>216,667</u>
Net assets per share attributable to equity holders of the parent (RM)	2.54	2.45

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2006 and the accompanying explanatory notes attached to the interim financial statements)

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		12 Months Ended	
	31 May		31 May	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Revenue	83,694	82,584	366,688	403,916
Other operating income	429	743	1,279	1,543
Operating expenses	(83,082)	(78,920)	(358,116)	(378,596)
Profit from operations	<u>1,041</u>	<u>4,407</u>	<u>9,852</u>	<u>26,863</u>
Finance income	647	215	1,207	767
Finance cost	(6)	(270)	(696)	(944)
Profit before taxation	<u>1,682</u>	<u>4,352</u>	<u>10,363</u>	<u>26,686</u>
Income tax	(1,710)	(165)	(4,295)	(4,215)
Profit after taxation	<u>(28)</u>	<u>4,187</u>	<u>6,069</u>	<u>22,471</u>
Attributable to:				
Equity holders of the parent	(49)	4,196	6,132	22,493
Minority interest	<u>22</u>	<u>(9)</u>	<u>(63)</u>	<u>(22)</u>
	<u>(28)</u>	<u>4,187</u>	<u>6,069</u>	<u>22,471</u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	(0.08)	6.88	10.27	36.87
Fully diluted (based on ordinary share - sen) *	(0.08)	6.88	10.27	36.87

* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 May 2007 arising from the assumed conversion of the existing Employees' Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for the quarter is presented as equals 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 2006 and the accompany explanatory notes attached to the interim financial statements)

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

	12 Months Ended 31 May 2007 RM' 000	12 Months Ended 31 May 2006 RM' 000 (restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,363	26,686
Adjustments for:		
Bad debts written off	270	9
Depreciation	7,084	6,697
Loss in disposal of property, plant and equipment	-	37
Interest expense	696	856
Interest income	(1,207)	(767)
Inventories written back	(343)	(970)
Inventories written off	849	-
Loan interest in suspense	31	77
Property, plant & equipment written off	219	20
Provision for doubtful debts	77	75
ESOS reserve	45	819
Unrealised foreign exchange (gain)/loss	(58)	212
Operating profit before working capital changes	<u>18,026</u>	<u>33,751</u>
Decrease in inventories	1,333	202
Decrease in receivables	4,605	2,570
Increase in property development cost	(1,314)	(461)
Decrease in payables	(4,221)	(10,743)
Cash generated from operations	<u>18,429</u>	<u>25,319</u>
Interest paid	(696)	(856)
Interest received	1,207	767
Taxation paid	(4,766)	(4,300)
Net cash generated from operating activities	<u>14,174</u>	<u>20,930</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,001)	(11,551)
Increase in short term investment	(10,000)	-
Proceeds from disposal of property, plant and equipment	3	1,265
Net cash used in investing activities	<u>(21,998)</u>	<u>(10,286)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	-	95
Purchase of treasury shares	(2,993)	-
Repayment of bank term loan	(1,000)	(1,000)
Net changes in short term borrowings	834	(2,222)
Dividends paid	(3,074)	(2,384)
Net cash used in financing activities	<u>(6,233)</u>	<u>(5,511)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(14,060)	5,133
EFFECTS OF EXCHANGE RATE CHANGES	360	(139)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>35,172</u>	<u>30,178</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>21,472</u>	<u>35,172</u>
Cash and cash equivalents comprise:		
Cash and bank balances	3,763	6,787
Deposit with licensed banks	17,818	28,385
Less: Overdraft	(109)	-
	<u>21,472</u>	<u>35,172</u>

0

-

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2006 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

For The Twelve Months Ended 31 May 2007

Note	Attributable to Equity Holders of the Parent						Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share capital RM'000	Share premium RM'000	Treasury Shares RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Share Option Reserve RM'000				Distributable Retained Profits RM'000
At 31 May 2006										
As previously stated	61,000	13,935	-	1,598	(16)	-	73,119	149,636	779	150,415
Prior year adjustments										
- effects of adopting FRS 2	2a	-	-	-	-	819	(819)	-	-	-
At 31 May 2006 (restated)										
	61,000	13,935	-	1,598	(16)	819	72,300	149,636	779	150,415
Realisation of revaluation reserves	-	-	-	(37)	-	-	37	-	-	-
Foreign exchange difference	-	-	-	-	386	-	-	386	-	386
Profit for the period	-	-	-	-	-	-	6,132	6,132	(63)	6,069
Total recognised income and expense for the period	-	-	-	(37)	386	-	6,169	6,517	(63)	6,454
First & final dividends	-	-	-	-	-	-	(3,074)	(3,074)	-	(3,074)
Purchase of treasury shares	-	-	(2,993)	-	-	-	-	(2,993)	-	(2,993)
Share-based payment under ESOS	2a	-	-	-	-	45	-	45	-	45
Share application money	-	-	-	-	-	-	-	-	-	-
At 31 May 2007	61,000	13,935	(2,993)	1,561	370	864	75,394	150,131	716	150,847

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Twelve Months Ended 31 May 2006

Note	Attributable to Equity Holders of the Parent						Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share capital RM'000	Share premium RM'000	Treasury Shares RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Equity Compensation Reserve RM'000				Distributable Retained profits RM'000
At 31 May 2005										
As previously stated	60,958	13,882	-	1,635	5	-	56,525	133,005	801	133,806
Prior year adjustment	-	-	-	-	-	-	(4,371)	(4,371)	-	(4,371)
At 31 May 2005 (restated)	60,958	13,882	-	1,635	5	-	52,154	128,634	801	129,435
Realisation of revaluation reserves	-	-	-	(37)	-	-	37	-	-	-
Profit for the period, as previously stated	-	-	-	-	-	-	23,312	23,312	(22)	23,290
Effect of adopting FRS 2	2a	-	-	-	-	819	(819)	-	-	-
Profit for the period, as restated	-	-	-	-	-	819	22,493	23,312	(22)	23,290
Total recognised income and expense for the period	-	-	-	(37)	-	819	22,530	23,312	(22)	23,290
First & final dividends	-	-	-	-	-	-	(2,384)	(2,384)	-	(2,384)
Arising from exercise of share options	42	53	-	-	-	-	-	95	-	95
Foreign exchange differences	-	-	-	-	(21)	-	-	(21)	-	(21)
At 31 May 2006	61,000	13,935	-	1,598	(16)	819	72,300	149,636	779	150,415

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2006 and the explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE TWELVE-MONTHS PERIOD ENDED 31 MAY 2007
NOTES TO INTERIM FINANCIAL REPORT
PART A – EXPLANATORY NOTES PURSUANT TO FRS134

A1. Basis of preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with FRS134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2006. These explanatory notes attached to the 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 year ending 31 May 2006.

A2. Changes in accounting policies

The significant changes in accounting policies adopted are consistent with those of the audited financial statements for the financial period ended 31 May 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial statements commencing 1 June 2006:

FRS 2	Share based Payment
FRS 3	Business Combination
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant & Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interest in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of these FRSs does not have any significant financial impact to the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are as below:

(a) FRS 2 Share-based Payment

The standard requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees and other parties to be settled in cash, other assets, or equity instruments of the entity.

(b) FRS 2 Share-based Payment

The Company operates an equity-based settled, share-based compensation plan for the employees of the Group (“ESOS”). Prior to 1 June 2006, no compensation was recognised in the income statement for the share options granted. With the adoption of FRS2, the compensation expense relating to share option is recognised in the income statement over the vesting periods of the grant with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The Group recognises an increase in share capital and share premium when the options were exercised.

The financial impact to the Group arising from this change in accounting policy is as follows:

	As at 1.6.2006 (RM'000)
Decrease in retained earnings	(819)
Increase in equity compensation reserve	819

	Individual Quarter		Cumulative Quarter	
	Current RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
Decrease in profits	-	427	(45)	(819)

b. FRS 101 Presentation of Financial Statements

The adoption of the revised FRS101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balances sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's interim financial statements is based on the revised requirements of FRS101, with the comparatives restated to conform with the current period's presentation.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the annual financial statements for the financial year ended 31 May 2006 was not subject to any qualification.

A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to slow down especially in the current quarter. It is anticipated to improve only after 2nd quarter of the financial year 2008.

As for our manufacturing arm, Qdos Group, sales is expected to remain unchanged for the financial year 2008.

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 were 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 2006.

A8. Debt and Equity Securities

There were no shares 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 June 2006 and 26 July 2007.

During the year, the Company bought back 1,808,500 units of its own shares for a total cash consideration of RM2,993,157. The highest and lowest price paid per share were RM1.8700 and RM1.5000 respectively. The said shares are currently held as treasury shares.

There were no cancellation of shares and resale of treasury shares during the quarter.

A9. Dividends Paid

The first and final dividend in respect of financial year ended 31 May 2006, of 7% less 28% dividend on 61,000,248 ordinary shares, amounting to total dividend payable of RM3,074,412 (5.04 sen net per share) has been approved by the shareholders at the Company’s Annual General Meeting on 30 November 2006 and has been subsequently paid on 15 December 2006.

The board has recommended a first and final dividend of 8% less 27% income tax in respect of the financial year ended 31 May 2007

A10. Segmental Information

	12 months ended 31.5.2007 (RM'000)
Segment Revenue	
Retail	301,084
Manufacturing	65,147
Property investment and development	425
Money lending	32
Group revenue	366,688

	12 months ended 31.5.2007 (RM'000)
Segment Results	
Retail	10,194
Manufacturing	(113)
Property investment and development	(224)
Money lending	(5)
Profit from operations	9,852
Finance income	1,207
Finance cost	(696)
Taxation	(4,295)
Profit after taxation	6,069

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.

A11. 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 2006.

A12. Subsequent Material Events

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

A13. Changes in the Composition of the Group

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

A14. Changes in Contingent Liabilities

During the financial period ended 31 May 2007, the Company has given corporate guarantees amounting to RM7,666,648 to secure banking facilities granted to a subsidiary.

A15. Capital Commitments

The Group's capital commitments as at 26 July 2007 are as follows:

	RM'000
Approved and contracted for:	
Computer	12
Total	12
Approved but not contracted for	Nil

A16. Authorisation for Issue

On 26 July 2007, 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: EXPLANATORY NOTES PURSUANT TO 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 RM83.694 million as compared to RM82.584 million for the preceding year corresponding quarter ended 31 May 2006, recording an increase of 1.34%. The Group's profit before tax for the same period was RM1.682 million as compared with RM4.352 million previously, registering a decrease of 61.35%. The drop in profitability for the Group was mainly due to intense international price competition in flexible printed circuit industry which has resulted significantly in lower revenue and profit margin.

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 2007 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 31 May 2007 was RM83.694 million as compared to RM105.548 million for the preceding quarter ended 28 February 2007, a decrease of 20.71%. Profit before tax for the current quarter was RM1.682 million, a decrease of 64.51% as compared with RM4.740 million recorded in the preceding quarter. The decrease in revenue and profitability was mainly due to higher retail sales recorded in the 3rd quarter following festival seasons such as Christmas and Lunar New Year.

B3. Commentary on Prospects

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	1,070	(5)	3,700	4,081
Deferred taxation	(618)	(265)	(663)	(301)
Under provision in prior year:				
- Income Tax	1,045	40	1,045	40
- Deferred Tax	213	395	213	395
Total	<u>1,710</u>	<u>165</u>	<u>4,295</u>	<u>4,215</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 provided under the Income Tax Act, 1967.

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. Sales of Unquoted Investments and Properties

There were no sales of unquoted investment and properties for the current quarter and financial to date.

B8. 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	10,302
Total investment at carrying value/book value (after provision for diminution in value)	3,262
Total market value of quoted investments at end of the quarter	2,628

B9. Status of Corporate Proposals

Pursuant to the announcement made on 27 April 2007, the Board of Directors has decided not to proceed with the proposed listing of Qdos Holdings Bhd (“Qdos”) on the Main Board of Bursa Malaysia Securities Berhad.

B10. 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 respective directors;
 - First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM29,927,826 and
 - a corporate guarantee by the Company.

- (b) Short term borrowings

	RM
Bank overdraft	108,907
Bankers’ acceptance	2,853,145
Term loan due within 12 months	1,000,008

- (c) Long term borrowings

	RM
Term loan	6,666,640

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

B11. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk outstanding as at 26 July 2007.

B12. 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

B13. Dividend

The first and final dividend in respect of financial year ended 31 May 2006, of 7% less 28% dividend on 61,000,248 ordinary shares, amounting to total dividend payable of RM3,074,412 (5.04 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 30 November 2006 and has been subsequently paid on 15 December 2006.

The Board has recommended a first and final dividend of 8% less 27% income tax in respect of the financial year ended 31 May 2007.

B14. 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 parent by the weighted number of ordinary shares in issue in the respective periods as follows:

	Current Quarter ended 31.5.2007	Preceding Quarter ended 31.5.2006 (restated)	Current Cumulative Quarter ended 31.5.2007	Preceding Cumulative Quarter ended 31.5.2006 (restated)
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	(49)	4,196	6,132	22,493
Weighted number of ordinary shares in issue ('000)				
- Basic	59,684	61,000	59,684	61,000
- Diluted	59,684	61,000	59,684	61,000
Basic earnings per share (sen)	(0.08)	6.88	10.27	36.87
Diluted earnings per share (sen) *	(0.08)	6.88	10.27	36.87

* The effect on the basic earnings per share for the individual and cumulative quarters ended 31May 2007 arising from the assumed conversion of the Employees' Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share are presented as equals to basic earnings per share.

B15. 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 July 2007.