

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		3 Months Ended	
	31 August		31 August	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Revenue	85,262	84,953	85,262	84,953
Other operating income	369	656	369	656
Operating expenses	(82,957)	(84,707)	(82,957)	(84,707)
Profit from operations	<u>2,674</u>	<u>902</u>	<u>2,674</u>	<u>902</u>
Finance income	199	203	199	203
Finance cost	(289)	(253)	(289)	(253)
Profit before taxation	<u>2,584</u>	<u>852</u>	<u>2,584</u>	<u>852</u>
Income tax	(703)	(576)	(703)	(576)
Profit after taxation	<u>1,881</u>	<u>276</u>	<u>1,881</u>	<u>276</u>
Attributable to:				
Equity holders of the parent	1,888	281	1,888	281
Minority interest	<u>7</u>	<u>5</u>	<u>7</u>	<u>5</u>
	<u>1,881</u>	<u>276</u>	<u>1,881</u>	<u>276</u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	3.19	0.46	3.19	0.46
Fully diluted (based on ordinary share - sen)	3.19	0.46	3.19	0.46

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

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 Aug 2007 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2007 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,775	72,417
Land held for development	2,000	2,000
Prepaid land lease payment	32,594	32,688
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>110,037</u>	<u>111,773</u>
Current assets		
Development properties	12,702	12,279
Short term investment	13,000	10,000
Inventories	31,688	30,581
Trade receivables	20,268	17,584
Other receivables	8,300	7,950
Loan receivables	393	395
Cash and bank balances	25,218	21,581
	<u>111,569</u>	<u>100,370</u>
TOTAL ASSETS	<u>221,606</u>	<u>212,143</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	(3,241)	(2,993)
Other reserves	2,792	2,795
Retained earnings	77,297	75,400
	<u>151,783</u>	<u>150,137</u>
Minority interest	709	716
Total equity	<u>152,492</u>	<u>150,853</u>
Non-current liabilities		
Long term loan	6,417	6,667
Deferred tax liabilities	2,839	2,848
	<u>9,256</u>	<u>9,515</u>
Current liabilities		
Short term borrowings	1,000	3,938
Trade payables	49,666	39,728
Other payables	8,730	7,038
Taxation	462	1,071
	<u>59,858</u>	<u>51,775</u>
Total liabilities	<u>69,114</u>	<u>61,290</u>
TOTAL EQUITY AND LIABILITIES	<u>221,606</u>	<u>212,143</u>
Net assets per share attributable to equity holders of the parent (RM)	2.57	2.54

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2007 and the accompanying explanatory note 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 August 2007 RM' 000	3 Months Ended 31 August 2006 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,584	852
Adjustments for:		
Depreciation	1,823	1,623
Amortisation of prepaid land lease payment	94	94
Interest expense	289	253
Interest income	(199)	(203)
Share based payment under ESOS	-	47
Operating profit before working capital changes	<u>4,591</u>	<u>2,666</u>
Increase in inventories	(1,107)	(2,287)
Increase in receivables	(3,032)	(2,054)
Increase in property development cost	(423)	(97)
Increase in payables	<u>11,630</u>	<u>4,989</u>
Cash generated from operations	11,659	3,217
Interest received	199	203
Interest paid	(289)	(253)
Taxation paid	<u>(1,312)</u>	<u>(725)</u>
Net cash generated from operating activities	<u>10,257</u>	<u>2,442</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(181)	(5,805)
Increase in short term investment	<u>(3,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,181)</u>	<u>(5,805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(248)	-
Repayment of bank term loan	(250)	(250)
Repayment of bankers acceptance	<u>(2,829)</u>	<u>(1,995)</u>
Net cash used in financing activities	<u>(3,327)</u>	<u>(2,245)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	3,749	(5,608)
EFFECTS OF EXCHANGE RATE CHANGES	(3)	(32)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>21,472</u>	<u>35,172</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>25,218</u>	<u>29,532</u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,199	8,197
Deposit with licensed banks	<u>18,019</u>	<u>21,335</u>
	<u>25,218</u>	<u>29,532</u>
	(0)	-

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2007 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 Three Months Ended 31 August 2007

	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	Non - distributable		Share Option Reserve RM'000	Retained Profits RM'000			
			Revaluation Reserve RM'000	Foreign exchange Reserve RM'000						
At 31 May 2007	61,000	13,935	(2,993)	1,561	370	864	75,400	150,137	716	150,853
Realisation of revaluation reserves	-	-	-	(9)	-	-	9	-	-	-
Foreign exchange difference	-	-	-	-	6	-	-	6	-	6
Profit for the period	-	-	-	-	-	-	1,888	1,888	(7)	1,881
Total recognised income and expense for the period	-	-	-	(9)	6	-	1,897	1,894	(7)	1,887
Purchase of treasury shares	-	-	(248)	-	-	-	-	(248)	-	(248)
At 31 August 2007	61,000	13,935	(3,241)	1,552	376	864	77,297	151,783	709	152,492

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Ended 31 August 2006

	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	Non - distributable		Share Option Reserve RM'000	Retained Profits RM'000			
			Revaluation Reserve RM'000	Foreign exchange Reserve RM'000						
At 31 May 2006	61,000	13,935	-	1,598	(16)	-	73,119	149,636	779	150,415
As previously stated	61,000	13,935	-	1,598	(16)	-	73,119	149,636	779	150,415
Prior year adjustments	-	-	-	-	-	819	(819)	-	-	-
- effects of adopting FRS 2	-	-	-	-	-	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	-	-	-	(9)	-	-	9	-	-	-
Foreign exchange difference	-	-	-	-	(32)	-	-	(32)	-	(32)
Profit for the period	-	-	-	-	-	-	281	281	(5)	276
Total recognised income and expense for the period	-	-	-	(9)	(32)	-	290	249	(5)	244
Share-based payment under ESOS	-	-	-	-	-	45	-	45	-	45
At 31 August 2006	61,000	13,935	-	1,589	(48)	864	72,590	149,930	774	150,704

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2007 and the explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE THREE-MONTHS PERIOD ENDED 31 AUGUST 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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 June 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119 ₂₀₀₄	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

FRS 6 and FRS 119₂₀₀₄ is not relevant to the Group and the adoption of FRS 124 does not have any significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of FRS 117 are discussed below:

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interest in the land and building element of the lease at the inception of the lease. Prior to 1 June 2007, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and any impairment losses. A leasehold land of the Group was last revalued on June 2005.

Upon the adoption of the revised FRS 117 at 1 June 2007, the unamortised cost/revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparatives have been restated.

	Previously stated (RM'000)	Reclassification FRS 117 (RM'000)	Restated (RM'000)
At 31 May 2007			
Property, plant and equipment	105,105	(32,688)	72,417
Prepaid lease payment	-	32,688	32,688

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the annual financial statements for the financial year ended 31 May 2007 was not subject to any qualification.

A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve further after 2nd quarter of the financial year 2008.

As for our manufacturing arm, Qdos Group, sales is expected to improve 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 2007.

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 2007 and 29 October 2007.

During the quarter, the Company bought back 208,100 units of its own shares for a total cash consideration of RM290,560. The highest and lowest price paid per share was RM1.4958 and RM1.2905 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

There were no dividends proposed or paid in this quarter under review.

A10. Segmental Information

	3 months ended 31.8.2007 (RM'000)
Segment Revenue	
Retail	69,934
Manufacturing	15,210
Property investment and development	117
Money lending	1
Group revenue	85,262

	3 months ended 31.8.2007 (RM'000)
Segment Results	
Retail	2,181
Manufacturing	534
Property investment and development	(41)
Money lending	-
Profit from operations	2,674
Finance income	199
Finance cost	(289)
Taxation	(703)
Profit after taxation	1,881

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 2007.

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 August 2007, the Company has given corporate guarantees amounting to RM7,416,646 to secure banking facilities granted to a subsidiary.

A15. Capital Commitments

The Group's capital commitments as at 29 October 2007 are as follows:

	RM'000
Approved and contracted for:	
Plant & machinery	665
Total	665
Approved but not contracted for	Nil

A16. Authorisation for Issue

On 29 October 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 RM85.262 million as compared to RM84.953 million for the preceding year corresponding quarter ended 31 Aug 2006, recording an increase of 0.36%. The Group's profit before tax for the same period was RM2.584 million as compared with RM0.852 million previously. The Group's profitability has benefited from the price increases for its products as compared to the last year.

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 August 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 August 2007 was RM85.262 million as compared to RM83.694 million for the preceding quarter ended 31 May 2007, an increase of 1.87%. Profit before tax for the current quarter was RM2.584 million, an increase of 53.63% as compared with RM1.682 million recorded in the preceding quarter. The increase in revenue and profitability was mainly due to higher retail sales recorded in the current quarter.

B3. Commentary on Prospects

Despite the increase in the local market competition and global economy, the Group anticipates a rebound in the Company's performance driven by demand for flexible printed circuits board and greater focus on the margin for retail. The Group is optimistic and looking forward improvement and will continue to take appropriate action to ensure satisfactory 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	753	591	753	591
Deferred taxation	(50)	(15)	(50)	(15)
Total	<u>703</u>	<u>576</u>	<u>703</u>	<u>576</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation as certain subsidiaries of Qdos Group are 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	<u>10,302</u>
Total investment at carrying value/book value (after provision for diminution in value)	<u>3,262</u>
Total market value of quoted investments at end of the quarter	<u>2,726</u>

B9. Status of Corporate Proposals

There were no changes to the status of corporate proposals by the Group for the current quarter and financial to date.

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 RM29,850,921 and
 - a corporate guarantee by the Company.

- (b) Short term borrowings

Term loan due within 12 months	RM <u>1,000,008</u>
--------------------------------	-------------------------------

- (c) Long term borrowings

Term loan	RM <u>6,416,638</u>
-----------	-------------------------------

- (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 29 October 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

There were no dividends proposed or paid for this quarter under review.

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 31.8.2007	Preceding Quarter ended 31.8.2006	Current Cumulative Quarter ended 31.8.2007	Preceding Cumulative Quarter ended 31.8.2006
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	1,888	281	1,888	281
Weighted number of ordinary shares in issue ('000)				
- Basic	59,157	61,000	59,157	60,990
- Diluted	59,157	61,000	59,157	60,990
Basic earnings per share (sen)	3.19	0.46	3.19	0.46
Diluted earnings per share (sen) *	3.19	0.46	3.19	0.46

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

B15. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 October 2007.