

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 30 November 2008 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2008 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	71,353	67,410
Land held for development	800	800
Prepaid land lease payments	32,127	32,315
Investment in an associate	687	635
Other investments	3	3
Goodwill on consolidation	5,957	4,665
	<u>110,927</u>	<u>105,828</u>
Current assets		
Properties development cost	15,100	14,444
Short term investment	20,009	25,060
Inventories	31,112	28,067
Trade receivables	19,345	17,811
Other receivables	10,298	7,965
Loan receivables	82	79
Cash and bank balances	26,727	19,994
	<u>122,673</u>	<u>113,420</u>
TOTAL ASSETS	<u>233,600</u>	<u>219,248</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	(4,743)	(4,303)
Other reserves	1,950	1,970
Retained earnings	86,007	82,483
	<u>158,149</u>	<u>155,085</u>
Minority interest	1,444	1,065
Total equity	<u>159,593</u>	<u>156,150</u>
Non-current liabilities		
Long term loan	5,167	5,667
Deferred tax liabilities	2,829	2,846
	<u>7,996</u>	<u>8,513</u>
Current liabilities		
Short term borrowings	1,000	1,000
Trade payables	50,416	43,823
Other payables	9,670	7,712
Taxation	1,459	2,050
Proposed dividend	3,466	-
	<u>66,011</u>	<u>54,585</u>
Total liabilities	<u>74,007</u>	<u>63,098</u>
TOTAL EQUITY AND LIABILITIES	<u>233,600</u>	<u>219,248</u>
Net assets per share attributable to equity holders of the parent (RM)	2.74	2.67
	-	-

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2008 and the accompanying explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD.
COMPANY NO : 253837 H
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Condensed Consolidated Income Statement

(The figures have not been audited)

	Individual Quarter 3 Months Ended 30 November		Cumulative Quarter 6 Months Ended 30 November	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	97,205	92,442	187,623	177,704
Other operating income	448	99	769	468
Operating expenses	(90,912)	(87,616)	(178,594)	(170,573)
Profit from operations	<u>6,741</u>	<u>4,925</u>	<u>9,798</u>	<u>7,599</u>
Finance income	264	206	539	405
Finance cost	(110)	(132)	(246)	(421)
Share of loss of an associate	(51)	-	(367)	-
Profit before taxation	<u>6,844</u>	<u>4,999</u>	<u>9,724</u>	<u>7,583</u>
Income tax	(1,611)	(1,154)	(2,375)	(1,857)
Profit after taxation	<u><u>5,233</u></u>	<u><u>3,845</u></u>	<u><u>7,349</u></u>	<u><u>5,726</u></u>
Attributable to:				
Equity holders of the parent	4,949	3,637	6,970	5,525
Minority interest	284	208	379	201
	<u><u>5,233</u></u>	<u><u>3,845</u></u>	<u><u>7,349</u></u>	<u><u>5,726</u></u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	8.54	6.18	12.01	9.36
Fully diluted (based on ordinary share - sen)	8.54	6.18	12.01	9.36

* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 Nov 2008 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 2008 and the accompany explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD.
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 Months Ended 30 November 2008 RM' 000	6 Months Ended 30 November 2007 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,724	7,583
Adjustments for:		
Depreciation of property, plant and equipment	3,432	3,463
Amortisation of prepaid land lease payments	188	188
Interest expense	246	421
Interest income	(539)	(405)
Share of losses in an associate	367	-
Operating profit before working capital changes	<u>13,418</u>	<u>11,250</u>
Increase in property development cost	(656)	(7,368)
(Increase) / decrease in receivables	(3,757)	28
Increase in inventories	(3,045)	(456)
Increase in payables	<u>6,749</u>	<u>18,782</u>
Cash generated from operations	12,709	22,236
Interest paid	(246)	(421)
Interest received	539	405
Tax paid	<u>(2,891)</u>	<u>(1,987)</u>
Net cash generated from operating activities	<u>10,111</u>	<u>20,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease / (increase) in short term investments	5,051	(1,000)
Acquisition of subsidiary (Note A13)	(43)	-
Purchase of property, plant and equipment	<u>(7,375)</u>	<u>(1,950)</u>
Net cash used in investing activities	<u>(2,367)</u>	<u>(2,950)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(500)	(500)
Purchase of treasury shares	(440)	(630)
Decrease in bankers' acceptance	-	(862)
Net cash used in financing activities	<u>(940)</u>	<u>(1,992)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,804	15,291
EFFECTS OF EXCHANGE RATE CHANGES	(71)	(9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>19,994</u>	<u>21,472</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>26,727</u>	<u>36,754</u>
Cash and cash equivalents comprise:		
Cash and bank balances	12,001	5,285
Deposit with licensed banks	<u>14,726</u>	<u>31,469</u>
	<u>26,727</u>	<u>36,754</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2008 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 Six Months Ended 30 November 2008

	← Attributable to Equity Holders of the Parent →									
	← Non - distributable →						Distributable			
	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	Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 31 May 2008	61,000	13,935	(4,303)	1,587	(481)	864	82,483	155,085	1,065	156,150
Realisation of revaluation reserves	-	-	-	(20)	-	-	20	-	-	-
Foreign exchange difference	-	-	-	-	0	-	-	0	-	0
Profit for the period	-	-	-	-	-	-	6,970	6,970	379	7,349
Total recognised income and expense for the period	-	-	-	(20)	0	-	6,990	6,970	379	7,349
First & final dividends	-	-	-	-	-	-	(3,466)	(3,466)	-	(3,466)
Purchase of treasury shares	-	-	(440)	-	-	-	-	(440)	-	(440)
At 30 November 2008	61,000	13,935	(4,743)	1,567	(481)	864	86,007	158,149	1,444	159,593

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 November 2007

	← Attributable to Equity Holders of the Parent →									
	← Non - distributable →						Distributable			
	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	Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity 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	-	-	-	(18)	-	-	18	-	-	-
Foreign exchange difference	-	-	-	-	9	-	-	9	-	9
Profit for the period	-	-	-	-	-	-	5,525	5,525	201	5,726
Total recognised income and expense for the period	-	-	-	(18)	9	-	5,543	5,534	201	5,735
First & final dividends	-	-	-	-	-	-	(3,430)	(3,430)	-	(3,430)
Purchase of treasury shares	-	-	(630)	-	-	-	-	(630)	-	(630)
At 30 November 2007	61,000	13,935	(3,623)	1,543	379	864	77,513	151,611	917	152,528

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2008 and the explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD. (Company No: 253837 H)
INTERIM REPORT FOR THE SIX-MONTHS PERIOD ENDED 30 NOVEMBER 2008
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 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 2008. 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 the financial year ended 31 May 2008.

A2. Changes in accounting policies

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the year ended 31 May 2008, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”), amendment to FRS and Interpretations effective for the financial period beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operation Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environment Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economics
IC Interpretation 8	Scope of FRS 2

At the date of authorisation of the interim financial report, FRS 139: Financial Instruments: Recognition and Measurement was in issue but yet effective. The Group has not adopted FRS 139 as it is only effective from 1 January 2010. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The adoption of the above new and revised FRSS, amendments to FRS and Interpretation do not have any significant impact on the financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the annual financial statements for the financial year ended 31 May 2008 was not subject to any qualification.

A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve further with the coming festive seasons and year end school holidays.

As for our manufacturing arm, Qdos Group, it is expected to be profitable for the financial year 2009.

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 other than impairment loss arising from land held for development in the current quarter.

A6. Changes in Estimates

There was 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 2008.

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 2008 and 30 November 2008.

During the quarter, the Company bought back 240,000 units of its own shares for a total cash consideration of RM235,130. The highest and lowest price paid per share was RM0.965 and RM1.08 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 2008, of 8% less 25% taxation on 57,760,148 ordinary shares, amounting to total dividend payable of RM3,465,609 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2008 and has been subsequently paid on 15 December 2008.

A10. Segmental Information

	6 months ended 30.11.2008 (RM'000)
Segment Revenue	
Retail	152,755
Manufacturing	31,720
Property investment and development	3,147
Money lending	1
Group revenue	187,623

	6 months ended 30.11.2008 (RM'000)
Segment Results	
Retail	7,339
Manufacturing	1,215
Property investment and development	1,244
Money lending	-
Profit from operations	9,798
Finance income	539
Finance cost	(246)
Share of loss of associate	(367)
Taxation	(2,375)
Profit after tax	7,349

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 2008.

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

On 1 August 2008, the Company acquired 100% equity interest in Sunshine Amanjaya Sdn Bhd ("SASB") for a total consideration of Ringgit Malaysia One Hundred Thousand (RM100,000.00) only. Upon the completion of the acquisition, SASB has become a wholly-owned subsidiary of Suiwah.

The assets and liabilities arising from the acquisition are as follows:

	RM
Trade and other receivables	553,802
Cash and bank balances	56,901
Trade and other payables	1,802,298
Total net assets	(1,191,595)
Goodwill arising on acquisition	1,291,595
Purchase consideration	100,000

Cash outflow arising on acquisition:

	RM
Purchase consideration	100,000
Cash and cash equivalents of subsidiary acquired	56,901
Net cash outflow of the Company	43,099

On 17 November 2008, Suiwah Corporation Bhd announced that it has incorporated a new foreign subsidiary in Indonesia, known as PT. Sunshine Amanjaya Indonesia with an issued and paid up capital of US\$100,000, comprising 100,000 shares of US\$1 each, where 99% is held by Suiwah and the remaining 1% held by Sunshine Amanjaya Sdn Bhd.

A14. Changes in Contingent Liabilities

As at the period ended 30 November 2008, the Company has given corporate guarantees amounting to RM6,166,636 to secure banking facilities granted to a subsidiary.

A15. Capital Commitments

The Group's capital commitments as at 22 January 2009 are as follow:

	RM'000
Approved and contracted for:	
Building	7,072
Computer	410
Plant & Machinery	1,902
Office Equipment and Furniture and Fittings	4,676
Total	14,060
Approved but not contracted for	Nil

A16. Authorisation for Issue

On 22 January 2009, 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 RM97.205million as compared to RM92.442 million for the preceding year corresponding quarter ended 30 Nov 2007, recording an increase of 5.15%. The Group's profit before tax for the same period was RM6.844 million as compared with profit before tax of RM4.999 million previously, an increase of 36.91%. The increase in the Group's revenue and profitability has benefited from the successful promotional activities carried out by the Group.

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

The Group's revenue for the quarter ended 30 Nov 2008 was RM97.205 million as compared to RM90.418 million for the preceding quarter ended 31 Aug 2008, an increase of 7.51%. The Group's profit before tax for the current quarter was RM6.844 million, as compared with profit before tax of RM2.880 recorded in the preceding quarter. The increase in the Group's revenue and profitability was mainly due to higher retail sales recorded in the current quarter.

B3. Commentary on Prospects

The global financial & economy recession may have an impact in the Group's operation and profitability in the future. Barring any unforeseen circumstances, the Group will continue to remain profitable.

B4. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year	1,636	1,179	2,425	1,932
Deferred taxation	(25)	(25)	(50)	(75)
Total	1,611	1,154	2,375	1,857

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.

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>3,217</u>
Total market value of quoted investments at end of the quarter	<u>1,213</u>

B9. Status of Corporate Proposals

There were no changes of 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;
 - First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM29,463,834 and
 - a corporate guarantee by the Company.

- (b) Short term borrowings

Term loan due within 12 months	RM <u>1,000,008</u>
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- (c) Long term borrowings

Term loan	RM <u>5,166,628</u>
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- (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 22 January 2009.

B12. Material Litigation

As of the date of this announcement, neither the Company nor any of its subsidiary companies are aware of or 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 2008, of 8% less 25% taxation on 57,760,148 ordinary shares, amounting to total dividend payable of RM3,465,609 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 28 November 2008 and has been subsequently paid on 15 December 2008.

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 Company by the weighted number of ordinary shares in issue in the respective periods as follows:

	Current Quarter ended 30.11.2008	Preceding Quarter ended 30.11.2007	Current Cumulative Quarter ended 30.11.2008	Preceding Cumulative Quarter ended 30.11.2007
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	4,949	3,637	6,970	5,525
Weighted number of ordinary shares in issue ('000)				
- Basic	57,930	58,846	58,042	59,003
- Diluted	57,930	58,846	58,042	59,003
Basic earnings per share (sen)	8.54	6.18	12.01	9.36
Diluted earnings per share (sen) *	8.54	6.18	12.01	9.36

* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 November 2008 arising from the assumed conversion of the Employees Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share is 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 22 January 2009.