

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		6 Months Ended	
	30 Nov		30 Nov	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	97,962	97,205	191,741	187,623
Other operating income	449	448	746	769
Operating expenses	(94,790)	(90,912)	(185,864)	(178,594)
Profit from operations	<u>3,621</u>	<u>6,741</u>	<u>6,623</u>	<u>9,798</u>
Finance income	131	264	277	539
Finance cost	(136)	(110)	(234)	(246)
Share of loss of an associate	(44)	(51)	(90)	(367)
Profit before taxation	<u>3,572</u>	<u>6,844</u>	<u>6,576</u>	<u>9,724</u>
Income tax	(780)	(1,611)	(1,653)	(2,375)
Profit after taxation	<u><u>2,792</u></u>	<u><u>5,233</u></u>	<u><u>4,923</u></u>	<u><u>7,349</u></u>
Attributable to:				
Equity holders of the parent	2,744	4,949	4,803	6,970
Minority interest	48	284	120	379
	<u><u>2,792</u></u>	<u><u>5,233</u></u>	<u><u>4,923</u></u>	<u><u>7,349</u></u>
Earnings per share attributable to equity holders of the parent				
Basic (based on ordinary share - sen)	4.76	8.54	8.32	12.01
Fully diluted (based on ordinary share - sen)	4.76	8.54	8.32	12.01

* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 Nov 2009 arising from the assumed conversion of the existing Employee Share Options Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for the quarter 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 2009 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 30 Nov 2009 (Unaudited) RM'000	As At Preceding Financial Year End 31 May 2009 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	81,267	82,827
Land held for development	800	800
Prepaid land lease payments	31,754	31,942
Investment in an associate	832	911
Other investments	3	3
Goodwill on consolidation	5,957	5,957
	<u>120,613</u>	<u>122,440</u>
Current assets		
Properties development cost	16,487	15,292
Short term investment	9,748	20,544
Inventories	36,331	25,958
Trade receivables	28,098	21,882
Other receivables	10,754	11,121
Loan receivables	78	259
Cash and bank balances	27,290	20,792
	<u>128,786</u>	<u>115,847</u>
TOTAL ASSETS	<u>249,399</u>	<u>238,286</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	(4,810)	(4,750)
Other reserves	1,870	1,888
Retained earnings	91,065	89,704
	<u>163,060</u>	<u>161,777</u>
Minority interest	1,276	1,156
Total equity	<u>164,336</u>	<u>162,932</u>
Non-current liabilities		
Long term loan	4,444	4,667
Deferred tax liabilities	2,433	2,243
	<u>6,877</u>	<u>6,910</u>
Current liabilities		
Short term borrowings	2,006	10,281
Trade payables	58,911	46,143
Other payables	12,989	11,073
Taxation	818	948
Proposed dividend	3,462	-
	<u>78,186</u>	<u>68,444</u>
Total liabilities	<u>85,063</u>	<u>75,354</u>
TOTAL EQUITY AND LIABILITIES	<u>249,399</u>	<u>238,286</u>
Net assets per share attributable to equity holders of the parent (RM)	2.83	2.80
	-	-

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2009 and the accompanying explanatory notes attached to the interim financial statements)

SUIWAH CORPORATION BHD.
COMPANY NO: 253837 H
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(The figures have not been audited)

	6 Months Ended 30 Nov 2009 RM' 000	6 Months Ended 30 Nov 2008 RM' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,576	9,724
Adjustments for:		
Depreciation of property, plant and equipment	5,174	3,432
Amortisation of prepaid land lease payment	188	188
Interest expense	234	246
Interest income	(277)	(539)
Share of losses in an associate	90	367
Operating profit before working capital changes	11,985	13,418
Increase in property development cost	(1,195)	(656)
Increase in receivables	(5,668)	(3,757)
Increase in inventories	(10,373)	(3,045)
Increase in payables	14,684	6,749
Cash generated from operations	<u>9,433</u>	<u>12,709</u>
Interest paid	(234)	(246)
Interest received	277	539
Tax paid	(1,573)	(2,891)
Net cash generated from operating activities	<u>7,903</u>	<u>10,111</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in short term investment	10,796	5,051
Acquisition of subsidiary	-	(43)
Purchase of property, plant and equipment	(3,614)	(7,375)
Increase in investment in an associate	(11)	-
Net cash generated from / (used in) investing activities	<u>7,171</u>	<u>(2,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank term loan	(223)	(500)
Purchase of treasury shares	(60)	(440)
Decrease in bankers' acceptance	(464)	-
Net cash generated from financing activities	<u>(747)</u>	<u>(940)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,327	6,804
EFFECTS OF EXCHANGE RATE CHANGES	(18)	(71)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>12,981</u>	<u>19,994</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>27,290</u>	<u>26,727</u>
Cash and cash equivalents comprise:		
Cash and bank balances	20,100	12,001
Deposit with licensed banks	7,190	14,726
	<u>27,290</u>	<u>26,727</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2009 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

(The figures have not been audited)

For The Six Months Ended 30 Nov 2009

	← Attributable to Equity Holders of the Parent →						Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	← 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
At 31 May 2009	61,000	13,935	(4,750)	1,549	(525)	864	89,704	161,777	1,156	162,933
Realisation of revaluation reserves	-	-	-	(20)	-	-	20	-	-	-
Foreign exchange difference	-	-	-	-	2	-	-	2	-	2
Profit for the period	-	-	-	-	-	-	4,803	4,803	120	4,923
Total recognised income and expense for the period	-	-	-	(20)	2	-	4,823	4,805	120	4,925
First & final dividends	-	-	-	-	-	-	(3,462)	(3,462)	-	(3,462)
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
At 30 November 2009	61,000	13,935	(4,810)	1,529	(523)	864	91,065	163,060	1,276	164,336

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 November 2008

	← Attributable to Equity Holders of the Parent →						Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	← 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
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	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	6,970	6,970	379	7,349
Total recognised income and expense for the period	-	-	-	(20)	-	-	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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2009 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 2009
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 2009. 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 2009.

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 2009.

At the date of authorisation of the interim financial report, the following new and revised Financial Reporting Standards (“FRSs”), amendments to FRSs and Interpretations have been issued but not yet effective and have not been applied by the Group:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS139	Financial Instruments: Recognition and Measurement
FRS 101	Presentation of Financial Statements (revised)
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 2	Share-based Payment
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures and Reassessment of Embedded Derivatives
Amendments to FRS 138	Intangible Assets

Amendments to FRS 139	Financial Instrument: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customers Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

MASB also issued “Improvements to FRSs (2009)” which contains amendments to twenty two FRSs and is effective for financial periods beginning on or after 1 January 2010.

All the above new and revised Financial Reporting Standards (“FRSs”), amendments to FRSs and Interpretations are effective for the financial periods beginning on or after 1 January 2010, other than FRS 1(revised), FRS 3 (revised), FRS 127 (revised), Amendments to FRS 2 Share-based payment, Amendments to FRS 5, Amendments to FRS 138, Amendments to FRS 139 and Amendments to IC Interpretation 9 which are effective for the financial periods beginning on or after 1 July 2010.

The existing FRS 1, FRS 3 and FRS 127 as well as FRS 201₂₀₀₄ Property Development Activities will be withdrawn with effect from July 2010.

The Group is exempted from disclosing the possible impact, of any, to the financial statements upon the initial application of FRS 7, FRS 139 and Amendments to FRS 139, FRS 7 and IC Interpretation 9.

The other new FRSs, revised FRS, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 8, FRS 101 and Amendments to FRS 132.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report of the annual financial statements for the financial year ended 31 May 2009 was not subject to any qualification.

A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve further in the 3rd quarter of the financial year 2010 following the major festivals and long school holiday periods.

As for our manufacturing arm, Qdos Group is expected to be profitable for the financial year 2010.

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 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 2009.

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 Sept 2009 and 30 Nov 2009.

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 2009, of 8% less 25% taxation on 57,702,948 ordinary shares, amounting to total dividend payable of RM3,462,177 (6.00 sen net per share) has been approved by the shareholders at the Company’s Annual General Meeting on 30 November 2009 and has been subsequently paid on 15 December 2009.

A10. Segmental Information

	6 months ended 30.11.2009 (RM’000)
Segment Revenue	
Retail	144,490
Manufacturing	44,160
Property investment and development	3,084
Money lending	7
Group revenue	191,741

	6 months ended 30.11.2009 (RM’000)
Segment Results	
Retail	3,161
Manufacturing	2,378
Property investment and development	1,078
Money lending	6
Profit from operations	6,623
Finance income	277
Finance cost	(234)
Share of loss of associate	(90)
Taxation	(1,653)
Profit after tax	4,923

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 2009.

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 23 Dec 2009, the Company entered into a Share Sale Agreement to acquire Eight Hundred Thousand (800,000) ordinary shares of RM1.00 each, representing 40% of the total issued and paid up capital in Silver Resort Sdn Bhd (“SRSB”) for a total consideration of Ringgit Malaysia One Million Three Hundred and Sixty Thousand (RM1,360,000) only. Upon completion of the acquisition, SRSB has become a wholly-owned subsidiary of Suiwah.

A14. Changes in Contingent Liabilities

As at the period ended 30 November 2009, the Company has given corporate guarantees amounting to RM6,450,363 to secure banking facilities granted to a subsidiary.

A15. Capital Commitments

The Group’s capital commitments as at 28 January 2010 are as follow:

	RM'000
Approved and contracted for:	
Computer	3
Office Equipment and Furniture and Fittings	29
Total	32
Approved but not contracted for:	
Buildings	2,108
Total	

A16. Authorisation for Issue

On 28 January 2010, 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 RM97.962 million as compared to RM97.205 million for the preceding year corresponding quarter ended 30 November 2008, recording an increase of 0.78%

The Group's profit before tax for the same period was RM3.572 million as compared with the profit before tax of RM6.844 million previously, a decrease of 47.81%. The decrease in the Group's profitability was due to the current global economy downturn and its impact on our market and higher fixed cost incurred in the current quarter.

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 30 November 2009 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 30 November 2009 was RM97.962 million as compared to RM93.779 million for the preceding quarter ended 31 August 2009, an increase of 4.46%.

The Group's profit before tax for the current quarter was RM3.572 million, as compared with profit before tax of RM3.004 million recorded in the preceding quarter, reflecting an increase of 18.91%. The increase in the Group's revenue and profitability, which was mainly due; (a) consumers' spending following the celebration of two major festivals, Hari Raya Aidilfitri and Deepavali recorded in the current quarter; and (b) better performance in manufacturing sector.

B3. Commentary on Prospects

The Group continues to respond positively to the ongoing global economic financial crisis by ensuring that consumer spending will have good value in return. Barring any unforeseen circumstances, the Group expects to continue to be 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	792	1,636	1,677	2,425
Deferred taxation	(12)	(25)	(24)	(50)
Total	780	1,611	1,653	2,375

The effective rate of taxation of the Group is lower than the statutory rate of taxation as a subsidiary of Qdos Group is 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>1,805</u>

B9. Status of Corporate Proposals

On 23 Dec 2009, the Company entered into a Share Sale Agreement to acquire Eight Hundred Thousand (800,000) ordinary shares of RM1.00 each, representing 40% of the total issued and paid up capital in Silver Resort Sdn Bhd (“SRSB”) for a total consideration of Ringgit Malaysia One Million Three Hundred and Sixty Thousand (RM1,360,000) only. Upon completion of the acquisition, SRSB has become a wholly-owned subsidiary of Suiwah.

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 RM29,154,501 and
 - a corporate guarantee by the Company.

- (b) Short term borrowings

Term loan due within 12 months	RM <u>2,005,884</u>
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- (c) Long term borrowings

Term loan	RM <u>4,444,479</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 28 January 2010.

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 2009, of 8% less 25% taxation on 57,702,948 ordinary shares, amounting to total dividend payable of RM3,462,177 (6.00 sen net per share) has been approved by the shareholders at the Company's Annual General Meeting on 30 November 2009 and has been subsequently paid on 15 December 2009.

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 30.11.2009	Preceding Quarter ended 30.11.2008	Current Cumulative Quarter ended 30.11.2009	Preceding Cumulative Quarter ended 30.11.2008
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	2,744	4,949	4,803	6,970
Weighted number of ordinary shares in issue ('000)				
- Basic	57,703	57,930	57,719	58,042
- Diluted	57,703	57,930	57,719	58,042
Basic earnings per share (sen)	4.76	8.54	8.32	12.01
Diluted earnings per share (sen) *	4.76	8.54	8.32	12.01

* The effect on the basic earnings per share for the individual and cumulative quarters ended 30 November 2009 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 28 January 2010.