

**SUIWAH CORPORATION BHD.**  
**COMPANY NO : 253837 H**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Statement of Comprehensive Income**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>31 Aug</b>		<b>31 Aug</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	108,236	93,779	108,236	93,779
Other operating income	254	297	254	297
Total operating expenses	(103,734)	(91,074)	(103,734)	(91,074)
Profit from operations	<u>4,756</u>	<u>3,002</u>	<u>4,756</u>	<u>3,002</u>
Finance income	71	146	71	146
Finance cost	(49)	(98)	(49)	(98)
Share of loss of an associate	-	(46)	-	(46)
Profit before taxation	<u>4,778</u>	<u>3,004</u>	<u>4,778</u>	<u>3,004</u>
Income tax	(1,345)	(873)	(1,345)	(873)
Profit for the period	<u><u>3,433</u></u>	<u><u>2,131</u></u>	<u><u>3,433</u></u>	<u><u>2,131</u></u>
<b>Profit attributable to:</b>				
Equity holders of the parent	3,467	2,059	3,467	2,059
Minority Interest	(34)	72	(34)	72
	<u><u>3,433</u></u>	<u><u>2,131</u></u>	<u><u>3,433</u></u>	<u><u>2,131</u></u>
<b>Earnings per share attributable to equity holders of the parent</b>				
Basic (based on ordinary share - sen)	6.01	3.57	6.01	3.57
Fully diluted (based on ordinary share - sen)	6.01	3.57	6.01	3.57

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 Aug 2010 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 Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the accompany 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 Three Months Ended 31 August 2010

	← Attributable to Equity Holders of the Parent →						Retained Profits RM'000	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				
<b>At 31 May 2010</b>										
As previously reported	61,000	13,935	(4,810)	1,510	(946)	864	92,927	164,480	15	164,495
Effect of applying FRS 139	-	-	-	-	-	-	(445)	(445)	-	(445)
As restated	61,000	13,935	(4,810)	1,510	(946)	864	92,482	164,036	15	164,051
<b>Total comprehensive income for the period</b>	-	-	-	(10)	(52)	-	3,467	3,405	(34)	3,371
	-	-	-	(10)	(52)	-	3,467	3,405	(34)	3,371
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(41)	-	-	-	-	(41)	-	(41)
Realisation of revaluation reserves	-	-	-	-	-	-	10	10	-	10
<b>At 31 August 2010</b>	61,000	13,935	(4,851)	1,500	(998)	864	95,960	167,410	(19)	167,391

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Three Months Ended 31 August 2009

	← Attributable to Equity Holders of the Parent →						Retained Profits RM'000	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				
<b>At 31 May 2009</b>										
As previously reported	61,000	13,935	(4,750)	1,549	(525)	864	89,704	161,777	1,156	162,933
<b>Total comprehensive income for the period</b>	-	-	-	(10)	(1)	-	2,059	2,048	72	2,120
	-	-	-	(10)	(1)	-	2,059	2,048	72	2,120
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
Realisation of revaluation reserves	-	-	-	-	-	-	10	10	-	10
<b>At 31 August 2009</b>	61,000	13,935	(4,810)	1,539	(526)	864	91,773	163,775	1,228	165,003

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the explanatory notes attached to the interim financial statements)

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

(The figures have not been audited)

	<b>3 Months Ended 31 Aug 2010 RM' 000</b>	<b>3 Months Ended 31 Aug 2009 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,778	3,004
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,668	2,491
Amortisation of prepaid land lease payment	94	94
Amortisation of land use rights	233	-
Amortisation of deferred capital grant	6	-
Interest expense	49	98
Interest income	(71)	(146)
Share of losses in an associate	-	46
Gain on disposal of property, plant & equipment	-	(2)
Operating profit before working capital changes	<u>7,757</u>	<u>5,585</u>
Increase in property development cost	(98)	(761)
Increase in receivables	(14,064)	(6,912)
Increase in inventories	(1,075)	(504)
Increase in payables	<u>9,411</u>	<u>5,548</u>
Cash generated from operations	1,931	2,956
Interest paid	(49)	(98)
Interest received	71	146
Tax paid	<u>(590)</u>	<u>(703)</u>
Net cash (used in) / generated from operating activities	<u>1,363</u>	<u>2,302</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in short term investment	6,382	5,060
Purchase of property, plant and equipment	(2,696)	(435)
Increase in investment in an associate	-	(11)
Net cash generated from investing activities	<u>3,686</u>	<u>4,614</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(205)	(250)
Purchase of treasury shares	(41)	(60)
Net changes in bankers' acceptance	(660)	924
Net cash generated from financing activities	<u>(906)</u>	<u>614</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,143	7,530
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(71)	(9)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>20,896</u>	<u>12,981</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>24,968</u>	<u>20,502</u>
Cash and cash equivalents comprise:		
Cash and bank balances	11,725	13,002
Deposit with licensed banks	<u>13,243</u>	<u>7,500</u>
	<u>24,968</u>	<u>20,502</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2010 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 FINANCIAL POSITION**

(The figures have not been audited)

	<b>As At End of Current Quarter 31 Aug 2010 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year End 31 May 2010 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	78,912	78,884
Land held for development	800	800
Land use rights	849	1,082
Prepaid land lease payments	31,475	31,569
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>116,704</u>	<u>117,003</u>
<b>Current assets</b>		
Property development cost	16,706	16,608
Short term investment	451	6,833
Inventories	30,149	29,074
Trade receivables	40,538	30,326
Other receivables	12,150	13,240
Loan receivables	4,175	59
Cash and bank balances	24,968	26,108
	<u>129,137</u>	<u>122,248</u>
<b>TOTAL ASSETS</b>	<u>245,841</u>	<u>239,251</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	61,000	61,000
Share premium	13,935	13,935
Treasury shares	(4,851)	(4,810)
Other reserves	1,366	1,428
Retained earnings	95,960	92,927
	<u>167,410</u>	<u>164,480</u>
Minority interest	(19)	15
<b>Total equity</b>	<u>167,391</u>	<u>164,495</u>
<b>Non-current liabilities</b>		
Long term loan	3,406	4,202
Deferred capital grant	136	142
Deferred tax liabilities	3,608	3,558
	<u>7,150</u>	<u>7,902</u>
<b>Current liabilities</b>		
Short term borrowings	3,735	9,400
Trade payables	56,515	48,413
Other payables	9,809	8,500
Deferred capital grant	25	25
Taxation	1,216	516
	<u>71,300</u>	<u>66,854</u>
<b>Total liabilities</b>	<u>78,450</u>	<u>74,756</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>245,841</u>	<u>239,251</u>
Net assets per share attributable to equity holders of the parent (RM)	2.90	2.85

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2010 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 Comprehensive Income**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>31 Aug</b>		<b>31 Aug</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	3,433	2,131	3,433	2,131
Other comprehensive income:				
Realisation of revaluation reserves	(10)	(10)	(10)	(10)
Foreign exchange difference	<u>(52)</u>	<u>(1)</u>	<u>(52)</u>	<u>(1)</u>
Total comprehensive income for the period	<u>3,371</u>	<u>2,120</u>	<u>3,371</u>	<u>2,120</u>
Total comprehensive income attributable to:				
Equity holders of the parent	3,405	2,048	3,405	2,048
Minority Interest	<u>(34)</u>	<u>72</u>	<u>(34)</u>	<u>72</u>
	<u>3,371</u>	<u>2,120</u>	<u>3,371</u>	<u>2,120</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 and the accompany 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 Three Months Ended 31 August 2010

	← Attributable to Equity Holders of the Parent →						Distributable	Total	Minority Interest	Total Equity
	← Non - distributable →									
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 31 May 2010</b>										
As previously reported	61,000	13,935	(4,810)	1,510	(946)	864	92,927	164,480	15	164,495
Effect of applying FRS 139	-	-	-	-	-	-	(445)	(445)	-	(445)
As restated	61,000	13,935	(4,810)	1,510	(946)	864	92,482	164,036	15	164,051
<b>Total comprehensive income for the period</b>	-	-	-	(10)	(52)	-	3,467	3,405	(34)	3,371
	-	-	-	(10)	(52)	-	3,467	3,405	(34)	3,371
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(41)	-	-	-	-	(41)	-	(41)
Realisation of revaluation reserves	-	-	-	-	-	-	10	10	-	10
<b>At 31 August 2010</b>	61,000	13,935	(4,851)	1,500	(998)	864	95,960	167,410	(19)	167,391

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Three Months Ended 31 August 2009

	← Attributable to Equity Holders of the Parent →						Distributable	Total	Minority Interest	Total Equity
	← Non - distributable →									
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Foreign exchange Reserve	Share Option Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 31 May 2009</b>										
As previously reported	61,000	13,935	(4,750)	1,549	(525)	864	89,704	161,777	1,156	162,933
<b>Total comprehensive income for the period</b>	-	-	-	(10)	(1)	-	2,059	2,048	72	2,120
	-	-	-	(10)	(1)	-	2,059	2,048	72	2,120
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(60)	-	-	-	-	(60)	-	(60)
Realisation of revaluation reserves	-	-	-	-	-	-	10	10	-	10
<b>At 31 August 2009</b>	61,000	13,935	(4,810)	1,539	(526)	864	91,773	163,775	1,228	165,003

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2010 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 2010  
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 2010. 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 2010.

**A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2010, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group with effect from 1 June 2010.

**FRSs, Amendments to FRSs and Interpretations**

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate

Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment- Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 132: Financial Instruments: Presentation, relating to Classification of Rights Issue

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs ‘Improvements to FRSs (2009)’

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group.

The adoption of the above FRSs, Amendments to FRSs and Interpretations above did not have any significant effect on the results or financial position of the Group except as discussed below:

**(a) FRS 139: Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instruments.

**i) Financial Assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sales financial assets or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group’s financial assets include cash and deposits and loans and receivables.

ii) Loans and receivables

Prior to 1 June 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loan and receivables are initially measured at fair value and subsequently amortised cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statement when the loans and receivables are derecognized, impaired or through the amortization process.

Prior to 1 June 2010, allowance for doubtful debts were recognized when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognized when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivables' carrying amount and the present value of the estimated future cash flows discounted at the receivables' original effective interest rate. As at 1 June 2010, the Group has measured the allowance for impairment losses as at that date in accordance with FRS 139.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss. Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost. Other financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Derivatives

Prior to the adoption of FRS 139 all derivative financial instruments were recognised in the financial statements only upon settlement. With the adoption of FRS 139, derivative financial instruments that are not designated or do not qualify for hedge accounting are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

At the date of authorisation of these financial statements, the following new FRSs and Interpretations and Amendments to certain FRSs and Interpretation were issued but not yet effective and have not been applied by the Group:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 1: First time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combination (Revised)	1 July 2010
FRS 127: Consolidation and Separate Financial Statements (Amended)	1 July 2010
Amendments to FRS 2: Share-based payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12: Service Concession Arrangement	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distribution of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4: Determining whether an Arrangement contains a lease	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012

The above pronouncements are expected to have no significant impact to the financial position and results of the Group upon their initial application.



### Effect of adoption of FRS 139

In accordance with the transitional provision of FRS 139, the changes are applied prospectively and the comparatives as of 31 May 2010 are not restated. Instead, the changes have been accounted for by restating the opening retained earnings in the balance sheet as of 1 June 2010:

	As at 1 June 2010
	Retained Earnings ('000)
Previously stated at	92,927
<b>Effect of applying FRS 139</b>	
Impairment of trade receivables	(826)
Amortisation of borrowings	381
Restated at	92,482

### A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the annual financial statements for the financial year ended 31 May 2010 was not subject to any qualification.

### A4. Comments About Seasonal or Cyclical Factors

Retail sales are anticipated to improve and remain profitable for financial year 2011.

As for our manufacturing arm, Qdos Group is expected to remain profitable for the financial year 2011.

### 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 2010.

### 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 2010 and 27 October 2010.

During the quarter, the Company bought back 28,600 units of its own shares for a total cash consideration of RM41,127. The price paid per share was RM1.438. 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 31.8.2010 (RM'000)
<b>Segment Revenue</b>	
Retail	73,782
Manufacturing	33,126
Property investment and development	1,120
Money lending	208
Group revenue	<b>108,236</b>

	<b>3 months ended 31.8.2010 (RM'000)</b>
<b>Segment Results</b>	
Retail	1,979
Manufacturing	2,915
Property investment and development	(345)
Money lending	207
Profit from operations	<b>4,756</b>
Finance income	71
Finance cost	(49)
Taxation	(1,345)
Profit after tax	<b>3,433</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.

#### **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 2010.

#### **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 6 September 2010, the Company and its wholly owned subsidiary, Sunshine Wholesale Mart Sdn Bhd (“SWMSB”) incorporated a subsidiary, i.e. Sunshine Amanjaya Pte Ltd in the Federal Territory of Labuan, Malaysia with an issued and paid up share capital of USD100 comprising 100 new ordinary shares of USD1 each. The Company and SWMSB each have an equity interest of 50% and 1% respectively in the said subsidiary, comprising 51 ordinary shares of USD1 each, while the remaining 49% shareholdings are held by third parties.

#### **A14. Changes in Contingent Liabilities**

As at the period ended 31 August 2010, the Company has given corporate guarantees amounting to RM7,142,515 to secure banking facilities granted to its subsidiaries.

#### **A15. Capital Commitments**

The Group’s capital commitments as at 27 October 2010 are as follow:

	RM'000
Approved and contracted for:	
Computers	74
<b>Total</b>	<b>74</b>

#### **A16. Authorisation for Issue**

On 27 October 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 RM108.236 million as compared to RM93.779 million for the preceding year corresponding quarter ended 31 August 2009, recording an increase of 15.42%

The Group's profit before tax for the same period was RM4.778 million as compared with the profit before tax of RM3.004 million previously, an increase of 59.05%. The increase in the overall Group's turnover and profitability was mainly due overall improved performance in seasonal performance retail, and increase in ramp up for sales from orders from customers in manufacturing 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 31 August 2010 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 2010 was RM108.236 million as compared to RM93.110 million for the preceding quarter ended 31 May 2010, an increase of 16.25%.

The Group's profit before tax for the current quarter was RM4.778 million, as compared with loss before tax of RM0.779 million recorded in the preceding quarter. The increase in the Group's revenue and profitability, which was mainly due; (a) consumers' spending following the celebration of Hari Raya sales 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 improving economics conditions by ensuring that our customers will have good value in return. The Group expects 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 RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
Tax expense for the year	1,275	885	1,275	885
Deferred taxation	70	(12)	70	(12)
Total	1,345	873	1,345	873

**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:-

	<b>RM</b>
Total investment at cost	10,302
Total investment at carrying value/book value (after provision for diminution in value)	3,197
Total market value of quoted investments at end of the quarter	2,352

**B9. Status of Corporate Proposals**

On 6 September 2010, the Company and its wholly owned subsidiary, Sunshine Wholesale Mart Sdn Bhd (“SWMSB”) incorporated a subsidiary, i.e. Sunshine Amanjaya pte Ltd in the Federal Territory of Labuan, Malaysia with an issued and paid up share capital of USD100 comprising 100 new ordinary shares of USD1 each. The Company and SWMSB each have an equity interest of 50% and 1% respectively in the subsidiary, comprising 51 ordinary shares of USD1 each. The remaining 49% shareholding is subscribed by third parties.

**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 RM28,922,504 and
  - a corporate guarantee by the Company.

- (b) Short term borrowings

	<b>RM</b>
Term loan due within 12 months	1,046,604
Bankers’ Acceptance	2,689,464
	<u>3,736,068</u>

- (c) Long term borrowings

	<b>RM</b>
Term loan	<u>3,406,447</u>

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

**B11. Financial Instruments**

- (a) Contract value and fair value of derivatives as at 31 August 2010

The Group has no outstanding derivatives financial instruments as at 31 August 2010.

- (b) Gain/(losses) arising from fair value changes of financial liabilities

The gain/(loss) arising from fair value changes of financial liabilities had no significant impact on the financial position and results of the Group for the current quarter ended 31 August 2010.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies except for those changes which have been disclosed under Note A2 Changes in Accounting Policies of this quarterly report. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 31 May 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**

There were no dividends proposed or paid in 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 Company by the weighted number of ordinary shares in issue in the respective periods as follows:

	<b>Current Quarter ended 31.8.2010</b>	<b>Preceding Quarter ended 31.8.2009</b>	<b>Current Cumulative Quarter ended 31.8.2010</b>	<b>Preceding Cumulative Quarter ended 31.8.2009</b>
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	3,467	2,059	3,467	2,059
Weighted number of ordinary shares in issue ('000)				
- Basic	57,675	57,736	57,675	57,736
- Diluted	57,675	57,736	57,675	57,736
Basic earnings per share (sen)	6.01	3.57	6.01	3.57
Diluted earnings per share (sen)*	6.01	3.57	6.01	3.57

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 August 2010 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 27 October 2010.