

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

**Condensed Consolidated Income Statement**

(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>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	97,798	108,236	97,798	108,236
Other operating income	462	254	462	254
Total operating expenses	(94,640)	(103,734)	(94,640)	(103,734)
Profit from operations	<u>3,620</u>	<u>4,756</u>	<u>3,620</u>	<u>4,756</u>
Finance income	84	71	84	71
Finance cost	(49)	(49)	(49)	(49)
Share of loss of an associate	(107)	-	(107)	-
Profit before taxation	<u>3,549</u>	<u>4,778</u>	<u>3,548</u>	<u>4,778</u>
Income tax	(1,095)	(1,345)	(1,095)	(1,345)
Profit for the period	<u>2,453</u>	<u>3,433</u>	<u>2,453</u>	<u>3,433</u>
<b>Profit attributable to:</b>				
Equity holders of the parent	2,457	3,467	2,457	3,467
Minority Interest	(4)	(34)	(4)	(34)
	<u>2,453</u>	<u>3,433</u>	<u>2,453</u>	<u>3,433</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
Basic (based on ordinary share - sen)	4.26	6.01	4.26	6.01
Fully diluted (based on ordinary share - sen)	4.26	6.01	4.26	6.01

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 Aug 2011 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 2011 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 Comprehensive Income**

(The figures have not been audited)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31 Aug</b>		<b>31 Aug</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	2,453	3,433	2,453	3,433
Other comprehensive income:				
Realisation of revaluation reserves	(10)	(10)	(10)	(10)
Foreign exchange difference	13	(52)	13	(52)
Total comprehensive income for the period	<u>2,457</u>	<u>3,371</u>	<u>2,457</u>	<u>3,371</u>
Total comprehensive income attributable to:				
Equity holders of the parent	2,461	3,405	2,461	3,405
Minority Interest	(4)	(34)	(4)	(34)
	<u>2,457</u>	<u>3,371</u>	<u>2,457</u>	<u>3,371</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2011 and the accompany explanatory notes attached to the interim financial statements)

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

	<b>3 Months Ended 31 Aug 2011 RM' 000</b>	<b>3 Months Ended 31 Aug 2010 RM' 000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,548	4,778
<b>Adjustments for:</b>		
Amortisation of deferred income	(13)	6
Amortisation of land use rights	54	233
Depreciation of property, plant and equipment	2,520	2,685
Depreciation of investment property	77	77
Interest expense	49	49
Interest income	(84)	(71)
Reversal of deferred revenue	(167)	-
Share of losses in an associate	107	-
Operating profit before working capital changes	<u>6,091</u>	<u>7,757</u>
Decrease / (Increase) in property development cost	-	(98)
Increase in receivables	760	(14,064)
Increase in inventories	(2,246)	(1,075)
(Decrease) / Increase in payables	<u>12,752</u>	<u>9,411</u>
Cash generated from operations	17,357	1,931
Interest paid	(49)	(49)
Interest received	84	71
Tax paid	<u>(1,430)</u>	<u>(590)</u>
Net cash generated from operating activities	<u>15,962</u>	<u>1,363</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in short term investment	(7,011)	6,382
Purchase of property, plant and equipment	(196)	(2,696)
Investment in an associate	<u>(5,770)</u>	<u>-</u>
Net cash used in investing activities	<u>(12,977)</u>	<u>3,686</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank term loan	(215)	(205)
Purchase of treasury shares	(459)	(41)
Net changes in bankers' acceptance	<u>(1,333)</u>	<u>(660)</u>
Net cash used in financing activities	<u>(2,007)</u>	<u>(906)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	978	4,143
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(101)	(71)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>34,116</u>	<u>20,896</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>34,993</u>	<u>24,968</u>
Cash and cash equivalents comprise:		
Cash and bank balances	30,893	11,725
Deposit with licensed banks	4,100	13,243
	<u>34,993</u>	<u>24,968</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Statements for the year ended 31 May 2011 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 2011 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year End 31 May 2011 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	72,635	74,959
Investment property	28,613	28,691
Land held for development	7,666	7,666
Land use rights	633	687
Investment in an associate	14,434	8,664
Other investments	3	3
Goodwill on consolidation	4,665	4,665
	<u>128,649</u>	<u>125,334</u>
<b>Current assets</b>		
Short term investment	7,472	461
Inventories	36,658	34,412
Trade receivables	32,536	33,937
Other receivables	13,763	13,112
Loan receivables	117	127
Cash and bank balances	34,993	34,116
	<u>125,539</u>	<u>116,165</u>
<b>TOTAL ASSETS</b>	<u>254,188</u>	<u>241,499</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	(5,313)	(4,854)
Other reserves	819	816
Retained earnings	103,916	101,449
	<u>174,357</u>	<u>172,345</u>
Minority interest	377	381
<b>Total equity</b>	<u>174,734</u>	<u>172,726</u>
<b>Non-current liabilities</b>		
Long term loan	3,111	3,326
Deferred capital grant	202	265
Deferred tax liabilities	3,175	3,243
	<u>6,488</u>	<u>6,834</u>
<b>Current liabilities</b>		
Short term borrowings	877	2,210
Trade payables	58,375	46,194
Other payables	11,253	10,632
Deferred revenue	986	1,153
Deferred capital grant	50	50
Taxation	1,425	1,698
	<u>72,966</u>	<u>61,938</u>
<b>Total liabilities</b>	<u>79,454</u>	<u>68,772</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>254,188</u>	<u>241,499</u>
Net assets per share attributable to equity holders of the parent (RM)	3.04	2.99

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the financial year ended 31 May 2011 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 Three Months Ended 31 Aug 2011

	← 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 2011</b>	61,000	13,935	(4,854)	1,472	(1,520)	864	101,449	172,345	381	172,726
<b>Total comprehensive income for the period</b>	-	-	-	(10)	13	-	2,457	2,460	(4)	2,456
	-	-	-	(10)	13	-	2,457	2,460	(4)	2,456
<b>Transaction with owners:</b>										
Purchase of treasury shares	-	-	(459)	-	-	-	-	(459)	-	(459)
Realisation of revaluation reserves	-	-	-	-	-	-	10	10	-	10
<b>At 31 Aug 2011</b>	<b>61,000</b>	<b>13,935</b>	<b>(5,313)</b>	<b>1,462</b>	<b>(1,507)</b>	<b>864</b>	<b>103,916</b>	<b>174,357</b>	<b>377</b>	<b>174,734</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Three Months Ended 31 Aug 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 adopting IC 13	-	-	-	-	-	-	(984)	(984)	-	(984)
As restated	61,000	13,935	(4,810)	1,510	(946)	864	91,943	163,496	15	163,511
<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 Aug 2011</b>	<b>61,000</b>	<b>13,935</b>	<b>(4,851)</b>	<b>1,500</b>	<b>(998)</b>	<b>864</b>	<b>95,420</b>	<b>166,870</b>	<b>(19)</b>	<b>166,851</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2011 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 2011  
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 2011. 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 2011.

**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 2011, 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 2011.

- FRS 1 *First-time Adoption of Financial Reporting Standards*
- FRS 3 *Business Combinations (Revised)*
- Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters*
- Amendments to FRS 1 *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2 *Share-based Payment*
- Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 7 *Improving Disclosures about Financial Instruments*
- Amendments to FRS 127 *Consolidated and Separate Financial Statements*
- Amendments to FRS 138 *Intangible Assets*
- Amendments to FRSs ‘*Improvements to FRSs (2010)*’
- IC Interpretation 12 *Service Concession Arrangements*
- IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
- IC Interpretation 4 *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18 *Transfers of Assets from Customers*
- Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*
- Technical Release 3 *Guidance on Disclosures of Transition to IFRSs*
- Technical Release i-4 *Shariah Compliant Sale Contracts*

Adoption of the above standards and interpretations did not result in any significant changes in accounting policies or presentation of the financial statements of the Group.

At the date of authorisation of the interim financial report, 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:

**Effective for financial periods beginning on or after 1 July 2011**

- IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*

**Effective for financial periods beginning on or after 1 January 2012**

- FRS 124 *Related Party Disclosures*
- IC Interpretation 15 *Agreements for the Construction of Real Estate*

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

**A3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the annual financial statements for the financial year ended 31 May 2011 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 2012.

As for our manufacturing arm, Qdos Group is expected to remain profitable for the financial year 2012.

#### 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 2011.

#### 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 2011 and 31 October 2011.

During the quarter, the Company bought back 315,300 units of its own shares for a total cash consideration of RM458,690. The price paid per share was RM1.455. 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

	<b>3 months ended 31.8.2011 (RM'000)</b>
<b>Segment Revenue</b>	
Retail	73,587
Manufacturing	19,437
Property investment and development	1,178
Money lending	7
Trading	3,589
<b>Group revenue</b>	<b>97,798</b>

	<b>3 months ended 31.8.2011 (RM'000)</b>
<b>Segment Results</b>	
Retail	894
Manufacturing	2,511
Property investment and development	109
Money lending	7
Trading	99
<b>Profit from operations</b>	<b>3,620</b>
Finance income	84
Finance cost	(49)
Share of loss of associate	(107)
Taxation	(1,095)
<b>Profit after tax</b>	<b>2,453</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 2011.

**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 to the composition of the Group for the quarter under review.

**A14. Changes in Contingent Liabilities**

As at the period ended 31 May 2011, the Company has given corporate guarantees amounting to RM3,987,871 to secure banking facilities granted to its subsidiaries.

**A15. Capital Commitments**

The Group's capital commitments as at 31 October 2011 are as follow:

	RM'000
Approved and contracted for:	
Office Equipment	3
Computers	25
<b>Total</b>	<b>28</b>

**A16. Authorisation for Issue**

On 31 October 2011, 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 RM97.798 million as compared to RM108.236 million for the preceding year corresponding quarter ended 31 Aug 2010, recording a decrease of 9.64%

The Group's profit before tax for the same period was RM3.548 million as compared with the profit before tax of RM4.778 million previously, a decrease of 25.74%. The decrease in the overall Group's turnover and profitability was mainly due to lower customer orders 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 Aug 2011 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 Aug 2011 was RM97.798 million as compared to RM91.878 million for the preceding quarter ended 31 May 2011, an increase of 6.44%. The increase in the Group's revenue was mainly due to consumers' spending following the celebration of Hari Raya sales recorded in the current quarter.

The Group's profit before tax for the current quarter was RM3.548 million, as compared with profit before tax of RM4.975 million recorded in the preceding quarter, a decrease of 28.68%.

**B3. Commentary on Prospects**

The global economic outlook remains fluid. Malaysia economic growth momentum will probably moderate with the implementation of ETP projects and Budget 2012 will boost domestic demand. 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 RM'000	Preceding RM'000	Current RM'000	Preceding RM'000
Tax expense for the year	1,133	1,275	1,133	1,275
Deferred taxation	(38)	70	(38)	70
Total	1,095	1,345	1,095	1,345

**B6. Profits on Sale of investments and/or Properties**

There were no sales of investments and/or properties by the Group during the quarter under review.

**B7. Sales of Unquoted Investments and Properties**

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

**B8. Quoted Securities**

- (a) There were no disposals of quoted securities during the quarter under review.
- (b) As at the end of the quarter, investments in quoted securities of the Group were as follows:-

	RM
Total investment at cost	10,302
Total investment at carrying value/book value (after provision for diminution in value)	2,849
Total market value of quoted investments at end of the quarter	2,367

**B9. Status of Corporate Proposals**

There were no changes to the composition of the Group for the quarter under review.

## B10. Group Borrowings

The Group's total borrowings as at end of the financial period under review are:

(a) Secured by way of:	
• First and second legal charge over the long term leasehold land and building of a subsidiary with net book values of RM28,613,171 and	
• a corporate guarantee by the Company.	
(b) Short term borrowings	
Term loan due within 12 months	<u>RM</u> 876,590
(c) Long term borrowings	
Term loan	<u>RM</u> 3,111,281
(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 Aug 2011.

The Group has no outstanding derivatives financial instruments as at 31 Aug 2011.

### (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 Aug 2011.

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 2011.

## 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:

	Current Quarter ended 31.8.2011	Preceding Quarter ended 31.8.2010	Current Cumulative Quarter ended 31.8.2011	Preceding Cumulative Quarter ended 31.8.2010
Profit attributable to ordinary equity holders of the parent for the financial period (RM'000)	2,457	3,467	2,457	3,467
Weighted number of ordinary shares in issue ('000)				
- Basic	57,672	57,675	57,672	57,675
- Diluted	57,672	57,675	57,672	57,675
Basic earnings per share (sen)	4.26	6.01	4.26	6.01
Diluted earnings per share (sen) *	4.26	6.01	4.26	6.01

\* The effect on the basic earnings per share for the individual and cumulative quarters ended 31 Aug 2011 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. Disclosure of Realised and Unrealised Profit / Losses**

	<b>Current financial period ended 31 Aug 2011 (RM'000)</b>	<b>As at preceding financial period ended 31 May 2011 (RM'000)</b>
Total retained profits of the Group:		
- Realised	121,673	119,819
- Unrealised	3,230	3,240
	<b>124,903</b>	<b>123,059</b>
Less : Consolidation adjustments	(20,987)	(21,610)
Total Group retained profits	<b>103,916</b>	<b>101,449</b>

**B16. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 31 October 2011.