



CHEE WAH CORPORATION BERHAD^(32250-D)
(Incorporated in Malaysia)

The Board of Directors of CHEE WAH CORPORATION BERHAD is pleased to announce the consolidated results for the first quarter ended 30 September 2008. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2008 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2007 RM '000	Current Year To Date 30/09/2008 RM '000	Preceding Year Corresponding Period 30/09/2007 RM '000
Revenue	25,618	29,035	25,618	29,035
Operating expenses	(25,319)	(28,164)	(25,319)	(28,164)
Other operating income	232	32	232	32
Profit from operations	531	903	531	903
Finance cost	(753)	(742)	(753)	(742)
(Loss)/ Profit before tax	(222)	161	(222)	161
Income tax	16	20	16	20
(Loss)/ Profit for the period	<u>(206)</u>	<u>181</u>	<u>(206)</u>	<u>181</u>
Attributable to:				
Equity holders of the parent	(217)	170	(217)	170
Minority interest	11	11	11	11
	<u>(206)</u>	<u>181</u>	<u>(206)</u>	<u>181</u>
(Loss)/ Earnings per share (sen) attributable to ordinary equity holders of the parent:				
- Basic	(0.52)	0.40	(0.52)	0.40
- Diluted	(0.52)	0.40	(0.52)	0.40



CHEE WAH CORPORATION BERHAD (32250-D)
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CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited As At End Of Current Quarter 30/09/2008 <u>RM'000</u>	Audited As At Preceding Financial Year End 30/06/2008 <u>RM'000</u>
ASSETS		
Non-Current Assets		
Property, plant and equipment	38,821	39,041
Prepaid lease payments	1,373	1,381
Goodwill on consolidation	5,394	5,394
Deferred tax assets	1,546	1,506
	<u>47,134</u>	<u>47,322</u>
Current Assets		
Inventories	41,992	41,558
Trade and other receivables	15,631	18,089
Tax recoverable	123	164
Cash and bank balances	1,232	1,735
	<u>58,978</u>	<u>61,546</u>
TOTAL ASSETS	<u>106,112</u>	<u>108,868</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share capital	42,097	42,097
Reserves	6,783	6,988
	<u>48,880</u>	<u>49,085</u>
Minority Interest	985	974
Total Equity	<u>49,865</u>	<u>50,059</u>
Non-Current Liabilities		
Long term borrowings	2,684	2,792
Deferred tax liabilities	7	12
Deferred liabilities	192	187
	<u>2,883</u>	<u>2,991</u>
Current Liabilities		
Trade and other payables	8,531	10,494
Short term borrowings	44,820	45,324
Provision for taxation	13	-
	<u>53,364</u>	<u>55,818</u>
Total Liabilities	<u>56,247</u>	<u>58,809</u>
TOTAL EQUITY AND LIABILITIES	<u>106,112</u>	<u>108,868</u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	116	117



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year 3 Months Ended 30/09/2008 <u>RM '000</u>	Preceding Year Corresponding 3 Months Ended 30/09/2007 <u>RM '000</u>
(Loss)/ Profit before tax	(222)	161
Adjustments for non-cash flow items :		
Non-cash items	957	924
Non-operating items	711	799
Operating profit before changes in working capital	<u>1,446</u>	<u>1,884</u>
Changes in working capital		
Net change in current assets	2,105	(3,309)
Net change in current liabilities	(1,937)	(1,878)
Interest paid	(787)	(701)
Tax refunded/ (paid)	26	(169)
Retirement benefit paid	(6)	-
Net cash flows from/ (used in) operating activities	<u>847</u>	<u>(4,173)</u>
Investing activities		
Equity investments	-	(70)
Other investments	(526)	(512)
Net cash flows used in investing activities	<u>(526)</u>	<u>(582)</u>
Financing activities		
Transactions with owners as owners	-	25
Bank borrowings	(2,602)	1,358
Net cash flows (used in)/ from financing activities	<u>(2,602)</u>	<u>1,383</u>
Net change in cash and cash equivalents	(2,281)	(3,372)
Effects of Exchange Rate Changes	12	17
Cash and cash equivalents at beginning of the period	<u>(5,530)</u>	<u>(5,863)</u>
Cash and cash equivalents at end of the period	<u>(7,799)</u>	<u>(9,218)</u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	1,232	784
Bank overdrafts	<u>(9,031)</u>	<u>(10,002)</u>
	<u>(7,799)</u>	<u>(9,218)</u>



CHEE WAH CORPORATION BERHAD (32250-D)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

3 months quarter ended 30 September	Attributable to Equity Holders of the Parent							Minority Interest RM '000	Total RM '000
	Non Distributable					Distributable			
	Share capital RM '000	Share premium RM '000	Revaluation reserve RM '000	Other capital reserve RM '000	Exchange Reserve RM '000	Retained profit RM '000	Total RM '000		
Balance as at 01/07/2007	42,097	164	319	556	(5)	1,114	44,245	670	44,915
Effect of adopting FRS 112	-	-	-	-	-	4,568	4,568	-	4,568
	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(5)</u>	<u>5,682</u>	<u>48,813</u>	<u>670</u>	<u>49,483</u>
Exchange reserve, representing net loss recognised directly in equity	-	-	-	-	17	-	17	-	17
Profit for the period	-	-	-	-	-	170	170	11	181
Total recognised income and expenses for the period	-	-	-	-	17	170	187	11	198
Acquisition of shares from minority interest	-	-	-	-	-	-	-	(24)	(24)
Disposal of shares to minority interest	-	-	-	-	-	-	-	39	39
Balance as at 30/09/2007	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>12</u>	<u>5,852</u>	<u>49,000</u>	<u>696</u>	<u>49,696</u>
Balance as at 01/07/2008	42,097	164	319	556	2	5,947	49,085	974	50,059
Exchange reserve, representing net gain not recognised in income statement	-	-	-	-	12	-	12	-	12
Loss for the period	-	-	-	-	-	(217)	(217)	11	(206)
Total recognised income and expenses for the period	-	-	-	-	12	(217)	(205)	11	(194)
Balance as at 30/09/2008	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>14</u>	<u>5,730</u>	<u>48,880</u>	<u>985</u>	<u>49,865</u>



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

PART A : REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of certain factory buildings included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") Listing Requirements. 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 30 June 2008.

A2 Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2008.

A3 Seasonal or Cyclical Factors

Due to the nature of its products and the market demand, the Group's revenue is lower in the third quarter of the financial year as compared to the remaining quarters in the financial year.

A4 Nature and Amount of Unusual Items

There are no items affecting the current quarter's assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A5 Nature and Amount of Changes in Estimates

There are no major changes in estimates from those of the prior financial year which have a material effect in the current quarter.

A6 Issuance, Repurchases and Repayments of Debt and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities during the current quarter.

A7 Dividends paid

No dividend was paid during the current quarter.

A8 Segment Information

The Group's activities fall within one business segment being the manufacture and sale of stationery and printing materials which are predominantly carried out in Malaysia. Apart from revenue from external customers by location of customers which are shown below, the required segmental information has already been disclosed in the interim financial statements:

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Malaysia	13,315	13,315
Middle East countries	2,040	2,040
Other Asia-Pacific countries	5,744	5,744
European countries	3,153	3,153
African and American Countries	1,366	1,366
	25,618	25,618

The directors are of the opinion that all inter-segment transfers 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. Those transfers are eliminated on consolidation.



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

A9 Material Subsequent Events

As at 13 November 2008, there are no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter.

A10 Effect of Changes in the Composition of the Group

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

A11 Contingent Liabilities or Assets

The contingent liabilities for the Group are as follows :

	Quarter Ended 30/09/2008 <u>RM'000</u>	Financial Year ended 30/06/2008 <u>RM'000</u>
Bills Discounted	421	2,104

There were no contingent assets as at the end of the current quarter or last financial year ended 30 June 2008.

PART B : REQUIREMENTS OF PARA 9.22 BMSB LISTING REQUIREMENTS

B1 Review of Performance

The Group's revenue for the current quarter of RM25.618 million was reduced by RM3.417 million as compared to RM29.035 million recorded in the preceding year corresponding quarter. The Group recorded a net loss amounting to RM0.206 million in the current quarter as compared to a profit of RM0.181 million posted in the preceding year corresponding quarter. The lower revenue was mainly due to the decreased in export sales which has lead to the the losses in the current quarter.

B2 Comparison with Immediate Preceding Quarter's Results

The Group recorded a loss before tax of RM0.222 million in the current quarter as compared to a profit before tax of RM0.216 million recorded in the immediate preceding quarter. There are no other exceptional operational or economic factors which have contributed to any changes in the results of the current quarter.

B3 Current Year Prospects

Barring any unforeseen circumstances, the Board endeavour the Group's results for the remaining quarters for the financial year ending 30 June 2009 will remain the same as the results of the preceding financial year.

B4 Profit Forecast

There were no profit forecasts published.

B5 Taxation

Breakdown of taxation as at 30 September 2008 is as follows:

	Current Year Quarter <u>RM '000</u>	Current Year To Date <u>RM '000</u>
Income tax	(28)	(28)
Deferred tax	44	44
	<u>16</u>	<u>16</u>

The Group provided an income tax expense of RM28,000 in the current year to date in view of profit recorded in certain subsidiaries.



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

B6 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7 Purchases and sales of quoted securities

There were no purchases or sales of quoted securities for the current quarter and financial year to date.

B8 Status of corporate proposal

There were no other corporate proposals which have been announced but not completed as at 13 November 2008.

B9 Group Borrowings and Debt Securities

Group borrowings as at 30 September 2008 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	9,031
Bankers' acceptances and trust receipts	-	33,049
Export credit refinancing	-	264
Revolving credit	-	1,000
Hire purchase and lease payable	1,460	-
Current portion of term loan	16	-
	<u>1,476</u>	<u>43,344</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	<u>2,684</u>	<u>-</u>
c) All borrowings are denominated in Ringgit Malaysia.		

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 13 November 2008.

B11 Changes in Material Litigation

The Group is not engaged in any material litigation as at 13 November 2008.

B12 Dividend

No interim dividend has been recommended.

B13 Loss Per Share

	Current <u>Year Quarter</u>	Current <u>Year To Date</u>
Loss for the period (RM'000)	<u>(217)</u>	<u>(217)</u>
Number of ordinary shares ('000)		
As at beginning of the period	42,097	42,097
Effects of weighted average number of shares issued during the year	-	-
Basic weighted average number of shares	<u>42,097</u>	<u>42,097</u>
Effect of share options	<u>(5,897)</u>	<u>(5,897)</u>
Diluted weighted average number of shares	<u>36,200</u>	<u>36,200</u>
Basic loss per share (sen)	(0.52)	(0.52)
Diluted loss per share (sen)	(0.52)	(0.52)

The effect on the basic loss per share for the current year quarter arising from the assumed conversion of the outstanding ESOS option is anti-dilutive. Accordingly, the diluted loss per share for the current year quarter is presented as equal to basic loss per share.



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EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

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 19 November 2008.

BY ORDER OF THE BOARD

KHOR LEE NEE (MAICSA 7025554)
CHAI CHURN HWA (MAICSA 0811600)
Company Secretaries

Penang
19 November 2008