



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 third quarter ended 31 March 2009. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2009 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2008 RM '000	Current Year To Date 31/03/2009 RM '000	Preceding Year Corresponding Period 31/03/2008 RM '000
Revenue	18,724	24,873	76,461	83,022
Operating expenses	(19,313)	(24,347)	(74,735)	(80,580)
Other operating income	159	23	468	55
(Loss)/ Profit from operations	(430)	549	2,194	2,497
Finance cost	(666)	(836)	(2,160)	(2,407)
(Loss)/ Profit before tax	(1,096)	(287)	34	90
Income tax	333	22	1	(28)
(Loss)/ Profit for the period	<u>(763)</u>	<u>(265)</u>	<u>35</u>	<u>62</u>
Attributable to:				
Equity holders of the parent	(718)	(226)	57	65
Minority interest	<u>(45)</u>	<u>(39)</u>	<u>(22)</u>	<u>(3)</u>
	<u>(763)</u>	<u>(265)</u>	<u>35</u>	<u>62</u>
(Loss)/ Earnings per share (sen) attributable to ordinary equity holders of the parent:				
- Basic	(1.71)	(0.54)	0.14	0.15
- Diluted	N/A *	(0.54)	N/A *	0.15

Note: * Please refer to Note B13 to the condensed financial statements



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

	Unaudited As At End Of Current Quarter 31/03/2009 <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	38,974	39,041
Prepaid lease payments	1,358	1,381
Goodwill on consolidation	5,395	5,394
Deferred tax assets	1,833	1,506
	<u>47,560</u>	<u>47,322</u>
Current Assets		
Inventories	32,850	41,558
Trade and other receivables	15,109	18,089
Tax recoverable	187	164
Cash and bank balances	922	1,735
	<u>49,068</u>	<u>61,546</u>
TOTAL ASSETS	<u><u>96,628</u></u>	<u><u>108,868</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share capital	42,097	42,097
Reserves	7,044	6,988
	<u>49,141</u>	<u>49,085</u>
Minority Interest	710	974
Total Equity	<u>49,851</u>	<u>50,059</u>
Non-Current Liabilities		
Long term borrowings	2,423	2,792
Deferred tax liabilities	226	12
Deferred liabilities	198	187
	<u>2,847</u>	<u>2,991</u>
Current Liabilities		
Trade and other payables	6,114	10,494
Short term borrowings	37,734	45,324
Provision for taxation	82	-
	<u>43,930</u>	<u>55,818</u>
Total Liabilities	<u>46,777</u>	<u>58,809</u>
TOTAL EQUITY AND LIABILITIES	<u><u>96,628</u></u>	<u><u>108,868</u></u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	117	117



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year 9 Months Ended 31/03/2009 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2008 <u>RM '000</u>
Profit before tax	34	90
Adjustments for non-cash flow items :		
Non-cash items	2,758	2,802
Non-operating items	<u>2,217</u>	<u>2,365</u>
Operating profit before changes in working capital	5,009	5,257
Changes in working capital		
Net change in current assets	11,738	(9,314)
Net change in current liabilities	(4,328)	(3,239)
Interest paid	(2,183)	(2,432)
Tax paid	(53)	(246)
Retirement benefit paid	<u>(23)</u>	<u>(3)</u>
Net cash flows from/ (used in) operating activities	<u>10,160</u>	<u>(9,977)</u>
Investing activities		
Equity investments	(242)	(740)
Other investments	<u>(1,692)</u>	<u>(1,221)</u>
Net cash flows used in investing activities	<u>(1,934)</u>	<u>(1,961)</u>
Financing activities		
Transactions with owners as owners	-	74
Bank borrowings	<u>(12,686)</u>	<u>9,480</u>
Net cash flows (used in)/ from financing activities	<u>(12,686)</u>	<u>9,554</u>
Net change in cash and cash equivalents	(4,460)	(2,384)
Effects of Exchange Rate Changes	(2)	2
Cash and cash equivalents at beginning of the period	<u>(5,531)</u>	<u>(5,863)</u>
Cash and cash equivalents at end of the period	<u>(9,993)</u>	<u>(8,245)</u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	922	1,509
Bank overdrafts	<u>(10,915)</u>	<u>(9,754)</u>
	<u>(9,993)</u>	<u>(8,245)</u>



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

9 months quarter ended 31 March	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	-	-	-	-	-	4,576	4,576	-	4,576
	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(5)</u>	<u>5,690</u>	<u>48,821</u>	<u>670</u>	<u>49,491</u>
Exchange reserve, representing net gain not recognised directly in equity	-	-	-	-	13	-	13	-	13
Profit for the period	-	-	-	-	-	65	65	(3)	62
Total recognised income and expenses for the period	-	-	-	-	13	65	78	(3)	75
Issue of share in subsidiary company	-	-	-	-	-	-	-	74	74
Acquisition of subsidiary company	-	-	-	-	-	-	-	208	208
Acquisition of shares from minority interest	-	-	-	-	-	-	-	(142)	(142)
Disposal of shares to minority interest	-	-	-	-	-	-	-	132	132
Balance as at 31/03/2008	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>8</u>	<u>5,755</u>	<u>48,899</u>	<u>939</u>	<u>49,838</u>
Balance as at 01/07/2008	42,097	164	319	556	2	5,947	49,085	974	50,059
Exchange reserve, representing net loss not recognised in income statement	-	-	-	-	(1)	-	(1)	-	(1)
Profit for the period	-	-	-	-	-	57	57	(22)	35
Total recognised income and expenses for the period	-	-	-	-	(1)	57	56	(22)	34
Acquisition of shares from minority interest	-	-	-	-	-	-	-	(242)	(242)
Balance as at 31/03/2009	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>1</u>	<u>6,004</u>	<u>49,141</u>	<u>710</u>	<u>49,851</u>



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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 sales is normally lower in the third quarter as compared to other 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 RM'000	Current Year To Date RM'000
Malaysia	10,789	44,816
Middle East countries	1,488	4,135
Other Asia-Pacific countries	4,625	17,951
European countries	765	5,540
African and American Countries	1,057	4,019
	<u>18,724</u>	<u>76,461</u>

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.



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EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

A9 Material Subsequent Events

As at 21 May 2009, there is no material event subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter.

A10 Changes in the Composition of the Group

(a) On 23 February 2009, Campap Distributor Sdn. Bhd. ("CAMD"), a wholly owned subsidiary of Chee Wah Corporation Berhad ("CWCB") had acquired the remaining 8.5% stake in the share capital of Future Ace Publishing Sdn. Bhd. ("FAPM") representing 85,000 ordinary shares of RM1 each for a total cash consideration of RM1 from Mr Koo Keh Chiang. On the conclusion of the acquisition, FAPM is now a wholly owned subsidiary of CAMD.

(b) On 4 March 2009, CAMD had acquired the remaining 49% stake in the share capital of CW Dynamic Sdn. Bhd. ("CWD") representing 122,500 ordinary shares of RM1 each for a total cash consideration of RM91,875 from Mr Chen Thean Seong and Madam Lim Chooi Lim. On the conclusion of the acquisition, CWD is now a wholly owned subsidiary of CAMD.

(c) On 4 March 2009, CAMD had acquired the remaining 20% stake in the share capital of Campap Superstore Sdn. Bhd. ("CS") representing 250,000 ordinary shares of RM1 each for a total cash consideration of RM150,000 from Mr Chen Thean Seong and Madam Lim Chooi Lim. On the conclusion of the acquisition, CS is now a wholly owned subsidiary of CAMD.

Apart from the above, there were no other 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 31/03/2009 <u>RM'000</u>	Financial Year ended 30/06/2008 <u>RM'000</u>
Bills Discounted	-	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

For the current quarter under review, the Group's registered a revenue of RM18.724 million, representing a decrease of RM6.149 million or 24.72% as compared to RM24.873 million recorded in the preceding year corresponding quarter. The lower revenue was mainly due to decrease in local sales as a result of the relocation of production facilities, warehouses and marketing offices of certain subsidiaries from Puchong, Selangor to Butterworth and Petaling Jaya respectively which has affected the productions and deliveries of goods to customers. In line with the dropped of revenue, the Group had incurred a net loss of RM0.763 million as compared to net loss of RM0.265 million recorded in the preceding year corresponding quarter.

B2 Comparison with Immediate Preceding Quarter's Results

As compared to the revenue of RM32.119 million posted in the immediate preceding quarter, the Group's revenue of RM18.724 million for the current quarter under review has decreased by RM13.395 million or 41.70% which was mainly due to the drop in both local and export sales. The Group incurred a loss before tax of RM1.096 million for the current quarter as compared to the profit before tax of RM1.352 million achieved in the immediate preceding quarter, this was mainly due to the lower revenue. There are no exceptional operational or economic factors which have contributed to any changes in the results of the current quarter.



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B3 Current Year Prospects

Barring any unforeseen circumstances, the Board is of the opinion that with the ongoing implementation of the effective cost saving exercises across the entire organization, the Group would achieve a better result in the fourth quarter of the financial year ending 30 June 2009.

B4 Profit Forecast

There were no profit forecasts published.

B5 Taxation

Breakdown of taxation as at 31 March 2009 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax	6	(90)
Under provision in prior year	(21)	(21)
Deferred tax	348	112
	<u>333</u>	<u>1</u>

For the current quarter and year to date under review, the higher provision of deferred tax assets is mainly due to the change of tax rate from 20% to 25% for certain subsidiaries with paid up share capital of less than RM2.5 million. These subsidiaries are not eligible for the concessionary tax rate of 20% on the first RM500,000 of chargeable income as more than 50% of their paid up share capital in respect of ordinary shares is indirectly owned by CWCB. As the result of the change in tax rate, the deferred tax assets on unutilised tax losses and unutilised tax credits were based on 25% for the current year to date as compared to the lower rate of 20% in the previous year.

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 21 May 2009.

B9 Group Borrowings and Debt Securities

Group borrowings as at 31 March 2009 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	10,915
Bankers' acceptances and trust receipts	-	23,525
Export credit refinancing	-	569
Revolving credit	-	1,000
Hire purchase and lease payable	1,721	-
Current portion of term loan	4	-
	<u>1,725</u>	<u>36,009</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	2,423	-
c) All borrowings are denominated in Ringgit Malaysia.		



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EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 21 May 2009.

B11 Changes in Material Litigation

The Group is not engaged in any material litigation as at 21 May 2009.

B12 Dividend

No interim dividend has been recommended.

B13 (Loss)/ Earnings Per Share

	Current <u>Year Quarter</u>	Current <u>Year To Date</u>
(Loss)/ Profit for the period (RM'000)	<u>(718)</u>	<u>57</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	<u>-</u>	<u>-</u>
Basic weighted average number of shares	<u>42,097</u>	<u>42,097</u>
Basic (loss)/ earnings per share (sen)	(1.71)	0.14

The Employees' Share Option Scheme ("ESOS") which was implemented on 26 December 2003 by the Company and its subsequent amendments has expired on 24 December 2008. As such, there is no dilution effect on the basic earnings per share for the current year to date.

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 May 2009.

BY ORDER OF THE BOARD

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

Penang
27 May 2009