



**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 fourth quarter ended 30 June 2009. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2009 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2008 RM '000	Current Year To Date 30/06/2009 RM '000	Preceding Year Corresponding Period 30/06/2008 RM '000
Revenue	26,564	27,381	103,025	110,403
Operating expenses	(26,186)	(26,693)	(100,921)	(107,272)
Other operating income	257	249	725	304
Profit from operations	635	937	2,829	3,435
Finance cost	(528)	(721)	(2,688)	(3,129)
Profit before tax	107	216	141	306
Income tax	(116)	(33)	(115)	(61)
(Loss)/Profit for the period	<u>(9)</u>	<u>183</u>	<u>26</u>	<u>245</u>
Attributable to:				
Equity holders of the parent	50	149	108	214
Minority interest	<u>(59)</u>	<u>34</u>	<u>(82)</u>	<u>31</u>
	<u>(9)</u>	<u>183</u>	<u>26</u>	<u>245</u>
Earnings per share (sen) attributable to ordinary equity holders of the parent				
- Basic	0.12	0.35	0.26	0.51
- Diluted	N/A *	0.35	N/A *	0.51

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 30/06/2009 <u>RM'000</u>	Audited As At Preceding Financial Year End 30/06/2008 <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	38,558	39,041
Prepaid lease payments	1,350	1,381
Goodwill on consolidation	5,395	5,394
Deferred tax assets	1,936	1,506
	<u>47,239</u>	<u>47,322</u>
<b>Current Assets</b>		
Inventories	31,481	41,558
Trade and other receivables	16,966	18,089
Tax recoverable	180	164
Cash and bank balances	1,011	1,735
	<u>49,638</u>	<u>61,546</u>
<b>TOTAL ASSETS</b>	<u><u>96,877</u></u>	<u><u>108,868</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share capital	42,097	42,097
Reserves	7,093	6,988
	<u>49,190</u>	<u>49,085</u>
<b>Minority Interest</b>	650	974
<b>Total Equity</b>	<u>49,840</u>	<u>50,059</u>
<b>Non-Current Liabilities</b>		
Long term borrowings	2,062	2,792
Deferred tax liabilities	557	12
Deferred liabilities	188	187
	<u>2,807</u>	<u>2,991</u>
<b>Current Liabilities</b>		
Trade and other payables	9,406	10,494
Short term borrowings	34,824	45,324
Provision for taxation	-	-
	<u>44,230</u>	<u>55,818</u>
<b>Total Liabilities</b>	<u>47,037</u>	<u>58,809</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>96,877</u></u>	<u><u>108,868</u></u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	117	117



**CHEE WAH CORPORATION BERHAD** (32250-D)  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current Year 12 Months Ended 30/06/2009 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2008 <u>RM '000</u>
Profit before tax	141	306
Adjustments for non-cash flow items :		
Non-cash items	3,479	3,798
Non-operating items	<u>2,747</u>	<u>3,067</u>
Operating profit before changes in working capital	6,367	7,171
Changes in working capital		
Net change in current assets	11,424	(4,691)
Net change in current liabilities	(978)	343
Interest paid	(2,663)	(3,121)
Tax paid	(15)	(215)
Retirement benefit paid	<u>(24)</u>	<u>(3)</u>
Net cash flows from/ (used in) operating activities	<u>14,111</u>	<u>(516)</u>
Investing activities		
Equity investments	(242)	(740)
Other investments	<u>(2,225)</u>	<u>(1,600)</u>
Net cash flows used in investing activities	<u>(2,467)</u>	<u>(2,340)</u>
Financing activities		
Transactions with owners as owners	-	74
Bank borrowings	<u>(13,739)</u>	<u>3,115</u>
Net cash flows (used in)/ from financing activities	<u>(13,739)</u>	<u>3,189</u>
Net change in cash and cash equivalents	(2,095)	333
Effects of Exchange Rate Changes	(3)	-
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><u>(7,628)</u></u>	<u><u>(5,530)</u></u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	1,011	1,735
Bank overdrafts	<u>(8,639)</u>	<u>(7,265)</u>
	<u><u>(7,628)</u></u>	<u><u>(5,530)</u></u>



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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

12 months ended 30 June	Attributable to Equity Holders of the Parent						Total RM '000	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			
Balance as at 01/07/2007	42,097	164	319	556	(5)	5,733	48,864	670	49,534
Exchange reserve, representing net gain recognised directly in equity	-	-	-	-	7	-	7	-	7
Profit for the period	-	-	-	-	-	214	214	31	245
Total recognised income and expenses for the period	-	-	-	-	7	214	221	31	252
Issue of share in subsidiary company	-	-	-	-	-	-	-	75	75
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 30/06/2008	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>2</u>	<u>5,947</u>	<u>49,085</u>	<u>974</u>	<u>50,059</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 recognised directly in equity	-	-	-	-	(3)	-	(3)	-	(3)
Profit for the period	-	-	-	-	-	108	108	(82)	26
Total recognised income and expenses for the period	-	-	-	-	(3)	108	105	(82)	23
Acquisition of shares from minority interest	-	-	-	-	-	-	-	(242)	(242)
Balance as at 30/06/2009	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(1)</u>	<u>6,055</u>	<u>49,190</u>	<u>650</u>	<u>49,840</u>



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**EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS**

**PART A : REQUIREMENTS OF PARAGRAPH 16, 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 Main Market 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**

As compared to the other quarters in the current financial year, the Group's revenue is usually higher in the second and fourth quarter due to the nature of its products and the market demand.

**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	10,619	55,435
Middle East countries	5,198	9,333
Other Asia-Pacific countries	2,475	20,426
European countries	5,591	11,131
African and American Countries	2,681	6,700
	<u>26,564</u>	<u>103,025</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 20 August 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**

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 30/06/2009 <u>RM'000</u>	Financial Year ended 30/06/2008 <u>RM'000</u>
Bills Discounted	417	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 APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS**

**B1 Review of Performance**

The Group's revenue for the current quarter of RM26.564 million has dropped by RM0.817 million or 2.98% as compared to the revenue generated in the preceding year corresponding quarter of RM27.381 million. The slight decrease in revenue was mainly due to the lower export sales. In line with the lower revenue, the Group's profit before tax of RM0.107 million for the current quarter had reduced by RM0.109 million as compared to the profit before tax of RM0.216 million posted in the preceding year corresponding quarter.

**B2 Comparison with Immediate Preceding Quarter's Results**

The Group achieved a profit before tax of RM0.107 million in the current quarter as compared to a loss before tax of RM1.096 million recorded in the immediate preceding quarter mainly contributed by the higher revenue generated in the current quarter. The Group's revenue has increased to RM26.564 million from RM18.724 million recorded in the immediate preceding quarter. There are no exceptional operational or economic factors which have contributed to any changes in the results of the current quarter.

**B3 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's result will improve in the next financial year ending 30 June 2010.

**B4 Profit Forecast**

There were no profit forecasts published.



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**EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B5 Taxation**

Breakdown of taxation as at 30 June 2009 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax	90	-
Overprovision in prior year	22	1
Deferred tax	<u>(228)</u>	<u>(116)</u>
	<u>(116)</u>	<u>(115)</u>

For the current quarter and current year to date under review, the effective tax rate is higher than the statutory tax rate due to the non-recognition of deferred tax assets in certain subsidiary companies and certain expenses which were disallowed.

**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 20 August 2009.

**B9 Group Borrowings and Debt Securities**

Group borrowings as at 30 June 2009 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	8,639
Bankers' acceptances and trust receipts	-	21,324
Export credit refinancing	-	349
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	1,802
Hire purchase and lease payable	1,710	-
Current portion of term loan	-	-
	<u>1,710</u>	<u>33,114</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	<u>2,062</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 20 August 2009.

**B11 Changes in Material Litigation**

The Group is not engaged in any material litigation as at 20 August 2009.

**B12 Dividend**

No interim dividend has been recommended.



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**EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B13 Earnings Per Share**

	Current <u>Year Quarter</u>	Current <u>Year To Date</u>
Profit for the period (RM'000)	<u>50</u>	<u>108</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 earnings per share (sen)	0.12	0.26

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 quarter and 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 26 August 2009.

**BY ORDER OF THE BOARD**

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

Penang  
26 August 2009