



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 2009. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2009 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2008 RM '000	Current Year To Date 30/09/2009 RM '000	Preceding Year Corresponding Period 30/09/2008 RM '000
Revenue	21,397	25,618	21,397	25,618
Operating expenses	(22,013)	(25,319)	(22,013)	(25,319)
Other operating income	275	232	275	232
(Loss)/ Profit from operations	(341)	531	(341)	531
Finance cost	(555)	(753)	(555)	(753)
Loss before tax	(896)	(222)	(896)	(222)
Income tax	181	16	181	16
Loss for the period	<u>(715)</u>	<u>(206)</u>	<u>(715)</u>	<u>(206)</u>
Attributable to:				
Equity holders of the parent	(742)	(217)	(742)	(217)
Minority interest	27	11	27	11
	<u>(715)</u>	<u>(206)</u>	<u>(715)</u>	<u>(206)</u>
Loss per share (sen) attributable to ordinary equity holders of the parent				
- Basic	(1.76)	(0.52)	(1.76)	(0.52)
- Diluted	N/A *	(0.52)	N/A *	(0.52)

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 30/09/2009 <u>RM'000</u>	Audited As At Preceding Financial Year End 30/06/2009 <u>RM'000</u>
ASSETS		
Non-Current Assets		
Property, plant and equipment	39,218	38,558
Prepaid lease payments	1,342	1,350
Goodwill on consolidation	5,401	5,395
Deferred tax assets	2,096	1,936
	<u>48,057</u>	<u>47,239</u>
Current Assets		
Inventories	38,306	31,481
Trade and other receivables	15,540	16,966
Tax recoverable	190	180
Cash and bank balances	556	1,011
	<u>54,592</u>	<u>49,638</u>
TOTAL ASSETS	<u>102,649</u>	<u>96,877</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share capital	42,097	42,097
Reserves	6,336	7,093
	<u>48,433</u>	<u>49,190</u>
Minority Interest	574	650
Total Equity	<u>49,007</u>	<u>49,840</u>
Non-Current Liabilities		
Long term borrowings	2,511	2,062
Deferred tax liabilities	485	557
Deferred liabilities	190	188
	<u>3,186</u>	<u>2,807</u>
Current Liabilities		
Trade and other payables	6,766	9,406
Short term borrowings	43,640	34,824
Provision for taxation	50	-
	<u>50,456</u>	<u>44,230</u>
Total Liabilities	<u>53,642</u>	<u>47,037</u>
TOTAL EQUITY AND LIABILITIES	<u>102,649</u>	<u>96,877</u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	115	117



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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year 3 Months Ended 30/09/2009 <u>RM '000</u>	Preceding Year Corresponding 3 Months Ended 30/09/2008 <u>RM '000</u>
Loss before tax	(896)	(222)
Adjustments for non-cash and non-operating items :		
Non-cash items	878	957
Non-operating items	<u>561</u>	<u>711</u>
Operating profit before changes in working capital	543	1,446
Changes in working capital		
Net change in current assets	(5,399)	2,105
Net change in current liabilities	(2,649)	(1,937)
Interest paid	(568)	(787)
Tax (paid)/ refunded	(10)	26
Retirement benefit paid	<u>(2)</u>	<u>(6)</u>
Net cash (used in)/ from operating activities	<u>(8,085)</u>	<u>847</u>
Investing activities		
Equity investments	(49)	-
Other investments	<u>(513)</u>	<u>(526)</u>
Net cash used in investing activities	<u>(562)</u>	<u>(526)</u>
Financing activities		
Transactions with owners as owners	(59)	-
Bank borrowings	<u>5,482</u>	<u>(2,602)</u>
Net cash from/ (used in) financing activities	<u>5,423</u>	<u>(2,602)</u>
Net change in cash and cash equivalents	(3,224)	(2,281)
Effects of Exchange Rate Changes	(15)	12
Cash and cash equivalents at beginning of the period	<u>(7,628)</u>	<u>(5,530)</u>
Cash and cash equivalents at end of the period	<u>(10,867)</u>	<u>(7,799)</u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	556	1,232
Bank overdrafts	<u>(11,423)</u>	<u>(9,031)</u>
	<u>(10,867)</u>	<u>(7,799)</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						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 01/07/2008	42,097	164	319	556	2	5,947	49,085	974	50,059
Exchange reserve, representing net gain recognised directly in equity	-	-	-	-	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>
Balance as at 01/07/2009	42,097	164	319	556	(1)	6,055	49,190	650	49,840
Exchange reserve, representing net loss recognised directly in equity	-	-	-	-	(15)	-	(15)	-	(15)
Loss for the period	-	-	-	-	-	(742)	(742)	27	(715)
Total recognised income and expenses for the period	-	-	-	-	(15)	(742)	(757)	27	(730)
Acquisition of shares from minority interest	-	-	-	-	-	-	-	(95)	(95)
Disposal of shares to minority interest	-	-	-	-	-	-	-	51	51
Dividend paid to minority interest	-	-	-	-	-	-	-	(59)	(59)
Balance as at 30/09/2009	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(16)</u>	<u>5,313</u>	<u>48,433</u>	<u>574</u>	<u>49,007</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 and should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The 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 2009.

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 financial year ended 30 June 2009 except for the adoption of FRS 8: Operating Segments, a new FRS effective for the financial periods beginning on 1 July 2009.

The adoption of the FRS 8 does not have any significant financial impact on the interim financial statements.

A3 Seasonal or Cyclical Factors

Due to the nature of its products and the market demand, the Group's revenue is normally lower in the third quarter as compared to the other quarters in each 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	14,633	14,633
Middle East	1,012	1,012
Asia and Asia-Pacific	4,010	4,010
Europe	1,175	1,175
Africa and America	567	567
	<u>21,397</u>	<u>21,397</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.



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

A9 Material Subsequent Events

As at 18 November 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 4 September 2009, Campap Distributor Sdn. Bhd. ("CAMD"), a wholly owned subsidiary of Chee Wah Corporation Berhad ("CWCB") disposed of 17.33% equity interest in its wholly owned subsidiary, Evergreen Converter Sdn. Bhd. ("EC") (formerly known as CWC International Sdn. Bhd.) representing 704,080 ordinary shares of RM1 each, 352,040 ordinary shares each to Mr. Ang Choon Bean and Madam Ooi Sim Choon for a total consideration of RM52,000. On the conclusion of the disposal, CAMD's equity interests in EC has reduced from 100% to 82.67%.

(b) On 28 September 2009, an application has been made to the Registrar of Companies to strike off Campap Education Sdn. Bhd. ("CE") (formerly known as Campap Store (Sg Dua) Sdn. Bhd.) under Section 308 of the Companies Act, 1965. CAMD owns 51% equity interest in CE which was incorporated on 28 November 2008 and has not commenced operation since its incorporation. The application if approved by the Registrar of Companies, will deregister CE.

(c) On 30 September 2009, CAMD had acquired the remaining 29.61% stake in the share capital of Syarikat Kertas Nam Sun Sdn. Bhd. ("SKNS") representing 168,750 ordinary shares of RM1 each for a total cash consideration of RM101,250 from Mr. Tan Kian Eng, Mr. Tan Kean Teik, Madam Seow Siew Khim and Madam Tan Hooi Lin. On the conclusion of the acquisition, SKNS 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 of the Group are as follows :

	Quarter Ended 30/09/2009 <u>RM'000</u>	Financial Year ended 30/06/2009 <u>RM'000</u>
Bills Discounted	185	417

There were no contingent assets as at the end of the current quarter or last financial year ended 30 June 2009.

PART B : REQUIREMENTS OF APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded a revenue of RM21.397 million during the quarter under review against revenue of RM25.618 million posted in the preceding year corresponding quarter, representing a decrease of RM4.221 or 16%. The decrease was mainly due to the lower export sales as a result of the softer demand from our international customers especially from America and Europe. Due to the lower revenue, the Group has incurred a higher loss before tax of RM0.896 million as compared to the loss before tax of RM0.222 million recorded in the preceding year corresponding quarter.

B2 Comparison with Immediate Preceding Quarter's Results

Revenue generated by the Group in the immediate preceding quarter was RM26.564 million as compared to the revenue for the current quarter of RM21.397 million. The Group achieved a profit before tax of RM0.107 million in the immediate preceding quarter due to the higher revenue generated during that period as compared to the current quarter which has recorded a loss before tax of RM0.896 million.

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 second quarter of the financial year ending 30 June 2010.

B4 Profit Forecast

There were no profit forecasts published.



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B5 Taxation

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

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax	(50)	(50)
Deferred tax	231	231
	<u>181</u>	<u>181</u>

The Group provided an income tax expenses of approximately RM50,000 in the current quarter and current year to date in view of the profit recorded in certain subsidiaries.

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 18 November 2009.

B9 Group Borrowings and Debt Securities

Group borrowings as at 30 September 2009 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	11,423
Bankers' acceptances and trust receipts	-	24,358
Export credit refinancing	-	853
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	4,263
Hire purchase and lease payable	1,743	-
	<u>1,743</u>	<u>41,897</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	2,511	-

c) The Group borrowings are denominated in the following currencies:

	Quarter Ended 30/09/2009 Ringgit Malaysia RM'000	Financial Year ended 30/06/2009 Ringgit Malaysia RM'000
Ringgit Malaysia	41,888	35,084
United States Dollars	4,263	1,802
	<u>46,151</u>	<u>36,886</u>



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B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 18 November 2009.

B11 Changes in Material Litigation

The Group is not engaged in any material litigation as at 18 November 2009.

B12 Dividend

No interim dividend has been recommended.

B13 Loss Per Share

	Current Year Quarter	Current Year To Date
Loss for the period (RM'000)	<u>(742)</u>	<u>(742)</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>
Basic loss per share (sen)	(1.76)	(1.76)

The Group do not have any Employees' Share Option Scheme as at the end of the reporting quarter. As such, there is no dilution effect on the basic loss per share for the current quarter and current year to date.

B14 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 24 November 2009.