



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 2010. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended <u>31/03/2010</u> RM '000	Preceding Year Corresponding Quarter Ended <u>31/03/2009</u> RM '000	Current Year To Date <u>31/03/2010</u> RM '000	Preceding Year Corresponding Period <u>31/03/2009</u> RM '000
Revenue	20,913	18,724	77,679	76,461
Operating expenses	(20,806)	(19,313)	(76,208)	(74,735)
Other operating income	<u>48</u>	<u>159</u>	<u>380</u>	<u>468</u>
Profit/ (Loss) from operations	155	(430)	1,851	2,194
Finance cost	(610)	(666)	(1,790)	(2,160)
Share of results of an associated company	<u>(7)</u>	<u>-</u>	<u>(17)</u>	<u>-</u>
(Loss)/ Profit before tax	(462)	(1,096)	44	34
Income tax	<u>107</u>	<u>333</u>	<u>(21)</u>	<u>1</u>
(Loss)/ Profit for the period	<u>(355)</u>	<u>(763)</u>	<u>23</u>	<u>35</u>
Attributable to:				
Equity holders of the parent	(379)	(718)	(66)	57
Minority interest	<u>24</u>	<u>(45)</u>	<u>89</u>	<u>(22)</u>
	<u>(355)</u>	<u>(763)</u>	<u>23</u>	<u>35</u>
(Loss)/ Earnings per share (sen) attributable to ordinary equity holders of the parent:				
- Basic	(0.90)	(1.71)	(0.16)	0.14
- Diluted	N/A *	N/A *	N/A *	N/A *

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 31/03/2010 <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	37,790	38,558
Prepaid lease payments	1,326	1,350
Investment in an associated company	73	-
Goodwill on consolidation	5,401	5,395
Deferred tax assets	2,184	1,936
	<u>46,774</u>	<u>47,239</u>
Current Assets		
Inventories	41,591	31,481
Trade and other receivables	15,156	16,966
Tax recoverable	100	180
Cash and bank balances	1,669	1,011
	<u>58,516</u>	<u>49,638</u>
TOTAL ASSETS	<u>105,290</u>	<u>96,877</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Parent		
Share capital	42,097	42,097
Reserves	7,029	7,093
	<u>49,126</u>	<u>49,190</u>
Minority Interest	636	650
Total Equity	<u>49,762</u>	<u>49,840</u>
Non-Current Liabilities		
Long term borrowings	1,963	2,062
Deferred tax liabilities	675	557
Deferred liabilities	194	188
	<u>2,832</u>	<u>2,807</u>
Current Liabilities		
Trade and other payables	8,130	9,406
Short term borrowings	44,555	34,824
Provision for taxation	11	-
	<u>52,696</u>	<u>44,230</u>
Total Liabilities	<u>55,528</u>	<u>47,037</u>
TOTAL EQUITY AND LIABILITIES	<u>105,290</u>	<u>96,877</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 STATEMENTS

	Current Year 9 Months Ended 31/03/2010 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2009 <u>RM '000</u>
Profit before tax	44	34
Adjustments for non-cash and non-operating items :		
Non-cash items	2,790	2,758
Non-operating items	<u>1,814</u>	<u>2,217</u>
Operating profit before changes in working capital	4,648	5,009
Changes in working capital		
Net change in current assets	(8,206)	11,738
Net change in current liabilities	(1,248)	(4,328)
Interest paid	(1,914)	(2,183)
Tax paid	(60)	(53)
Retirement benefit paid	<u>(29)</u>	<u>(23)</u>
Net cash (used in)/ from operating activities	<u>(6,809)</u>	<u>10,160</u>
Investing activities		
Equity investments	(139)	(242)
Other investments	<u>(969)</u>	<u>(1,692)</u>
Net cash used in investing activities	<u>(1,108)</u>	<u>(1,934)</u>
Financing activities		
Transactions with owners as owners	(59)	-
Bank borrowings	<u>7,176</u>	<u>(12,686)</u>
Net cash from/ (used in) financing activities	<u>7,117</u>	<u>(12,686)</u>
Net change in cash and cash equivalents	(800)	(4,460)
Effects of Exchange Rate Changes	2	(2)
Cash and cash equivalents at beginning of the period	<u>(7,628)</u>	<u>(5,531)</u>
Cash and cash equivalents at end of the period	<u>(8,426)</u>	<u>(9,993)</u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	1,669	922
Bank overdrafts	<u>(10,095)</u>	<u>(10,915)</u>
	<u>(8,426)</u>	<u>(9,993)</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	Total RM '000		
	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 loss recognised directly in equity	-	-	-	-	(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>
Balance as at 01/07/2009	42,097	164	319	556	(1)	6,055	49,190	650	49,840
Exchange reserve, representing net gain recognised directly in equity	-	-	-	-	2	-	2	-	2
Profit for the period	-	-	-	-	-	(66)	(66)	89	23
Total recognised income and expenses for the period	-	-	-	-	2	(66)	(64)	89	25
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 31/03/2010	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>1</u>	<u>5,989</u>	<u>49,126</u>	<u>636</u>	<u>49,762</u>



CHEE WAH CORPORATION BERHAD (32250-D)
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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	13,803	54,058
Middle East	1,447	4,838
Asia and Asia-Pacific	2,749	12,660
Europe	2,543	4,792
Africa and America	371	1,331
	<u>20,913</u>	<u>77,679</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 May 2010, 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 of the Group are as follows :

	Quarter Ended 31/03/2010	Financial Year ended 30/06/2009
	<u>RM'000</u>	<u>RM'000</u>
Bills Discounted	202	417

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

A12 Material Related Parties Transactions

There was no material transactions entered by the Group with any related parties.

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

B1 Review of Performance

The Group's revenue for the current quarter of RM20.913 million was higher than revenue recorded in the preceding corresponding quarter of RM18.724 million. The increase in Group's revenue of RM2.189 million or 11.69% was mainly due to the increase in revenue generated by the retailing business. In line with the higher revenue, the Group recorded a lower loss before tax of RM0.462 million in the current quarter as compared to loss before tax of RM1.096 million posted in the preceding correspondence quarter.

B2 Comparison with Immediate Preceding Quarter's Results

The Group recorded a loss before tax of RM0.462 million in the current quarter as compared to a profit before tax of RM1.402 million posted in the immediate preceding quarter. The loss before tax of RM0.462 million was mainly due to lower revenue generated in the current quarter of RM20.913 million as compared to immediate preceding quarter's revenue of RM35.369 million. Lower revenue was mainly due to seasonal factor as stated in Note A3. There are no exceptional operational or economic factors which have contributed to any changes in the results of the current quarter.

B3 Prospects

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 good result in the fourth quarter of the financial year ending 30 June 2010.

B4 Profit Forecast

There were no profit forecasts published.



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

B5 Taxation

Breakdown of taxation as at 31 March 2010 is as follows:

	Current Year Quarter <u>RM '000</u>	Current Year To Date <u>RM '000</u>
Income tax:		-
Current	(17)	(130)
Underprovision in prior year	(21)	(21)
Deferred tax	<u>145</u>	<u>130</u>
	<u>107</u>	<u>(21)</u>

The Group provided an income tax expenses of approximately RM17,000 and RM130,000 in the current year 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

On 31 December 2009, the Company has made an announcement in relation to the member's voluntary winding-up of its wholly owned subsidiary, CW Dynamic Sdn. Bhd. (CWD) pursuant to Section 254(1)(b) Companies Act, 1965. The proposal is still pending completion as at the date of this report.

Apart from the above, there were no other corporate proposals which have been announced but not completed as at 20 May 2010.

B9 Group Borrowings and Debt Securities

Group borrowings as at 31 March 2010 are as follows:

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>
a) <u>Short term borrowings</u>		
Bank overdrafts	-	10,095
Bankers' acceptances and trust receipts	-	31,259
Export credit refinancing	-	323
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	517
Hire Purchase Payable	<u>1,361</u>	<u>-</u>
	<u>1,361</u>	<u>43,194</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	<u>1,963</u>	<u>-</u>
c) The Group borrowings are denominated in the following currencies:		
	Quarter Ended 31/03/2010 Ringgit Malaysia <u>RM'000</u>	Financial Year ended 30/06/2009 Ringgit Malaysia <u>RM'000</u>
Ringgit Malaysia	46,001	35,084
United States Dollars	517	1,802
	<u>46,518</u>	<u>36,886</u>



EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS

B10 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 20 May 2010.

B11 Changes in Material Litigation

The Group is not engaged in any material litigation as at 20 May 2010.

B12 Dividend

No interim dividend has been recommended.

B13 Loss Per Share

	<u>Current Year Quarter</u>	<u>Current Year To Date</u>
Loss for the period (RM'000)	(379)	(66)
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)	(0.90)	(0.16)

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 26 May 2010.