



**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 2010. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended <u>30/06/2010</u> RM '000	Preceding Year Corresponding Quarter Ended <u>30/06/2009</u> RM '000	Current Year To Date <u>30/06/2010</u> RM '000	Preceding Year Corresponding Period <u>30/06/2009</u> RM '000
Revenue	31,194	26,564	108,873	103,025
Operating expenses	(30,881)	(26,186)	(107,089)	(100,921)
Other operating income	<u>116</u>	<u>257</u>	<u>496</u>	<u>725</u>
Profit from operations	429	635	2,280	2,829
Finance cost	(640)	(528)	(2,430)	(2,688)
Share of results of an associated company	<u>(8)</u>	<u>-</u>	<u>(25)</u>	<u>-</u>
(Loss)/ Profit before tax	(219)	107	(175)	141
Income tax	<u>(1,156)</u>	<u>(116)</u>	<u>(1,177)</u>	<u>(115)</u>
(Loss)/ Profit for the period	<u><u>(1,375)</u></u>	<u><u>(9)</u></u>	<u><u>(1,352)</u></u>	<u><u>26</u></u>
Attributable to:				
Equity holders of the parent	(1,396)	50	(1,462)	108
Minority interest	<u>21</u>	<u>(59)</u>	<u>110</u>	<u>(82)</u>
	<u><u>(1,375)</u></u>	<u><u>(9)</u></u>	<u><u>(1,352)</u></u>	<u><u>26</u></u>
(Loss)/ Earnings per share (sen) attributable to ordinary equity holders of the parent:				
- Basic	(3.32)	0.12	(3.47)	0.26
- 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 30/06/2010 <u>RM'000</u>	Audited As At Preceding Financial Year End 30/06/2009 <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	36,869	38,558
Prepaid lease payments	1,318	1,350
Investment in an associated company	125	-
Goodwill on consolidation	5,206	5,395
Deferred tax assets	1,826	1,936
	<u>45,344</u>	<u>47,239</u>
<b>Current Assets</b>		
Inventories	39,412	31,481
Trade and other receivables	17,200	16,966
Tax recoverable	100	180
Cash and bank balances	1,748	1,011
	<u>58,460</u>	<u>49,638</u>
<b>TOTAL ASSETS</b>	<u>103,804</u>	<u>96,877</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Parent</b>		
Share capital	42,097	42,097
Reserves	5,612	7,093
	<u>47,709</u>	<u>49,190</u>
<b>Minority Interest</b>	657	650
<b>Total Equity</b>	<u>48,366</u>	<u>49,840</u>
<b>Non-Current Liabilities</b>		
Long term borrowings	1,720	2,062
Deferred tax liabilities	1,483	557
Deferred liabilities	172	188
	<u>3,375</u>	<u>2,807</u>
<b>Current Liabilities</b>		
Trade and other payables	10,781	9,406
Short term borrowings	41,280	34,824
Tax payable	2	-
	<u>52,063</u>	<u>44,230</u>
<b>Total Liabilities</b>	<u>55,438</u>	<u>47,037</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>103,804</u>	<u>96,877</u>
Net Assets per Share Attributable to Ordinary Equity Holders of the Parent (sen)	113	117



# CHEE WAH CORPORATION BERHAD (32250-D)

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year 12 Months Ended 30/06/2010 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2009 <u>RM '000</u>
(Loss)/ Profit before tax	(175)	141
Adjustments for non-cash and non-operating items :		
Non-cash items	4,087	3,479
Non-operating items	<u>2,455</u>	<u>2,747</u>
Operating profit before changes in working capital	6,367	6,367
Changes in working capital		
Net change in current assets	(8,232)	11,424
Net change in current liabilities	1,381	(978)
Interest paid	(2,459)	(2,663)
Tax paid	(60)	(15)
Retirement benefit paid	<u>(39)</u>	<u>(24)</u>
Net cash (used in)/ from operating activities	<u>(3,042)</u>	<u>14,111</u>
Investing activities		
Equity investments	(199)	(242)
Other investments	<u>(1,064)</u>	<u>(2,225)</u>
Net cash used in investing activities	<u>(1,263)</u>	<u>(2,467)</u>
Financing activities		
Transactions with owners as owners	(59)	-
Bank borrowings	<u>4,501</u>	<u>(13,739)</u>
Net cash from/ (used in) financing activities	<u>4,442</u>	<u>(13,739)</u>
Net change in cash and cash equivalents	137	(2,095)
Effects of Exchange Rate Changes	(14)	(3)
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>(7,505)</u>	<u>(7,628)</u>
Cash and cash equivalents at end of the period consist of :-		
Deposits, cash & bank balances	1,748	1,011
Bank overdrafts	<u>(9,253)</u>	<u>(8,639)</u>
	<u>(7,505)</u>	<u>(7,628)</u>



**CHEE WAH CORPORATION BERHAD** (32250-D)  
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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 01/07/2008	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>
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	-	-	-	-	(14)	-	(14)	-	(14)
Loss for the period	-	-	-	-	-	(1,462)	(1,462)	110	(1,352)
Total recognised income and expenses for the period	-	-	-	-	(14)	(1,462)	(1,476)	110	(1,366)
Acquisition of shares from minority interest	-	-	-	-	-	(6)	(6)	(95)	(101)
Disposal of shares to minority interest	-	-	-	-	-	1	1	51	52
Dividend paid to minority interest	-	-	-	-	-	-	-	(59)	(59)
Balance as at 30/06/2010	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(15)</u>	<u>4,588</u>	<u>47,709</u>	<u>657</u>	<u>48,366</u>



**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	12,827	66,885
Middle East	6,717	11,555
Asia and Asia-Pacific	4,441	17,101
Europe	4,976	9,768
Africa and America	2,233	3,564
	31,194	108,873

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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**A9 Material Subsequent Events**

On 29 July 2010, Campap Superstore Sdn. Bhd. ("CS"), a wholly owned subsidiary of Chee Wah Corporation Berhad ("CWCB"), had acquired 70% equity stake in the share capital of Stazone Corporation Sdn. Bhd. ("SC") representing 350,000 ordinary shares of RM1 each fully paid for a total cash consideration of RM311,850. On the conclusion of the acquisition, SC is now became a wholly owned subsidiary of CS.

Apart from the above, 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 Changes in the Composition of the Group**

Campap Education Sdn. Bhd. (formerly known as Campap Store (Sg Dua) Sdn. Bhd.), 51% owned subsidiary was de-registered by the Registrar of Companies on 25 June 2010.

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 30/06/2010 <u>RM'000</u>	Financial Year ended 30/06/2009 <u>RM'000</u>
Bills Discounted	-	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 RM31.194 million was higher than revenue recorded in the preceding year's corresponding quarter of RM26.564 million. The increase in Group's revenue of RM4.63 million or 17.43% was mainly due to the increase in export sales. Despite the increase in revenue, the Group has encountered a loss before tax of RM0.219 million in the current quarter as compared to a profit before tax of RM0.107 million achieved in the preceding year's corresponding quarter due to losses incurred by a subsidiary company involved in retailing business, which had pulled down the overall performance.

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

The Group recorded a loss before tax of RM0.219 million as compared to a loss before tax of RM0.462 million posted in the immediate preceding quarter. The lower loss before tax in the current quarter was mainly due to the increase in revenue. The Group's revenue has increased to RM31.194 million from RM20.913 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**

The performance of the Group in the next financial year will remain challenging as the Group is expected to face the factor of fluctuating of raw material prices. To confront these challenges, the Group will continue its effort to streamline and rationalize the business coupled with the ongoing implementation of the effective cost saving exercises across the entire organization.

**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 2010 is as follows:

	Current Year Quarter <u>RM '000</u>	Current Year To Date <u>RM '000</u>
Income tax:		
Current	9	(121)
Underprovision in prior years	-	(21)
Deferred tax:		
Current	(343)	(204)
Underprovision in prior years	(591)	(600)
Reversal of deferred tax assets in a loss making subsidiary	(231)	(231)
	<u>(1,156)</u>	<u>(1,177)</u>

The Group provided an income tax expense of approximately RM121,000 in the current year to date in view of the profit recorded in certain subsidiaries.

The underprovision of deferred tax liabilities in prior years recorded in the current year quarter and current year to date of approximately RM591,000 and RM600,000 was mainly due to the tax impact of Inland Revenue Board field audit which Industrial Building Allowance previously claimed on office building occupied for office use had been disallowed and also the recognition of deferred tax liabilities on the taxable temporary differences arising from property, plant and equipment transferred between the Group.

The reversal of deferred tax assets in one of the loss making subsidiary company of approximately RM231,000 in both current year quarter and current year to date was mainly due to the uncertainty of the future taxable profit against which the deductible temporary differences, unutilised tax losses and unutilised tax credits can be utilised.

**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 06 August 2010, 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) of the Companies Act, 1965 ("the Act") that the liquidator of CWD had called a general meeting pursuant to section 272(1) of the Act on 06 August 2010 and CWD shall be dissolved on the expiration of three months after the lodging of a return required by section 272(3) of the Act.

Apart from the above, there were no other corporate proposals which have been announced but not completed as at 19 August 2010.

**B9 Group Borrowings and Debt Securities**

Group borrowings as at 30 June 2010 are as follows:

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>
a) <u>Short term borrowings</u>		
Bank overdrafts	-	9,253
Bankers' acceptances and trust receipts	-	27,581
Export credit refinancing	-	518
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	1,786
Hire Purchase Payable	1,142	-
	<u>1,142</u>	<u>40,138</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	1,720	-
	<u>1,720</u>	<u>-</u>



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**EXPLANATORY NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

	Quarter Ended 30/06/2010 Ringgit Malaysia RM'000	Financial Year ended 30/06/2009 Ringgit Malaysia RM'000
Ringgit Malaysia	41,214	35,084
United States Dollars	1,786	1,802
	<u>43,000</u>	<u>36,886</u>

**B10 Off Balance Sheet Financial Instruments**

The financial instruments with off balance sheet risk as at 30 June 2010 and 19 August 2010 respectively are as follows:-

<u>Instrument</u>	<u>Contract date</u>	<u>Terms</u>	<u>RM equivalent</u>	<u>Foreign currency</u>
<u>As at 30 June 2010</u>				
Foreign Exchange Forward Contract	Various	1 - 3 months	RM802,800	USD 240,000
<u>As at 19 August 2010</u>				
Foreign Exchange Forward Contract	Various	1 month	RM268,000	USD 80,000

There are no significant market risks associated with the disclosed instruments while the exchange gains or losses on forward contract are recognised in the Income Statements upon realisation.

**B11 Changes in Material Litigation**

The Group is not engaged in any material litigation as at 19 August 2010.

**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>(1,396)</u>	<u>(1,462)</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)	(3.32)	(3.47)

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 passed on 25 August 2010.