



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 2011. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2011 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2010 RM '000	Current Year To Date 31/03/2011 RM '000	Preceding Year Corresponding Period 31/03/2010 RM '000
Revenue	22,365	20,913	74,874	77,679
Operating expenses	(22,655)	(20,806)	(74,051)	(76,208)
Other operating income	10	48	269	380
(Loss)/ Profit from operations	(280)	155	1,092	1,851
Finance cost	(674)	(610)	(1,986)	(1,790)
Share of results of an associated company	-	(7)	-	(17)
(Loss)/ Profit before tax	(954)	(462)	(894)	44
Income tax	45	107	(277)	(21)
(Loss)/ Profit for the period	(909)	(355)	(1,171)	23
Other comprehensive income for the period, net of tax				
Exchange differences on translating foreign operations	-	16	-	2
Total comprehensive income for the period	(909)	(339)	(1,171)	25
(Loss)/ Profit for the period attributable to:				
Owners of the parent	(910)	(379)	(1,195)	(66)
Non-controlling interests	1	24	24	89
	(909)	(355)	(1,171)	23
Total comprehensive income attributable to:				
Owners of the parent	(910)	(363)	(1,195)	(64)
Non-controlling interests	1	24	24	89
	(909)	(339)	(1,171)	25
Loss per share (sen) attributable to owners of the parent:				
- Basic	(2.16)	(0.90)	(2.84)	(0.16)
- Diluted	N/A *	N/A *	N/A *	N/A *

Note: * Please refer to Note B14 to the condensed consolidated interim financial statements



CHEE WAH CORPORATION BERHAD (32250-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Quarter 31/03/2011 <u>RM'000</u>	Audited As At Preceding Financial Year End 30/06/2010 <u>RM'000</u> (Restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	35,886	38,187
Investment in an associated company	-	125
Goodwill on consolidation	5,206	5,206
Deferred tax assets	1,588	1,826
	<u>42,680</u>	<u>45,344</u>
Current Assets		
Inventories	41,385	39,412
Trade and other receivables	16,306	17,200
Tax recoverable	51	100
Cash and bank balances	1,061	1,748
	<u>58,803</u>	<u>58,460</u>
TOTAL ASSETS	<u>101,483</u>	<u>103,804</u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners of the parent		
Share capital	42,097	42,097
Reserves	4,442	5,612
	<u>46,539</u>	<u>47,709</u>
Non-controlling interests	213	657
Total Equity	<u>46,752</u>	<u>48,366</u>
Non-Current Liabilities		
Long term borrowings	1,341	1,720
Deferred tax liabilities	1,454	1,483
Deferred liabilities	178	172
	<u>2,973</u>	<u>3,375</u>
Current Liabilities		
Trade and other payables	6,067	10,781
Short term borrowings	45,691	41,280
Tax payable	-	2
	<u>51,758</u>	<u>52,063</u>
Total Liabilities	<u>54,731</u>	<u>55,438</u>
TOTAL EQUITY AND LIABILITIES	<u>101,483</u>	<u>103,804</u>
Net Assets per Share Attributable to Owners of the Parent (sen)	111	113



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

For the nine months ended 31 March	Attributable to Owners of the Parent							Non-controlling interests 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 profits RM '000	Total RM '000		
Balance as at 01/07/2009	42,097	164	319	556	(1)	6,055	49,190	650	49,840
Net (loss)/ profit for the period	-	-	-	-	-	(66)	(66)	89	23
Other comprehensive income	-	-	-	-	2	-	2	-	2
Total comprehensive income for the period	-	-	-	-	2	(66)	(64)	89	25
Acquisition of shares from non-controlling interests	-	-	-	-	-	(6)	(6)	(95)	(101)
Disposal of shares to non-controlling interests	-	-	-	-	-	1	1	51	52
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(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>5,984</u>	<u>49,121</u>	<u>636</u>	<u>49,757</u>
Balance as at 01/07/2010									
- Before the adoption of FRS 139	42,097	164	319	556	(15)	4,588	47,709	657	48,366
- Effects on adoption of FRS 139	-	-	-	-	-	25	25	-	25
- After the adoption of FRS 139	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(15)</u>	<u>4,613</u>	<u>47,734</u>	<u>657</u>	<u>48,391</u>
Net (loss)/ profit for the period	-	-	-	-	-	(1,195)	(1,195)	24	(1,171)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(1,195)	(1,195)	24	(1,171)
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	(117)	(117)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(351)	(351)
Balance as at 31/03/2011	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>556</u>	<u>(15)</u>	<u>3,418</u>	<u>46,539</u>	<u>213</u>	<u>46,752</u>



CHEE WAH CORPORATION BERHAD (32250-D)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 9 Months Ended 31/03/2011 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2010 <u>RM '000</u>
Cash Flows from Operating Activities		
(Loss)/ Profit before tax	(894)	44
Adjustments for non-cash and non-operating items :		
Non-cash items	3,109	2,790
Non-operating items	1,991	1,814
Operating profit before changes in working capital	<u>4,206</u>	<u>4,648</u>
Changes in working capital		
Net change in current assets	(670)	(8,206)
Net change in current liabilities	<u>(4,844)</u>	<u>(1,248)</u>
Cash absorbed by operations	(1,308)	(4,806)
Tax paid	(20)	(60)
Retirement benefit paid	<u>(16)</u>	<u>(29)</u>
Net cash used in operating activities	<u>(1,344)</u>	<u>(4,895)</u>
Cash Flows from Investing Activities		
Equity investments	(410)	(139)
Other investments	<u>(127)</u>	<u>(969)</u>
Net cash used in investing activities	<u>(537)</u>	<u>(1,108)</u>
Cash Flows from Financing activities		
Interest paid	(2,078)	(1,914)
Transactions with owners as owners	(351)	(59)
Bank borrowings	<u>2,235</u>	<u>7,176</u>
Net cash (used in)/ from financing activities	<u>(194)</u>	<u>5,203</u>
Net change in cash and cash equivalents	(2,075)	(800)
Currency translation differences	-	2
Cash and cash equivalents at beginning of the period	<u>(7,505)</u>	<u>(7,628)</u>
Cash and cash equivalents at end of the period	<u>(9,580)</u>	<u>(8,426)</u>
Cash and cash equivalents at end of the period consist of :-		
Cash & bank balances	1,061	1,669
Bank overdrafts	<u>(10,641)</u>	<u>(10,095)</u>
	<u>(9,580)</u>	<u>(8,426)</u>



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART A : REQUIREMENTS OF PARAGRAPH 16, FRS 134: INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The Condensed Consolidated 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 2010.

The Condensed Consolidated Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The explanatory notes attached to the Condensed Consolidated 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 2010.

A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2010 except for the adoption of new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations which were effective for the financial period beginning on or after 1 July 2010.

Save as disclosed below, the new and revised FRSs, Amendments to FRSs and IC Interpretations do not have significant impact on the financial statements of the Group in the period of initial application other than the changes in presentation and additional disclosures of financial information as required by the relevant FRS.

a) FRS 3: Business Combinations (revised in 2010)

FRS 3 (revised in 2010), which supersedes FRS 3: Business Combinations (issued in 2005), requires an acquirer to remeasure any equity interest it holds in the acquiree immediately before achieving control at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss for business combination achieved in stages. Accordingly, on the acquisition of remaining 70% of the equity interest in its associate, Stazone Corporation Sdn. Bhd. ("SCSB") which resulting in SCSB became a wholly-owned subsidiary of the Group (control achieved in stages) in July 2010, the Group has remeasured its equity interest holds in SCSB at fair values at the acquisition date. There is no gain or loss been recognised in profit or loss as the carrying amounts of SCSB's assets and liabilities before the acquisition approximate their fair values recognised at the acquisition date.

b) FRS 101: Presentation of Financial Statements (revised in 2009)

FRS 101 (revised in 2009), which supersedes FRS 101: Presentation of Financial Statements (revised in 2005), separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transaction with owners. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income. The adoption of FRS 101 (revised in 2009) also has resulted on the change of the titles of the financial statements to reflect their function more closely, i.e. the titles "balance sheet" and "cash flow statement" has renamed as "statement of financial position" and "statement of cash flow" respectively.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The comparative financial information for the preceding year's corresponding quarter/ period ended 31 March 2010 in the consolidated statement of comprehensive income have been re-presented as summarised below so that it is in conformity with the revised standard.

	<u>Consolidated Income Statement</u> Previously stated	<u>Effects on adoption of FRS 101</u>	<u>Consolidated Statement of Comprehensive Income</u> Restated
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Quarter ended 31 March 2010</u>			
Loss for the period	(355)	-	(355)
Other comprehensive income for the period, net of tax			
Exchange differences on translating foreign operations	-	16	16
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>(339)</u>
<u>Period ended 31 March 2010</u>			
Profit for the period	23	-	23
Other comprehensive income for the period, net of tax			
Exchange differences on translating foreign operations	-	2	2
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>25</u>

This standard does not have any impact on the financial position and results of the Group.

c) Amendments to FRS 117: Leases

Prior to the adoption of the Amendments to FRS 117, leasehold lands that normally had an indefinite economic life and where title was not expected to pass to the lessee by the end of the lease term were treated as operating lease. The payment made on acquiring the leasehold lands were classified as prepaid lease payments and amortised on a straight-line basis over the lease term.

The Amendments to FRS 117 clarifies that the classification of leasehold land as a finance lease or an operating lease shall be based on the extent to which risks and rewards incidental to ownership lie. As such, the Group has reassessed the classification of the leasehold lands and concluded that all leasehold lands of the Group are in substance is a finance lease. Accordingly, the Group has changed the classification of the leasehold lands from operating lease to finance lease and has reclassified its leasehold lands from prepaid lease payments to property, plant and equipment in the current quarter.

The reclassification has been made retrospectively in accordance with the transitional provisions with no impact on the reported profit or loss for the current quarter ended 31 March 2011 and the preceding year's corresponding quarter ended 31 March 2010 except that the comparative balances as at 30 June 2010 has been restated as follows:

	<u>Consolidated Balance Sheet</u> Previously stated	<u>Effects on adoption of FRS 117</u>	<u>Consolidated Statement of Financial Position</u> Restated
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>As at 30 June 2010</u>			
Property, Plant and Equipment	36,869	1,318	38,187
Prepaid Lease Payments	1,318	(1,318)	-



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

d) FRS 127: Consolidated and Separate Financial Statements (revised in 2010)

FRS 127 (revised in 2010), which supersedes FRS 127: Consolidated and Separate Financial Statements (revised in 2005), requires the total comprehensive income of a subsidiary to be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The revised standard also requires the changes in a parent's ownership interest in a subsidiary that do not result in a loss of control to be accounted for as equity transactions. The Group has applied this revised standard prospectively in accordance with the transitional provision of FRS 127 (revised in 2010).

e) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. The adoption of FRS 139 has resulted in financial instruments of the Group to be categorised and measured using the accounting policies as summarised below:

(i) Initial Recognition and Measurement

Financial instruments are recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position at the reporting date is determined by the designation of the financial instruments.

(ii) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(I) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprises financial assets that are held for trading including derivatives, unless they are designated as hedges. Financial assets at fair value through profit or loss are measured at fair value at each reporting date with changes in fair values recognised as gains or loss in the statement of comprehensive income. This category of financial assets is classified as current assets. In accordance with the requirement of this standard, foreign exchange forward contracts of the Group have been measured at fair value and the changes in the fair value has been recognised in profit or loss.

(II) Trade and other receivables

Prior to the adoption of FRS 139, trade and other receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, these receivables are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the receivables, amortisation under the EIR method and impairment losses are recognised in the statement of comprehensive income.

(iii) Financial Liabilities

Financial Liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities included trade and other payables and borrowings. Under FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using EIR method.

FRS 139 has been applied prospectively in accordance with the transitional provisions of the standard. In accordance to the transitional provisions for first-time adoption of FRS 139, adjustments arising from re-measuring the financial instruments as at 1 July 2010 were recognised as adjustments to the opening balance of retained profits and comparatives are not adjusted.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Since the FRS 139 is applied prospectively, its adoption does not affect the reported profit or loss for the preceding year's corresponding quarter ended 31 March 2010 except the adjustments made to the opening balance of retained profits for the derivative instrument, ie. foreign currency exchange contract as follows:

	Balance as at 1 July 2010 before adoption of FRS 139	Effects on adoption of FRS 139	Balance as at 1 July 2010 after adoption of FRS 139
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Retained Profits	4,588	25	4,613
Derivative Financial Assets	-	25	25

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 first and third quarter as compared to the other quarters in each financial year.

A4 Nature and Amount of Unusual Items

There were 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 were 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 <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Malaysia	13,589	49,651
Middle East	1,292	5,494
Asia and Asia-Pacific	4,689	14,008
Europe	2,476	4,556
Africa and America	319	1,165
	<u>22,365</u>	<u>74,874</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.

A9 Material Subsequent Events

As at 19 May 2011, there is no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A10 Changes in the Composition of the Group

(a) On 2 March 2011, Future Ace Publishing Pte. Ltd. ("FAPS"), a wholly owned subsidiary of Chee Wah Corporation Berhad ("CWCB") has made an application to the Accounting and Corporate Regulatory Authority ("ACRA") in Singapore to strike off FAPS pursuant to Section 344 of the Singapore Companies Act, Cap 50 ("the Act"). FAPS was previously involved in trading of stationery and educational materials and has not been involved in any business activity since 2009. The application has been approved by the ACRA and a Notice dated 10/05/2011 has been published in the Singapore Government Gazette pursuant to Section 344(2) of the Act. At the expiration of the three months from the date of that notice, the name of FAPS will, unless cause to the contrary is shown that the Company is carrying on business, be struck off the register.

(b) On 11 March 2011, Syarikat Kertas Nam Sun Sdn. Bhd. ("SKNS"), a wholly owned subsidiary of CWCB has commenced members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965. SKNS was previously involved in manufacturing and dealing of exercise books, note books and other paper products and had ceased its operations in December 2009.

(c) On 24 March 2011, Campap Distributor Sdn. Bhd. ("CAMD"), a wholly owned subsidiary of CWCB had acquired the remaining 17.33% stake in the share capital of Evergreen Converter Sdn. Bhd. ("EC") representing 704,080 ordinary shares of RM1 each, 352,040 ordinary shares each from Mr. Ang Choon Bean and Madam Ooi Sim Choon for a total consideration of RM116,666.06. On the conclusion of the acquisition, EC became 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

There were no contingent liabilities or contingent assets as at the end of the current quarter or last financial year ended 30 June 2010.

A12 Material Related Parties Transactions

There were 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 ended 31 March 2011 of RM22.365 million was higher than revenue recorded in the preceding year's corresponding quarter of RM20.913 million. The increase in Group's revenue of RM1.452 million or 6.94% was mainly due to the increase in export sales. The higher loss before tax of RM0.954 million recorded in the current quarter under review as compared to loss before tax of RM0.462 million posted in the preceding year's corresponding quarter was mainly due to unfavourable profit margin on the sales made during the current quarter which was resulted from the increase in raw materials prices and also the strengthening of Ringgit Malaysia against United States Dollar (USD) which had affected the export revenue traded in USD.

The Group's revenue generated for the nine months ended 31 March 2011 was RM74.874 million, a drop of RM2.805 million or 3.61% as compared to RM77.679 million recorded in the preceding year's corresponding period, mainly due to the unfavourable sales volume in the second quarter of the current period as compared to preceding year's corresponding quarter. As a result of the drop in revenue coupled with the lower profit margin on the products sold, the Group recorded a loss before tax of RM0.894 million as compared to profit before tax of RM0.044 million achieved in the preceding year's corresponding period.

B2 Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter Ended</u>		<u>Variance</u>	<u>%</u>
	<u>31/03/2011</u>	<u>31/12/2010</u>		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Revenue	22,365	30,839	(8,474)	-27%
(Loss)/ Profit before tax	<u>(954)</u>	<u>698</u>	<u>(1,652)</u>	<u>237%</u>

The Group recorded a loss before tax of RM0.954 million in the current quarter as compared to a profit before tax of RM0.698 million posted in the immediate preceding quarter. The loss before tax of RM0.954 million was mainly due to lower revenue generated in the current quarter of RM22.365 million as compared to immediate preceding quarter's revenue of RM30.839 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.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B3 Prospects

The Group expects challenges in the remaining months of the year. To confront the 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.

B5 Taxation

Breakdown of taxation as at 31 March 2011 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current	-	(37)
Underprovision in prior years	(28)	(30)
Deferred tax:		
Current	74	(228)
Underprovision of deferred tax assets in prior years	(1)	18
	45	(277)

The Group provided an income tax expense and deferred tax expense of approximately RM37,000 and RM228,000 respectively in the 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 period to date.

B7 Purchases and sales of quoted securities

There were no purchases or sales of quoted securities for the current quarter and financial period to date.

B8 Status of corporate proposal

(a) On 14 March 2011, Chee Wah Corporation Berhad has made an announcement that its wholly owned subsidiary, Syarikat Kertas Nam Sun Sdn. Bhd. ("SKNS") has on 11 March 2011 commenced member's voluntary winding-up pursuant to Section 254(1)(b) Companies Act, 1965. SKNS was incorporated in Malaysia on 31 December 1981 and had ceased its operation in December 2009. The proposal is still pending completion as at the date of this report.

(b) On 12 May 2011, Chee Wah Corporation Berhad has made an announcement that its wholly owned subsidiary, Stazone Corporation Sdn. Bhd. ("SCSB") has on 12 May 2011 commenced member's voluntary winding-up pursuant to Section 254(1)(b) Companies Act, 1965. SCSB was incorporated in Malaysia on 14 October 2009 and had ceased its operation in August 2010. 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 19 May 2011.

B9 Group Borrowings and Debt Securities

Group borrowings as at 31 March 2011 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	10,641
Bankers' acceptances and trust receipts	-	31,262
Export credit refinancing	-	563
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	1,214
Hire Purchase Payable	1,011	-
	1,011	44,680
b) <u>Long term borrowings</u>		
Hire Purchase Payable	1,341	-
	1,341	-



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	Quarter Ended 31/03/2011 Ringgit Malaysia RM'000	Financial Year ended 30/06/2010 Ringgit Malaysia RM'000
Ringgit Malaysia	45,818	41,214
United States Dollars	1,214	1,786
	<u>47,032</u>	<u>43,000</u>

B10 Derivative Financial Instruments

There were no derivative financial instruments as at the end of the current quarter.

B11 Retained Profits

	As At End Of Current Quarter 31/03/2011 RM'000
Total retained profits/ (accumulated losses) of Chee Wah Corporation Berhad and its subsidiaries:	
- Realised	(8,740)
- Unrealised	424
	<u>(8,316)</u>
Less: Consolidation adjustments	11,734
Total Group retained profits as per consolidated accounts	<u>3,418</u>

Comparative figures are not required in the first year of complying with the realised and unrealised profits/ losses disclosures.

B12 Changes in Material Litigation

The Group is not engaged in any material litigation as at 19 May 2011.

B13 Dividend

No interim dividend has been recommended.

B14 Loss Per Share

	Current Year Quarter	Current Year To Date
Loss for the period (RM'000)	<u>(910)</u>	<u>(1,195)</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)	(2.16)	(2.84)

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.

B15 Authorisation For Issue

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 25 May 2011.