



**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 2012. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2012 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2011 RM '000	Current Year To Date 31/03/2012 RM '000	Preceding Year Corresponding Period 31/03/2011 RM '000
<b>Revenue</b>	16,299	22,365	63,030	74,874
Operating expenses	(17,222)	(22,655)	(64,230)	(74,051)
Other operating income	326	10	913	269
<b>Profit / (Loss) from operations</b>	(597)	(280)	(287)	1,092
Finance cost	(462)	(674)	(1,687)	(1,986)
<b>Loss before tax</b>	(1,059)	(954)	(1,974)	(894)
Tax (expense)/ income	222	45	376	(277)
<b>Loss for the period</b>	(837)	(909)	(1,598)	(1,171)
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>(837)</u>	<u>(909)</u>	<u>(1,598)</u>	<u>(1,171)</u>
<b>(Loss) / Profit for the period attributable to:</b>				
Owners of the parent	(837)	(910)	(1,598)	(1,195)
Non-controlling interests	-	1	-	24
	<u>(837)</u>	<u>(909)</u>	<u>(1,598)</u>	<u>(1,171)</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(837)	(910)	(1,598)	(1,195)
Non-controlling interests	-	1	-	24
	<u>(837)</u>	<u>(909)</u>	<u>(1,598)</u>	<u>(1,171)</u>
<b>Loss per share (sen)</b>				
<b>attributable to owners of the parent:</b>				
- Basic	(1.99)	(2.16)	(3.80)	(2.84)
- Diluted	N/A *	N/A *	N/A *	N/A *

**Note:**

\* Please refer to Note B10 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 31/03/2012 RM'000	Audited As At Preceding Financial Year End 30/06/2011 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	31,129	34,371
Goodwill on consolidation	3,620	3,620
Deferred tax assets	940	887
	<u>35,689</u>	<u>38,878</u>
<b>Current Assets</b>		
Inventories	29,559	35,677
Trade and other receivables	12,089	15,696
Derivative financial asset	5	-
Tax recoverable	92	116
Cash and bank balances	1,003	1,292
	<u>42,748</u>	<u>52,781</u>
Assets of disposal group classified as held for sale	-	5,312
	<u>42,748</u>	<u>58,093</u>
<b>TOTAL ASSETS</b>	<u><u>78,437</u></u>	<u><u>96,971</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners of the parent</b>		
Share capital	42,097	42,097
Reserves	752	2,350
	<u>42,849</u>	<u>44,447</u>
<b>Non-controlling interests</b>	-	213
<b>Total Equity</b>	<u>42,849</u>	<u>44,660</u>
<b>Non-Current Liabilities</b>		
Long term borrowings	291	1,146
Deferred tax liabilities	1,172	1,441
Deferred liabilities	206	186
	<u>1,669</u>	<u>2,773</u>
<b>Current Liabilities</b>		
Trade and other payables	5,382	10,223
Short term borrowings	28,537	35,983
	<u>33,919</u>	<u>46,206</u>
Liabilities directly associated with disposal group classified as held for sale	-	3,332
	<u>33,919</u>	<u>49,538</u>
<b>Total Liabilities</b>	<u>35,588</u>	<u>52,311</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>78,437</u></u>	<u><u>96,971</u></u>
<b>Net Assets per Share Attributable to Owners of the Parent (sen)</b>	<b>102</b>	<b>106</b>



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine months ended 31 March	Attributable to Owners of the Parent						Total RM '000	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			
Balance as at 01/07/2010	42,097	164	319	556	(15)	4,613	47,734	657	48,391
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>
Balance as at 01/07/2011	42,097	164	319	556	-	1,311	44,447	213	44,660
Net loss for the period	-	-	-	-	-	(1,598)	(1,598)	-	(1,598)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(1,598)	(1,598)	-	(1,598)
Reversal of capital reserve	-	-	-	(556)	-	556	-	-	-
Disposal of shares from non-controlling interests	-	-	-	-	-	-	-	(213)	(213)
Balance as at 31/03/2012	<u>42,097</u>	<u>164</u>	<u>319</u>	<u>-</u>	<u>-</u>	<u>269</u>	<u>42,849</u>	<u>-</u>	<u>42,849</u>



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year 9 Months Ended 31/03/2012 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2011 <u>RM '000</u>
<b>Cash Flows from Operating Activities</b>		
Loss before tax, total	(1,974)	(894)
Adjustments for:		
Depreciation of property, plant and equipment	2,329	2,698
Interest expense	1,687	1,986
Loss on disposal of investments	-	-
Property, plant and equipment written off	47	414
Provision for retirement benefits	31	18
Impairment loss on loans and receivables	2	54
Impairment loss on goodwill	-	20
Gain on disposal of subsidiary company	(45)	-
Gain on disposal of property, plant and equipment	(353)	(104)
(Gain)/ Loss on foreign exchange - unrealised	(138)	9
Operating profit before changes in working capital	<u>1,586</u>	<u>4,201</u>
Changes in working capital		
Net change in current assets	5,693	(670)
Net change in current liabilities	(3,204)	(4,844)
Cash absorbed by operations	<u>4,075</u>	<u>(1,313)</u>
Tax (paid)/ refunded	(58)	(20)
Retirement benefit paid	(27)	(16)
Net cash used in operating activities	<u>3,990</u>	<u>(1,349)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(157)	(463)
Disposal of property, plant and equipment	1,310	341
Disposal of investments	3,548	-
Acquisition of investments	-	(410)
Net cash from/ (used in) investing activities	<u>4,701</u>	<u>(532)</u>
<b>Cash Flows from Financing activities</b>		
Interest paid	(1,674)	(2,078)
Dividend paid to non-controlling interests	-	(351)
Bank borrowings	(7,162)	2,235
Net cash used in financing activities	<u>(8,836)</u>	<u>(194)</u>
Net change in cash and cash equivalents	<u>(145)</u>	<u>(2,075)</u>
Cash and cash equivalents at beginning of the period	<u>(7,189)</u>	<u>(7,505)</u>
Cash and cash equivalents at end of the period	<u><u>(7,334)</u></u>	<u><u>(9,580)</u></u>
<b>Cash and cash equivalents at end of the period consist of :-</b>		
Cash & bank balances	1,003	1,061
Bank overdrafts	(8,337)	(10,641)
	<u><u>(7,334)</u></u>	<u><u>(9,580)</u></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 2011.

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 2011.

**A2 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 2011 except for the adoption of revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations which were effective for the financial period beginning on or after 1 July 2011.

The revised FRSs, Amendments to FRSs and IC Interpretations do not have significant impacts on the financial statements of the Group in the period of initial application.

**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 quarters 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 RM'000	Current Year To Date RM'000
Malaysia	7,451	38,465
Middle East	1,663	5,296
Asia and Asia-Pacific	4,720	14,954
Europe	2,237	3,547
Africa and America	228	768
	16,299	63,030

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**

There were 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) Stazone Corporation Sdn. Bhd., a wholly owned subsidiary of Chee Wah Corporation Berhad ("CWCB"), which was placed under members' voluntary winding-up has been dissolved on 25 January 2012 pursuant to Section 272(5) of the Companies Act 1965 and ceased as a subsidiary of CWCB.
- (b) Evergreen Paper (M) Sdn. Bhd. ("EPM"), a 82.66% owned subsidiary of Campap Distributor Sdn. Bhd. ("CAMD") which in turn is a wholly owned subsidiary of CWCB, had ceased as a subsidiary of CAMD and CWCB upon the transfer of title in all 992,000 ordinary shares of RM1.00 each in EPM (equivalent to 82.66% equity interest) by CAMD to the purchaser on 28 March 2012 ("Shares in EPM").

All existing directors of EPM (who represented CAMD and the minority shareholders) resigned from EPM's board of directors on 10 February 2012 and new directors representing the purchaser were appointed immediately after the purchaser paid to CAMD the balance consideration for the Shares in EPM on the same date. CAMD had since then ceased to control EPM in view of its lost of power in controlling EPM's board of directors. Pursuant to FRS 10: Consolidated Financial Statements, CWCB consolidated the results of EPM until 31 January 2012. However, CAMD remained the registered holder of the Shares in EPM (which were held in trust for the purchaser) until March 2012 when the banks discharged the corporate guarantees given by CWCB to banks for securing the banking facilities granted to EPM. The Shares in EPM were finally transferred to the purchaser on 28 March 2012.

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 2011.

**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**

For the current quarter ended 31 March 2012, the Group achieved a revenue and incurred loss before tax of RM16.299 million and RM1.059 million respectively as compared to RM22.365 million and RM0.954 million respectively recorded in the preceding year corresponding quarter.

The reduction in revenue of RM6.066 million or 27.1% was mainly attributable to the drop in sales as a result of the disposal of three subsidiaries which carried out the activities as a manufacturer and trader of paper bags and related packaging products, as well as a trader of paper. It was also resulted by the disposal of three retail outlets and closure of one retail outlet of Campap Superstore Sdn. Bhd. As a result of lower revenue, the Group incurred higher loss before tax by RM0.105 million or 11% as compared to the preceding year corresponding quarter.

The Group's revenue for the nine months ended 31 March 2012 was RM63.030 million, a drop of RM11.844 million or 15.8% as compared to RM74.874 million generated in the preceding year corresponding period, mainly due to the unfavourable sales volume in the first financial quarter and also the drop in sales due to disposal of subsidiaries as well as disposal and closure of retail outlets as mentioned in the above paragraph. As a result of lower revenue, the Group has incurred higher loss before tax of RM1.974 million as compared to RM0.894 million posted in the preceding year corresponding period.

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

	<u>Individual Quarter Ended</u>		<u>Variance</u>	
	<u>31/03/2012</u>	<u>31/12/2011</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
		<u>Re-presented*</u>		
Revenue	16,299	27,202	(10,903)	(40.1)
Profit/ (Loss) before tax	(1,059)	533	(1,592)	298.7

The Group incurred loss before tax of RM1.059 million in the current quarter as compared to a profit before tax of RM0.533 million recorded in the immediate preceding quarter, mainly due to the lower revenue of RM16.299 million generated in the current quarter as compared to RM27.202 million in the immediate preceding quarter. The higher revenue in the immediate preceding quarter was contributed by higher demand in domestic market as a result of the back-to-school season during that quarter.

\* Both the revenue and profit before tax for the individual quarter ended 31 December 2011 has been re-presented by reclassifying the results of operations of EPM from discontinued operations to continuing operations for all periods presented as defined by FRS 5 Non-current Assets Held for Sale and Discontinued Operations, consequential to the completion of disposal of EPM as disclosed in Note A10. Please see Appendix A for a copy of the re-presented Condensed Consolidated Statements of Comprehensive Income for the second quarter ended 31 December 2011.



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B3 Prospects**

The Board anticipates that the performance of the Group remains challenging in the fourth financial quarter ending 30 June 2012 as the Group continues to face the volatile factors resulted from the uncertain macro-economic outlook. However, it expects higher revenue would be generated in the said quarter than the revenue made in the current quarter as the Group usually attains high export sales in the fourth financial quarter.

In CWCB Group's rationalisation and streamlining exercise to divest its non-core businesses or under performing subsidiaries, the sales proceeds derived therefrom were utilised to reduce its bank borrowings, of which would result in the decrease in its finance costs.

**B4 Profit Forecast/ Profit Guarantee**

Not applicable as there were no profit forecasts published.

**B5 Tax Income**

Breakdown of tax income for the quarter ended 31 March 2012 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Deferred tax income:		
Current year	222	362
Overprovision in prior years	-	14
	222	376

The Group provided a deferred tax income of approximately RM222,000 and RM362,000 in the current quarter and the current year to date respectively mainly due to the additional recognition of deferred tax assets on certain loss making companies which the recognised deferred tax assets are probable to be realised in the near future.

**B6 Status of corporate proposal**

On 28 March 2012, CWCB had made an announcement that its three wholly owned subsidiaries, namely Chee Wah Resources Sdn. Bhd. ("CWR"), Campap Sdn. Bhd. ("CSB") and Evergreen Converter Sdn. Bhd. ("EC") have commenced members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 ("Winding-up") on the aforesaid date.

CWR was incorporated in Malaysia on 3 October 1995. It was inactive in its investment holding activity since March 2011 after the disposal of all its investment in its subsidiaries under a group reorganization exercise carried out by CWCB. CSB was incorporated in Malaysia on 4 July 1995. The principal activity of CSB was distributing and supplying of stationery. CSB ceased its operation in December 2010. EC was incorporated in Malaysia on 25 May 1995. Its principal activity was provision of paper slitting and converting services. EC ceased its operation in October 2010. The Winding-up of the three subsidiaries were 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 the date of this report.

**B7 Group Borrowings and Debt Securities**

Group borrowings as at 31 March 2012 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	8,337
Bankers' acceptances and trust receipts	-	17,071
Export credit refinancing	-	445
Revolving credit	-	1,000
Onshore Foreign Currency Loan	-	909
Hire Purchase Payable	775	-
	<u>775</u>	<u>27,762</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	292	-
c) The Group borrowings are denominated in the following currencies:		
	Quarter Ended 31/03/2012 Ringgit Malaysia RM'000	Financial Year ended 30/06/2011 Ringgit Malaysia RM'000
Ringgit Malaysia	27,920	37,129
United States Dollars	909	-
	<u>28,829</u>	<u>37,129</u>



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B8 Changes in Material Litigation**

The Group is not engaged in any material litigation as at 23 May 2012.

**B9 Dividend**

No interim dividend has been recommended.

**B10 Loss Per Share**

	Current Year Quarter RM'000	Current Year To Date RM'000
Loss for the period	(837)	(1,598)
	No. of Shares '000	No. of Shares '000
Number of ordinary shares		
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	42,097	42,097
Basic loss per share (sen)	(1.99)	(3.80)

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.

**B11 Auditors' Report on Preceding Annual Financial Statements**

The latest audited financial statements for the financial year ended 30 June 2011 were not subject to any qualification.

**B12 Retained Profits**

	Quarter Ended 31/03/2012 RM'000	Financial Year ended 30/06/2011 RM'000
Total retained profits/ (accumulated losses) of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(17,208)	(16,225)
- Unrealised	474	861
	(16,734)	(15,364)
Less: Consolidation adjustments	17,003	16,675
Total Group retained profits as per consolidated accounts	269	1,311

**B13 Notes to the Condensed Consolidated Statement of Comprehensive Income**

	Current Year Quarter RM'000	Current Year To Date RM'000
Loss for the period is arrived at after crediting / (charging)		
- Depreciation of property, plant and equipment	(739)	(2,329)
- Gain on foreign exchange	132	495
- Gain on financial instruments at fair value through profit or loss (classified as held for trading)	7	24
- Gain on disposal of investment in subsidiary companies	76	45
- Impairment loss on loans and receivables	-	(3)
- Interest expenses	(462)	(1,687)

**B14 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 29 May 2012.





S I N C E 1 9 5 9

**CHEE WAH CORPORATION BERHAD**<sup>(32250-D)</sup>  
(Incorporated in Malaysia)

**Appendix A**

The Board of Directors of CHEE WAH CORPORATION BERHAD is pleased to announce the consolidated results for the second quarter ended 31 December 2011. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2011 RM '000 (Re-presented)	Preceding Year Corresponding Quarter Ended 31/12/2010 RM '000 (Re-presented)	Current Year To Date 31/12/2011 RM '000 (Re-presented)	Preceding Year Corresponding Period 31/12/2010 RM '000 (Re-presented)
<b>Revenue</b>	27,202	30,839	46,731	52,509
Operating expenses	(26,295)	(29,626)	(47,009)	(51,396)
Other operating income	216	161	587	259
<b>(Loss) / Profit from operations</b>	1,123	1,374	309	1,372
Finance cost	(591)	(676)	(1,225)	(1,312)
<b>(Loss) / Profit before tax from continuing operations</b>	532	698	(916)	60
Tax (expense) / income	(116)	(276)	154	(322)
<b>Profit / (Loss) for the period</b>	416	422	(762)	(262)
<b>Other comprehensive income for the period, net of tax</b>				
Exchange differences on translating foreign operations	-	-	-	-
<b>Total comprehensive income for the period</b>	416	422	(762)	(262)
<b>Profit / (Loss) for the period attributable to:</b>				
Owners of the parent	435	414	(732)	(285)
Non-controlling interests	(19)	8	(30)	23
	416	422	(762)	(262)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	435	414	(732)	(285)
Non-controlling interests	(19)	8	(30)	23
	416	422	(762)	(262)
<b>Earnings / (Loss) per share (sen) attributable to owners of the parent:</b>				
- Basic	1.03	0.98	(1.74)	(0.68)
- Diluted	N/A	N/A	N/A	N/A