



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 2013. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2013 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2012 RM '000 (Re-presented)^	Current Year To Date 31/03/2013 RM '000	Preceding Year Corresponding Period 31/03/2012 RM '000 (Re-presented)^
Revenue	19,146	16,630	61,122	56,933
Operating expenses	(19,907)	(17,627)	(61,138)	(58,102)
Other operating income	277	327	531	899
(Loss)/ Profit from operations	(484)	(670)	515	(270)
Finance cost	(400)	(471)	(1,175)	(1,574)
Loss before tax from continuing operations	(884)	(1,141)	(660)	(1,844)
Tax income	315	201	362	306
Loss from continuing operations, net of tax	(569)	(940)	(298)	(1,538)
Discontinued operation				
Profit/ (Loss) from discontinued operation, net of tax	-	104	-	(60)
Loss for the period, representing total comprehensive income for the period	<u>(569)</u>	<u>(836)</u>	<u>(298)</u>	<u>(1,598)</u>
Total comprehensive income attributable to:				
Owners of the parent	(569)	(844)	(298)	(1,576)
Non-controlling interests	-	8	-	(22)
	<u>(569)</u>	<u>(836)</u>	<u>(298)</u>	<u>(1,598)</u>
Loss per share (sen) from continuing operations attributable to owners of the parent:				
- Basic	(1.35)	(2.23)	(0.71)	(3.65)
- Diluted	N/A *	N/A *	N/A *	N/A *
Profit/ (Loss) per share (sen) from discontinued operation attributable to owners of the parent:				
- Basic	-	0.23	-	(0.09)
- Diluted	N/A *	N/A *	N/A *	N/A *

Note:

* Please refer to Note B10 to the condensed consolidated interim financial statements.

^ The condensed consolidated Statements of Comprehensive Income for the preceding year corresponding quarter and period ended 31 March 2012 has been re-presented in compliance to FRS 5 Non-current Assets Held for Sale and Discontinued Operations.



CHEE WAH CORPORATION BERHAD (32250-D)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Quarter 31/03/2013 RM'000	Audited As At Preceding Financial Year Ended 30/06/2012 RM'000 (Restated)	Audited As At Preceding Financial Year Beginning Date 01/07/2011 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	34,886	36,307	41,572
Goodwill	-	-	3,620
Deferred tax assets	-	-	887
	<u>34,886</u>	<u>36,307</u>	<u>46,079</u>
Current Assets			
Inventories	27,239	30,396	35,677
Trade and other receivables	13,287	13,656	15,696
Financial assets at fair value through profit or loss	-	4	-
Current tax assets	84	26	116
Cash and bank balances	1,296	1,991	1,292
Assets of disposal group held for sale	-	-	5,312
	<u>41,906</u>	<u>46,073</u>	<u>58,093</u>
TOTAL ASSETS	<u><u>76,792</u></u>	<u><u>82,380</u></u>	<u><u>104,172</u></u>
EQUITY AND LIABILITIES			
Equity Attributable To Owners of the Company			
Share capital	42,097	42,097	42,097
Reserves	38	336	7,913
	<u>42,135</u>	<u>42,433</u>	<u>50,010</u>
Non-controlling interests	-	-	213
Total Equity	<u>42,135</u>	<u>42,433</u>	<u>50,223</u>
Non-Current Liabilities			
Loans and borrowings	679	474	1,146
Deferred tax liabilities	2,129	2,465	3,079
Deferred liabilities	222	214	186
	<u>3,030</u>	<u>3,153</u>	<u>4,411</u>
Current Liabilities			
Trade and other payables	6,727	11,192	10,223
Loans and borrowings	24,900	25,597	35,983
Current tax liabilities	-	5	-
Liabilities of disposal group held for sale	-	-	3,332
	<u>31,627</u>	<u>36,794</u>	<u>49,538</u>
Total Liabilities	<u>34,657</u>	<u>39,947</u>	<u>53,949</u>
TOTAL EQUITY AND LIABILITIES	<u><u>76,792</u></u>	<u><u>82,380</u></u>	<u><u>104,172</u></u>
Net Assets per Share Attributable to Owners of the Parent (sen)	100	101	119



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 surplus RM '000	Capital reserve RM '000	Retained profits/ (Accumulated losses) RM '000	Total RM '000		
Balance as at 01/07/2011	42,097	164	319	556	1,311	44,447	213	44,660
Effect of transition to MFRS	-	-	(319)	-	5,882	5,563	-	5,563
Restated balance	42,097	164	-	556	7,193	50,010	213	50,223
Net loss for the period, representing total comprehensive income for the period	-	-	-	-	(1,576)	(1,576)	(22)	(1,598)
Disposal of subsidiary	-	-	-	(556)	556	-	(191)	(191)
Balance as at 31/03/2012	42,097	164	-	-	6,173	48,434	-	48,434
Balance as at 01/07/2012	42,097	164	6,035	-	(5,537)	42,759	-	42,759
Effect of transition to MFRS	-	-	(6,035)	-	5,709	(326)	-	(326)
Restated balance	42,097	164	-	-	172	42,433	-	42,433
Net loss for the period, representing total comprehensive income for the period	-	-	-	-	(298)	(298)	-	(298)
Balance as at 31/03/2013	42,097	164	-	-	(126)	42,135	-	42,135



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

	Current Year 9 Months Ended 31/03/2013 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2012 <u>RM '000</u> (Restated)
Cash Flows from Operating Activities		
Loss before tax from continuing operations	(660)	(1,844)
Loss before tax from discontinued operation	-	(130)
Loss before tax, total	<u>(660)</u>	<u>(1,974)</u>
Adjustments for:		
Depreciation of property, plant and equipment	2,176	2,293
Interest expense	1,175	1,687
Property, plant and equipment written off	-	47
Provision for retirement benefits	40	31
Impairment loss on loans and receivables	6	2
Gain on disposal of subsidiary companies	-	(40)
Gain on disposal of property, plant and equipment	(61)	(353)
Gain on foreign exchange - unrealised	(14)	(138)
Operating profit before changes in working capital	<u>2,662</u>	<u>1,555</u>
Changes in working capital		
Net change in current assets	2,738	5,693
Net change in current liabilities	<u>(3,571)</u>	<u>(3,204)</u>
Cash generated from operations	<u>1,829</u>	<u>4,044</u>
Tax paid	(37)	(58)
Retirement benefit paid	(14)	(27)
Net cash from operating activities	<u>1,778</u>	<u>3,959</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(755)	(157)
Disposal of property, plant and equipment	61	1,310
Disposal of investments	-	3,579
Net cash (used in)/ from investing activities	<u>(694)</u>	<u>4,732</u>
Cash Flows from Financing activities		
Interest paid	(1,288)	(1,674)
Bank borrowings	428	(7,162)
Net cash used in financing activities	<u>(860)</u>	<u>(8,836)</u>
Net change in cash and cash equivalents	224	(145)
Cash and cash equivalents at beginning of the period	<u>(4,309)</u>	<u>(7,189)</u>
Cash and cash equivalents at end of the period	<u>(4,085)</u>	<u>(7,334)</u>
Cash and cash equivalents at end of the period consist of :-		
Cash & bank balances	1,295	1,003
Bank overdrafts	(5,380)	(8,337)
	<u>(4,085)</u>	<u>(7,334)</u>



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

A1 Basis of Preparation

The Condensed Consolidated Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 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 Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. 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 2012.

This Condensed Consolidated Interim Financial Statements are the Group's first MFRS compliant Condensed Consolidated Interim Financial Statements and hence MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The date of transition to MFRS framework for the Group is on 1 July 2011. At the date of transition, the Group has reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition to MFRS is described in Note A2.

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 2012 except for the Group has adopted the MFRS framework issued by the MASB for the financial year ending 30 June 2013. The issuance of the MFRS was in conjunction with the MASB's plan to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. The MFRS framework is a fully IFRS-compliant framework and equivalent to IFRS.

In preparing the opening MFRS Statements of Financial Position as at 1 July 2011, which is the transition date, the Group has restated the amounts previously reported in the financial statements prepared in accordance with FRS to MFRS. The transition from FRS to MFRS do not have any material impact on the interim financial report of the Group other than set out below:-

Property, Plant and Equipment

Under the previous accounting framework, property, plant and equipment were stated at cost or valuation, less accumulated depreciation and accumulated impairment losses, if any. Revaluation of land and buildings are made with sufficient regularity at an interval of not more than five years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period. Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property.

Upon transition into MFRS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to their fair values and use those fair values as deemed cost at that date. The Group has updated the valuation of its properties comprising lands and buildings and regard the fair value at 1 July 2011 as deemed cost at the date of transition. The cumulative surpluses arising from revaluation of properties, net of tax were transferred to retained earnings on 1 July 2011 in accordance with the transitional provisions under MFRS 1.

The reconciliations for the impact of financial statements reported under FRS framework and the MFRS framework at the date of transition and the comparative period are as follows:

At 1 July 2011 (date of transition)

	Property, Plant and Equipment	Deferred Tax Liabilities	Revaluation Reserve	Retained Profits
Dr/(Cr)	RM'000	RM'000	RM'000	RM'000
As previously reported	34,371	(1,441)	(319)	(1,311)
Effect of transition to MFRS	7,201	(1,638)	319	(5,882)
As reported under MFRS	<u>41,572</u>	<u>(3,079)</u>	<u>-</u>	<u>(7,193)</u>

At 30 June 2012

	Property, Plant and Equipment	Deferred Tax Liabilities	Revaluation Reserve	(Retained Profits)/ Accumulated losses
Dr/(Cr)	RM'000	RM'000	RM'000	RM'000
As previously reported	36,729	(2,561)	(6,035)	5,537
Effect of transition to MFRS	(422)	96	6,035	(5,709)
As reported under MFRS	<u>36,307</u>	<u>(2,465)</u>	<u>-</u>	<u>(172)</u>

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.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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	7,926	30,739
Asia (exclude Malaysia)	5,534	14,413
Oceania	3,650	10,526
Europe	1,495	3,596
Africa and America	541	1,848
	<u>19,146</u>	<u>61,122</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 Events After The Interim Period

There were no 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

There were no 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 since last financial year ended 30 June 2012.

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 2013, the Group recorded a revenue of RM19.146 million against revenue of RM16.63 million as posted in the preceding year's corresponding quarter. The increase in revenue of RM2.516 million or 15% was mainly attributable to higher sales demand in the export market. The Group has incurred a lower loss before tax of RM0.885 million in the current quarter as compared to RM1.141 million recorded in the preceding year's corresponding quarter as a result of the increase in revenue and lower finance cost incurred.

The Group's revenue generated for the nine months ended 31 March 2013 was RM61.122 million, an increase of RM4.189 million or 7.36% as compared to RM56.933 million recorded in the preceding year's corresponding period, mainly due to the higher sales volume generated from export market during the current period as compared to preceding year's corresponding period. As a result of the increase in revenue, the Group recorded a lower loss before tax of RM0.299 million as compared to RM1.538 million incurred in the preceding year's corresponding period.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	31/03/2013 RM'000	31/12/2012 RM'000	RM'000	%
Revenue	19,146	26,980	(7,834)	(29)
(Loss)/ Profit before tax	<u>(884)</u>	<u>984</u>	<u>(1,868)</u>	<u>(190)</u>

The Group's revenue generated in the current quarter was RM19.146 million as compared to RM26.98 million in the immediate preceding quarter was mainly due to lower sales demand from local market. The lower revenue was due to seasonal factor as stated in Note A3. As a result, the Group incurred a loss before tax of RM0.884 million in the current quarter as compared to a profit before tax of RM0.984 million recorded in the immediate preceding quarter.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging in the following quarter as the Group continues to face the volatile factors resulted from the uncertain macro-economic outlook. The Group will continue practising cost saving exercises and reducing finance cost as a result of decrease in bank borrowings of the Group. The Board anticipates the performance of the Group will be better for the current financial year ending 30 June 2013 as compared to previous financial year.

B4 Profit Forecast/ Profit Guarantee

Not applicable as there were no profit forecasts published.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B5 Tax Income

Breakdown of tax income for the quarter ended 31 March 2013 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current	53	-
Deferred tax income:		
Current	236	336
Underprovision in prior years	26	26
	<u>315</u>	<u>362</u>

The Group provided a deferred tax income of approximately RM236,000 and RM336,000 in the current quarter and the current year to date respectively mainly due to the loss incurred by the Company which the recognised deferred tax assets are probable to be realised in the near future.

B6 Status of corporate proposal

There was no corporate proposal during the financial quarter under review.

B7 Group Borrowings and Debt Securities

Group borrowings as at 31 March 2013 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	5,380
Bankers' acceptances and trust receipts	-	18,180
Onshore Foreign Currency Loan	-	900
Hire Purchase Payable	440	-
	<u>440</u>	<u>24,460</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	679	-

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

	Quarter Ended 31/03/2013 RM'000	Financial Year ended 30/06/2012 RM'000
Ringgit Malaysia	24,679	23,959
United States Dollars	900	2,112
	<u>25,579</u>	<u>26,071</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 7 May 2013.

B9 Dividend

No dividend has been declared or paid during the current quarter.

B10 Earnings Per Share

	Current Year Quarter RM'000	Current Year To Date RM'000
Continuing operations		
Loss net of tax attributable to owners of the parent	(569)	(298)
	<u>(569)</u>	<u>(298)</u>
	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	<u>42,097</u>	<u>42,097</u>
Basic loss per share attributable to owners of the parent (sen)	(1.35)	(0.71)

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.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11 Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2012 were not subject to any qualification.

B12 Realised and Unrealised Profits or Losses

	Financial Year ended 31/03/2013 RM'000	Financial Year ended 30/06/2012 RM'000 (Restated)
Total (accumulated losses)/ retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(24,076)	(20,472)
- Unrealised	6,141	5,598
	<u>(17,935)</u>	<u>(14,874)</u>
Add: Consolidation adjustments	17,809	15,046
Total Group (accumulated losses)/ retained profits as per consolidated accounts:	<u>(126)</u>	<u>172</u>

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	(722)	(2,176)
- Gain on foreign exchange	187	304
- Gain on financial instruments at fair value through profit or loss (classified as held for trading)	-	48
- Gain on disposal of property, plant and equipment	61	61
- Impairment loss on loans and receivables	(6)	(6)
- Interest expense	(400)	(1,175)

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 13 May 2013.