



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 2013. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2013 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2012 RM '000	Current Year To Date 30/06/2013 RM '000	Preceding Year Corresponding Period 30/06/2012 RM '000
Revenue	25,169	24,760	86,291	81,693
Operating expenses	(25,675)	(29,925)	(86,813)	(88,027)
Other operating income	788	261	1,319	1,160
Profit/ (Loss) from operations	282	(4,904)	797	(5,174)
Finance cost	(460)	(444)	(1,635)	(2,018)
Loss before tax from continuing operations	(178)	(5,348)	(838)	(7,192)
Tax income/ (expense)	125	(653)	487	(347)
Loss from continuing operations, net of tax	(53)	(6,001)	(351)	(7,539)
Discontinued operation				
Loss from discontinued operation, net of tax	-	-	-	(60)
Loss for the period/ year	(53)	(6,001)	(351)	(7,599)
Other comprehensive income for the period/ year, net of tax	-	-	-	-
Total comprehensive income for the period/ year	(53)	(6,001)	(351)	(7,599)
Loss for the period/ year attributable to:				
Owners of the parent	(53)	(6,001)	(351)	(7,577)
Non-controlling interests	-	-	-	(22)
	(53)	(6,001)	(351)	(7,599)
Total comprehensive income attributable to:				
Owners of the parent	(53)	(6,001)	(351)	(7,577)
Non-controlling interests	-	-	-	(22)
	(53)	(6,001)	(351)	(7,599)
Loss per share (sen) from continuing operations attributable to owners of the parent:				
- Basic	(0.13)	(14.26)	(0.83)	(17.91)
- Diluted	(0.13)	(14.26)	(0.83)	(17.91)
Loss per share (sen) from discontinued operation attributable to owners of the parent:				
- Basic	N/A	0.00	N/A	(0.09)
- Diluted	N/A	0.00	N/A	(0.09)



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Year 30/06/2013 RM'000	Audited As At Preceding Financial Year Ended 30/06/2012 RM'000	Audited As At Preceding Financial Year Beginning Date 01/07/2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	34,200	36,307	41,572
Goodwill	-	-	3,620
Deferred tax assets	-	-	887
	<u>34,200</u>	<u>36,307</u>	<u>46,079</u>
Current Assets			
Inventories	25,523	30,396	35,677
Trade and other receivables	15,056	13,656	15,696
Financial assets at fair value through profit or loss	124	4	-
Current tax assets	77	26	116
Cash and bank balances	1,658	1,991	1,292
Assets of disposal group held for sale	-	-	5,312
	<u>42,438</u>	<u>46,073</u>	<u>58,093</u>
TOTAL ASSETS	<u><u>76,638</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	(15)	336	7,913
	<u>42,082</u>	<u>42,433</u>	<u>50,010</u>
Non-controlling interests	-	-	213
Total Equity	<u>42,082</u>	<u>42,433</u>	<u>50,223</u>
Non-Current Liabilities			
Loans and borrowings	568	474	1,146
Deferred tax liabilities	2,004	2,465	3,079
Deferred liabilities	225	214	186
	<u>2,797</u>	<u>3,153</u>	<u>4,411</u>
Current Liabilities			
Trade and other payables	9,417	11,192	10,223
Loans and borrowings	22,342	25,597	35,983
Current tax liabilities	-	5	-
Liabilities of disposal group held for sale	-	-	3,332
	<u>31,759</u>	<u>36,794</u>	<u>49,538</u>
Total Liabilities	<u>34,556</u>	<u>39,947</u>	<u>53,949</u>
TOTAL EQUITY AND LIABILITIES	<u><u>76,638</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 twelve months ended 30 June	Attributable to Owners of the Parent					Non-controlling interests RM '000	Total RM '000
	Share capital RM '000	Non-distributable		Distributable	Total RM '000		
		Share premium RM '000	Capital reserve RM '000	Retained profits/ (Accumulated losses) RM '000			
Balance as at 01/07/2011	42,097	164	556	7,193	50,010	213	50,223
Loss (representing total comprehensive income) for the year	-	-	-	(7,577)	(7,577)	(22)	(7,599)
Disposal of subsidiary	-	-	(556)	556	-	(191)	(191)
Balance as at 30/06/2012	42,097	164	-	172	42,433	-	42,433
Loss (representing total comprehensive income) for the year	-	-	-	(351)	(351)	-	(351)
Balance as at 30/06/2013	42,097	164	-	(179)	42,082	-	42,082



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

	Current Year 12 Months Ended 30/06/2013 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2012 <u>RM '000</u>
Cash Flows from Operating Activities		
Loss before tax from continuing operations	(838)	(7,192)
Loss before tax from discontinued operation	-	(130)
Loss before tax, total	<u>(838)</u>	<u>(7,322)</u>
Adjustments for:		
Depreciation of property, plant and equipment	2,900	3,291
Interest expense	1,635	2,145
Inventories written down	133	1,265
Property, plant and equipment written off	-	558
Provision for retirement benefits	41	41
Impairment loss on loans and receivables	6	29
Impairment loss on goodwill	-	3,620
Gain on disposal of subsidiary companies	-	(40)
Gain on disposal of property, plant and equipment	(92)	(141)
Unrealised gain on financial instruments at fair value through profit or loss	(124)	(4)
Gain on foreign exchange - unrealised	<u>(333)</u>	<u>(83)</u>
Operating profit before changes in working capital	3,328	3,359
Changes in working capital		
Net change in current assets	3,679	1,909
Net change in current liabilities	<u>(1,787)</u>	<u>2,602</u>
Cash generated from operations	5,220	7,870
Tax paid	(51)	(58)
Tax refunded	21	-
Retirement benefit paid	<u>(6)</u>	<u>(27)</u>
Net cash from operating activities	<u>5,184</u>	<u>7,785</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(249)	(441)
Disposal of property, plant and equipment	119	1,931
Disposal of investments	-	3,579
Net cash (used in)/ from investing activities	<u>(130)</u>	<u>5,069</u>
Cash Flows from Financing activities		
Interest paid	(1,656)	(2,091)
Bank borrowings	<u>(912)</u>	<u>(7,883)</u>
Net cash used in financing activities	<u>(2,568)</u>	<u>(9,974)</u>
Net change in cash and cash equivalents	2,486	2,880
Cash and cash equivalents at beginning of the year	<u>(4,309)</u>	<u>(7,189)</u>
Cash and cash equivalents at end of the year	<u><u>(1,823)</u></u>	<u><u>(4,309)</u></u>
Cash and cash equivalents at end of the year consist of :-		
Cash & bank balances	1,658	1,991
Bank overdrafts	<u>(3,481)</u>	<u>(6,300)</u>
	<u><u>(1,823)</u></u>	<u><u>(4,309)</u></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	5,910	36,649
Asia (exclude Malaysia)	10,585	24,998
Oceania	915	11,441
Europe	3,944	7,540
Africa and America	3,815	5,663
	<u>25,169</u>	<u>86,291</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

The condensed Consolidated Statement of Comprehensive Income for the preceding year fourth financial quarter and the preceding financial year both ended 30 June 2012, have been re-presented as a results of the compliance of MFRS 1. The Group has restated the loss after tax for continuing operations from RM5.828 to RM6.001 and RM7.366 million to RM7.539 million for preceding year fourth quarter and preceding financial year respectively to include an amount of depreciation of RM0.231 million and a tax income of RM0.058 million as a result of adoption of fair value as deemed cost at the date of transition to MFRS.

For the current quarter ended 30 June 2013, the Group recorded a revenue of RM25.169 million against revenue of RM24.760 million as posted in the preceding year's corresponding quarter. The increase in revenue of RM0.409 million or 1.65% was mainly attributable to higher sales demand in the export market. The Group has incurred a loss before tax of RM0.178 million in the current quarter as compared to RM5.348 million recorded in the preceding year's corresponding quarter mainly due to major non-recurring expenses incurred in the preceding year's corresponding quarter.

The Group's revenue for the financial year ended 30 June 2013 was RM86.291 million, an increase of RM4.598 million or 5.63% as compared to RM81.693 million recorded in the previous financial year ended 30 June 2012, mainly due to the higher sales volume generated from export market during the current financial year as compared to previous financial year. The Group registered a lower loss before tax of RM0.838 million in current financial year as compared to RM7.192 million incurred in the previous financial year mainly due to higher sales volume generated in current financial year and the major non-recurring expenses incurred in the previous financial year.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance RM'000	%
	30/06/2013 RM'000	31/03/2013 RM'000		
Revenue	25,169	19,146	6,023	31
Loss before tax	<u>(178)</u>	<u>(884)</u>	<u>706</u>	<u>(80)</u>

The Group's revenue generated in the current quarter was RM25.169 million as compared to RM19.146 million in the immediate preceding quarter was mainly due to higher sales demand from export market. As a result of the increase in revenue, the Group incurred a lower loss before tax of RM0.178 million in the current quarter as compared to RM0.884 million recorded in the immediate preceding quarter.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging in the next financial year 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.

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 30 June 2013 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Overprovision in prior years	26	26
Deferred tax (expense)/ income:		
Current	(5)	331
Overprovision in prior years	104	130
	<u>125</u>	<u>487</u>

The Group has reversed a deferred tax income of approximately RM5,000 in the current quarter and provided a deferred tax income of approximately RM331,000 in the current year to date 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 30 June 2013 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	3,481
Bankers' acceptances and trust receipts	-	17,083
Onshore Foreign Currency Loan	-	1,335
Hire Purchase Payable	443	-
	<u>443</u>	<u>21,899</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	568	-
c) The Group borrowings are denominated in the following currencies:		
	Quarter Ended 30/06/2013 RM'000	Financial Year ended 30/06/2012 RM'000
Ringgit Malaysia	21,575	23,959
United States Dollars	1,335	2,112
	<u>22,910</u>	<u>26,071</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 21 August 2013.

B9 Dividend

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

B10 Earnings Per Share

Continuing operations

	Current Year Quarter RM'000	Current Year To Date RM'000
Loss net of tax attributable to owners of the parent	<u>(53)</u>	<u>(351)</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)	(0.13)	(0.83)
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The diluted loss per share equals the basic loss per share as the Company did not have any dilutive potential ordinary shares during the financial year.



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 30/06/2013 RM'000	Financial Year ended 30/06/2012 RM'000
Total (accumulated losses)/ retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(24,069)	(19,783)
- Unrealised	5,518	4,909
	<u>(18,551)</u>	<u>(14,874)</u>
Add: Consolidation adjustments	18,372	15,046
Total Group (accumulated losses)/ retained profits as per consolidated accounts:	<u>(179)</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	(724)	(2,900)
- Gain on foreign exchange	610	914
- Gain on financial instruments at fair value through profit or loss (classified as held for trading)	166	214
- Gain on disposal of property, plant and equipment	30	92
- Impairment loss on loans and receivables	-	(6)
- Inventories written down	(133)	(133)
- Interest expense	(460)	(1,635)

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 27 August 2013.