



S I N C E 1 9 5 9

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 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2014 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2013 RM '000	Current Year To Date 31/03/2014 RM '000	Preceding Year Corresponding Period 31/03/2013 RM '000
Revenue	15,570	19,146	61,518	61,122
Operating expenses	(16,112)	(19,905)	(61,574)	(61,134)
Other operating (expenses) / income	(19)	277	557	531
Loss from operations	(561)	(482)	501	519
Finance cost	(406)	(400)	(1,146)	(1,175)
Loss before tax	(967)	(882)	(645)	(656)
Tax income	113	315	127	362
Loss for the period	(854)	(567)	(518)	(294)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(854)	(567)	(518)	(294)
Profit for the period attributable to:				
Owners of the parent	(854)	(567)	(518)	(294)
Non-controlling interests	-	-	-	-
	(854)	(567)	(518)	(294)
Total comprehensive income attributable to:				
Owners of the parent	(854)	(567)	(518)	(294)
Non-controlling interests	-	-	-	-
	(854)	(567)	(518)	(294)
Earnings per share (sen) attributable to owners of the parent:				
- Basic	(2.03)	(1.35)	(1.23)	(0.70)
- Diluted	(2.03)	(1.35)	(1.23)	(0.70)

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the 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 31/03/2014 RM'000	Audited As At Preceding Financial Year Ended 30/06/2013 RM'000 (Restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	33,270	34,200
	<u>33,270</u>	<u>34,200</u>
Current Assets		
Inventories	31,599	25,523
Trade and other receivables	12,694	15,056
Financial assets at fair value through profit or loss	-	124
Current tax assets	-	77
Cash and bank balances	791	1,658
	<u>45,084</u>	<u>42,438</u>
TOTAL ASSETS	<u><u>78,354</u></u>	<u><u>76,638</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners of the Company		
Share capital	42,097	42,097
Reserves	(589)	(71)
	<u>41,508</u>	<u>42,026</u>
Non-controlling interests	-	-
Total Equity	<u>41,508</u>	<u>42,026</u>
Non-Current Liabilities		
Loans and borrowings	1,841	568
Deferred tax liabilities	1,823	1,986
Retirement benefits	305	300
	<u>3,969</u>	<u>2,854</u>
Current Liabilities		
Trade and other payables	6,601	9,378
Loans and borrowings	26,172	22,342
Retirement benefits	61	38
Financial liabilities at fair value through profit or loss	38	-
Current tax liabilities	5	-
	<u>32,877</u>	<u>31,758</u>
Total Liabilities	<u>36,846</u>	<u>34,612</u>
TOTAL EQUITY AND LIABILITIES	<u><u>78,354</u></u>	<u><u>76,638</u></u>
Net Assets per Share Attributable to Owners of the Parent (sen)	99	100

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



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				Non-controlling interests RM '000	Total RM '000
	Non-distributable		Distributable	Total RM '000		
	Share capital RM '000	Share premium RM '000	Retained profits/ (Accumulated losses) RM '000			
Balance as at 01/07/2012	42,097	164	172	42,433	-	42,433
Effect of MFRS adoption	-	-	(60)	(60)	-	(60)
Restated balance	42,097	164	112	42,373	-	42,373
Profit (representing total comprehensive income) for the period	-	-	(294)	(294)	-	(294)
Balance as at 31/03/2013	<u>42,097</u>	<u>164</u>	<u>(182)</u>	<u>42,079</u>	<u>-</u>	<u>42,079</u>
Balance as at 01/07/2013	42,097	164	(178)	42,083	-	42,083
Effect of MFRS adoption	-	-	(57)	(57)	-	(57)
Restated balance	42,097	164	(235)	42,026	-	42,026
Loss (representing total comprehensive income) for the period	-	-	(518)	(518)	-	(518)
Balance as at 31/03/2014	<u>42,097</u>	<u>164</u>	<u>(753)</u>	<u>41,508</u>	<u>-</u>	<u>41,508</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 9 Months Ended 31/03/2014 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2013 <u>RM '000</u>
Cash Flows from Operating Activities		
Loss before tax	(645)	(656)
Adjustments for:		
Depreciation of property, plant and equipment	2,159	2,176
Interest expense	1,146	1,175
Provision for retirement benefits	27	36
Impairment loss on loans and receivables	-	6
Loss/ (Gain) on disposal of property, plant and equipment	603	(61)
Unrealised loss on financial instruments at fair value through profit or loss	37	-
Gain on foreign exchange - unrealised	(8)	(14)
Operating profit before changes in working capital	<u>3,319</u>	<u>2,662</u>
Changes in working capital		
Net change in current assets	(5,464)	2,738
Net change in current liabilities	<u>(2,780)</u>	<u>(3,571)</u>
Cash (used in)/ generated from operations	<u>(4,925)</u>	<u>1,829</u>
Tax paid	(36)	(37)
Tax refunded	82	-
Retirement benefit paid	-	(14)
Net cash (used in)/ from operating activities	<u>(4,879)</u>	<u>1,778</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(2,849)	(755)
Disposal of property, plant and equipment	1,018	61
Net cash used in investing activities	<u>(1,831)</u>	<u>(694)</u>
Cash Flows from Financing activities		
Interest paid	739	(1,288)
Bank borrowings	<u>3,306</u>	<u>428</u>
Net cash from/ (used in) financing activities	<u>4,045</u>	<u>(860)</u>
Net change in cash and cash equivalents	(2,665)	224
Currency translation differences	-	-
Cash and cash equivalents at beginning of the period	<u>(1,822)</u>	<u>(4,309)</u>
Cash and cash equivalents at end of the period	<u>(4,487)</u>	<u>(4,085)</u>
Cash and cash equivalents at end of the period consist of :-		
Cash & bank balances	791	1,295
Bank overdrafts	(5,278)	(5,380)
	<u>(4,487)</u>	<u>(4,085)</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART A : REQUIREMENTS OF 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 2013. 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 2013.

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 2013 except for the adoption of revised MFRS, amendments to MFRSs and IC Interpretations which were effective for the financial period beginning on or after 1 January 2013.

The revised MFRSs, Amendments to MFRSs and IC Interpretations do not have significant impacts on the financial statements of the Group in the period of initial application except for the following:

MFRS 119: Employee Benefits (Revised)

MFRS 119: Employee Benefits (Revised) eliminates the use of the "corridor" approach in deferring the recognition of actuarial gains and losses on defined benefit plans and instead mandates all such gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. The expected returns on plan assets of defined benefit plans are not recognised in profit or loss and instead, the interest on net defined benefit obligation (net of the plan assets) is recognised in profit or loss, calculated using the discount rate used to measure the net pension obligation or asset.

The Group has adopted MFRS 119: Employee Benefits (Revised) and applied this standard retrospectively during the current period. Accordingly, the financial statements for the previous financial period and year have been restated as follows:

	As previously reported RM'000	Effect of adoption of MFRS 119 RM'000	Restated RM'000
(a) Condensed Consolidated Statement of Financial Position			
<u>As at 30 June 2013</u>			
Deferred tax liabilities	2,005	(19)	1,986
Retirement benefits	262	76	338
Accumulated losses	(178)	(57)	(235)
Total equity	42,083	(57)	42,026
(b) Condensed Consolidated Statement of Comprehensive Income			
<u>Period ended 31 March 2013</u>			
Employee benefits expenses	(12,132)	4	(12,128)
Profit before tax	(660)	4	(656)
Profit for the period	(298)	4	(294)
Total comprehensive income	(298)	4	(294)

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 <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Malaysia	7,242	28,518
Asia (exclude Malaysia)	3,138	13,017
Oceania	2,310	14,763
Europe	2,291	3,819
Africa and America	589	1,401
	<u>15,570</u>	<u>61,518</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 2013.

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 2014, the Group achieved a revenue and incurred loss before tax of RM15.57 million and RM0.967 million respectively compared to RM19.146 million and RM0.882 million respectively recorded in preceeding year corresponding quarter. The reduction in revenue was mainly due to lower demand in export sales in the current quarter.

The Group revenue for the nine months ended 31 March 2014 was RM61.518 million or slightly increase of 0.65% as compared to the preceding year corresponding period. In line with slightly increase of revenue, the Group recorded a loss before tax of RM0.645 million or an improvement of 1.68% lower loss before tax as compared to loss before tax of RM0.656 million registered in preceding year corresponding period. This was mainly due to lower finance cost incurred in the current period.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	31/03/2014 <u>RM'000</u>	31/12/2013 <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	15,570	27,110	(11,540)	(43)
(Loss) / Profit before tax	<u>(967)</u>	<u>921</u>	<u>(1,888)</u>	<u>(205)</u>

The Group's revenue generated in the current quarter was RM15.570 million which was decreased by RM11.540 million as compared to RM27.110 million in the immediate preceding quarter. This was mainly due to lower sales from local market in the current quarter as compared with back to school season of previous quarter. The lower revenue was due to seasonal factor as stated in Note A3. As a result, the Group incurred loss before tax of RM0.967 million in current quarter as compared to profit before tax of RM0.921 million recorded in the immediate preceding quarter.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging but the final quarter will improve as compare with current quarter. However, the Group continues to face the volatile factors resulted from the uncertain macro-economic outlook.

B4 Profit Forecast/ Profit Guarantee

Not applicable as there were no profit forecasts published.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B5 Tax Expense

Breakdown of tax expense for the quarter ended 31 March 2014 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current	31	(37)
Deferred tax income:		
Current	82	164
	<u>113</u>	<u>127</u>

The Group has provided an income tax payable of RM37,000 for the current year to date. A deferred tax income of approximately RM164,000 has been provided in the current year to date mainly due to the losses 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 2014 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	5,278
Bankers' acceptances and trust receipts	-	20,008
Onshore Foreign Currency Loan	-	259
Hire Purchase Payable	627	-
	<u>627</u>	<u>25,545</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	1,841	-
c) The Group borrowings are denominated in the following currencies:		
	Quarter Ended 31/03/2014 RM'000	Financial Year ended 30/06/2013 RM'000
Ringgit Malaysia	27,754	27,283
United States Dollars	259	84
	<u>28,013</u>	<u>27,367</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 27 May 2014.

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
Loss for the period attributable to owners of the parent	<u>(854)</u>	<u>(518)</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 period	-	-
Basic weighted average number of shares	<u>42,097</u>	<u>42,097</u>
Basic earnings per share attributable to owners of the parent (sen)	(2.03)	(1.23)

The diluted earnings per share equals the basic loss per share as the Company did not have any dilutive potential ordinary shares during the financial period.

B11 Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2013 were not subject to any qualification.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B12 Realised and Unrealised Profits or Losses

	Financial Period ended 31/03/2014 <u>RM'000</u>	Financial Year ended 30/06/2013 <u>RM'000</u> (Restated)
Total (accumulated losses)/ retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(15,684)	(15,602)
- Unrealised	<u>5,078</u>	<u>5,538</u>
	(10,606)	(10,064)
Add: Consolidation adjustments	9,853	9,829
Total Group accumulated losses as per consolidated accounts	<u>(753)</u>	<u>(235)</u>

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Profit for the period is arrived at after crediting / (charging)		
- Depreciation of property, plant and equipment	(718)	(2,159)
- (Loss) /Gain on foreign exchange	(19)	557
- Gain / (Loss) on financial instruments at fair value through profit or loss (classified as held for trading)	42	(11)
- Gain / (Loss) on disposal of property, plant and equipment	49	(603)
- Interest expense	(406)	(1,146)

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 28 May 2014.