



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 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended <u>30/06/2014</u> RM '000	Preceding Year Corresponding Quarter Ended <u>30/06/2013</u> RM '000 (Restated) *	Current Year To Date <u>30/06/2014</u> RM '000	Preceding Year Corresponding Period <u>30/06/2013</u> RM '000 (Restated) *
Revenue	27,387	25,102	88,905	86,224
Operating expenses	(25,939)	(25,607)	(87,513)	(86,741)
Other (expenses) / income	(25)	788	532	1,319
Finance costs	(412)	(460)	(1,558)	(1,635)
Profit / (Loss) before tax	1,011	(177)	366	(833)
Tax (expense) / income	(358)	124	(231)	486
Profit / (Loss) for the financial period / year	653	(53)	135	(347)
Other comprehensive income for the period / year <i>Item that will not be reclassified to profit or loss:-</i>				
- Remeasurement of defined benefit liability	(24)	-	(24)	-
- Deferred tax effects thereof	6	-	6	-
Total comprehensive income for the period / year	635	(53)	117	(347)
Earnings / (Loss) per share (sen)				
- Basic	1.55	(0.13)	0.32	(0.82)
- Diluted	1.55	(0.13)	0.32	(0.82)

* Note:

Please refer to Note A2 to the condensed consolidated interim financial statements for the reason of re-presented of the condensed consolidated statements of comprehensive income for the preceding year corresponding quarter and year ended 30 June 2013.

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



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

	Unaudited As At End Of Current Quarter 30/06/2014 RM'000	Audited As At Preceding Financial Year Ended 30/06/2013 RM'000 (Restated) *
ASSETS		
Non-Current Assets		
Property, plant and equipment	33,052	34,200
	<u>33,052</u>	<u>34,200</u>
Current Assets		
Inventories	30,350	25,523
Trade and other receivables	13,940	15,056
Financial assets at fair value through profit or loss	12	124
Current tax assets	-	77
Cash and bank balances	1,486	1,658
	<u>45,788</u>	<u>42,438</u>
TOTAL ASSETS	<u>78,840</u>	<u>76,638</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	42,097	42,097
Reserves	46	(71)
Total Equity	<u>42,143</u>	<u>42,026</u>
Non-Current Liabilities		
Loans and borrowings	1,949	568
Deferred tax liabilities	2,077	1,986
Retirement benefits	361	300
	<u>4,387</u>	<u>2,854</u>
Current Liabilities		
Trade and other payables	9,334	9,378
Loans and borrowings	22,885	22,342
Retirement benefits	-	38
Current tax liabilities	91	-
	<u>32,310</u>	<u>31,758</u>
Total Liabilities	<u>36,697</u>	<u>34,612</u>
TOTAL EQUITY AND LIABILITIES	<u>78,840</u>	<u>76,638</u>
Net Assets per Share (sen)	100	100

* Note:

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

For the twelve months ended 30 June 2014 - unaudited	Non-distributable			Total Equity RM '000
	Share capital RM '000	Share premium RM '000	Retained profits/ (Accumulated losses) RM '000	
Balance as at 01/07/2012				
- As previously reported	42,097	164	172	42,433
- Effects of adopting MFRS 119	-	-	(60)	(60)
- As restated	42,097	164	112	42,373
Loss (representing total comprehensive income) for the financial year	-	-	(347)	(347)
Balance as at 30/06/2013	<u>42,097</u>	<u>164</u>	<u>(235)</u>	<u>42,026</u>
Balance as at 01/07/2013				
- As previously reported	42,097	164	(178)	42,083
- Effects of adopting MFRS 119	-	-	(57)	(57)
- As restated	42,097	164	(235)	42,026
Remeasurement of deferred benefit liability	-	-	(24)	(24)
Deferred tax effects thereof	-	-	6	6
Other comprehensive income for the financial year	-	-	(18)	(18)
Profit for the financial year	-	-	135	135
Total comprehensive income for the financial year	-	-	117	117
Balance as at 30/06/2014	<u>42,097</u>	<u>164</u>	<u>(118)</u>	<u>42,143</u>

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



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

	Current Year 12 Months Ended 30/06/2014 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2013 <u>RM '000</u> (Restated) *
Cash Flows from Operating Activities		
Profit / (Loss) before tax	366	(833)
Adjustments for:		
Depreciation of property, plant and equipment	2,861	2,900
Interest expense	1,558	1,635
Inventories written down	20	133
Property, plant and equipment written off	1	-
Provision for retirement benefits	(1)	36
Impairment loss on loans and receivables	59	6
Loss/ (Gain) on disposal of property, plant and equipment	591	(92)
Unrealised gain on financial instruments at fair value through profit or loss	(11)	(124)
Unrealised loss / (gain) on foreign exchange	201	(333)
Operating profit before changes in working capital	<u>5,645</u>	<u>3,328</u>
Changes in working capital		
Net change in current assets	(4,098)	3,679
Net change in current liabilities	<u>85</u>	<u>(1,787)</u>
Cash generated from operations	<u>1,632</u>	<u>5,220</u>
Tax paid	(48)	(51)
Tax refunded	82	21
Retirement benefit paid	-	(6)
Net cash generated from operating activities	<u>1,666</u>	<u>5,184</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(862)	(249)
Proceeds from disposal of property, plant and equipment	<u>1,030</u>	<u>119</u>
Net cash generated from / (used in) investing activities	<u>168</u>	<u>(130)</u>
Cash Flows from Financing activities		
Interest paid	(1,539)	(1,655)
Bank borrowings	(493)	(912)
Net cash used in financing activities	<u>(2,032)</u>	<u>(2,567)</u>
Net change in cash and cash equivalents	(198)	2,487
Cash and cash equivalents at beginning of the year	<u>(1,822)</u>	<u>(4,309)</u>
Cash and cash equivalents at end of the year	<u>(2,020)</u>	<u>(1,822)</u>
Cash and cash equivalents at end of the year consist of :-		
Cash & bank balances	1,486	1,658
Bank overdrafts	(3,506)	(3,480)
	<u>(2,020)</u>	<u>(1,822)</u>

* Note:

Please refer to Note A2 to the condensed consolidated interim financial statements for the reason of re-presented of the condensed consolidated statements of comprehensive income for the preceding years corresponding quarter and year ended 30 June 2013.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the ended 30 June 2013 and the accompanying 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 (Amended in 2011)

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>Year ended 30 June 2013</u>			
Operating Expenses	(16,362)	5	(16,357)
Loss before tax	(838)	5	(833)
Loss for the period	(352)	5	(347)
Total comprehensive income	(352)	5	(347)

A3 Seasonal or Cyclical Factors

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 Unusual Items

There were no items affecting the current quarter's assets, liabilities, equity, net income or cash flows that are unusual for the year under review.

A5 Changes in Estimates

There were no major changes in estimates from those of the prior financial year which have a material effect for the year under review.

A6 Issuance, Repurchases and Repayments of Debt and Equity Securities

There were no issues, repurchase, cancellation resales and repayment of debt and equity securities during the year under review.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A7 Dividends paid

No dividend was paid during the year under review.

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	4,836	33,354
Asia (exclude Malaysia)	14,171	27,188
Oceania	1,641	16,404
Europe	3,408	7,227
Africa and America	3,331	4,732
	<u>27,387</u>	<u>88,905</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 30 June 2014, the Group achieved total revenue of RM27.387 million compared to RM25.102 million recorded in preceding year corresponding quarter. The increase in revenue was mainly due to higher export sales. With the higher revenue and better profit margin, the Group achieved profit before tax of RM1.011 million as compared to loss before tax of RM0.177 million in preceding year corresponding quarter.

The Group's revenue for the twelve months ended 30 June 2014 was RM88.905 million, an increase of 3.11% or RM2.681 million as compared to RM86.224 million achieved in the preceding financial year. In line with the increment of revenue and better profit margin in addition to lower finance costs incurred in the current financial year, the Group recorded a profit before tax of RM0.366 million or an improvement of 144% as compared to loss before tax of RM0.833 million registered in previous financial year.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance <u>RM'000</u>	%
	30/06/2014 <u>RM'000</u>	31/03/2014 <u>RM'000</u>		
Revenue	27,387	15,570	11,817	76
Profit / (Loss) before tax	<u>1,011</u>	<u>(967)</u>	<u>1,978</u>	<u>205</u>

The Group's revenue generated in the current quarter was RM27.387 million, an increase of RM11.817 million as compared to RM15.570 million in the immediate preceding quarter. The higher revenue was due to seasonal factor as stated in Note A3. As a result, the Group achieved profit before tax of RM1.011 million in current quarter as compared to loss before tax of RM0.967 million recorded in the immediate preceding quarter.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging as the Group continues to face the volatile factors resulted from the uncertain macro-economic outlook. However, the Group expects to perform better in next 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 Expense

Breakdown of tax expense for the quarter ended 30 June 2014 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current year	(97)	(134)
Deferred tax income:		
Current year	(177)	(3)
Prior year	(84)	(94)
	<u>(358)</u>	<u>(231)</u>

The effective rate for the current financial period is higher than the statutory tax rate of 25% is mainly due to non deductibility of certain expenses and balancing charges incurred resulted from a disposal of plant and equipment.

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 2014 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	3,506
Bankers' acceptances and trust receipts	-	16,265
Onshore Foreign Currency Loan	-	2,402
Hire Purchase Payable	712	-
	<u>712</u>	<u>22,173</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	1,949	-
	<u>1,949</u>	<u>-</u>
c) The Group borrowings are denominated in the following currencies:		
	Financial Year ended 30/06/2014 RM'000	Financial Year ended 30/06/2013 RM'000
Ringgit Malaysia	22,432	21,575
United States Dollars	2,402	1,335
	<u>24,834</u>	<u>22,910</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 26 August 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
Profit for the period/ year	<u>653</u>	<u>135</u>
	No. of Shares '000	No. of Shares '000
Number of ordinary shares	<u>42,097</u>	<u>42,097</u>
Weighted average number of shares in the year		
	<u>42,097</u>	<u>42,097</u>
Basic earnings per share	1.55	0.32

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

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 Year ended 30/06/2014 <u>RM'000</u>	Financial Year ended 30/06/2013 <u>RM'000</u> (Restated)
Total accumulated losses of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(13,819)	(15,602)
- Unrealised	<u>4,586</u>	<u>5,538</u>
	(9,233)	(10,064)
Add: Consolidation adjustments and eliminations	9,115	9,829
Total Group accumulated losses as per consolidated accounts	<u>(118)</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	(702)	(2,861)
- (Loss) /Gain on foreign exchange	(242)	315
- Gain / (Loss) on financial instruments at fair value through profit or loss (classified as held for trading)	8	(3)
- Gain / (Loss) on disposal of property, plant and equipment	12	(591)
- Property, plant and equipment written off	(1)	(1)
- Impairment loss on loans and receivables	(59)	(59)
- Inventories written down	(20)	(20)
- Interest expense	(412)	(1,558)

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 2014.