



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 2015. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2015 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2014 RM '000	Current Year To Date 31/03/2015 RM '000	Preceding Year Corresponding Period 31/03/2014 RM '000
Revenue	16,924	15,570	64,094	61,518
Operating expenses	(16,926)	(16,212)	(62,535)	(61,574)
Other operating income	44	81	370	557
Finance costs	(377)	(406)	(1,177)	(1,146)
(Loss)/Profit before tax	(335)	(967)	752	(645)
Tax expense	24	113	(50)	127
(Loss)/Profit for the period	(311)	(854)	702	(518)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(311)	(854)	702	(518)
(Loss)/Earning per share (sen)				
- Basic	(0.74)	(2.03)	1.67	(1.23)
- Diluted	(0.74)	(2.03)	1.67	(1.23)

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.



S I N C E 1 9 5 9

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Quarter 31/03/2015 RM'000	Audited As At Preceding Financial Year Ended 30/06/2014 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	34,413	33,052
Current Assets		
Inventories	32,711	31,118
Trade and other receivables	8,929	13,940
Financial assets at fair value through profit or loss	-	12
Tax recoverable	31	-
Cash and bank balances	1,085	1,486
	<u>42,756</u>	<u>46,556</u>
TOTAL ASSETS	<u><u>77,169</u></u>	<u><u>79,608</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	42,097	42,097
Reserves	748	46
Total Equity	<u>42,845</u>	<u>42,143</u>
Non-Current Liabilities		
Retirement benefits	389	361
Deferred tax liabilities	2,126	2,077
Loans and borrowings	2,731	1,949
	<u>5,246</u>	<u>4,387</u>
Current Liabilities		
Trade and other payables	5,773	10,102
Financial liabilities at fair value through profit or loss	247	-
Current tax liabilities	-	91
Loans and borrowings	23,058	22,885
	<u>29,078</u>	<u>33,078</u>
Total Liabilities	<u>34,324</u>	<u>37,465</u>
TOTAL EQUITY AND LIABILITIES	<u><u>77,169</u></u>	<u><u>79,608</u></u>
Net Assets per Share (sen)	102	100

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.



S I N C E 1 9 5 9

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2015 - unaudited	Non-distributable			Total Equity RM '000
	Share capital RM '000	Share premium RM '000	(Accumulated losses)/ Retained profits RM '000	
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
Loss (representing total comprehensive income) for the period	-	-	(518)	(518)
Balance as at 31/03/2014	<u>42,097</u>	<u>164</u>	<u>(753)</u>	<u>41,508</u>
Balance as at 01/07/2014				
- As previously reported	42,097	164	(118)	42,143
Profit (representing total comprehensive income) for the period	-	-	702	702
Balance as at 31/03/2015	<u>42,097</u>	<u>164</u>	<u>584</u>	<u>42,845</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 31/03/2015 <u>RM '000</u>	Preceding Year Corresponding 9 Months Ended 31/03/2014 <u>RM '000</u>
Cash Flows from Operating Activities		
Profit/(Loss) before tax	752	(645)
Adjustments for:		
Bad debts written off	6	-
Depreciation of property, plant and equipment	2,140	2,159
(Gain)/loss on disposal of property, plant and equipment	(10)	603
Interest expense	1,177	1,146
Inventories written down	84	75
Retirement benefits	28	28
Unrealised (gain)/loss on foreign exchange	(192)	8
Unrealised loss on financial instruments at fair value through profit or loss	247	38
Operating profit before changes in working capital	<u>4,232</u>	<u>3,412</u>
Changes in:-		
Inventories	(1,677)	(6,151)
Receivables and prepayments	5,197	2,354
Payables and advance payments	(4,329)	(2,777)
Financial instruments at fair value through profit or loss	12	124
Cash generated from/(utilised in) operations	<u>3,435</u>	<u>(3,038)</u>
Tax paid	(123)	(36)
Tax refunded	-	82
Net cash from/(used in) operating activities	<u>3,312</u>	<u>(2,992)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,287)	(776)
Proceeds from disposal of property, plant and equipment	10	1,018
Net cash (used in)/from investing activities	<u>(1,277)</u>	<u>242</u>
Cash Flows from Financing activities		
Interest paid	(1,177)	(1,146)
Net (decrease)/increase in short-term loans and borrowings	(997)	1,849
Repayment of hire purchase obligations	(729)	(617)
Net cash (used in)/from financing activities	<u>(2,903)</u>	<u>86</u>
Net change in cash and cash equivalents	(868)	(2,664)
Cash and cash equivalents at beginning of the period	(2,020)	(1,822)
Cash and cash equivalents at end of the period	<u>(2,888)</u>	<u>(4,486)</u>
Cash and cash equivalents at end of the period consist of :-		
Cash & bank balances	1,085	791
Bank overdrafts	(3,973)	(5,277)
	<u>(2,888)</u>	<u>(4,486)</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2014 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 2014. 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 2014.

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 2014. In the previous years, the financial statements were prepared in accordance with the Financial Reporting Standards in Malaysia. The first time adoption of MFRS does not have any significant impact on the Group reported unaudited financial position, financial performance and cash flows.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations do not result in significant changes in accounting policies of the Group.

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 because of their nature, size or incidence.

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 current quarter.

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 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 <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Malaysia	6,015	23,941
Asia (exclude Malaysia)	6,473	19,800
Oceania	2,266	12,714
Europe	1,468	4,447
Africa and America	702	3,192
	<u>16,924</u>	<u>64,094</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 2014.

A12 Material Related Parties Transactions

There were no material transactions entered by the Group with any related parties.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART B : REQUIREMENTS OF APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance

For the current quarter ended 31 March 2015, the Group generated a revenue of RM16.924 million as compared with RM15.570 million in the preceding year corresponding quarter. The increase in revenue of RM1.354 million or 8.70% was mainly attributable to higher sales demand in the export market. While the Group has incurred a lower loss before tax in the current quarter of RM0.335 million as compared to the preceding year's corresponding quarter of RM0.967 million as a result of the increase in revenue and lower finance cost incurred.

For the nine months ended 31 March 2015, the Group recorded a revenue of RM64.094 million against revenue of RM61.518 million as posted in the preceding year corresponding period. The increase in revenue of RM2.576 million or 4.19% was mainly due to higher sales in the export market. With the higher turnover and improvement of profit margin, the Group has generated profit before tax of RM0.752 million as compared to the loss before tax of RM0.645 million recorded in the preceding year corresponding period.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance RM'000	%
	31/03/2015 RM'000	31/12/2014 RM'000		
Revenue	16,924	29,898	(12,974)	(43)
(Loss)/ Profit before tax	<u>(335)</u>	<u>1,537</u>	<u>(1,872)</u>	<u>122</u>

The Group's revenue generated in the current quarter was RM16.924 million as compared to RM29.898 million in the immediate preceding quarter was mainly due to lower sales demand as seasonal factor as stated in note A3. The Group suffered loss before tax of RM0.335 million in the current quarter as compared to profit before tax of RM1.537 million recorded in the immediate preceding quarter as a result of decrease in revenue.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging in the following quarters as the Group continues to face the volatile factors resulted from the uncertain macro-economic outlook. However, the Board anticipate the performance of the Group will be better for current financial year ending 30 June 2015 as compared to previous financial year.

B4 Profit Forecast/ Profit Guarantee

Not applicable as there were no profit forecasts published.

B5 Tax Expense

Breakdown of tax expense for the quarter ended 31 March 2015 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	(28)	135
Deferred tax:		
Current year	<u>4</u>	<u>(85)</u>
	<u>(24)</u>	<u>50</u>

The effective tax rate of the Group for the current period to date is lower than the statutory tax rate, mainly due to utilisation of capital allowances and unabsorbed losses by the profit of certain subsidiaries.

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 2015 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	3,973
Bankers' acceptances and trust receipts	-	17,519
Onshore Foreign Currency Loan	-	151
Hire Purchase Payable	<u>1,415</u>	<u>-</u>
	<u>1,415</u>	<u>21,643</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	<u>2,731</u>	<u>-</u>



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7 Group Borrowings and Debt Securities (Continued)

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

	Quarter Ended 31/03/2015 RM'000	Financial Year ended 30/06/2014 RM'000
Ringgit Malaysia	25,638	22,432
United States Dollars	151	2,402
	<u>25,789</u>	<u>24,834</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 27 May 2015.

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)/Profit for the period	<u>(311)</u>	<u>702</u>
	No. of Shares RM'000	No. of Shares RM'000
Number of ordinary shares		
Weighted average number of shares in the period	<u>42,097</u>	<u>42,097</u>
Basic (loss)/earnings per share (sen)	<u>(0.74)</u>	<u>1.67</u>

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 period.

B11 Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2014 were not subject to any qualification.

B12 Realised and Unrealised Profits or Losses

	Financial Period ended 31/03/2015 RM'000	Financial Year ended 30/06/2014 RM'000 (Restated)
Total (accumulated losses)/retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(12,739)	(13,819)
- Unrealised	4,228	4,586
	<u>(8,511)</u>	<u>(9,233)</u>
Add: Consolidation adjustments and eliminations	9,095	9,115
Total Group retained profits as per consolidated accounts	<u>584</u>	<u>(118)</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)		
- Bad debts recovered	-	12
- Bad debts written off	-	(6)
- Depreciation of property, plant and equipment	(640)	(2,140)
- Gain on disposal of property, plant and equipment	-	10
- Gain on foreign exchange	43	340
- Interest expense	(377)	(1,177)
- Inventories written down	(22)	(84)
- Loss on financial instruments at fair value through profit or loss (classified as held for trading)	(293)	(596)

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 May 2015.