



# 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 2015. The figures have not been audited.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2015 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2014 RM '000	Current Year To Date 30/06/2015 RM '000	Preceding Year Corresponding Period 30/06/2014 RM '000
<b>Revenue</b>	31,168	27,383	95,262	88,901
Operating expenses	(28,497)	(25,935)	(91,032)	(87,509)
Other operating income	549	(25)	919	532
Finance costs	(419)	(412)	(1,596)	(1,558)
<b>Profit before tax</b>	2,801	1,011	3,553	366
Tax expense	(605)	(358)	(655)	(231)
<b>Profit for the year</b>	2,196	653	2,898	135
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
<b>Total comprehensive income for the year</b>	<b>2,196</b>	<b>635</b>	<b>2,898</b>	<b>117</b>
<b>Earning per share (sen)</b>				
- Basic	5.22	1.55	6.88	0.32
- Diluted	5.22	1.55	6.88	0.32

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.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At End Of Current Year 30/06/2015 RM'000	Audited As At Preceding Financial Year Ended 30/06/2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	33,852	33,052
<b>Current Assets</b>		
Inventories	26,725	31,118
Trade and other receivables	19,855	13,940
Financial assets at fair value through profit or loss	1	12
Cash and bank balances	1,195	1,486
	<u>47,776</u>	<u>46,556</u>
<b>TOTAL ASSETS</b>	<u>81,628</u>	<u>79,608</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	42,097	42,097
Reserves	2,944	46
<b>Total Equity</b>	<u>45,041</u>	<u>42,143</u>
<b>Non-Current Liabilities</b>		
Loans and borrowings	2,750	1,949
Retirement benefits	398	361
Deferred tax liabilities	2,419	2,077
	<u>5,567</u>	<u>4,387</u>
<b>Current Liabilities</b>		
Trade and other payables	10,351	10,102
Loans and borrowings	20,517	22,885
Financial liabilities at fair value through profit or loss	4	-
Current tax liabilities	148	91
	<u>31,020</u>	<u>33,078</u>
<b>Total Liabilities</b>	<u>36,587</u>	<u>37,465</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>81,628</u>	<u>79,608</u>
<b>Net Assets per Share (sen)</b>	<b>107</b>	<b>100</b>

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)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the twelve months ended 30 June 2015 - unaudited	Share capital	Non-distributable Share premium	(Accumulated losses)/Retained profits	Total Equity
	RM '000	RM '000	RM '000	RM '000
Balance as at 01/07/2013	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	42,097	164	(118)	42,143
Profit (representing total comprehensive income) for the financial year	-	-	2,898	2,898
Balance as at 30/06/2015	42,097	164	2,780	45,041

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.



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

	Current Year 12 Months Ended 30/06/2015 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2014 <u>RM '000</u>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	3,553	366
Adjustments for:		
Depreciation of property, plant and equipment	2,860	2,861
(Gain)/loss on disposal of property, plant and equipment	(104)	591
Impairment loss on loans and receivables	6	59
Interest expense	1,596	1,558
Inventories written down	194	20
Property, plant and equipment written off	-	1
Provision for retirement benefits	37	(1)
Unrealised (gain)/loss on foreign exchange	(324)	201
Unrealised loss/(gain) on financial instruments at fair value through profit or loss	3	(11)
Operating profit before changes in working capital	<u>7,821</u>	<u>5,645</u>
Changes in:-		
Inventories	4,199	(5,615)
Receivables and prepayments	(5,597)	751
Payables and advance payments	249	724
Financial instruments at fair value through profit or loss	12	124
Cash generated from operations	<u>6,684</u>	<u>1,629</u>
Tax paid	(256)	(48)
Tax refunded	-	82
Net cash from operating activities	<u>6,428</u>	<u>1,663</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,446)	(862)
Proceeds from disposal of property, plant and equipment	104	1,030
Net cash (used in)/from investing activities	<u>(1,342)</u>	<u>168</u>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(1,607)	(1,563)
Net (decrease)/increase in short-term loans and borrowings	(4,186)	357
Repayment of hire purchase obligations	(1,008)	(823)
Net cash used in financing activities	<u>(6,801)</u>	<u>(2,029)</u>
<b>Net change in cash and cash equivalents</b>	(1,715)	(198)
<b>Cash and cash equivalents at beginning of the year</b>	(2,020)	(1,822)
<b>Cash and cash equivalents at end of the year</b>	<u>(3,735)</u>	<u>(2,020)</u>
<b>Cash and cash equivalents at end of the year consist of :-</b>		
Cash & bank balances	1,195	1,486
Bank overdrafts	(4,930)	(3,506)
	<u>(3,735)</u>	<u>(2,020)</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 financial year'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 financial 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 financial year under review.

**A7 Dividends paid**

No dividend was paid during the financial 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	3,380	27,321
Asia (exclude Malaysia)	17,198	36,998
Oceania	1,876	14,590
Europe	4,654	9,101
Africa and America	<u>4,060</u>	<u>7,252</u>
	<u>31,168</u>	<u>95,262</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 financial year that have not been reflected in the financial statements for the current financial year.

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial year 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**

**A13 Capital Commitments**

The group has the following capital commitment in respect of property, plant and equipment as at 30 June 2015:

	RM'000
Contracted but not provided for	<u>5,000</u>

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

**B1 Review of Performance**

For the current quarter ended 30 June 2015, the Group generated a revenue of RM31.168 million as compared with RM27.383 million in the preceding year corresponding quarter. The increase in revenue of RM3.785 million or 14% was mainly attributable to higher sales demand in the export market and strengthening of US Dollar against Ringgit Malaysia. As a result of higher revenue and improved profit margin, the Group has achieved profit before tax of RM2.801 million in the current quarter as compared to RM1.011million in the preceding year's corresponding quarter.

For the financial year ended 30 June 2015, the Group recorded a revenue of RM95.262 million against revenue of RM88.901 million as posted in the preceding financial year. The increase in revenue of RM6.361 million or 7% was mainly due to higher sales in the export market. With the higher revenue and improved profit margin, the Group has generated a profit before tax of RM3.553 million for the current financial year as compared to RM0.366 million in the preceding financial year.

**B2 Comparison with Immediate Preceding Quarter's Results**

	Individual Quarter Ended		Variance RM'000	%
	30/06/2015 RM'000	31/03/2015 RM'000		
Revenue	31,168	16,924	14,244	84
Profit/(Loss) before tax	<u>2,801</u>	<u>(335)</u>	<u>3,136</u>	<u>936</u>

The Group's revenue generated in the current quarter was RM31.168 million as compared to RM16.924 million in the immediate preceding quarter. The higher revenue was mainly due to seasonal factor as stated in Note A3. The Group generated a profit before tax of RM2.801 million in the current quarter as compared to a loss before tax of RM0.335 million in the immediate preceding quarter as a result of the increase in revenue.

**B3 Prospects**

The Board anticipates that the performance of the Group will be affected by the impact of volatility of US Dollar against Ringgit Malaysia. However, the Group expects to perform better in the next 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 30 June 2015 is as follows :

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current year	178	313
Deferred tax:		
Current year	478	393
Prior year	<u>(51)</u>	<u>(51)</u>
	<u>605</u>	<u>655</u>

The effective tax rate of the Group for the current year to date is lower than the statutory tax rate was 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 year under review.

**B7 Group Borrowings and Debt Securities**

Group borrowings as at 30 June 2015 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	4,930
Bankers' acceptances and trust receipts	-	13,891
Onshore Foreign Currency Loan	-	579
Hire Purchase Payable	<u>1,117</u>	-
	<u>1,117</u>	<u>19,400</u>



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B7 Group Borrowings and Debt Securities (Continued)**

	Secured RM'000	Unsecured RM'000
b) <u>Long term borrowings</u>		
Hire Purchase Payable	2,750	-
c) The Group borrowings are denominated in the following currencies:		
	Financial Year ended 30/06/2015 RM'000	Financial Year ended 30/06/2014 RM'000
Ringgit Malaysia	22,688	22,432
United States Dollars	579	2,402
	<u>23,267</u>	<u>24,834</u>

**B8 Changes in Material Litigation**

The Group is not engaged in any material litigation as at 26 August 2015.

**B9 Dividend**

The Board recommends a first and final single-tier dividend of 2.0 sen per ordinary share of RM1 each in respect of the financial year ended 30 June 2015, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting. The financial statements do not reflect this proposed dividend which will be recognised as an appropriation of retained earnings in the financial year ending 30 June 2016 when approved by shareholders.

**B10 Earnings Per Share**

	Current Year Quarter RM'000	Current Year To Date RM'000
Profit for the year	2,196	2,898
	No. of Shares RM'000	No. of Shares RM'000
Number of ordinary shares	42,097	42,097
Weighted average number of shares	42,097	42,097
Basic earnings per share (sen)	5.22	6.88

The diluted earnings per share equals the basic earnings 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 2014 were not subject to any qualification.

**B12 Realised and Unrealised Profits or Losses**

	Financial Year ended 30/06/2015 RM'000	Financial Year ended 30/06/2014 RM'000
Total (accumulated losses)/retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(7,990)	(13,819)
- Unrealised	4,463	4,586
	(3,527)	(9,233)
Add: Consolidation adjustments and eliminations	6,307	9,115
Total Group retained profits/(accumulated losses) as per consolidated accounts	<u>2,780</u>	<u>(118)</u>



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B13 Notes to the Condensed Consolidated Statement of Comprehensive Income**

	Current Year Quarter RM'000	Current Year To Date RM'000
Profit for the period is arrived at after crediting / (charging):		
- Bad debts recovered	-	12
- Depreciation of property, plant and equipment	(720)	(2,860)
- Gain on disposal of property, plant and equipment	94	104
- Gain on foreign exchange	433	773
- Impairment loss on loans and receivables	-	(6)
- Interest expense	(419)	(1,596)
- Inventories written down	(110)	(194)
- Gain/(Loss) on financial instruments at fair value through profit or loss (classified as held for trading)	98	(498)
- Rental income	21	21

**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 26 August 2015.