



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 first quarter ended 30 September 2015. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended <u>30/09/2015</u> RM '000	Preceding Year Corresponding Quarter Ended <u>30/09/2014</u> RM '000	Current Year To Date <u>30/09/2015</u> RM '000	Preceding Year Corresponding Period <u>30/09/2014</u> RM '000
Revenue	21,537	17,272	21,537	17,272
Operating expenses	(18,913)	(17,454)	(18,913)	(17,454)
Other operating income	1,264	121	1,264	121
Finance costs	(381)	(389)	(381)	(389)
Profit/(Loss) before tax	3,507	(450)	3,507	(450)
Tax expense	(750)	85	(750)	85
Profit/(Loss) for the period	2,757	(365)	2,757	(365)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,757	(365)	2,757	(365)
Earning/(Loss) per share (sen)				
- Basic	6.55	(0.87)	6.55	(0.87)
- Diluted	6.55	(0.87)	6.55	(0.87)

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 FINANCIAL POSITION

	Unaudited As At End Of Current Quarter 30/09/2015 <u>RM'000</u>	Audited As At Preceding Financial Year Ended 30/06/2015 <u>RM'000</u>
ASSETS		
Non-Current Assets		
Property, plant and equipment	<u>40,104</u>	<u>33,852</u>
Current Assets		
Inventories	28,158	26,725
Trade and other receivables	14,834	19,855
Financial assets at fair value through profit or loss	4	1
Cash and bank balances	<u>1,237</u>	<u>1,195</u>
	<u>44,233</u>	<u>47,776</u>
TOTAL ASSETS	<u><u>84,337</u></u>	<u><u>81,628</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	42,097	42,097
Reserves	<u>5,701</u>	<u>2,944</u>
Total Equity	<u>47,798</u>	<u>45,041</u>
Non-Current Liabilities		
Loans and borrowings	6,831	2,750
Retirement benefits	408	398
Deferred tax liabilities	<u>2,920</u>	<u>2,419</u>
	<u>10,159</u>	<u>5,567</u>
Current Liabilities		
Trade and other payables	5,449	10,351
Loans and borrowings	20,543	20,517
Financial liabilities at fair value through profit or loss	35	4
Current tax liabilities	<u>353</u>	<u>148</u>
	<u>26,380</u>	<u>31,020</u>
Total Liabilities	<u>36,539</u>	<u>36,587</u>
TOTAL EQUITY AND LIABILITIES	<u><u>84,337</u></u>	<u><u>81,628</u></u>
Net Assets per Share (sen)	114	107

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2015 - unaudited	Share capital RM '000	Non- distributable	(Accumulated losses)/	Total Equity RM '000
		Share premium RM '000	Retained profits RM '000	
Balance as at 01/07/2014	42,097	164	(118)	42,143
Loss (representing total comprehensive income) for the period	-	-	(365)	(365)
Balance as at 30/09/2014	<u>42,097</u>	<u>164</u>	<u>(483)</u>	<u>41,778</u>
Balance as at 01/07/2015	42,097	164	2,780	45,041
Profit (representing total comprehensive income) for the period	-	-	2,757	2,757
Balance as at 30/09/2015	<u>42,097</u>	<u>164</u>	<u>5,537</u>	<u>47,798</u>

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

	Current Year 3 Months Ended 30/09/2015 <u>RM '000</u>	Preceding Year Corresponding 3 Months Ended 30/09/2014 <u>RM '000</u>
Cash Flows from Operating Activities		
Profit/(Loss) before tax	3,507	(450)
Adjustments for:		
Bad debts recovered	-	(12)
Depreciation of property, plant and equipment	725	742
Gain on disposal of property, plant and equipment	(12)	-
Interest expense	381	389
Inventories written down	11	-
Provision for retirement benefits	10	9
Unrealised gain on foreign exchange	(506)	(104)
Unrealised loss on financial instruments at fair value through profit or loss	31	5
Operating profit before changes in working capital	<u>4,147</u>	<u>579</u>
Changes in:-		
Inventories	(1,444)	(3,208)
Receivables and prepayments	5,639	5,352
Payables and advance payments	(4,910)	(2,592)
Financial instruments at fair value through profit or loss	(3)	12
Cash generated from operations	<u>3,429</u>	<u>143</u>
Tax paid	(44)	(12)
Net cash from operating activities	<u>3,385</u>	<u>131</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(6,887)	(2,293)
Proceeds from disposal of property, plant and equipment	30	-
Net cash used in investing activities	<u>(6,857)</u>	<u>(2,293)</u>
Cash Flows from Financing activities		
Interest paid	(440)	(519)
Net increase in short-term loans and borrowings	294	(586)
Repayment of hire purchase obligations	(277)	(245)
Repayment of term loan	(105)	-
Term loan raised	5,000	-
Net cash from/(used in) financing activities	<u>4,472</u>	<u>(1,350)</u>
Net change in cash and cash equivalents	1,000	(3,512)
Cash and cash equivalents at beginning of the period	(3,735)	(2,020)
Effect of changes in exchange rates on cash and cash equivalents	16	-
Cash and cash equivalents at end of the period	<u>(2,719)</u>	<u>(5,532)</u>
Cash and cash equivalents at end of the period consist of :-		
Cash & bank balances	1,237	427
Bank overdrafts	(3,956)	(5,959)
	<u>(2,719)</u>	<u>(5,532)</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2015 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 2015. 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 2015.

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 2015.

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 are not expected to have any significant impacts on the financial statements of the Group upon their initial application.

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	5,105	5,105
Asia (exclude Malaysia)	7,126	7,126
Oceania	8,172	8,172
Europe	484	484
Africa and America	650	650
	<u>21,537</u>	<u>21,537</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.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 2015.

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 three months ended 30 September 2015, the Group generated a revenue of RM21.537 million as compared with RM17.272 million in the preceding year corresponding quarter. The increase in revenue of RM4.265 million or 25% 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 RM3.507 million in the current quarter as compared to the loss before tax of RM0.45 million in the preceding year's corresponding quarter.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	30/09/2015 RM'000	30/06/2015 RM'000	RM'000	%
Revenue	21,537	31,168	(9,631)	(31)
Profit before tax	<u>3,507</u>	<u>2,801</u>	<u>706</u>	<u>(25)</u>

The Group's revenue generated in the current quarter was RM21.537 million as compared to RM31.168 million in the immediate preceding quarter. The lower revenue in current quarter was mainly due to seasonal factor as stated in Note A3. The Group generated a profit before tax of RM3.507 million in the current quarter as compared to RM2.801 million in the immediate preceding quarter as a result of the weaker Ringgit Malaysia's exchange rate which boosted profit margin for export sales.

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 remaining quarters.

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 September 2015 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current year	250	250
Deferred tax:		
Current year	<u>500</u>	<u>500</u>
	<u>750</u>	<u>750</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.



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 September 2015 are as follows:

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	3,956
Bankers' acceptances and trust receipts	-	13,337
Onshore Foreign Currency Loan	-	1,488
Hire Purchase Payable	1,137	-
Term loan	625	-
	<u>1,762</u>	<u>18,781</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	2,561	-
Term loan	4,270	-
	<u>6,831</u>	<u>-</u>
c) The Group borrowings are denominated in the following currencies:		
	Financial Period ended 30/09/2015 RM'000	Financial Year ended 30/06/2015 RM'000
Ringgit Malaysia	25,886	22,688
United States Dollars	1,488	579
	<u>27,374</u>	<u>23,267</u>

B8 Changes in Material Litigation

The Group is not engaged in any material litigation as at 25 November 2015.

B9 Dividend

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

B10 Earnings Per Share

	<u>Current Year</u> Quarter RM'000	<u>Current Year</u> To Date RM'000
Profit for the period	<u>2,757</u>	<u>2,757</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	<u>42,097</u>	<u>42,097</u>
Basic earnings per share (sen)	<u>6.55</u>	<u>6.55</u>

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 period.

B11 Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2015 were not subject to any qualification.



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EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B12 Realised and Unrealised Profits or Losses

	Financial Period ended 30/09/2015 <u>RM'000</u>	Financial Year ended 30/06/2015 <u>RM'000</u>
Total (accumulated losses)/retained profits of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(6,613)	(7,994)
- Unrealised	<u>4,094</u>	<u>4,467</u>
	(2,519)	(3,527)
Add: Consolidation adjustments and eliminations	8,056	6,307
Total Group retained profits as per consolidated accounts	<u><u>5,537</u></u>	<u><u>2,780</u></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	(725)	(725)
- Gain on disposal of property, plant and equipment	12	12
- Gain on foreign exchange	1,252	1,252
- Interest expense	(381)	(381)
- Inventories written down	(11)	(11)
- Loss on financial instruments at fair value through profit or loss (classified as held for trading)	(120)	(120)

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 25 November 2015.