



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

S I N C E 1 9 5 9

The Board of Directors of CHEE WAH CORPORATION BERHAD is pleased to announce the consolidated results for the fourth quarter ended 30 June 2016. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended <u>30/06/2016</u> RM '000	Preceding Year Corresponding Quarter Ended <u>30/06/2015</u> RM '000	Current Year To Date <u>30/06/2016</u> RM '000	Preceding Year Corresponding Period <u>30/06/2015</u> RM '000
Revenue	26,069	31,168	92,352	95,262
Operating expenses	(23,773)	(28,476)	(82,510)	(91,011)
Other operating (expenses)/income	(228)	528	459	898
Finance costs	(345)	(419)	(1,413)	(1,596)
Profit before tax	1,723	2,801	8,888	3,553
Tax expense	(423)	(605)	(1,921)	(655)
Profit for the year	1,300	2,196	6,967	2,898
Other comprehensive income for the year <i>Items that will not be reclassified to profit or loss:-</i>				
- Remeasurement of defined benefit liability	(71)	-	(71)	-
- Deferred tax effect thereof	17	-	17	-
Total comprehensive income for the year	<u>1,246</u>	<u>2,196</u>	<u>6,913</u>	<u>2,898</u>
Earning per share (sen)				
- Basic	3.09	5.22	16.55	6.88
- Diluted	3.09	5.22	16.55	6.88

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Year 30/06/2016 <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>40,869</u>	<u>33,852</u>
Current Assets		
Inventories	35,316	26,725
Trade and other receivables	13,426	19,855
Financial assets at fair value through profit or loss	14	1
Tax recoverable	2	-
Cash and bank balances	<u>2,243</u>	<u>1,195</u>
	<u>51,001</u>	<u>47,776</u>
TOTAL ASSETS	<u><u>91,870</u></u>	<u><u>81,628</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	42,097	42,097
Reserves	<u>9,015</u>	<u>2,944</u>
Total Equity	<u>51,112</u>	<u>45,041</u>
Non-Current Liabilities		
Loans and borrowings	5,660	2,750
Retirement benefits	517	398
Deferred tax liabilities	<u>3,633</u>	<u>2,419</u>
	<u>9,810</u>	<u>5,567</u>
Current Liabilities		
Trade and other payables	10,907	10,351
Loans and borrowings	19,868	20,517
Financial liabilities at fair value through profit or loss	-	4
Current tax liabilities	<u>173</u>	<u>148</u>
	<u>30,948</u>	<u>31,020</u>
Total Liabilities	<u>40,758</u>	<u>36,587</u>
TOTAL EQUITY AND LIABILITIES	<u><u>91,870</u></u>	<u><u>81,628</u></u>
Net Assets per Share (sen)	121	107

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 30 June 2016 - unaudited	Share capital RM '000	Non- distributable	Distributable	Total Equity RM '000
		Share premium RM '000	Retained profits RM '000	
Balance as at 01/07/2014	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
Dividend (representing total transactions with owners)	-	-	(842)	(842)
Remeasurement of defined benefit liability	-	-	(71)	(71)
Deferred tax effect thereof	-	-	17	17
Other comprehensive income for the financial year	-	-	(54)	(54)
Profit for the financial year	-	-	6,967	6,967
Total comprehensive income for the financial year	-	-	6,913	6,913
Balance as at 30/06/2016	42,097	164	8,851	51,112

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 12 Months Ended 30/06/2016 <u>RM '000</u>	Preceding Year Corresponding 12 Months Ended 30/06/2015 <u>RM '000</u>
Cash Flows from Operating Activities		
Profit before tax	8,888	3,553
Adjustments for:		
Depreciation of property, plant and equipment	3,167	2,860
Gain on disposal of property, plant and equipment	(54)	(104)
Impairment loss on loans and receivables	7	6
Interest expense	1,413	1,596
Inventories written down	15	194
Provision for retirement benefits	48	37
Unrealised gain on foreign exchange	(13)	(324)
Unrealised (gain)/loss on financial instruments at fair value through profit or loss	(14)	3
Operating profit before changes in working capital	<u>13,457</u>	<u>7,821</u>
Changes in:-		
Inventories	(8,606)	4,199
Receivables and prepayments	6,440	(5,597)
Payables and advance payments	556	249
Financial instruments at fair value through profit or loss	(3)	12
Cash generated from operations	<u>11,844</u>	<u>6,684</u>
Tax paid	(667)	(256)
Net cash from operating activities	<u>11,177</u>	<u>6,428</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(9,845)	(1,446)
Proceeds from disposal of property, plant and equipment	179	104
Net cash used in investing activities	<u>(9,666)</u>	<u>(1,342)</u>
Cash Flows from Financing activities		
Dividend paid	(842)	-
Interest paid	(1,465)	(1,607)
Net increase/(decrease) in short-term loans and borrowings	271	(4,186)
Repayment of hire purchase obligations	(1,285)	(1,008)
Repayment of term loan	(573)	-
Term loan raised	5,000	-
Net cash from/(used in) financing activities	<u>1,106</u>	<u>(6,801)</u>
Net change in cash and cash equivalents	2,617	(1,715)
Cash and cash equivalents at beginning of the year	(3,735)	(2,020)
Effect of changes in exchange rates on cash and cash equivalents	(5)	-
Cash and cash equivalents at end of the year	<u>(1,123)</u>	<u>(3,735)</u>
Cash and cash equivalents at end of the year consist of :-		
Cash & bank balances	2,243	1,195
Bank overdrafts	(3,366)	(4,930)
	<u>(1,123)</u>	<u>(3,735)</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 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

A first and final single-tier dividend of 2.0 sen per ordinary share of RM1 each amounted to RM841,934 in respect of the financial year ended 30 June 2015 was paid on 29 December 2015, which has been approved by shareholders at the Annual General Meeting held on 25 November 2015.

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	4,518	25,765
Asia (exclude Malaysia)	15,626	36,226
Oceania	2,043	19,532
Europe	3,702	8,770
Africa and America	180	2,059
	<u>26,069</u>	<u>92,352</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 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 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 current quarter ended 30 June 2016, the Group recorded a revenue of RM26.069 million as compared to the preceding year corresponding quarter of RM31.168 million. The decrease in revenue of RM5.099 million or 16% was mainly due to lower sales from export market. As a result of the lower revenue, the Group recorded a profit before tax of RM1.723 million for the current quarter as compared to the preceding year corresponding quarter of RM2.801 million, representing a decrease of 38%.

For the financial year ended 30 June 2016, the Group recorded a revenue of RM92.352 million against revenue of RM95.262 million as posted in the preceding financial year. The Group has generated profit before tax of RM8.888 million for the current financial year as compared to RM3.553 million in the preceding financial year, an improvement of RM5.335 million or 150% mainly due to the improvement of gross profit margin and decrease in financial costs.

B2 Comparison With Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	30/06/2016 RM'000	31/03/2016 RM'000	RM'000	%
Revenue	26,069	16,266	9,803	60
Profit/(Loss) before tax	<u>1,723</u>	<u>(161)</u>	<u>1,884</u>	<u>1,170</u>

The Group's revenue generated in the current quarter was RM26.069 million as compared to RM16.266 million in the immediate preceding quarter was mainly due to seasonal factor as stated in Note A3. As a result of the higher revenue in current quarter, the Group generated a profit before tax of RM1.723 million as compared to a loss before tax of RM0.161 million in the immediate preceding quarter.

B3 Prospects

The Group's performance is expected to remain profitable in the next financial year. However, the Board anticipates performance to be affected by the softening consumer demand globally and increase in manufacturing cost following implementation of higher minimum wage.

The Group anticipates that competition will remain intense. The Group will continue explore new markets and intensify development of new products in order to improve the revenue.

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 financial year ended 30 June 2016 is as follows:

	Current Year Quarter RM '000	Current Year To Date RM '000
Income tax:		
Current year	136	679
Prior year	-	12
Deferred tax:		
Current year	287	1,216
Prior year	-	14
	<u>423</u>	<u>1,921</u>

The effective tax rate of the Group for the financial year ended 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 2016 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Short term borrowings</u>		
Bank overdrafts	-	3,366
Bankers' acceptances and trust receipts	-	12,703
Onshore Foreign Currency Loan	-	1,986
Hire Purchase Payable	1,188	-
Term loan	625	-
	<u>1,813</u>	<u>18,055</u>
b) <u>Long term borrowings</u>		
Hire Purchase Payable	1,858	-
Term loan	3,802	-
	<u>5,660</u>	<u>-</u>
c) The Group borrowings are denominated in the following currencies:		
	Financial Year ended 30/06/2016 RM'000	Financial Year ended 30/06/2015 RM'000
Ringgit Malaysia	23,542	22,688
United States Dollars	1,986	579
	<u>25,528</u>	<u>23,267</u>

B8 Changes In Material Litigation

The Group is not engaged in any material litigation as at 24 August 2016.

B9 Proposed Dividends

The Board recommends a first and final single-tier dividend of 3.5 sen per ordinary share of RM1 each in respect of the financial year ended 30 June 2016, 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 2017 when approved by shareholders.



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

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B10 Earnings Per Share

	Current Year Quarter RM'000	Current Year To Date RM'000
Profit for the year	<u>1,300</u>	<u>6,967</u>
	No. of Shares '000	No. of Shares '000
Number of ordinary shares		
Weighted average number of shares	<u>42,097</u>	<u>42,097</u>
Basic earnings per share (sen)	<u>3.09</u>	<u>16.55</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 year.

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.

B12 Realised And Unrealised Profits Or Losses

	Financial Year ended 30/06/2016 RM'000	Financial Year ended 30/06/2015 RM'000
Total retained profits/(accumulated losses) of Chee Wah Corporation Berhad and its subsidiaries:		
- Realised	(762)	(7,994)
- Unrealised	<u>2,727</u>	<u>4,467</u>
	1,965	(3,527)
Add: Consolidation adjustments and eliminations	6,886	6,307
Total Group retained profits as per consolidated accounts	<u>8,851</u>	<u>2,780</u>

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):		
- Depreciation of property, plant and equipment	(834)	(3,167)
- Gain on disposal of property, plant and equipment	25	54
- Gain on foreign exchange	344	405
- Impairment loss on loans and receivables	(7)	(7)
- Interest expense	(345)	(1,413)
- Allowance of inventories written down	(54)	(15)
- Loss on financial instruments at fair value through profit or loss (classified as held for trading)	(14)	(172)

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 24 August 2016.