

Company Name : China Stationery Limited
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China Stationery Exits PN17 Status After Upliftment

PETALING JAYA: Integrated plastic stationery company, China Stationery Limited is no longer classified a Practice Note 17 (PN17) company effective yesterday.

The company exited PN17 status, after Bursa Malaysia Securities Bhd approved its application for a waiver to submit a regularisation plan and upliftment from being a PN17 company vide a letter dated Nov 26, 2015.

The upliftment was approved after the company recorded net profits for three consecutive quarters.

In the recent financial announcement, China Stationery recorded a net profit of RMB57.53 million in the third quarter ended Sept 30, 2015 on the back of RMB215.93 million revenue.

China Stationery CEO and executive chairman Chan Fung @ Kwan Wing Yin said the upliftment is expected to put the group on a much stronger footing to regain the investors' confidence in the Group's prospects.

"We will improve the quality of our products and expand the product range through in-house research and development. On top of that, we will also widen our distributorship in China market and penetrate into new markets," he added.

China Stationery was classified as an affected listed issuer on July 8, 2014 due to the issuance of the disclaimer of opinion for its financial statements for the FY2013 by its external auditors Messrs RT LLP following the fire incident in one its plants in China.

The auditors, however, had on Jan 15, 2015 completed its special audit on the financial statement of the company and its subsidiaries for the nine months financial period ended Sept 30, 2014 (9MFY2014).

The audited report showed that China Stationery's audited net loss for 9MFY2014 was lower at RMB330.59 million compared to the previously announced unaudited net loss of RMB396.72 million.

The variance of RMB66.13 million represents a 16.7% difference. The deviation was due to the recognition of deferred tax assets from losses of RMB128.29 million from the Company's indirect wholly owned subsidiaries namely Sakura (Fujian) Plastics Enterprise Co., Ltd and Sakura (Fujian) Packaging & Stationery Co., Ltd.

The deviation was also reconciled with a provision for doubtful debts of RMB60.36 million for debts exceeding 90 days in the Company's indirect wholly owned subsidiary namely Ruiyuan (Fujian) Enterprise Co., Ltd.