



The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the fourth quarter ended 30 June 2019. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2019 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2018 RM'000	Current Year To Date 30/06/2019 RM'000	Preceding Year Corresponding Period 30/06/2018 RM'000
Revenue	28,792	26,677	101,555	105,415
Operating expenses	(26,573)	(25,975)	(95,270)	(98,320)
Other operating income	344	349	1,257	1,301
Finance costs	(111)	(151)	(575)	(832)
Profit before tax	2,452	900	6,967	7,564
Tax expense	(632)	(186)	(1,779)	(989)
Profit for the year	1,820	714	5,188	6,575
Other comprehensive income for the year: <i>Items that will not be reclassified to profit or loss:</i>				
- Remeasurements of defined benefit obligations	(57)	-	(57)	-
- Deferred tax effects thereof	14	-	14	-
Total comprehensive income for the year	<u>1,777</u>	<u>714</u>	<u>5,145</u>	<u>6,575</u>
Earnings per share (sen)				
- Basic	1.44	0.57	4.11	5.64
- Diluted	1.44	0.57	4.11	5.64

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Year 30/06/2019 <u>RM'000</u>	Audited As At Preceding Financial Year Ended 30/06/2018 <u>RM'000</u>
ASSETS		
Non-Current Asset		
Property, plant and equipment	<u>38,059</u>	<u>40,625</u>
Current Assets		
Inventories	50,900	59,899
Trade and other receivables	10,754	13,175
Current tax assets	34	74
Cash and cash equivalents	<u>8,552</u>	<u>4,793</u>
	<u>70,240</u>	<u>77,941</u>
TOTAL ASSETS	<u>108,299</u>	<u>118,566</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,145	63,145
Reserves	<u>21,872</u>	<u>18,668</u>
Total Equity	<u>85,017</u>	<u>81,813</u>
Non-Current Liabilities		
Borrowings	1,935	3,420
Retirement benefits	1,773	953
Deferred tax liabilities	<u>2,905</u>	<u>3,469</u>
	<u>6,613</u>	<u>7,842</u>
Current Liabilities		
Trade and other payables	10,652	19,276
Borrowings	4,959	9,477
Current tax liabilities	<u>1,058</u>	<u>158</u>
	<u>16,669</u>	<u>28,911</u>
Total Liabilities	<u>23,282</u>	<u>36,753</u>
TOTAL EQUITY AND LIABILITIES	<u>108,299</u>	<u>118,566</u>
Net Assets per Share (sen)	67	65

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 30 June 2019 - unaudited	Non-distributable		Distributable	Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Retained earnings RM'000	
Balance as at 01/07/2017	42,097	164	13,823	56,084
Issuance of shares pursuant to rights issue	21,048	-	-	21,048
Profit (representing total comprehensive income) for the year	-	-	6,575	6,575
Dividend	-	-	(1,894)	(1,894)
Balance as at 30/06/2018	<u>63,145</u>	<u>164</u>	<u>18,504</u>	<u>81,813</u>
Balance as at 01/07/2018, as previously reported	63,145	164	18,504	81,813
Adjustments on initial application of MFRS 9	-	-	(47)	(47)
Restated balance as at 01/07/2018	63,145	164	18,457	81,766
Profit for the year	-	-	5,188	5,188
Other comprehensive income for the year:				
- Remeasurements of defined benefit obligations	-	-	(57)	(57)
- Deferred tax effects thereof	-	-	14	14
Total comprehensive income for the financial year	-	-	5,145	5,145
Dividend	-	-	(1,894)	(1,894)
Balance as at 30/06/2019	<u>63,145</u>	<u>164</u>	<u>21,708</u>	<u>85,017</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 12 Months Ended 30/06/2019 RM'000	Preceding Year Corresponding 12 Months Ended 30/06/2018 RM'000
Cash Flows From Operating Activities		
Profit before tax	6,967	7,564
Adjustments for:		
Bad debts written off	-	2
Deposits forfeited	-	(3)
Depreciation of property, plant and equipment	3,638	3,620
Dividend income from short term fund	-	(2)
Fair value adjustment on derivative asset	-	30
Gain on disposal of property, plant and equipment	(351)	(141)
Impairment loss on trade receivables	12	10
Interest expense	575	832
Interest income	(10)	(106)
Inventories written down	760	157
Reversal of impairment loss on trade receivables	(26)	(104)
Provision for retirement benefits	813	410
Unrealised loss/(gain) on foreign exchange	86	(165)
Operating profit before changes in working capital	12,464	12,104
Changes in:-		
Inventories	8,239	(20,960)
Trade and other receivables	2,319	5,235
Trade and other payables	(8,624)	3,348
Retirement benefits paid	(50)	(29)
Cash generated from/(used in) operations	14,348	(302)
Tax paid	(1,459)	(1,739)
Tax refunded	70	3
Net cash from/(used in) operating activities	12,959	(2,038)
Cash Flows From Investing Activities		
Dividend received from short term fund	-	2
Interest received	10	106
Purchase of property, plant and equipment	(903)	(3,065)
Proceeds from disposal of property, plant and equipment	382	158
Net cash used in investing activities	(511)	(2,799)
Cash Flows From Financing Activities		
Dividend paid	(1,894)	(1,894)
Interest paid	(69)	(20)
Net decrease in short-term borrowings	(3,892)	(8,010)
Issuance of shares pursuant to rights issue	-	21,048
Repayment of hire purchase creditors	(2,028)	(2,361)
Repayment of term loan	(788)	(817)
Net cash (used in)/from financing activities	(8,671)	7,946
Net increase in cash and cash equivalents	3,777	3,109
Cash and cash equivalents at beginning of the year	4,793	1,676
Effects of exchange rate changes on cash and cash equivalents	(18)	8
Cash and cash equivalents at end of the year	8,552	4,793
Cash and cash equivalents at end of the year consist of:		
Cash and bank balances	6,052	4,542
Deposits with licensed bank	2,500	-
Short-term funds placed with financial institutions	-	251
	8,552	4,793

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2018 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 2018. 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 2018.

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 2018.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2018 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group except for the adoption of MFRS 9.

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied MFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

The impacts of adopting MFRS 9 to opening balances is as follows:

	As previously reported on 30 June 2018 RM'000	Effects of adopting MFRS 9 RM'000	As restated on 1 July 2018 RM'000
<u>Consolidated Statement of Financial Position</u>			
Trade and other receivables	13,175	(47)	13,128
Retained Earnings	<u>18,504</u>	<u>(47)</u>	<u>18,457</u>

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

As the nature of its products and the market demand, the Group's revenue is lower in the second half as compared to the first half of the 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 current financial year under review.

A6 Issuance, Repurchases And Repayments Of Debt And Equity Securities

There were no issuance, repurchase, cancellation, resale and repayment of debt and equity securities during the current financial year under review.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A7 Dividends Paid

A first and final single-tier dividend of 1.5 sen per ordinary share amounted to RM1,894,352 in respect of the financial year ended 30 June 2018 was paid on 28 December 2018, which has been approved by shareholders at the Annual General Meeting held on 29 November 2018.

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 RM'000	Current Year To Date RM'000
Malaysia	3,357	21,914
Asia (exclude Malaysia)	16,497	40,630
Oceania	2,953	23,536
Europe	5,274	12,233
Africa	13	261
America	698	2,981
	<u>28,792</u>	<u>101,555</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 2018.

A12 Material Related Parties Transactions

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

A13 Capital Commitments

The group has the following capital commitment in respect of property, plant and equipment as at 30 June 2019:

	RM'000
Contracted but not provided for	<u>16</u>

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

B1 Review Of Performance

For the current quarter ended 30 June 2019, the Group generated a revenue of RM28.792 million as compared to the preceding year corresponding quarter of RM26.677 million. The increase in revenue of RM2.115 million or 8% was mainly due to the higher demand in export market. As a result of higher revenue and profit margin, the Group generated a profit before tax of RM2.452 million for the current quarter as compared to the preceding year corresponding quarter of RM0.900 million.

For the financial year ended 30 June 2019, the Group generated a revenue of RM101.555 million as compared to the preceding year of RM105.415 million. The decrease in revenue of RM3.860 million or 4% was mainly due to lower revenue from export market. The Group generated a profit before tax of RM6.967 million for the current year as compared to the preceding year of RM7.564 million. The decrease in profit before tax of RM0.597 million or 8% was mainly due to lower revenue generated in the current financial year.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B2 Comparison With Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	30/06/2019 RM'000	31/03/2019 RM'000	RM'000	%
Revenue	28,792	15,108	13,684	91
Profit/(Loss) before tax	<u>2,452</u>	<u>(976)</u>	<u>3,428</u>	<u>351</u>

The Group's revenue generated in the current quarter was RM28.792 million as compared to RM15.108 million in the immediate preceding quarter was mainly due to higher sales from export market. As a result of the higher sales, the Group achieved a profit before tax of RM2.452 million in the current quarter as compared to the loss before tax of RM0.976 million in the immediate preceding quarter.

B3 Prospects

The Board anticipates that the performance of the Group remains challenging in the next financial year due to the uncertain macro-economic outlook. However, the Group expects to remain profitable 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 financial year ended 30 June 2019 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	814	2,257
Prior year	-	71
Deferred tax:		
Current year	(182)	(556)
Prior year	-	7
	<u>632</u>	<u>1,779</u>

The effective tax rate of the Group for the current financial year ended was higher than statutory tax rate mainly due to non-deductible expenses incurred by 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 2019 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bankers' acceptances	-	3,365
Hire purchase creditors	969	-
Term loan	625	-
	<u>1,594</u>	<u>3,365</u>
b) <u>Non-current liabilities</u>		
Hire purchase creditors	8	-
Term loan	1,927	-
	<u>1,935</u>	<u>-</u>

c) The Group borrowings are denominated in Ringgit Malaysia.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B8 Changes In Material Litigation

The Group is not engaged in any material litigation as at 28 August 2019.

B9 Proposed Dividends

The Board recommends a first and final single-tier dividend of 1.5 sen per ordinary share in respect of financial year ended 30 June 2019, 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 2020 when approved by shareholders.

B10 Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2019 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2018 RM '000	Current Year To Date 30/06/2019 RM '000	Preceding Year Corresponding Period 30/06/2018 RM '000
Profit for the year	1,820	714	5,188	6,575
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Number of ordinary shares	126,290	126,290	126,290	116,570
Weighted average number of shares	1.44	0.57	4.11	5.64
Basic earnings per share (sen)				

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 2018 were not subject to any qualification.

B12 Notes To The Condensed Consolidated Statement Of Comprehensive Income

	Current Year Quarter RM'000	Current Year To Date RM'000
Profit for the year is arrived at after crediting/(charging):		
- Bad debt recovered	-	6
- Depreciation of property, plant and equipment	(898)	(3,638)
- Gain on disposal of property, plant and equipment	-	351
- Impairment loss on trade receivables	(12)	(12)
- Interest expense	(111)	(575)
- Interest income	2	10
- Gain on foreign exchange	60	63
- Inventories written down	(222)	(760)
- Reversal of impairment loss on trade receivables	23	26

B13 Derivatives

There were no derivatives entered into by the Group as at 30 June 2019.

B14 Gains/Losses Arising From Fair Value Changes Of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current financial year.

B15 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 28 August 2019.