



The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the third quarter ended 31 March 2021. The figures have not been audited.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2020 RM'000	Current Year To Date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000
<b>Revenue</b>	13,342	11,932	46,374	60,087
Operating expenses	(14,032)	(14,252)	(47,910)	(59,921)
Other operating income	180	406	715	925
Finance costs	(33)	(41)	(132)	(169)
<b>(Loss)/Profit before tax</b>	(543)	(1,955)	(953)	922
Tax expense	254	557	291	(207)
<b>(Loss)/Profit for the period</b>	(289)	(1,398)	(662)	715
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<u>(289)</u>	<u>(1,398)</u>	<u>(662)</u>	<u>715</u>
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.23)	(1.11)	(0.53)	0.57
- Diluted	(0.23)	(1.11)	(0.53)	0.57

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At End Of Current Year 31/03/2021 <u>RM'000</u>	Audited As At Preceding Financial Year Ended 30/06/2020 <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	27,250	28,341
Right-of-use assets	<u>6,470</u>	<u>6,903</u>
	<u>33,720</u>	<u>35,244</u>
<b>Current Assets</b>		
Inventories	42,379	47,329
Trade and other receivables	7,536	12,700
Current tax assets	338	257
Cash and cash equivalents	<u>14,594</u>	<u>14,597</u>
	<u>64,847</u>	<u>74,883</u>
<b>TOTAL ASSETS</b>	<u><u>98,567</u></u>	<u><u>110,127</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	63,145	63,145
Treasury shares	(146)	(146)
Reserves	<u>21,264</u>	<u>22,555</u>
<b>Total Equity</b>	<u>84,263</u>	<u>85,554</u>
<b>Non-Current Liabilities</b>		
Borrowings	833	1,302
Lease liabilities	92	206
Retirement benefit obligations	905	852
Deferred tax liabilities	<u>2,161</u>	<u>2,764</u>
	<u>3,991</u>	<u>5,124</u>
<b>Current Liabilities</b>		
Trade and other payables	7,319	9,583
Contract liabilities	1,509	832
Borrowings	1,186	8,716
Lease liabilities	294	215
Derivative liabilities	-	14
Current tax liabilities	<u>5</u>	<u>89</u>
	<u>10,313</u>	<u>19,449</u>
<b>Total Liabilities</b>	<u>14,304</u>	<u>24,573</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>98,567</u></u>	<u><u>110,127</u></u>
<b>Net Assets per Share (sen)</b>	<b>67</b>	<b>68</b>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>For the nine months ended 31 March 2021 - unaudited</b>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total Equity</u> RM'000
	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>Capital reserve</u> RM'000	<u>Retained earnings</u> RM'000	
Balance as at 01/07/2019	63,145	-	164	21,708	85,017
Purchase of treasury shares	-	(146)	-	-	(146)
Profit (representing total comprehensive income) for the period	-	-	-	715	715
Dividend	-	-	-	(1,894)	(1,894)
Balance as at 31/03/2020	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>20,529</u>	<u>83,692</u>
Balance as at 01/07/2020	63,145	(146)	164	22,391	85,554
Loss (representing total comprehensive income) for the period	-	-	-	(662)	(662)
Dividend	-	-	-	(629)	(629)
Balance as at 31/03/2021	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>21,100</u>	<u>84,263</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year 9 Months Ended 31/03/2021 RM'000	Preceding Year Corresponding 9 Months Ended 31/03/2020 RM'000
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(953)	922
Adjustments for:		
Depreciation of property, plant and equipment	2,262	2,666
Depreciation of right-of-use assets	416	-
Gain on disposal of property, plant and equipment	(25)	(36)
Fair value adjustment on derivative instruments	(14)	154
Impairment losses on trade receivables	-	125
Interest expense	132	169
Interest income	(143)	(205)
Inventories written down	184	380
Provision for retirement benefits	65	264
Reversal of impairment losses on trade receivables	(17)	(14)
Reversal of provision for retirement benefits	-	(1,150)
Unrealised gain on foreign exchange	(62)	(119)
Operating profit before changes in working capital	1,845	3,156
Changes in:-		
Inventories	4,766	8,022
Trade and other receivables	5,226	1,579
Trade and other payables	(2,264)	(2,341)
Contract liabilities	677	1,430
Retirement benefits paid	(12)	(11)
Cash generated from operations	10,238	11,835
Tax paid	(573)	(1,921)
Tax refunded	96	-
Net cash from operating activities	9,761	9,914
<b>Cash Flows From Investing Activities</b>		
Interest received	142	205
Purchase of property, plant and equipment	(993)	(395)
Proceeds from disposal of property, plant and equipment	49	249
Net cash (used in)/from investing activities	(802)	59
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(629)	(1,894)
Interest paid	(19)	(5)
Net decrease in short-term borrowings	(7,575)	(3,399)
Purchase of treasury shares	-	(146)
Repayment of lease liabilities	(237)	(843)
Repayment of term loan	(520)	(562)
Net cash used in financing activities	(8,980)	(6,849)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(21)</b>	<b>3,124</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>14,597</b>	<b>8,552</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>18</b>	<b>21</b>
<b>Cash and cash equivalents at end of the period</b>	<b>14,594</b>	<b>11,697</b>
<b>Cash and cash equivalents at end of the period consist of:</b>		
Cash and bank balances	3,429	2,006
Deposits with licensed bank	30	-
Short-term funds placed with financial institutions	11,135	10,253
Bank overdrafts	-	(562)
	<b>14,594</b>	<b>11,697</b>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2020 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 2020. 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 2020.

#### 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 financial year ended 30 June 2020.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2020 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.

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

Based on the nature of its products and the market demand, the Group's revenue usually 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 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 issuance, repurchase, cancellation, resale and repayment of debt and equity securities during the current quarter.

#### A7 Dividends Paid

A first and final single-tier dividend of 0.5 sen per ordinary share amounted to RM628,979 in respect of the financial year ended 30 June 2020 was paid on 23 December 2020, which has been approved by shareholders at the Annual General Meeting held on 25 November 2020.

#### 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	5,213	14,994
Asia (exclude Malaysia)	1,700	9,643
Oceania	1,414	11,735
Europe	3,111	7,473
America	1,904	2,518
Africa	-	11
	<u>13,342</u>	<u>46,374</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 current quarter under review.

**A11 Contingent Liabilities Or Assets**

There were no contingent liabilities or contingent assets since last financial year ended 30 June 2020.

**A12 Material Related Parties Transactions**

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

**A13 Capital Commitment**

The group has the following capital commitment in respect of property, plant and equipment as at 31 March 2021:

	<u>RM'000</u>
Contracted but not provided for	1,699

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

**B1 Review Of Performance**

For the current quarter ended 31 March 2021, the Group recorded a revenue of RM13.342 million as compared to the preceding year corresponding quarter of RM11.932 million. The increase in revenue of RM1.410 million or 12% was mainly due to higher market demand in domestic market. The Group suffered a loss before tax of RM0.543 million for the current quarter as compared to the preceding year corresponding quarter of RM1.955 million was mainly due to higher revenue in current year quarter.

For the nine months ended 31 March 2021, the Group recorded a revenue of RM46.374 million as compared to the preceding year corresponding period of RM60.087 million. The decrease in revenue of RM13.713 million or 23% was mainly due to weak market sentiment in domestic and export market. As a result of the lower revenue, the Group recorded a loss before tax of RM0.953 million for the current year to date as compared to the profit before tax of RM0.922 million in preceding year corresponding period.

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

	Individual Quarter Ended		Variance RM'000	%
	31/03/2021	31/12/2020		
	<u>RM'000</u>	<u>RM'000</u>		
Revenue	13,342	15,583	(2,241)	(14)
Loss before tax	<u>543</u>	<u>599</u>	<u>(56)</u>	<u>(9)</u>

The Group's revenue recorded in the current quarter was RM13.342 million as compared to RM15.583 million in the immediate preceding quarter was mainly due to lower market demand from export market. The Group recorded a loss before tax of RM0.543 million in the current quarter as compared to RM0.599 million in the immediate preceding quarter. The reduction in loss before tax was mainly due to lower operating expenses.

**B3 Prospects**

The Board anticipates that the performance of the Group remains challenging due to the uncertain macro-economic outlook. The Group will continue to monitor and control the operational efficiency and financial sustainability. The Group cautiously expects the performance will slowly recovering in the fourth quarter of the current financial year.

**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 quarter ended 31 March 2021 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	53	325
Prior year	(14)	(14)
Deferred tax:		
Current year	(283)	(592)
Prior year	(10)	(10)
	<u>(254)</u>	<u>(291)</u>

Reversal of tax expense incurred for the current quarter was mainly due to loss position of the Group.

**B6 Status Of Corporate Proposal**

There was no corporate proposal during current quarter under review.

**B7 Group Borrowings And Debt Securities**

Group borrowings as at 31 March 2021 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bankers' acceptances	-	561
Term loan	625	-
	<u>625</u>	<u>561</u>
b) <u>Non-current liabilities</u>		
Term loan	833	-
	<u>833</u>	<u>-</u>

c) The Group borrowings are denominated in Ringgit Malaysia.

**B8 Changes In Material Litigation**

The Group is not engaged in any material litigation as at 25 May 2021.

**B9 Proposed Dividends**

There was no dividend proposed in the current and previous corresponding quarter.

**B10 (Loss)/Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2021 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2020 RM '000	Current Year To Date 31/03/2021 RM '000	Preceding Year Corresponding Period 31/03/2020 RM '000
(Loss)/Profit for the period	<u>(289)</u>	<u>(1,398)</u>	<u>(662)</u>	<u>715</u>
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Number of ordinary shares				
Weighted average number of shares	<u>125,796</u>	<u>126,164</u>	<u>125,796</u>	<u>126,248</u>
Basic (loss)/earnings per share (sen)	<u>(0.23)</u>	<u>(1.11)</u>	<u>(0.53)</u>	<u>0.57</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.



## EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### B11 Auditors' Report On Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2020 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
(Loss)/Profit for the period is arrived at after crediting/(charging):		
- Depreciation of property, plant and equipment	(698)	(2,262)
- Depreciation of right-of-use assets	(162)	(416)
- Gain on disposal of property, plant and equipment	-	25
- Reversal of impairment losses on trade receivables	-	17
- Interest expense	(33)	(132)
- Interest income	48	143
- Gain on derivative instruments	-	14
- Gain/(Loss) on foreign exchange	110	(389)
- Reversal/(Allowance) of inventories written down	210	(184)

### B13 Derivatives

There were no derivatives entered into by the Group as at 25 May 2021.

### 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 quarter.

### 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 25 May 2021.