

The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the fourth quarter ended 30 June 2021. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2020 RM'000	Current Year To Date 30/06/2021 RM'000	Preceding Year Corresponding Period 30/06/2020 RM'000
<b>Revenue</b>	13,548	24,818	59,922	84,905
Operating expenses	(14,905)	(22,464)	(62,815)	(82,385)
Other operating income	241	200	956	1,125
Finance costs	(52)	(98)	(184)	(267)
<b>(Loss)/Profit before tax</b>	(1,168)	2,456	(2,121)	3,378
Tax expense	328	(594)	619	(801)
<b>(Loss)/Profit for the year</b>	(840)	1,862	(1,502)	2,577
<b>Other comprehensive income for the year</b> <i>Items that will not be reclassified to profit or loss:</i>				
- Remeasurements of defined benefit obligations	(92)	-	(92)	-
- Deferred tax effects thereof	22	-	22	-
<b>Total comprehensive (loss)/income for the year</b>	<u>(910)</u>	<u>1,862</u>	<u>(1,572)</u>	<u>2,577</u>
<b>(Loss)/Profit attributable to:</b>				
- Owners of the parent	(832)	1,862	(1,494)	2,577
- Non-controlling interests	(8)	-	(8)	-
	<u>(840)</u>	<u>1,862</u>	<u>(1,502)</u>	<u>2,577</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
- Owners of the parent	(902)	1,862	(1,564)	2,577
- Non-controlling interests	(8)	-	(8)	-
	<u>(910)</u>	<u>1,862</u>	<u>(1,572)</u>	<u>2,577</u>
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.66)	1.48	(1.19)	2.04
- Diluted	(0.66)	1.48	(1.19)	2.04

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 30/06/2021 RM'000	Audited As At Preceding Financial Year Ended 30/06/2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	28,520	28,341
Right-of-use assets	6,380	6,903
	<u>34,900</u>	<u>35,244</u>
<b>Current Assets</b>		
Inventories	43,975	47,329
Trade and other receivables	7,367	12,700
Current tax assets	416	257
Cash and cash equivalents	14,417	14,597
	<u>66,175</u>	<u>74,883</u>
<b>TOTAL ASSETS</b>	<u>101,075</u>	<u>110,127</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	63,145	63,145
Treasury shares	(146)	(146)
Reserves	20,362	22,555
	<u>83,361</u>	<u>85,554</u>
Non-controlling interests	(8)	-
<b>Total Equity</b>	<u>83,353</u>	<u>85,554</u>
<b>Non-Current Liabilities</b>		
Borrowings	1,641	1,302
Lease liabilities	45	206
Retirement benefit obligations	985	852
Deferred tax liabilities	1,755	2,764
	<u>4,426</u>	<u>5,124</u>
<b>Current Liabilities</b>		
Trade and other payables	8,913	9,583
Contract liabilities	616	832
Borrowings	3,451	8,716
Lease liabilities	311	215
Derivative liabilities	-	14
Current tax liabilities	5	89
	<u>13,296</u>	<u>19,449</u>
<b>Total Liabilities</b>	<u>17,722</u>	<u>24,573</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>101,075</u>	<u>110,127</u>
<b>Net Assets per Share (sen)</b>	<b>66</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**

For the year ended 30 June 2021 - unaudited	Non-distributable			Distributable	Total	Non-	Total
	Share	Treasury	Capital	Retained	attributable	controlling	Equity
	capital	shares	reserve	earnings	to owners	interests	
	RM'000	RM'000	RM'000	RM'000	of parent	RM'000	RM'000
Balance as at 01/07/2019	63,145	-	164	21,708	85,017	-	85,017
Purchase of treasury shares	-	(146)	-	-	(146)	-	(146)
Profit (representing total comprehensive income) for the year	-	-	-	2,577	2,577	-	2,577
Dividend	-	-	-	(1,894)	(1,894)	-	(1,894)
Balance as at 30/06/2020	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>22,391</u>	<u>85,554</u>	<u>-</u>	<u>85,554</u>
Balance as at 01/07/2020	63,145	(146)	164	22,391	85,554	-	85,554
Loss for the year	-	-	-	(1,494)	(1,494)	(8)	(1,502)
Other comprehensive income for the year:							
- Remeasurements of defined benefit obligations	-	-	-	(92)	(92)	-	(92)
- Deferred tax effects thereof	-	-	-	22	22	-	22
Total comprehensive loss for the year	-	-	-	(1,564)	(1,564)	(8)	(1,572)
Dividend	-	-	-	(629)	(629)	-	(629)
Balance as at 30/06/2021	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>20,198</u>	<u>83,361</u>	<u>(8)</u>	<u>83,353</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 12 Months Ended 30/06/2021 RM'000	Preceding Year Corresponding 12 Months Ended 30/06/2020 RM'000
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(2,121)	3,378
Adjustments for:		
Bad debt written off	-	130
Deposits forfeited	-	(11)
Depreciation of property, plant and equipment	2,943	3,092
Depreciation of right-of-use assets	570	515
Gain on disposal of property, plant and equipment	(25)	(85)
Fair value adjustment on derivative instruments	(14)	14
Impairment losses on trade receivables	163	100
Interest expense	184	267
Interest income	(194)	(287)
Inventories written down	651	823
Provision for retirement benefits	87	286
Reversal of impairment losses on trade receivables	(56)	(15)
Reversal of provision for retirement benefits	-	(1,150)
Unrealised (gain)/loss on foreign exchange	(27)	166
Operating profit before changes in working capital	2,161	7,223
Changes in:-		
Inventories	2,703	2,748
Trade and other receivables	5,249	(2,289)
Trade and other payables	(670)	(253)
Contract liabilities	(216)	16
Retirement benefits paid	(46)	(57)
Cash generated from operations	9,181	7,388
Tax paid	(707)	(2,138)
Tax refunded	96	4
Net cash from operating activities	8,570	5,254
<b>Cash Flows From Investing Activities</b>		
Interest received	194	277
Purchase of property, plant and equipment	(2,944)	(354)
Purchase of right-of-use assets	-	(175)
Proceeds from disposal of property, plant and equipment	49	298
Net cash (used in)/from investing activities	(2,701)	46
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(629)	(1,894)
Interest paid	(40)	(15)
Drawdown of term loan	964	-
Net (decrease)/increase in short-term borrowings	(8,146)	4,641
Purchase of treasury shares	-	(146)
Repayment of lease liabilities	(335)	(1,083)
Repayment of term loan	(693)	(742)
Net cash (used in)/from financing activities	(8,879)	761
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,010)	6,061
<b>Cash and cash equivalents at beginning of the year</b>	14,597	8,552
<b>Effects of exchange rate changes on cash and cash equivalents</b>	4	(16)
<b>Cash and cash equivalents at end of the year</b>	11,591	14,597
<b>Cash and cash equivalents at end of the year consist of:</b>		
Cash and bank balances	3,265	5,816
Short-term funds placed with financial institutions	11,152	8,781
Bank overdrafts	(2,826)	-
	11,591	14,597

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 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.

#### 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	3,485	18,479
Asia (exclude Malaysia)	4,005	13,648
Oceania	734	12,469
Europe	4,091	11,564
America	1,233	3,751
Africa	-	11
	<u>13,548</u>	<u>59,922</u>



**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**A8 Segment Information (Continued)**

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 during the current financial year except for the incorporation of a new subsidiary company, Rausyan Intelek Sdn. Bhd. ("Rausyan Intelek"), which remained dormant as at the financial year end.

On 15 April 2021, a subsidiary of the Company, Chee Wah Corporation Berhad ("CWCB"), had incorporated a 51% owned subsidiary known as Rausyan Intelek with paid up share capital of RM1,000 comprising 1,000 ordinary shares. Rausyan Intelek is a company incorporated in Malaysia which intend in publishing and distribution of books.

On 12 July 2021, CWCB had further subscribed for 50,490 ordinary shares in Rausyan Intelek at an issue price of RM1 each for a total cash consideration of RM50,490 as Rausyan Intelek had increased its paid up share capital from RM1,000 comprising 1,000 ordinary shares to RM100,000 comprising 100,000 ordinary shares.

**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 30 June 2021:

	<u>RM'000</u>
Contracted but not provided for	897

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

**B1 Review Of Performance**

For the current quarter ended 30 June 2021, the Group recorded a revenue of RM13.548 million as compared to the preceding year corresponding quarter of RM24.818 million. The decrease in revenue of RM11.270 million or 45% was mainly due to lower market demand in export market. As a result of the lower revenue, the Group suffered a loss before tax of RM1.168 million for the current quarter as compared to the profit before tax of RM2.456 million in preceding year corresponding quarter.

For the financial year ended 30 June 2021, the Group recorded a revenue of RM59.922 million as compared to the preceding year corresponding period of RM84.905 million. The decrease in revenue of RM24.983 million or 29% was mainly due to weak market sentiment in export market. As a result of the lower revenue, the Group recorded a loss before tax of RM2.121 million for the current year to date as compared to the profit before tax of RM3.378 million in preceding year corresponding period.

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

	Individual Quarter Ended		Variance	
	30/06/2021	31/03/2021	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	13,548	13,342	206	2
Loss before tax	1,168	543	625	115

The Group's revenue generated in the current quarter was RM13.548 million as compared to RM13.342 million in the immediate preceding quarter was mainly due to higher market demand from export market. The Group recorded a loss before tax of RM1.168 million in the current quarter as compared to RM0.543 million in the immediate preceding quarter. The increase in loss before tax was mainly due to lower profit margin and inventories written down.

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B3 Prospects**

The Board anticipates that the performance of the Group remains challenging due to the uncertain macro-economic outlook and uncertainties market conditions affected by Covid-19 pandemic. The Group will continue to monitor and control the operational efficiency and financial sustainability. The Group cautiously expects the performance will improve in 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 2021 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	56	381
Prior year	-	(14)
Deferred tax:		
Current year	(384)	(976)
Prior year	-	(10)
	<u>(328)</u>	<u>(619)</u>

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

**B6 Status Of Corporate Proposal**

There was no corporate proposal during current financial year under review.

**B7 Group Borrowings And Debt Securities**

Group borrowings as at 30 June 2021 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bank overdrafts	-	2,826
Term loan	625	-
	<u>625</u>	<u>2,826</u>
b) <u>Non-current liabilities</u>		
Term loan	1,641	-
	<u>1,641</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 August 2021.

**B9 Proposed Dividends**

There was no dividend proposed for the current financial year.

**EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2021 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2020 RM '000	Current Year To Date 30/06/2021 RM '000	Preceding Year Corresponding Period 30/06/2020 RM '000
(Loss)/Profit attributable to owners of the parent	<u>(832)</u>	<u>1,862</u>	<u>(1,494)</u>	<u>2,577</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>125,796</u>	<u>125,796</u>	<u>126,136</u>
Basic (loss)/earnings per share (sen)	<u>(0.66)</u>	<u>1.48</u>	<u>(1.19)</u>	<u>2.04</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 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 year is arrived at after crediting/(charging):		
- Depreciation of property, plant and equipment	(681)	(2,943)
- Depreciation of right-of-use assets	(154)	(570)
- Gain on disposal of property, plant and equipment	-	25
- Reversal of impairment losses on trade receivables	39	56
- Impairment losses on trade receivables	(163)	(163)
- Interest expense	(52)	(184)
- Interest income	51	194
- Gain on derivative instruments	-	14
- Gain/(Loss) on foreign exchange	73	(316)
- Inventories written down	(467)	(651)

**B13 Derivatives**

There were no derivatives entered into by the Group as at 30 June 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 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 25 August 2021.