

The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the third quarter ended 31 March 2022. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2021 RM'000	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Revenue	16,207	13,342	47,986	46,374
Operating expenses	(16,361)	(14,032)	(49,302)	(47,910)
Other operating income	311	180	827	715
Finance costs	(56)	(33)	(276)	(132)
(Loss)/Profit before tax	101	(543)	(765)	(953)
Tax expense	(34)	254	197	291
(Loss)/Profit for the period	67	(289)	(568)	(662)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/income for the year	<u>67</u>	<u>(289)</u>	<u>(568)</u>	<u>(662)</u>
(Loss)/Profit attributable to:				
- Owners of the parent	79	(289)	(531)	(662)
- Non-controlling interests	(12)	-	(37)	-
	<u>67</u>	<u>(289)</u>	<u>(568)</u>	<u>(662)</u>
Total comprehensive (loss)/income attributable to:				
- Owners of the parent	79	(289)	(531)	(662)
- Non-controlling interests	(12)	-	(37)	-
	<u>67</u>	<u>(289)</u>	<u>(568)</u>	<u>(662)</u>
(Loss)/Earnings per share (sen)				
- Basic	0.05	(0.23)	(0.40)	(0.53)
- Diluted	0.05	(0.23)	(0.40)	(0.53)

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Year 31/03/2022 RM'000	Audited As At Preceding Financial Year Ended 30/06/2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	27,883	28,520
Right-of-use assets	5,766	6,380
	<u>33,649</u>	<u>34,900</u>
Current Assets		
Inventories	52,534	43,975
Trade and other receivables	14,334	7,367
Current tax assets	520	416
Cash and cash equivalents	12,133	14,417
	<u>79,521</u>	<u>66,175</u>
TOTAL ASSETS	<u>113,170</u>	<u>101,075</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	78,351	63,145
Treasury shares	(146)	(146)
Reserves	19,831	20,362
	<u>98,036</u>	<u>83,361</u>
Non-controlling interests	4	(8)
Total Equity	<u>98,040</u>	<u>83,353</u>
Non-Current Liabilities		
Borrowings	1,698	1,641
Lease liabilities	10	45
Retirement benefit obligations	995	985
Deferred tax liabilities	1,277	1,755
	<u>3,980</u>	<u>4,426</u>
Current Liabilities		
Trade and other payables	6,474	8,913
Contract liabilities	2,541	616
Borrowings	2,070	3,451
Lease liabilities	57	311
Current tax liabilities	8	5
	<u>11,150</u>	<u>13,296</u>
Total Liabilities	<u>15,130</u>	<u>17,722</u>
TOTAL EQUITY AND LIABILITIES	<u>113,170</u>	<u>101,075</u>
Net Assets per Share (sen)	60	66

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 March 2022 - unaudited	Share capital	Treasury shares	Capital reserve	Retained earnings	Total attributable to owners of parent	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01/07/2020	63,145	(146)	164	22,391	85,554	-	85,554
Loss (representing total comprehensive income) for the period	-	-	-	(662)	(662)	-	(662)
Dividend	-	-	-	(629)	(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>	<u>-</u>	<u>84,263</u>
Balance as at 01/07/2021	63,145	(146)	164	20,198	83,361	(8)	83,353
Transactions with owners: Ordinary shares issued pursuant to:- -Private placement	15,206				15,206		15,206
Loss (representing total comprehensive income) for the period	-	-	-	(531)	(531)	(37)	(568)
Additional investment in subsidiary	-	-	-	-	-	49	49
Balance as at 31/03/2022	<u>78,351</u>	<u>(146)</u>	<u>164</u>	<u>19,667</u>	<u>98,036</u>	<u>4</u>	<u>98,040</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 9 Months Ended 31/03/2022 RM'000	Preceding Year Corresponding 9 Months Ended 31/03/2021 RM'000
Cash Flows From Operating Activities		
Loss before tax	(765)	(953)
Adjustments for:		
Depreciation of property, plant and equipment	2,015	2,262
Depreciation of right-of-use assets	436	416
Gain on disposal of property, plant and equipment	(19)	(25)
Fair value adjustment on derivative instruments	-	(14)
Interest expense	276	132
Interest income	(99)	(143)
Inventories written down	555	184
Provision for retirement benefits	60	65
Reversal of impairment losses on trade receivables	(108)	(17)
Unrealised gain on foreign exchange	(21)	(62)
Operating profit before changes in working capital	2,330	1,845
Changes in:-		
Inventories	(9,114)	4,766
Trade and other receivables	(6,848)	5,226
Trade and other payables	(2,439)	(2,264)
Contract liabilities	1,925	677
Retirement benefits paid	(49)	(12)
Cash (used in)/generated from operations	(14,195)	10,238
Tax paid	(383)	(573)
Tax refunded	-	96
Net cash (used in)/from operating activities	(14,578)	9,761
Cash Flows From Investing Activities		
Interest received	110	142
Purchase of property, plant and equipment	(1,378)	(993)
Proceeds from disposal of property, plant and equipment	235	49
Net cash used in investing activities	(1,033)	(802)
Cash Flows From Financing Activities		
Contribution by non-controlling interests	49	-
Dividend paid	-	(629)
Interest paid	(92)	(19)
Net increase/(decrease) in short-term borrowings	1,300	(7,575)
Proceeds from issuance of shares	15,206	-
Repayment of lease liabilities	(336)	(237)
Drawdown of term loans	526	-
Repayment of term loans	(501)	(520)
Net cash from/(used in) financing activities	16,152	(8,980)
Net increase/(decrease) in cash and cash equivalents	541	(21)
Cash and cash equivalents at beginning of the period	11,591	14,597
Effects of exchange rate changes on cash and cash equivalents	1	18
Cash and cash equivalents at end of the period	12,133	14,594
Cash and cash equivalents at end of the period consist of:		
Cash and bank balances	2,917	3,429
Deposits with licensed bank	6,000	30
Short-term funds placed with financial institutions	3,216	11,135
	12,133	14,594

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021 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 2021. 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 2021.

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 2021.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2021 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 financial 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 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 financial quarter under review and financial year to date except for the following:-

Private Placement

- (i) On 27 January 2022, the Company's issued share capital has increased by RM10,103,208 through the issuance of 25,258,020 new ordinary shares pursuant to private placement at the issue price of RM0.40 per ordinary share.
- (ii) On 15 February 2022, the Company's issued share capital has increased by RM5,103,000 through the issuance of 12,600,000 new ordinary shares pursuant to private placement at the issue price of RM0.405 per ordinary share.

Warrants 2022/2027 ("Warrants A")

- (i) The Company had on 03 March 2022 issued a total of 81,826,910 Warrants which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 10 March 2022. The Stock Short Name, Stock Number and ISIN Code of Warrants A are "CWG-WA", "9423WA" and "MYL9423WA733" respectively. Each Warrant entitled the shareholders of the Company to subscribe for one (1) new ordinary share each in the Company at an exercise price of RM0.36 per share on or before 02 March 2027 ("Maturity Date").

There was no exercise of Warrants during the current financial quarter and year-to-date.

A7 Dividends Paid

No dividend was paid during the current quarter.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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	6,122	14,771
Asia (exclude Malaysia)	2,597	9,479
Oceania	591	9,914
Europe	5,315	8,870
America	1,582	4,941
Africa	-	11
	<u>16,207</u>	<u>47,986</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

Save as disclosed in Note B6 on the status of corporate proposals announced, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial report.

A10 Changes In The Composition Of The Group

There were no changes in the composition of the Group during the current financial quarter under review and financial year to date except for Chee Wah Corporation Berhad, a wholly-owned subsidiary of the Company, further acquired 50,490 new ordinary shares, representing 51% of the total issued and paid-up share capital in Rausyan Intelek Sdn. Bhd., for a cash consideration of RM50,490 on 12 July 2021. Rausyan Intelek Sdn. Bhd. remained a 51% owned subsidiary of the Group.

A11 Contingent Liabilities Or Assets

There were no contingent liabilities or contingent assets since last financial year ended 30 June 2021.

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 2022:

	<u>RM'000</u>
Contracted but not provided for	<u>405</u>

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

B1 Review Of Performance

For the current financial quarter ended 31 March 2022, the Group recorded a revenue of RM16.207 million as compared to the preceding year corresponding quarter of RM13.342 million. The increase in revenue of RM2.865 million or 21% was mainly due to higher demand in domestic and export markets. As a result of higher revenue, the Group generated a profit before tax of RM0.101 million for the current financial quarter as compared to the loss before tax of RM0.543 million in the preceding year corresponding quarter, representing decrease in loss before tax of RM0.644 million or 119%.

For the nine months ended 31 March 2022, the Group recorded a revenue of RM47.986 million as compared to the preceding year corresponding period of RM46.374 million. The increase in revenue of RM1.612 million or 3% was mainly due to higher demand in export market. The Group recorded a loss before tax of RM0.765 million for the current financial year to date as compared to the loss before tax of RM0.953 million in preceding year corresponding period, representing decrease in loss before tax of RM0.188 million or 20% was mainly due to higher revenue.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B2 Comparison With Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	31/03/2022 RM'000	31/12/2021 RM'000	RM'000	%
Revenue	16,207	14,756	1,451	10%
Profit/(Loss) before tax	<u>101</u>	<u>(1,272)</u>	<u>1,373</u>	<u>108%</u>

The Group's revenue generated in the current financial quarter was RM16.207 million as compared to RM14.756 million in the immediate preceding quarter. The increase in revenue of 10% was mainly due to higher demand from domestic and export markets. As a result of the higher revenue, the Group recorded a profit before tax of RM0.101 million in the current financial quarter as compared to loss before tax of RM1.272 million in the immediate preceding quarter.

B3 Prospects

As Malaysia gradually enters the endemic phase of Covid-19, with the reopening of boarders and lifting of various restrictions, life is slowly returning to pre-pandemic normalcy. However, the impact of the prolonged Covid-19 pandemic, persistent labour shortages, the disruption in global supply chain, as well as the Russia-Ukraine conflict and China's Covid-19 lockdown is dampening the overall economic outlook and is uncertain how long this will last.

The Board are cautiously optimistic that we will be able to maintain our performance and as always, we will continue to manage and control operational and cost efficiencies in this challenging operating environment.

B4 Profit Forecast/Profit Guarantee

Not applicable as there were no profit forecasts published.

B5 Tax Expense

Breakdown of tax expense for the quarter ended 31 March 2022 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	112	276
Prior year	6	6
Deferred tax:		
Current year	(104)	(499)
Prior year	<u>20</u>	<u>20</u>
	<u>34</u>	<u>(197)</u>

The effective tax rate of the Group for the current financial quarter was higher than statutory tax rate mainly due to non-deductible expenses incurred by certain subsidiaries. However, reversal of tax expense incurred for the current financial year to date was mainly due to loss position of the Group.

B6 Status Of Corporate Proposal

On 22 October 2021, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") had, on behalf of the Board of Directors of CWG Holdings berhad ("CWG") to announce that the Company proposes to undertake the following:

i) a private placement which involves the issuance of up to 37,887,030 new ordinary shares in CWG ("CWG Share(s)" or "Share(s)") ("Placement Share(s)") representing approximately 30% of the total number of issued shares of CWG (excluding treasury shares) ("Proposed Private Placement"). For the avoidance of doubt, the Proposed Private Placement is not undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") and that the Proposed Private Placement is subject to specific shareholders' approval pursuant to Paragraph 6.05 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). The Proposed Private Placement is to be undertaken to the following parties:

a) Datuk Hong Choon Hau ("Placee") through a subscription agreement entered into with the Company on 22 October 2021 ("Subscription Agreement") for a private placement of 25,258,020 Placement Shares ("Subscription Share(s)") representing approximately 20% of the total number of issued shares of CWG (excluding treasury shares), at the subscription price of RM0.40 per Subscription Share; and

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6 Status Of Corporate Proposal (Continued)

- b) third party investor(s), where such investor(s) qualify under Schedules 6 and 7 of the Capital Market and Services Act 2007, which involves the issuance of up to 12,629,010 Placement Shares representing approximately 10% of the total number of issued shares of CWG (excluding treasury shares).
- ii) a bonus issue of up to 82,088,566 bonus warrants in CWG ("Warrant(s)") on the basis of 1 Warrant for every 2 existing CWG Shares held on an entitlement date, which will be determined and announced by the Board at a later date ("Warrants Entitlement Date") ("Proposed Bonus Issue of Warrants"); and
- iii) the establishment of the Company's Employee Share Options Scheme ("ESOS") of up to 10% of the total number of issued shares of CWG (excluding treasury shares) at any point in time over the duration of the ESOS ("ESOS Period"), for eligible persons ("Proposed ESOS").

(Collectively referred to as the "Proposals").

The Proposals are subject to the approvals being obtained from Bursa Securities, shareholders of the Company and any other relevant authorities and/or parties, if required.

The Proposals are expected to be completed by the first quarter of calendar year 2022.

On 17 November 2021, UOBKH, on behalf of the Board of Directors of CWG announced that the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 17 November 2021.

On 23 December 2021, UOBKH, on behalf of the Board of Directors of CWG announced that Bursa Securities had, vide its letter dated 22 December 2021, resolved to approve the following:-

- i) Listing and quotation of up to 37,887,030 Placement Shares to be issued pursuant to the Proposed Private Placement;
- ii) Admission to the Official List and listing and quotation of up to 82,088,566 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- iii) Listing and quotation of up to 82,088,566 new CWG Shares to be issued arising from the exercise of the Warrants; and
- iv) Listing and quotation of such number of additional new ordinary shares, representing up to 10% of the total number of issued ordinary shares in CWG (excluding treasury shares), to be issued pursuant to the Proposed ESOS.

The approval granted by Bursa Securities is subject to the following conditions:-

- i) CWG and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposals;
- ii) CWG is required to furnish Bursa Securities with certified true copy of the resolutions passed by the shareholders at the extraordinary general meeting approving the Proposals;
- iii) CWG and UOBKH are required to inform Bursa Securities upon completion of the Proposals;
- iv) CWG is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- v) UOBKH is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;
- vi) UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation;
- vii) CWG and UOBKH are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements; and

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6 Status Of Corporate Proposal (Continued)

viii) Payment of additional listing fees pertaining to the exercise of Warrants and exercise of ESOS Options, if relevant. In this respect, CWG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new shares listed pursuant to the exercise of Warrants and exercise of ESOS Options respectively as at the end of each quarter together with a detailed computation of the listing fees payable.

On 28 January 2022, UOBKH, on behalf of the Board of Directors of CWG announced that 25,258,020 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 28 January 2022.

On 7 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that the Board had on 7 February 2022 resolved to fix the issue price for the Private Placement to Third-Party Investors at RM0.405 per Placement Share.

The issue price of RM0.405 per Placement Share represents a discount of approximately 9.03% to the 5-day VWAP of CWG Shares up to and including 4 February 2022, being the last traded day of CWG Shares immediately preceding the price-fixing date of RM0.4452 per CWG Share.

On 14 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that the Board had on 14 February 2022 ("Price-Fixing Date") resolved to fix the exercise price of the Warrants at RM0.36 per Warrant ("Exercise Price").

The Exercise Price was determined and fixed by the Board after taking into consideration, amongst others, the following:-

- i) the historical price movement of CWG Shares;
- ii) the Board's intention to fix the Exercise Price subject to a discount range of 10.0% to 30.0% to the 5-day VWAP of CWG Shares immediately preceding the Price-Fixing Date;
- iii) the Warrants are exercisable at any time for a tenure of 5 years from the date of issuance of the Warrants which may provide the shareholders an alternative to participate and trade in the equity derivative of CWG over the tenure of Warrants and potentially realize a capital gain in the event of any Share price appreciation; and
- iv) the Warrants will be issued at no cost.

The Exercise Price of RM0.36 represents a discount of 23.01% to the 5-day VWAP of CWG Shares immediately preceding the Price-Fixing Date of RM0.4676 per CWG Share.

Further, on behalf of the Board, UOBKH wishes to announce that the Company had on 14 February 2022, executed the Deed Poll constituting the Warrants to be issued pursuant to the Bonus Issue of Warrants.

On 15 February 2022, the Company announced that Bonus Issue of Warrants in CWG on the basis of 1 warrant for every 2 existing ordinary shares in CWG held by entitled shareholders of the Company at 5.00 p.m. on 28 February 2022.

On 16 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that 12,600,000 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 16 February 2022, marking the completion of the Private Placement.

On 24 February 2022, UOBKH, on behalf of the Board of Directors of CWG announced that pursuant to Paragraph 6.43 of the Main Market Listing Requirements of Bursa Securities, the effective date for the ESOS has been fixed on 24 February 2022, being the date of submission of the final By-laws in relation to the ESOS to Bursa Securities.

On 09 March 2022, the Company announced that CWG's 81,826,910 Warrants A issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of Bursa Securities and the listing and quotation of Warrants A on the Main Market under the "Consumer Products & Services" sector will be granted with effect from 9.00 a.m., Thursday, 10 March 2022.

On 10 March 2022, UOBKH, on behalf of the Board of Directors of CWG announced that the 81,826,910 Warrants issued pursuant to the Bonus Issue of Warrants were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on Thursday, 10 March 2022, marking the completion of the Bonus Issue of Warrants.

Save for the above, there was no other corporate proposal announced and not completed as at 12 May 2022.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7 Status of utilisation of proceeds raised from private placement

As at 12 May 2022, the status of utilisation of proceeds of RM15,206 million raised pursuant to the Private Placement is as follows:-

Details of Utilisation	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Balance to be Utilised	
	RM'000	RM'000		RM'000	%
Working capital *1	5,974	2,792	Within 12 months from the date of completion of the private placement.	3,182	53.26
Working capital *2	9,004	9,004	Within 12 months from the date of completion of the private placement.	-	0.00
Expenses *3	228	228	Upon completion of the private placement.	-	0.00
	15,206	12,024			

*1 The working capital comprising payment to suppliers/creditors of the Group.

*2 The working capital comprising defrayment of operational expenses including the purchase of materials, staff related expenses such as salaries, wages, allowances, interest expenses and other operating expenses such as utilities, upkeep of offices and maintenance of plants and machinery.

*3 The expenses comprising professional fees, fees payable to relevant authorities and other related expenses. Any excess/shortfall in funds for expenses will be adjusted to/from funds allocated for working capital.

B8 Group Borrowings And Debt Securities

Group borrowings as at 31 March 2022 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bankers' acceptances	-	1,445
Term loans	625	-
	625	1,445
b) <u>Non-current liability</u>		
Term loans	1,698	-
	1,698	-

c) The Group borrowings are denominated in Ringgit Malaysia.

B9 Changes In Material Litigation

The Group is not engaged in any material litigation as at 17 May 2022.

B10 Proposed Dividends

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

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11 Earnings Per Share

11.1 Basic (loss)/earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2022 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2021 RM '000	Current Year To Date 31/03/2022 RM '000	Preceding Year Corresponding Period 31/03/2021 RM '000
(Loss)/Profit attributable to owners of the parent	79	(289)	(531)	(662)
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	150,057	125,796	133,765	125,796
Basic (loss)/earnings per share (sen)	0.05	(0.23)	(0.40)	(0.53)

11.2 Diluted (loss)/earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended - <th>Preceding Year Corresponding Quarter Ended - <th>Current Year To Date - <th>Preceding Year Corresponding Period - </th></th></th>	Preceding Year Corresponding Quarter Ended - <th>Current Year To Date - <th>Preceding Year Corresponding Period - </th></th>	Current Year To Date - <th>Preceding Year Corresponding Period - </th>	Preceding Year Corresponding Period -
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit attributable to owners of the parent	79	(289)	(531)	(662)
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	150,057	125,796	133,765	125,796
Adjusted for:				
Assume shares issued from the conversion of				
- Warrants 2022/2027	4,033	-	1,325	-
Adjusted weighted average number of ordinary shares	154,090	125,796	135,090	125,796
Diluted (loss)/earnings per share (sen)*	0.05	(0.23)	(0.40)	(0.53)

*The diluted (loss)/earnings per share for the financial period is equal to the basic (loss)/earnings per share as the conversion of potential ordinary shares would decrease loss per share from continuing operation. Thus, the potential effect of the conversion of warrants would be anti-dilutive.

B12 Auditors' Report On Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 30 June 2021 were not subject to any qualification.

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	(669)	(2,015)
- Depreciation of right-of-use assets	(136)	(436)
- Reversal of impairment losses on trade receivables	62	108
- Interest expense	(56)	(276)
- Interest income	19	99
- (Loss)/Gain on foreign exchange	52	59
- Inventories written down	274	(555)
- Gain on disposal of property, plant and equipment	19	19



EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B14 Derivatives

There were no derivatives entered into by the Group as at 31 March 2022.

B15 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 quarter.

B16 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 17 May 2022.