



The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the first quarter ended 30 September 2022. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM'000	Current Year To Date 30/09/2022 RM'000	Preceding Year Corresponding Period 30/09/2021 RM'000
Revenue	22,287	17,023	22,287	17,023
Operating expenses	(21,400)	(16,864)	(21,400)	(16,864)
Other operating income	843	350	843	350
Finance costs	(170)	(103)	(170)	(103)
Profit before tax	1,560	406	1,560	406
Taxation	(426)	(73)	(426)	(73)
Profit for the period	1,134	333	1,134	333
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the year	<u>1,134</u>	<u>333</u>	<u>1,134</u>	<u>333</u>
Profit attributable to:				
- Owners of the parent	1,147	346	1,147	346
- Non-controlling interests	(13)	(13)	(13)	(13)
	<u>1,134</u>	<u>333</u>	<u>1,134</u>	<u>333</u>
Total comprehensive income attributable to:				
- Owners of the parent	1,147	346	1,147	346
- Non-controlling interests	(13)	(13)	(13)	(13)
	<u>1,134</u>	<u>333</u>	<u>1,134</u>	<u>333</u>
Earnings per share (sen)				
- Basic	0.70	0.28	0.70	0.28
- Diluted	0.70	0.28	0.70	0.28

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At End Of Current Year 30/09/2022 RM'000	Audited As At Preceding Financial Year Ended 30/06/2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	29,751	27,803
Right-of-use assets	5,778	5,903
	<u>35,529</u>	<u>33,706</u>
Current Assets		
Inventories	63,942	69,088
Trade and other receivables	10,166	13,081
Current tax assets	700	703
Cash and cash equivalents	13,337	13,949
	<u>88,145</u>	<u>96,821</u>
TOTAL ASSETS	<u><u>123,674</u></u>	<u><u>130,527</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	78,351	78,351
Treasury shares	(327)	(146)
Reserves	23,187	22,040
	<u>101,211</u>	<u>100,245</u>
Non-controlling interests	(23)	(10)
Total Equity	<u>101,188</u>	<u>100,235</u>
Non-Current Liabilities		
Borrowings	1,104	1,235
Lease liabilities	862	29
Retirement benefit obligations	975	1,015
Deferred tax liabilities	2,446	2,179
	<u>5,387</u>	<u>4,458</u>
Current Liabilities		
Trade and other payables	5,397	12,834
Contract liabilities	1,547	1,798
Borrowings	9,554	10,964
Lease liabilities	595	233
Current tax liabilities	6	5
	<u>17,099</u>	<u>25,834</u>
Total Liabilities	<u>22,486</u>	<u>30,292</u>
TOTAL EQUITY AND LIABILITIES	<u><u>123,674</u></u>	<u><u>130,527</u></u>
Net Assets per Share (sen)	62	61

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 September 2022 - unaudited	Non-distributable			Distributable	Total attributable to owners of parent	Non- controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01/07/2021	63,145	(146)	164	20,198	83,361	(8)	83,353
Profit (representing total comprehensive income) for the period	-	-	-	346	346	(13)	333
Transactions with owners							
Additional investment in subsidiary	-	-	-	-	-	49	49
Balance as at 30/09/2021	<u>63,145</u>	<u>(146)</u>	<u>164</u>	<u>20,544</u>	<u>83,707</u>	<u>28</u>	<u>83,735</u>
Balance as at 01/07/2022	78,351	(146)	164	21,876	100,245	(10)	100,235
Profit (representing total comprehensive income) for the period	-	-	-	1,147	1,147	(13)	1,134
Transactions with owners							
Purchase of treasury shares	-	(181)	-	-	(181)	-	(181)
Balance as at 30/09/2022	<u>78,351</u>	<u>(327)</u>	<u>164</u>	<u>23,023</u>	<u>101,211</u>	<u>(23)</u>	<u>101,188</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year 3 Months Ended 30/09/2022 RM'000	Preceding Year Corresponding 3 Months Ended 30/09/2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	1,560	406
Adjustments for:		
Depreciation of property, plant and equipment	624	682
Depreciation of right-of-use assets	125	150
Interest expense	170	103
Interest income	(78)	(47)
Inventories written down	237	397
Provision for retirement benefits	19	20
Reversal of impairment loss on trade receivables	(11)	(38)
Unrealised gain on foreign exchange	(233)	(15)
Operating profit before changes in working capital	2,413	1,658
Changes in:-		
Inventories	4,909	(9,012)
Trade and other receivables	3,125	(1,872)
Trade and other payables	(7,437)	(3,286)
Contract liabilities	(251)	144
Retirement benefits paid	(60)	(46)
Cash generated from/(used in) operations	2,699	(12,414)
Tax paid	(155)	(131)
Net cash from /(used in) operating activities	2,544	(12,545)
Cash Flows From Investing Activities		
Interest received	78	47
Purchase of property, plant and equipment	(2,572)	(47)
Net cash used in investing activities	(2,494)	-
Cash Flows From Financing Activities		
Contribution by non-controlling interest	-	49
Interest paid	(30)	(38)
Net (decrease)/increase in short-term borrowings	(3,844)	13,472
Purchase of treasury shares	(181)	-
Repayment of lease liabilities	(67)	(92)
Drawdown of HP Payables	1,255	-
Repayment of term loans	(256)	(169)
Net cash (used in)/from financing activities	(3,123)	13,222
Net (decrease)/increase in cash and cash equivalents	(3,073)	677
Cash and cash equivalents at beginning of the period	13,949	11,591
Effects of exchange rate changes on cash and cash equivalents	53	2
Cash and cash equivalents at end of the period	10,929	12,270
Cash and cash equivalents at end of the period consist of:		
Deposits with licensed bank	700	-
Short-term funds placed with financial institutions	9,418	9,670
Cash and bank balances	3,219	2,600
Bank overdrafts	(2,408)	-
	10,929	12,270

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2022 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 2022. 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 2022.

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 2022.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2022 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:-

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.

Treasury Shares

- (i) From 03 August 2022 to 18 November 2022, the Company repurchased a total of 946,200 of its issued ordinary shares from the open market at an average price of RM0.322 per share. The total consideration paid for the repurchase was RM307,464 and financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A7 Dividends Paid

No dividend was paid during the current financial quarter.

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	4,880	4,880
Asia (exclude Malaysia)	9,522	9,522
Oceania	4,780	4,780
Europe	1,898	1,898
America	1,191	1,191
Africa	16	16
	<u>22,287</u>	<u>22,287</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 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.

A11 Contingent Liabilities Or Assets

There were no contingent liabilities or contingent assets since last financial year ended 30 June 2022.

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 September 2022:

	RM'000
Contracted but not provided for	<u>2,090</u>

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

B1 Review Of Performance

For the three months ended 30 September 2022, the Group recorded a revenue of RM22.287 million as compared to the preceding year corresponding quarter of RM17.023 million. The increase in revenue of RM5.264 million or 31% was mainly due to higher demand in domestic and export markets. The Group generated a profit before tax of RM1.560 million for the current financial quarter as compared to the profit before tax of RM0.406 million in the preceding year corresponding quarter, representing increase in profit before tax of RM1.154 million or 284% which was mainly due to gain on foreign exchange and lower operating expenses.

B2 Comparison With Immediate Preceding Quarter's Results

	Individual Quarter Ended		Variance	
	30/09/2022 RM'000	30/06/2022 RM'000	RM'000	%
Revenue	22,287	20,667	1,620	8%
Profit before tax	1,560	3,075	(1,515)	-49%

The Group's revenue generated in the current financial quarter was RM22.287 million as compared to RM20.667 million in the immediate preceding quarter. The increase in revenue of 8% was mainly due to higher demand from local market. Despite revenue increased, the Group recorded profit before tax of RM1.560 million or decrease in profit before tax of 49% in the current financial quarter as compared to profit before tax of RM3.075 million in the immediate preceding quarter which was mainly due to higher in cost of sales and selling and distribution cost.

B3 Prospects

Global economic uncertainties are expected to continue throughout the financial year 2023. The inflationary pressures remain a challenging issue that may influence consumers' buying power and appetite.

Nevertheless, the Board are cautiously optimistic in this year's performance and will continue to closely manage and control our cost efficiencies in this uncertain and challenging 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 30 September 2022 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	159	159
Deferred tax:		
Current year	267	267
	<u>426</u>	<u>426</u>

The effective tax rate of the Group for the current financial year ended was higher than statutory tax rate that was mainly due to non-deductible expenses incurred by certain subsidiaries.

B6 Status Of Corporate Proposal

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

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7 Status of utilisation of proceeds raised from private placement

As at 18 November 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	5,974	Within 12 months from the date of completion of the private placement.	-	0.00
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	15,206			

*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 30 September 2022 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bankers' acceptances	-	6,309
Bank overdrafts	-	2,409
Term loans	836	-
	836	8,718
b) <u>Non-current liability</u>		
Term loans	1,104	-
	1,104	-

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 23 November 2022.

B10 Proposed Dividends

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

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11 Earnings Per Share

11.1 Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM '000	Current Year To Date 30/09/2022 RM '000	Preceding Year Corresponding Period 30/09/2021 RM '000
Profit attributable to owners of the parent	1,147	346	1,147	346
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	163,352	125,796	163,352	125,796
Basic earnings per share (sen)	0.70	0.28	0.70	0.28

11.2 Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2022 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2021 RM '000	Current Year To Date 30/09/2022 RM '000	Preceding Year Corresponding Period 30/09/2021 RM '000
Profit attributable to owners of the parent	1,147	346	1,147	346
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	163,352	125,796	163,352	125,796
Adjusted for:				
Assume shares issued from the conversion of				
- Warrants 2022/2027	-	-	-	-
Adjusted weighted average number of ordinary shares	163,352	125,796	163,352	125,796
Diluted earnings per share (sen)*	0.70	0.28	0.70	0.28

*The diluted earnings per share for the financial period is equal to the basic earnings per share as the conversion of potential ordinary shares would increase earnings 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 2022 were not subject to any qualification.

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B13 Notes To The Condensed Consolidated Statement Of Comprehensive Income

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Profit for the period is arrived at after crediting/(charging):		
- Depreciation of property, plant and equipment	(624)	(624)
- Depreciation of right-of-use assets	(125)	(125)
- Reversal of impairment losses on trade receivables	11	11
- Interest expense	(170)	(170)
- Interest income	78	78
- Gain on foreign exchange	470	470
- Inventories written down	(237)	(237)

B14 Derivatives

There were no derivatives entered into by the Group as at 30 September 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 23 November 2022.