



The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the third quarter ended 31 March 2023. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2023 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2022 RM'000	Current Year To Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
<b>Revenue</b>	18,159	16,207	64,438	47,986
Operating expenses	(17,549)	(16,361)	(60,726)	(49,302)
Other operating income	144	311	1,002	827
Finance costs	(60)	(56)	(359)	(276)
<b>Profit/(Loss) before tax</b>	694	101	4,355	(765)
Taxation	(43)	(34)	(1,034)	197
<b>Profit/(Loss) for the period</b>	651	67	3,321	(568)
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income/(Loss) for the year</b>	<u>651</u>	<u>67</u>	<u>3,321</u>	<u>(568)</u>
<b>Profit/(Loss) attributable to:</b>				
- Owners of the parent	614	79	3,311	(531)
- Non-controlling interests	37	(12)	10	(37)
	<u>651</u>	<u>67</u>	<u>3,321</u>	<u>(568)</u>
<b>Total comprehensive income/(Loss) attributable to:</b>				
- Owners of the parent	614	79	3,311	(531)
- Non-controlling interests	37	(12)	10	(37)
	<u>651</u>	<u>67</u>	<u>3,321</u>	<u>(568)</u>
<b>Earnings/(Loss) per share (sen)</b>				
- Basic	0.38	0.05	2.03	(0.40)
- Diluted	0.38	0.05	2.03	(0.40)

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 31/03/2023 RM'000	Audited As At Preceding Financial Year Ended 30/06/2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	27,548	27,803
Right-of-use assets	6,803	5,903
	<u>34,351</u>	<u>33,706</u>
<b>Current Assets</b>		
Inventories	54,736	69,088
Trade and other receivables	11,923	13,081
Current tax assets	627	703
Cash and cash equivalents	14,516	13,949
	<u>81,802</u>	<u>96,821</u>
<b>TOTAL ASSETS</b>	<u>116,153</u>	<u>130,527</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	78,351	78,351
Treasury shares	(485)	(146)
Reserves	24,131	22,040
	<u>101,997</u>	<u>100,245</u>
Non-controlling interests	-	(10)
<b>Total Equity</b>	<u>101,997</u>	<u>100,235</u>
<b>Non-Current Liabilities</b>		
Borrowings	946	1,235
Lease liabilities	643	29
Retirement benefit obligations	974	1,015
Deferred tax liabilities	2,374	2,179
	<u>4,937</u>	<u>4,458</u>
<b>Current Liabilities</b>		
Trade and other payables	5,689	12,834
Contract liabilities	2,490	1,798
Borrowings	524	10,964
Lease liabilities	502	233
Current tax liabilities	14	5
	<u>9,219</u>	<u>25,834</u>
<b>Total Liabilities</b>	<u>14,156</u>	<u>30,292</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>116,153</u>	<u>130,527</u>
<b>Net Assets per Share (sen)</b>	<b>63</b>	<b>61</b>

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 nine months ended 31 March 2023 - 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	
Balance as at 01/07/2021	63,145	(146)	164	20,198	83,361	(8)	83,353
Loss (representing total comprehensive loss) for the period	-	-	-	(531)	(531)	(37)	(568)
<b>Transactions with owners</b>							
Ordinary shares issued pursuant to:-							
-Private placement	15,206	-	-	-	15,206	-	15,206
Additional investment in subsidiary	-	-	-	-	-	49	49
Total transactions with owners	15,206	-	-	-	15,206	49	15,255
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>
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	-	-	-	3,311	3,311	10	3,321
<b>Transactions with owners</b>							
Dividend paid	-	-	-	(1,220)	(1,220)	-	(1,220)
Purchase of treasury shares	-	(339)	-	-	(339)	-	(339)
Total transactions with owners	-	(339)	-	(1,220)	(1,559)	-	(1,559)
Balance as at 31/03/2023	<u>78,351</u>	<u>(485)</u>	<u>164</u>	<u>23,967</u>	<u>101,997</u>	<u>-</u>	<u>101,997</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 9 Months Ended 31/03/2023 RM'000	Preceding Year Corresponding 9 Months Ended 31/03/2022 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before tax	4,355	(765)
Adjustments for:		
Depreciation of property, plant and equipment	1,816	2,015
Depreciation of right-of-use assets	405	436
Loss/(Gain) on disposal of property, plant and equipment	164	(19)
Interest expense	359	276
Interest income	(94)	(99)
Inventories written down	378	555
Provision for retirement benefits	58	60
Reversal of impairment loss on trade receivables	(13)	(108)
Loan forgiveness from shareholder	(38)	-
Unrealised loss/(gain) on foreign exchange	72	(21)
Operating profit before changes in working capital	7,462	2,330
Changes in:-		
Inventories	13,974	(9,114)
Trade and other receivables	1,173	(6,848)
Trade and other payables	(7,107)	(2,439)
Contract liabilities	692	1,925
Retirement benefits paid	(99)	(49)
Cash generated from/(used in) operations	16,095	(14,195)
Tax paid	(754)	(383)
Net cash from /(used in) operating activities	15,341	(14,578)
<b>Cash Flows From Investing Activities</b>		
Interest received	94	110
Purchase of property, plant and equipment	(3,082)	(1,378)
Proceeds from disposal of property, plant and equipment	79	235
Net cash used in investing activities	(2,909)	(1,033)
<b>Cash Flows From Financing Activities</b>		
Contribution by non-controlling interest	-	49
Dividend paid	(1,220)	-
Interest paid	(92)	(92)
Net (decrease)/increase in short-term borrowings	(10,191)	1,300
Proceeds from issuance of shares	-	15,206
Purchase of treasury shares	(339)	-
Repayment of lease liabilities	(203)	(336)
Drawdown of HP Payables	1,020	526
Repayment of term loans	(766)	(501)
Net cash (used in)/from financing activities	(11,791)	16,152
<b>Net increase in cash and cash equivalents</b>	641	541
<b>Cash and cash equivalents at beginning of the period</b>	13,949	11,591
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(74)	1
<b>Cash and cash equivalents at end of the period</b>	14,516	12,133
<b>Cash and cash equivalents at end of the period consist of:</b>		
Deposits with licensed bank	-	6,000
Short-term funds placed with financial institutions	6,526	3,216
Cash and bank balances	7,990	2,917
	14,516	12,133

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 11 May 2023, the Company repurchased a total of 1,052,200 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 RM341,791 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

A first and final single-tier dividend of 0.5 sen per ordinary share amounted to RM813,008 in respect of the financial year ended 30 June 2022 was paid on 23 December 2022, which has been approved by shareholders at the Annual General Meeting held on 23 November 2022.

An interim single-tier dividend of 0.25 sen per ordinary share totalling RM406,504 for the financial year ending 30 June 2023 was paid on 20 March 2023.

### 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	7,088	18,431
Asia (exclude Malaysia)	6,654	27,349
Oceania	522	7,989
Europe	2,447	6,138
America	1,448	4,295
Africa	-	236
	<u>18,159</u>	<u>64,438</u>

The directors are of the opinion that all inter-company transactions 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 31 March 2023:

	RM'000
Contracted but not provided for	<u>2,065</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 current financial quarter ended 31 March 2023, the Group generated revenue of RM18.159 million as compared to the preceding year corresponding quarter of RM16.207 million. The increase in revenue of RM1.952 million or 12% was mainly due to higher demand in domestic and export markets. The Group recorded profit before tax of RM0.694 million for the current financial quarter as compared to the profit before tax of RM0.101 million in the preceding year corresponding quarter, representing increase in profit before tax of RM0.593 million or 587% which was mainly due to higher revenue generated.

For the nine months ended 31 March 2023, the Group generated revenue of RM64.438 million as compared to the preceding year corresponding period of RM47.986 million. The increase in revenue of RM16.452 million or 34% was mainly due to higher demand in domestic and export markets. The Group recorded profit before tax of RM4.355 million for the current financial period as compared to the loss before tax of RM0.765 million in the preceding year corresponding period, representing increase in profit before tax of RM5.120 million or 669% which was mainly due to the same reason as above.

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

	Individual Quarter Ended		Variance	
	31/03/2023	31/12/2022	RM'000	%
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Revenue	18,159	23,992	(5,833)	-24%
Profit before tax	<u>694</u>	<u>2,101</u>	<u>(1,407)</u>	<u>-67%</u>

The Group's revenue generated in the current financial quarter was RM18.159 million as compared to RM23.992 million in the immediate preceding quarter. The decrease in revenue of 24% was mainly due to lower demand from export market. As the result of revenue decreased, the Group recorded profit before tax of RM0.694 million or decrease in profit before tax of 67% in the current financial quarter as compared to profit before tax of RM2.101 million in the immediate preceding quarter.

#### 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 31 March 2023 is as follows:

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Income tax:		
Current year	32	842
Prior year	(3)	(3)
Deferred tax:		
Current year	130	311
Prior year	<u>(116)</u>	<u>(116)</u>
	<u>43</u>	<u>1,034</u>

The effective tax rate of the Group for the current financial year ended was equal to the statutory tax rate.



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

**B6 Status Of Corporate Proposal**

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

**B7 Status of utilisation of proceeds raised from private placement**

On 16 February 2022, the Company completed the private placement following the listing and quotation of a total 37,858,020 placement shares at RM0.400 and RM0.405 per placement share respectively on the Main Market of Bursa Malaysia Securities Berhad. The total gross proceeds raised from the private placement were amounted to RM15,206,208 and the proceeds have been fully utilised during the first quarter of current financial year.

**B8 Group Borrowings And Debt Securities**

Group borrowings as at 31 March 2023 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Term loans	524	-
b) <u>Non-current liability</u>		
Term loans	946	-

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 16 May 2023.

**B10 Proposed Dividends**

The Board of Directors had proposed to declare an interim single-tier dividend of 0.25 sen per ordinary share amounted to RM406,504 in respect of the financial year ending 30 June 2023 on 22 February 2023. The payment date for the interim dividend was on 20 March 2023.





**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 31/03/2023 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2022 RM '000	Current Year To Date 31/03/2023 RM '000	Preceding Year Corresponding Period 31/03/2022 RM '000
Profit attributable to owners of the parent	614	79	3,311	(531)
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	162,602	150,057	162,933	133,765
Basic earnings per share (sen)	0.38	0.05	2.03	(0.40)

**11.2 Diluted earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2023 RM '000	Preceding Year Corresponding Quarter Ended 31/03/2022 RM '000	Current Year To Date 31/03/2023 RM '000	Preceding Year Corresponding Period 31/03/2022 RM '000
Profit attributable to owners of the parent	614	79	3,311	(531)
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	162,602	150,057	162,933	133,765
Adjusted for:				
Assume shares issued from the conversion of				
- Warrants 2022/2027	-	4,033	-	1,325
Adjusted weighted average number of ordinary shares	162,602	154,090	162,933	135,090
Diluted earnings per share (sen)*	0.38	0.05	2.03	(0.40)

\*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 RM'000	Current Year To Date RM'000
Profit for the period is arrived at after crediting/(charging):		
- Depreciation of property, plant and equipment	(572)	(1,816)
- Depreciation of right-of-use assets	(143)	(405)
- Reversal of impairment losses on trade receivables	-	13
- Loan forgiveness from shareholder	38	38
- Interest expense	(60)	(359)
- Interest income	6	94
- Gain on foreign exchange	37	82
- Inventories written down	(65)	(378)
- Loss on disposal of property, plant and equipment	(164)	(164)

**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 16 May 2023.