

The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the first quarter ended 30 September 2023. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000	Current Year To Date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
<b>Revenue</b>	16,517	22,287	16,517	22,287
Operating expenses	(16,548)	(21,400)	(16,548)	(21,400)
Other operating income	390	843	390	843
Finance costs	(92)	(170)	(92)	(170)
<b>Profit before tax</b>	267	1,560	267	1,560
Tax Expense	(96)	(426)	(96)	(426)
<b>Profit for the period</b>	171	1,134	171	1,134
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>171</u>	<u>1,134</u>	<u>171</u>	<u>1,134</u>
<b>Profit attributable to:</b>				
- Owners of the parent	171	1,147	171	1,147
- Non-controlling interests	-	(13)	-	(13)
	<u>171</u>	<u>1,134</u>	<u>171</u>	<u>1,134</u>
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent	171	1,147	171	1,147
- Non-controlling interests	-	(13)	-	(13)
	<u>171</u>	<u>1,134</u>	<u>171</u>	<u>1,134</u>
<b>Earnings per share (sen)</b>				
- Basic	0.11	0.70	0.11	0.70
- Diluted	0.11	0.70	0.11	0.70

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At End Of Current Year 30/09/2023 RM'000	Audited As At Preceding Financial Year Ended 30/06/2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	26,208	26,521
Right-of-use assets	6,730	6,873
	<u>32,938</u>	<u>33,394</u>
<b>Current Assets</b>		
Inventories	52,186	54,878
Trade and other receivables	15,732	16,935
Current tax assets	311	452
Cash and cash equivalents	17,397	21,162
	<u>85,626</u>	<u>93,427</u>
<b>TOTAL ASSETS</b>	<u>118,564</u>	<u>126,821</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	78,351	78,351
Treasury shares	(485)	(485)
Reserves	26,964	26,793
	<u>104,830</u>	<u>104,659</u>
Non-controlling interests	-	-
<b>Total Equity</b>	<u>104,830</u>	<u>104,659</u>
<b>Non-Current Liabilities</b>		
Borrowings	788	867
Lease liabilities	334	450
Retirement benefit obligations	668	753
Deferred tax liabilities	2,291	2,298
	<u>4,081</u>	<u>4,368</u>
<b>Current Liabilities</b>		
Trade and other payables	4,885	7,324
Contract liabilities	763	1,177
Borrowings	3,083	8,264
Lease liabilities	606	661
Retirement benefit obligations	204	204
Current tax liabilities	112	164
	<u>9,653</u>	<u>17,794</u>
<b>Total Liabilities</b>	<u>13,734</u>	<u>22,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>118,564</u>	<u>126,821</u>
<b>Net Assets per Share (sen)</b>	<b>64</b>	<b>64</b>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-distributable		Distributable		Total attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Retained earnings			
<b>For the three months ended 30 September 2023 - unaudited</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
<b>Transactions with owners</b>							
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>
Balance as at 01/07/2023	78,351	(485)	164	26,629	104,659	-	104,659
Profit (representing total comprehensive income) for the period	-	-	-	171	171	-	171
<b>Transactions with owners</b>							
Dividend paid	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance as at 30/09/2023	<u>78,351</u>	<u>(485)</u>	<u>164</u>	<u>26,800</u>	<u>104,830</u>	<u>-</u>	<u>104,830</u>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year 3 Months Ended 30/09/2023 RM'000	Preceding Year Corresponding 3 Months Ended 30/09/2022 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	267	1,560
Adjustments for:		
Depreciation of property, plant and equipment	543	624
Depreciation of right-of-use assets	143	125
Gain on disposal of property, plant and equipment	(2)	-
Interest expense	92	170
Interest income	(15)	(78)
Inventories written down	101	237
Provision for retirement benefits	17	19
Reversal of impairment loss on trade receivables	(18)	(11)
Unrealised gain on foreign exchange	(161)	(233)
Operating profit before changes in working capital	967	2,413
Changes in working capital:-		
Inventories	2,591	4,909
Trade and other receivables	1,366	3,125
Trade and other payables	(2,440)	(7,437)
Contract liabilities	(415)	(251)
Retirement benefits paid	(102)	(60)
Cash generated from operations	1,967	2,699
Tax paid	(407)	(155)
Tax refunded	392	-
Net cash from operating activities	1,952	2,544
<b>Cash Flows From Investing Activities</b>		
Interest received	15	78
Purchase of property, plant and equipment	(233)	(2,572)
Proceeds from disposal of property, plant and equipment	6	-
Net cash used in investing activities	(212)	(2,494)
<b>Cash Flows From Financing Activities</b>		
Interest paid	(1)	(30)
Net decrease in short-term borrowings	(5,205)	(3,844)
Purchase of treasury shares	-	(181)
Repayment of lease liabilities	(68)	(67)
(Repayment)/Drawdown of HP Payables	(117)	1,255
Repayment of term loans	(145)	(256)
Net cash used in financing activities	(5,536)	(3,123)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,796)</b>	<b>(3,073)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>21,162</b>	<b>13,949</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>31</b>	<b>53</b>
<b>Cash and cash equivalents at end of the period</b>	<b>17,397</b>	<b>10,929</b>
<b>Cash and cash equivalents at end of the period consist of:</b>		
Deposits with licensed bank	80	700
Short-term funds placed with financial institutions	9,371	9,418
Cash and bank balances	7,946	3,219
Bank overdrafts	-	(2,408)
	<b>17,397</b>	<b>10,929</b>

The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2023 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 2023. 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 2023.

#### 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 2023.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 July 2023 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 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.



## 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	4,334	4,334
Asia (exclude Malaysia)	6,473	6,473
Oceania	2,519	2,519
Europe	1,131	1,131
America	1,649	1,649
Africa	411	411
	<u>16,517</u>	<u>16,517</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 except for the following:

On 29 September 2023, the Company further increased the investment in CWG Park Sdn. Bhd. ("CPSB") from RM100,000 to RM2,500,000 through the acquisition of 2,400,000 ordinary shares for a consideration of RM2,400,000 by way of capitalisation of the amount owing by a subsidiary.

On 17 October 2023, a subsidiary of the Company, CPSB, acquired 100 ordinary shares representing 100% of the equity interest in SA Marvel Sdn. Bhd. ("SMSB") (202001036732 (1393053-A)) for a purchase consideration of RM100,000 via cash. The principal activity of SMSB is to carry on activities of investment holding, real estate activities with own or leased property and other specialised construction activities.

### A11 Contingent Liabilities Or Assets

There were no contingent liabilities or contingent assets since last financial year ended 30 June 2023.

### 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 2023:

	RM'000
Contracted but not provided for	<u>2,015</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 2023, the Group recorded a revenue of RM16.517 million as compared to the preceding year corresponding quarter of RM22.287 million. The decrease in revenue of RM5.770 million or 26% was mainly due to lower demand in domestic and export markets. The Group recorded a profit before tax of RM0.267 million for the current financial quarter as compared to the profit before tax of RM1.560 million in the preceding year corresponding quarter, representing decrease in profit before tax of RM1.293 million or 83% which was mainly due to lower revenue generated.

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

	Individual Quarter Ended		Variance RM'000	%
	30/09/2023 RM'000	30/06/2023 RM'000		
Revenue	16,517	28,186	(11,669)	-41%
Profit before tax	<u>267</u>	<u>3,503</u>	<u>(3,236)</u>	<u>-92%</u>

The Group's revenue generated in the current financial quarter was RM16.517 million as compared to RM28.186 million in the immediate preceding quarter. The decrease in revenue of 41% was mainly due to lower demand from domestic and export markets. As the result of revenue decreased, the Group recorded profit before tax of RM0.267 million or decrease in profit before tax of 92% in the current financial quarter as compared to profit before tax of RM3.236 million in the immediate preceding quarter.

#### B3 Prospects

Global economic uncertainties are expected to continue throughout the financial year 2024. 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 June 2023 is as follows:

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax:		
Current year	103	103
Deferred tax:		
Current year	<u>(7)</u>	<u>(7)</u>
	<u>96</u>	<u>96</u>

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



## EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### B6 Status Of Corporate Proposal

On 17 July 2023, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH"), on behalf of the Board of Directors of CWG Holdings Berhad ("CWG" or "Board"), announced that CWG Park Sdn. Bhd. ("CPSB" or the "Purchaser"), a wholly-owned subsidiary of CWG, had on 17 July 2023 entered into a conditional share sale agreement with Great Marvel Sdn. Bhd. ("GMSB" or the "Vendor") ("SSA") for the proposed acquisition by CPSB of 100 ordinary shares in SA Marvel Sdn. Bhd. ("SMSB"), a wholly-owned subsidiary of GMSB ("Sale Shares"), representing 100% of the equity interest in SMSB for a purchase consideration of RM0.10 million to be satisfied entirely via cash ("Proposed Acquisition").

In conjunction with the Proposed Acquisition, the Company proposed to undertake a proposed diversification of the existing principal activities of CWG and its subsidiaries ("CWG Group" or the "Group") to include property development ("Proposed Diversification").

(The Proposed Acquisition and Proposed Diversification are collectively referred to as the "Proposals").

On 08 September 2023, the Company announced the notice of Extraordinary General Meeting (EGM) to seek the approval of shareholders for the Proposed Diversification at the EGM. On 11 September 2023, the circular on this matter together with the notice of EGM were dispatched to the shareholders. On 18 September 2023, The Board informed that the date of Record of Depositors as stated in Note 6 of the Notice of EGM shall be changed from "27 September 2023" to "25 September 2023". On 03 October 2023, the Proposed Diversification was approved by the shareholders.

On 09 October 2023 was the unconditional date for the conditional SSA. The Proposed Acquisition of SMSB was completed on 17 October 2023,

Save for the above, there was no corporate proposal announced and not completed as at 10 November 2023.

### B7 Group Borrowings And Debt Securities

Group borrowings as at 30 September 2023 are as follows:

	Secured RM'000	Unsecured RM'000
a) <u>Current liabilities</u>		
Bankers' acceptances	-	2,768
Term loans	315	-
	<u>315</u>	<u>2,768</u>
b) <u>Non-current liability</u>		
Term loans	788	-
	<u>788</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 15 November 2023.

### B9 Proposed Dividends

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



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

**B10 Earnings Per Share**

**10.1 Basic earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM '000	Current Year To Date 30/09/2023 RM '000	Preceding Year Corresponding Period 30/09/2022 RM '000
Profit attributable to owners of the parent	171	1,147	171	1,147
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	162,602	163,352	162,602	163,352
Basic earnings per share (sen)	0.11	0.70	0.11	0.70

**10.2 Diluted earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2023 RM '000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM '000	Current Year To Date 30/09/2023 RM '000	Preceding Year Corresponding Period 30/09/2022 RM '000
Profit attributable to owners of the parent	171	1,147	171	1,147
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	162,602	163,352	162,602	163,352
Adjusted for:				
Assume shares issued from the conversion of				
- Warrants 2022/2027	-	-	-	-
Adjusted weighted average number of ordinary shares	162,602	163,352	162,602	163,352
Diluted earnings per share (sen)*	0.11	0.70	0.11	0.70

\*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.

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

The latest audited financial statements for the financial year ended 30 June 2023 were not subject to any qualification.



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

**B12 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	(543)	(543)
- Depreciation of right-of-use assets	(143)	(143)
- Reversal of impairment losses on trade receivables	18	18
- Interest expense	(92)	(92)
- Interest income	15	15
- Loss on foreign exchange	(51)	(51)
- Inventories written down	(101)	(101)
- Gain on disposal of property, plant and equipment	2	2

**B13 Derivatives**

There were no derivatives entered into by the Group as at 30 September 2023.

**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 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 15 November 2023.