

The Board of Directors of CWG HOLDINGS BERHAD is pleased to announce the consolidated results for the fourth quarter ended 30 June 2024. The figures have not been audited.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2024 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2023 RM'000	Current Year To Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
<b>Revenue</b>	15,183	28,186	65,003	92,624
Operating expenses	(17,508)	(25,598)	(67,988)	(86,324)
Other operating income	421	1,019	1,076	2,021
Finance costs	(148)	(105)	(436)	(464)
<b>(Loss)/Profit before tax</b>	(2,052)	3,502	(2,345)	7,857
Taxation	437	(840)	523	(1,874)
<b>(Loss)/Profit for the period</b>	(1,615)	2,662	(1,822)	5,983
<b>Other comprehensive income for the period</b> <i>Items that will not be reclassified subsequently to profit or loss:</i>				
- remeasurements of defined benefit obligations	180	-	180	-
- deferred tax effects thereof	(43)	-	(43)	-
<b>Total comprehensive (loss)/income, net of tax for the year</b>	<u>(1,478)</u>	<u>2,662</u>	<u>(1,685)</u>	<u>5,983</u>
<b>(Loss)/Profit attributable to:</b>				
- owners of the parent	(1,615)	2,662	(1,822)	5,973
- non-controlling interests	-	-	-	10
	<u>(1,615)</u>	<u>2,662</u>	<u>(1,822)</u>	<u>5,983</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
- owners of the parent	(1,478)	2,662	(1,685)	5,973
- non-controlling interests	-	-	-	10
	<u>(1,478)</u>	<u>2,662</u>	<u>(1,685)</u>	<u>5,983</u>
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.99)	1.64	(1.12)	3.67
- Diluted	(0.99)	1.64	(1.12)	3.67

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 30/06/2024 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	25,040	26,521
Right-of-use assets	9,544	6,873
	<u>34,584</u>	<u>33,394</u>
<b>Current Assets</b>		
Inventories	68,237	54,878
Trade and other receivables	13,701	16,935
Current tax assets	692	452
Cash and cash equivalents	15,738	21,162
	<u>98,368</u>	<u>93,427</u>
<b>TOTAL ASSETS</b>	<u>132,952</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	(142)	(485)
Reserves	24,326	26,793
	<u>102,535</u>	<u>104,659</u>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<u>102,535</u>	<u>104,659</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Borrowings	552	867
Lease liabilities	1,125	450
Retirement benefit obligations	703	753
Deferred tax liabilities	1,452	2,298
	<u>3,832</u>	<u>4,368</u>
<b>Current Liabilities</b>		
Trade and other payables	16,349	7,324
Contract liabilities	1,968	1,177
Borrowings	6,811	8,264
Lease liabilities	1,425	661
Retirement benefit obligations	20	204
Current tax liabilities	12	164
	<u>26,585</u>	<u>17,794</u>
<b>TOTAL LIABILITIES</b>	<u>30,417</u>	<u>22,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>132,952</u>	<u>126,821</u>
<b>Net Assets per Share (sen)</b>	<b>63</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**

For the twelve months ended 30 June 2024 - 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 01/07/2022	78,351	(146)	164	21,876	100,245	(10)	100,235
Profit (representing total comprehensive income) for the period	-	-	-	5,973	5,973	10	5,983
<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 30/06/2023	<u>78,351</u>	<u>(485)</u>	<u>164</u>	<u>26,629</u>	<u>104,659</u>	<u>-</u>	<u>104,659</u>
Balance as at 01/07/2023	78,351	(485)	164	26,629	104,659	-	104,659
Loss for the period	-	-	-	(1,822)	(1,822)	-	(1,822)
Other comprehensive income:							
- remeasurements of defined benefit obligations	-	-	-	180	180	-	180
- deferred tax effects thereof	-	-	-	(43)	(43)	-	(43)
Total comprehensive loss	-	-	-	(1,685)	(1,685)	-	(1,685)
<b>Transactions with owners</b>							
Dividend paid	-	-	-	(813)	(813)	-	(813)
Disposal of treasury shares	-	343	-	31	374	-	374
Total transactions with owners	-	343	-	(782)	(439)	-	(439)
Balance as at 30/06/2024	<u>78,351</u>	<u>(142)</u>	<u>164</u>	<u>24,162</u>	<u>102,535</u>	<u>-</u>	<u>102,535</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 12 Months Ended 30/06/2024 RM'000	Preceding Year Corresponding 12 Months Ended 30/06/2023 RM'000
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(2,345)	7,857
Adjustments for:		
Depreciation of property, plant and equipment	2,095	2,366
Depreciation of right-of-use assets	1,016	564
Loss on disposal of property, plant and equipment	32	132
Impairment loss on goodwill	68	-
Impairment losses on trade receivables	714	170
Interest expense	436	464
Interest income	(59)	(105)
Inventories (written back)/written down	(107)	754
Provision for retirement benefits	77	77
Reversal of impairment losses on trade receivables	(215)	(43)
Unrealised gain on foreign exchange	(41)	(292)
Operating profit before changes in working capital	1,671	11,944
Changes in working capital:-		
Inventories	(13,167)	13,457
Trade and other receivables	2,768	(3,733)
Trade and other payables	8,973	(5,518)
Contract liabilities	791	(621)
Retirement benefits paid	(131)	(136)
Cash generated from operations	905	15,393
Tax paid	(1,279)	(1,345)
Tax refunded	520	-
Net cash from operating activities	146	14,048
<b>Cash Flows From Investing Activities</b>		
Interest received	59	105
Acquisition of subsidiary	(100)	-
Purchase of property, plant and equipment	(677)	(1,328)
Purchase of right-of-use assets	(2,772)	-
Proceeds from disposal of property, plant and equipment	31	111
Net cash used in investing activities	(3,459)	(1,112)
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(813)	(1,220)
Interest paid	(74)	(98)
Proceed from sale/(Purchase) of treasury shares	374	(339)
Net decrease in short-term borrowings	(3,544)	(2,361)
Repayment of lease liabilities	(635)	(740)
Drawdown of HP Payables	1,045	-
Repayment of term loans	(417)	(1,017)
Net cash used in financing activities	(4,064)	(5,775)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(7,377)	7,161
<b>Cash and cash equivalents at beginning of the period</b>	21,162	13,949
<b>Effects of exchange rate changes on cash and cash equivalents</b>	8	52
<b>Cash and cash equivalents at end of the period</b>	13,793	21,162
<b>Cash and cash equivalents at end of the period consist of:</b>		
Deposits with licensed bank	1,480	500
Short-term funds placed with financial institutions	7,170	6,993
Cash and bank balances	7,088	13,669
Bank overdrafts	(1,945)	-
	13,793	21,162

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 except for the adoption of the following MFRSs and Amendment to MFRSs that are effective for financial periods beginning on or after 1 January 2023.

The Group has adopted the following Amendments to Standards during the financial period.

#### **MFRS effective for financial periods beginning on or after 1 January 2023**

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>

The adoption of the above Standards and Amendments to Standards did not have any material effect 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.

## EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### A6 Issuance, Repurchases And Repayments Of Debt And Equity Securities (Continued)

#### Treasury Shares

(i) On 10 January 2024, the Company announced the resale of 1,100,000 treasury shares valued at RM0.340 for total consideration of RM374,000 in the open market, resulting in a surplus of RM30,536 which has been credited to the retained earnings account.

As at 23 August 2024, the Company holds a total of 446,500 ordinary shares as treasury shares out of its total issued and paid-up share capital of 164,148,123 ordinary shares. The treasury shares are recorded at a carrying amount of RM141,495. Hence the number of outstanding shares in issue and paid-up after deducting the treasury shares is 163,701,623 ordinary shares.

### A7 Dividends Paid

A final single-tier dividend of 0.5 sen per ordinary share amounted to RM813,008 in respect of the financial year ended 30 June 2023 was paid on 15 December 2023, which had been approved by shareholders at the Annual General Meeting held on 15 November 2023.

### A8 Segment Information

Based on revenue derived from products and services, the Group is generally organised into two distinct business segments:

- (i) Manufacturing : Investment holding, manufacturing and sale of stationery and printing materials  
(ii) Property Development : Investment holding and property development

For the financial period ended 30 June 2024	Manufacturing	Property Development	Group
	RM'000	RM'000	RM'000
Total Revenue	65,024	-	65,024
Inter-segment revenue	(21)	-	(21)
External revenue	65,003	-	65,003
Segment profit/(loss) before interest and tax	(1,696)	(213)	(1,909)
Finance costs	(436)	-	(436)
Loss before tax	(2,132)	(213)	(2,345)
Taxation	536	(13)	523
Loss for the period	(1,596)	(226)	(1,822)
Non-controlling interest	-	-	-
Loss attributable to owners of the parent	(1,596)	(226)	(1,822)
Segment assets	111,925	21,027	132,952
Segment liabilities	19,127	11,290	30,417
For the financial period ended 30 June 2023	Manufacturing	Property Development	Group
	RM'000	RM'000	RM'000
Total Revenue	92,771	-	92,771
Inter-segment revenue	(147)	-	(147)
External revenue	92,624	-	92,624
Segment profit before interest and tax	8,321	-	8,321
Finance costs	(464)	-	(464)
Profit before tax	7,857	-	7,857
Tax expense	(1,874)	-	(1,874)
Profit for the period	5,983	-	5,983
Non-controlling interest	10	-	10
Profit attributable to owners of the parent	5,973	-	5,973
Segment assets	126,721	100	126,821
Segment liabilities	22,162	-	22,162

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

**A8 Segment Information (Continued)**

The Group also organised its business segments based on revenue derived from geographical areas of customers.

The principal activities of the Group are mainly investment holdings, manufacturing and sale of stationery and printing materials, property development and real estate activities. The activities are predominantly carried out in Malaysia. Apart from revenue from external customers by geographical areas of customers which are shown below, the required segment information has already been disclosed in the interim financial statements:

	Current Year Quarter RM'000	Current Year To Date RM'000
Malaysia	3,254	20,770
Asia (exclude Malaysia)	9,628	28,043
Oceania	327	5,140
Europe	1,946	7,517
America	21	3,096
Africa	7	437
	<u>15,183</u>	<u>65,003</u>

The directors are of the opinion that all inter-segment transfers have been entered into 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**

On 29 September 2023, the Company further increased its investment in CWG Park Sdn. Bhd. ("CPSB") from RM100,000 to RM2,500,000 through the subscriptions of additional 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.

On 05 April 2024, CPSB further increased its investment in SMSB from RM100,000 to RM350,000 through the subscriptions of additional 250,000 ordinary shares for a consideration of RM250,000 by way of capitalisation of the amount owing by a subsidiary.

Except for the above, 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 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 June 2024:

	<u>RM'000</u>
Contracted but not provided for	<u>519</u>

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

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

**B1 Review Of Performance**

The Group's revenue for the current financial quarter ended 30 June 2024 is RM15.183 million, a decrease from RM28.186 million in the same financial quarter of the previous year. This decline was primarily due to reduced revenue in the manufacturing segment. The Group recorded a loss before tax of RM2.052 million, in contrast to a profit before tax of RM3.502 million in the corresponding quarter of the previous year. The performance of each business segment for the current financial quarter and year-to-date, compared to the corresponding quarter and financial period of the previous year, is summarised as follows:-

(a) Manufacturing

For the current financial quarter, this segment generated revenue of RM15.183 million, a significant decrease from RM28.186 million in the same financial quarter of the previous year. The RM13.003 million, or 46%, decline in revenue was primarily driven by reduced demand in the export market. This segment recorded a loss before tax of RM1.893 million, compared to a profit before tax of RM3.502 million in the corresponding quarter last year, making a RM5.395 million, or 154%, drop in profit before tax. This decline was mainly due to lower revenue, net impairment losses on trade receivables amounting to RM0.543 million and unfavourable foreign exchange rates, which resulted in foreign exchange losses of RM0.056 million, compared to gains of RM0.852 million in the previous year's corresponding quarter.

For the twelve months ended 30 June 2024, this segment generated revenue of RM65.003 million, down from RM92.624 million in the same financial period of the previous year. The RM27.621 million, or 30% decrease in revenue was largely due to reduced demand in both domestic and export markets. This segment reported a loss before tax of RM2.132 million for the current financial year to date, as compared to a profit before tax of RM7.857 million in the corresponding period last year, representing RM9.989 million, or 127%, decline in a profit before tax. This decline was primarily due to lower revenue, one-off expenses totalling approximately RM0.736 million related to corporate exercises, net impairment losses on trade receivables of RM0.499 million and unfavourable foreign exchange rates, resulting in foreign exchange losses of RM0.193 million, compared to gains of RM0.934 million in the corresponding period of the previous year.

(b) Property development

For the current financial quarter, this segment did not generate any revenue as the construction work only commenced in June 2024. This segment recorded a loss before tax of RM0.159 million, primarily due to administrative costs. No comparable figures from the same financial quarter of the previous year are available, as the Group's involvement in this segment began in conjunction with its proposed diversification into property development, which was approved by shareholders on 03 October 2023.

For the twelve months ended 30 June 2024, this segment also did not generate any revenue for the same reason. This segment recorded a loss before tax of RM0.213 million, mainly due to administrative costs. Again, no corresponding figures from the previous financial period are available for the same reason.

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

	Individual Quarter Ended		Variance	
	30/06/2024 RM'000	31/03/2024 RM'000	RM'000	%
Revenue	15,183	13,207	1,976	15%
Loss before tax	(2,052)	(1,538)	(514)	33%

The Group's revenue generated in the current financial quarter was RM15.183 million as compared to RM13.207 million in the immediate preceding quarter. The increase in revenue of 15% was mainly due to higher demand from export market. Although the revenue increased, the Group recorded loss before tax of RM2.052 million or increase in loss before tax of 33% in the current financial quarter as compared to loss before tax of RM1.538 million in the immediate preceding quarter.

**B3 Prospects**

The global economy remains challenging, with uncertainties affecting various industries. Fluctuations in demand, supply chain disruptions, and rising production costs could negatively impact our manufacturing business. However, by focusing on niche markets, driving strategic innovation and enforcing strict cost controls, the Board believes that the Group is well-equipped to adapt and thrive despite these economic headwinds.

Additionally, with a positive outlook on Malaysian property market, the property development segment is expected to significantly contribute to the Group's earnings in the coming year.



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

**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 2024 is as follows:

	Current Year Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
Income tax:		
Current year	(7)	373
Prior year	-	(7)
Deferred tax:		
Current year	(430)	(853)
Prior year	-	(36)
	<u>(437)</u>	<u>(523)</u>

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

**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,

On 17 January 2024, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") had, on behalf of the Board of Directors of CWG Holdings berhad ("Board") to announce that the Company proposes to undertake the following:

- i) a renounceable rights issue of up to 147,317,119 new ordinary shares in CWG ("CWG Shares(s) or Share(s)") ("Rights Share(s)") on the basis of 3 Rights Shares for every 5 existing CWG Shares held, on an entitlement date to be determined and announced later ("Proposed Rights Issue");
- ii) an acquisition of 2,049,402 ordinary shares in Unigenius Holding Sdn Bhd ("UHSB") from Boo Yin Kwan, Chan Lai Yee, Lam Chun Wai, Low Yaw Shim and Loo Zi Kai, representing 100.00% of the equity interest in UHSB for a purchase consideration of RM33.00 million, to be satisfied via a combination of cash payment of RM18.00 million and the issuance of 15,000,000 new redeemable non-convertible preference shares in CWG ("RPS" or "Consideration RPS") at an issue price of RM1.00 per Consideration RPS ("Proposed Acquisition"); and
- iii) proposed amendment to the Constitution of CWG to facilitate the issuance of Consideration RPS under the Proposed Acquisition ("Proposed Amendment").

On 07 March 2024, UOBKH referred to the earlier announcement dated 17 January 2024 in relation to the Proposals, had on behalf of the Board to announce that the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad on 7 March 2024.

## EXPLANATORY NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### B6 Status Of Corporate Proposal (Continued)

On 14 June 2024, UOBKH referred to the earlier announcements dated 17 January 2024 and 7 March 2024 in relation to the Proposals, had on behalf of the Board to announce that Bursa Securities had, vide its letter dated 14 June 2024, resolved to approve the following:-

- i) listing and quotation of up to 147,317,119 Rights Shares to be issued pursuant to the Proposed Rights Issue;
- ii) listing and quotation of up to 17,500,000 Additional Warrants to be issued pursuant to the adjustment arising from the Proposed Rights Issue; and
- iii) listing and quotation of up to 17,500,000 new Shares to be issued pursuant to the exercise of the Additional Warrants.

The approval granted by Bursa Securities for the Proposed Rights Issue is subject to the following conditions:-

- i) CWG and UOBKH must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Proposed Rights Issue;
- ii) CWG and UOBKH are required to inform Bursa Securities upon the completion of the Proposed Rights Issue;
- iii) 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 Proposed Rights Issue is completed;
- iv) CWG is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company approving the Proposals; and
- v) CWG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of the Additional Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

On 04 July 2024, the Company announced the notice of Extraordinary General Meeting (EGM) to seek the approval of shareholders for the Proposed Rights Issue, Proposed Acquisition and Proposed Amendment at the EGM. On 05 July 2024, the circular on this matter together with the notice of EGM were dispatched to the shareholders.

On 09 July 2024, UOBKH referred to the earlier announcements dated 17 January 2024, 7 March 2024, 14 June 2024 and 5 July 2024 in relation to the Proposals, had on behalf of the Board to announce that CWG and the Vendors (the "Parties") had on 9 July 2024, mutually agreed to extend the Sale Shares Conditions Period of the SSA until 16 October 2024 in order to grant the Parties additional time to fulfil the conditions precedent in the SSA pursuant to the Proposed Acquisition.

Save for the above, all other terms of the SSA shall remain unchanged and in full force, and continue to take effect and be binding on the Parties to the SSA.

On 11 July 2024, the Company referred to the previous announcements dated 17 July 2023, 8 September 2023, 11 September 2023, 18 September 2023 and 3 October 2023 in relation to the proposed acquisition of SA Marvel Sdn. Bhd. ("SMSB") and proposed diversification of the existing principal activities of CWG Holdings Berhad ("CWG" or "the Company") and its subsidiaries to include property development.

Pursuant to Paragraph 9.19(47)(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of CWG announced that the sub-subsidiary of CWG, SMSB had on 11 July 2024, entered into a 2nd Supplementary Turnkey cum Project Management Agreement with Viiland Sdn. Bhd. for the variation of terms relating to project management profit and payment as stipulated in the Turnkey cum Project Management Agreement, which were previously disclosed in Section 2.1.6 of the Circular to Shareholders dated 11 September 2023.

After taking into consideration the appointment of a project director at the costs and expense of SMSB to assist in the implementation up to the completion of the Project, the terms are amended in the 2nd Supplemental Turnkey cum PM Agreement as follows:-

- i) In consideration of the performance of the Services by VSB, SMSB shall pay VSB a sum equivalent to 42.50% of the net profit before tax of the Project ("VSB Profit") subject to VSB giving to SMSB a minimum profit guarantee of RM10.00 million only from SMSB's 57.50% of the net profit before tax of the Project. For avoidance of doubt, in the event that the aggregate net profit before tax for the entire Project is the sum of RM15.00 million only, SMSB shall be entitled to the sum of RM10.00 million only and VSB shall only be entitled to the sum of RM5.00 million only.

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

**B6 Status Of Corporate Proposal (Continued)**

ii) SMSB hereby agrees that VSB shall be entitled to the aggregate sum of RM0.90 million only by way of eighteen (18) equal instalments of RM50,000 only per month as part of overall Gross Development Costs (GDC), which covers the warranty period after completion of the Project. The first instalment of RM50,000 only shall be paid by SMSB to VSB upon the commencement of the construction works on the Land. All payments by SMSB to VSB pursuant to this Clause 6.3 are inclusive of all sales and service taxes (where applicable). VSB shall be fully responsible to pay for the sales and service taxes.

Save for the above amendments, all other terms of the Turnkey cum Project Management Agreement and Supplementary Turnkey cum Project Management Agreement remain unchanged and in full force.

The Board is of the opinion that the aforesaid variation of terms will not have any adverse effect on the financial performance of CWG and is in the best interest of the Company.

On 16 August 2024, the Company announced that all the resolutions as set out in the Notice of Extraordinary General Meeting ("EGM") dated 5 July 2024 were duly passed at the virtual EGM of the Company held on 16 August 2024.

All the resolutions were voted by poll and the results were validated by Scrutineer Solutions Sdn. Bhd., the independent scrutineers appointed by the Company.

On 19 August 2024, UOBKH referred to the earlier announcements dated 17 January 2024, 7 March 2024, 14 June 2024, 5 July 2024 and 9 July 2024 in relation to the Corporate Exercises, had on behalf of the Board to announce that CWG had on 19 August 2024 executed a supplementary letter ("Supplementary Letter") with the Vendors to waive Ambank (M) Berhad ("AmBank")'s consent as a condition precedent pursuant to Clause 3.1(g) of the SSA pertaining to the obligation to obtain the consent and/ or approval from the existing financier of UHSB and its subsidiaries (where applicable).

Further to the above, all the conditions precedent to the SSA has been fulfilled and/ or waived and accordingly, the SSA has become unconditional on the date of this announcement.

Save for the above, there was no other corporate proposal announced and not completed as at 23 August 2024.

**B7 Group Borrowings And Debt Securities**

Group borrowings as at 30 June 2024 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
a) <u>Non-current liability</u>			
Term loans	552	-	552
b) <u>Current liabilities</u>			
Bank overdrafts	-	1,945	1,945
Bankers' acceptances	-	4,047	4,047
Revolving credit	-	503	503
Term loans	316	-	316
	<u>316</u>	<u>6,495</u>	<u>6,811</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 28 August 2024.

**B9 Proposed Dividends**

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

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

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

**10.1 Basic (loss)/earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2024 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2023 RM '000	Current Year To Date 30/06/2024 RM '000	Preceding Year Corresponding Period 30/06/2023 RM '000
(Loss)/Profit attributable to owners of the parent	(1,615)	2,662	(1,822)	5,973
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	163,702	162,602	163,122	162,850
Basic (loss)/earnings per share (sen)	(0.99)	1.64	(1.12)	3.67

**10.2 Diluted (loss)/earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2024 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2023 RM '000	Current Year To Date 30/06/2024 RM '000	Preceding Year Corresponding Period 30/06/2023 RM '000
(Loss)/Profit attributable to owners of the parent	(1,615)	2,662	(1,822)	5,973
	No. of Shares '000	No. of Shares '000	No. of Shares '000	No. of Shares '000
Weighted average number of ordinary shares	163,702	162,602	163,122	162,850
Adjusted for:				
Assume shares issued from the conversion of				
- Warrants 2022/2027	-	-	-	-
Adjusted weighted average number of ordinary shares	163,702	162,602	163,122	162,850
Diluted (loss)/earnings per share (sen)*	(0.99)	1.64	(1.12)	3.67

\*The diluted (loss)/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.

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

**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.

**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	(481)	(2,095)
- Depreciation of right-of-use assets	(565)	(1,016)
- Impairment losses on trade receivables	(714)	(714)
- Reversal of impairment losses on trade receivables	171	215
- Impairment loss on goodwill	(68)	(68)
- Interest expense	(148)	(436)
- Interest income	17	59
- Loss on foreign exchange	(56)	(193)
- Inventories written back	44	107
- Loss on disposal of property, plant and equipment	(39)	(32)

**B13 Derivatives**

There were no derivatives entered into by the Group as at 30 June 2024.

**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 28 August 2024.