



CRG INCORPORATED BERHAD

Registration No. 200901037127 (880257-A)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

**ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
("FYE") 30 JUNE 2021**

**(APPENDIX 6A, PART B OF THE LEAP MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD
("BURSA SECURITIES")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY CRG INCORPORATED BERHAD ("CRG" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

This Additional Information is dated 28 October 2021

1. Analysis of Financial Information

Our Group is involved in the retailing segment and the provision of investment and management services segment. Our Group's revenue is analysed as follows:

	AUDITED	
	FYE 30.6.2021	FYE 30.6.2020
	RM'000	RM'000
BUSINESS SEGMENTS		
Retailing		
- Boutique	35,403	38,449
- Departmental store	28,338	32,281
- E-commerce	12,237	8,999
- Outright sales/ Dealer	39	277
- Outright sales of materials	164	561
	76,181	80,567
Investment and management services	279	46
TOTAL	76,460	80,613
GEOGRAPHICAL LOCATIONS		
- Malaysia	76,212	80,465
- Vietnam	248	148
TOTAL	76,460	80,613

Revenue

For current financial year under review, our Group reported a retailing revenue of RM76.18 million, representing a decrease of 5.44% or RM4.39 million as compared to the preceding financial year. The decline in revenue was mainly due to imposition of several phases of movement control order and national recovery plan by the Malaysian government in FYE 30.6.2021 to curb the soaring number of Covid-19 cases. As a result, revenue contribution from brick and mortar stores had declined. This has resulted with both departmental stores and boutique operations declined, by 12.21% or RM3.94 million, and 7.92% or RM3.05 million respectively in the current financial year under review.

Our effort to realign our business strategy plan to grow our e-commerce activities and strengthen our online presence especially during the various phases of movement control order and national recovery plan has resulted with our Group generated higher revenue from the e-commerce with an increase of approximately 35.98% from RM9.00 million in the previous financial year to RM12.24 million in the current financial year under review.

For the FYE 30.6.2020, our Group only received 2 months rental income from our tenant whereby the property was rented out to third party towards the end of previous financial year. The receipt of full year rental income from our tenant in FYE 30.6.2021 had resulted with a material increase in the revenue of the investment and management services segment.

Profit before tax ("PBT")

	AUDITED	
	FYE 30.6.2021	FYE 30.6.2020
	RM'000	RM'000
Revenue	76,460	80,613
PBT	8,073	5,288

Despite the decline in revenue, our Group's PBT for current financial year under review increased by RM2.79 million or 52.67% as compared to the preceding financial year. The improvement in our Group's PBT was mainly due to management's proactive action in optimizing the operating cost to mitigate the negative impact arising from the decline in revenue which were complemented by wages subsidy provided by the Malaysian government and lease concessions provided by operator of various shopping malls.

2. Prospects

The economies uncertainty particularly resulted by the Covid-19 pandemic remains a key challenge to our Group for the financial year ending 30 June 2022.

Nevertheless, our Group will continue to focus on our existing business strategies and strengthening our online presence to increase our revenue, while at the same time remain prudent in resources management to ensure cost optimization and operational efficiency to mitigate the negative impact of Covid-19 pandemic to our Group's operation.

3. Status of Corporate Proposals

There were no corporate proposals announced and pending completion as at the date of this report.

4. Material Events Subsequent to the End of the Financial Year

Carzo Holdings Berhad, being our 18%-owned associate company, was successfully listed on the LEAP Market of Bursa Malaysia Securities Berhad on 9 September 2021.

5. Material Litigation

There are no material litigations involving our Group as at the date of this report.

6. Dividend

Our Board continues to reward our shareholders with a total dividend payments of RM0.005 per ordinary share amounted to RM4,028,257 for the FYE 30.6.2021.

7. Earnings Per Share

	AUDITED	
	FYE	FYE
	30.6.2021	30.6.2020
	RM'000	RM'000
Profit attributable to owner of our Company	3,984	3,001
Weighted average number of ordinary shares ('000)	805,651	805,651
Basic earnings per ordinary share (sen)	0.49	0.37

8. Related Party Transactions

Transacting related parties	Nature of transactions	FYE 30.6.2021 RM'000
Luxury Parade Sdn. Bhd. ("LPSB")	Payment of joint security management fees to LPSB in respect of the security services for the entire Block C (located at Jalan Cheras Zen 1A, Taman Platinum Cheras) comprising 6 level of office building together with 92 units of carpark bays	82
Bonia International Holdings Pte Ltd ("BIH")	Trademarks royalties paid to BIH based on percentage of transacted sales for the trademarks rights granted	31
Total		113

Our Directors are of the opinion that all the above transactions were carried out on arm's length basis, on normal commercial terms which were not more favourable to the related parties than those generally available to the public, and were not to the detriment of the minority shareholders of our Company.