



## **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 30 JUNE 2022**

#### **(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 31 October 2022

**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:

	<b>AUDITED</b>	
	<b>Financial Year Ended 30.6.2022 ("FY2022")</b>	<b>Financial Year Ended 30.6.2021 ("FY2021")</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>BUSINESS SEGMENTS</b>		
<b>Retailing</b>		
- Boutique	51,712	35,403
- Departmental store	37,334	28,338
- E-commerce	12,385	12,237
- Outright sales/ Dealer	7	39
- Outright sales of materials	68	164
	<b>101,506</b>	<b>76,181</b>
<b>Investment and management services</b>	<b>281</b>	<b>279</b>
<b>TOTAL</b>	<b>101,787</b>	<b>76,460</b>
<b>GEOGRAPHICAL LOCATIONS</b>		
- Malaysia	101,730	76,212
- Vietnam	57	248
<b>TOTAL</b>	<b>101,787</b>	<b>76,460</b>

**Revenue**

Our Group's total revenue in FY2022 was healthy with a growth of 33.12% as compared to FY2021. Overall retail sales for FY2022 rose by 33.24% or RM25.33 million from the preceding financial year. Such positive growth was a result of the progressive relaxation of Movement Control Order restriction by our Government during the FY2022 which allowed in-store shopping, pent-up demand for consumer products from festival shoppers, coupled with tourists return after our Government's easement of the entry process for travelers to Malaysia particularly in the second half of FY2022.

Boutiques, departmental stores and e-commerce were the major performing categories under retailing segment, with a year-on-year growth of 33.50%. Revenue contributed by boutiques and departmental stores up by 46.07% or RM16.31 million, and 31.75% or RM9.00 million respectively against FY2021, whereas E-commerce sales remain stable in FY2022.

Revenue from investment and management services segment reported a marginal growth of 0.72% from preceding financial year.

**Profit before tax ("PBT")**

	<b>AUDITED</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	101,787	76,460
PBT	29,033	8,073

In tandem with the strong improvement of retailing revenue, our Group's PBT for current financial year under review increased by RM20.96 million or 259.63% as compared to the preceding financial year. The improvement in our Group's PBT was mainly due to higher revenue and improved gross profit margin.

## 2. Prospects

Despite the recent revival of economy, our Group expects the economic condition for the next financial year remain challenging. Heightened geopolitical tension and inflationary pressure may impact the value chain activities of our Group.

Nevertheless, after going through all the uncertainties of the past 2 years caused by Covid-19 pandemic, and the growing apprehension about cost-side pressures and inflation, our Group will remain prudent moving forward and continue to chart our various business strategies to boost our sales.

We value our customers the most, and strive to be customer-centric with various on-going initiatives to enhance user experience of both our offline and online customers, such as focusing on clear brand messaging, offering variety of fashionable products (timepiece, scarf, perfume), and modernizing our own digital platform, boutiques and counters. When opportunities arise, we may consider to open new boutiques at strategic locations to serve our offline shoppers closely. Apart from it, we also plan to expand our footprint via online platforms available in other South East Asia countries.

We are optimistic that these efforts will provide greater growth opportunities and contribute positively to the prospects of our Group in years to come.

## 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

On 29 August 2022, our Company adopted a dividend policy to distribute not less than 30% of our Company's net profit attributed to shareholders available in each financial year in the form of dividends to the shareholders of our Company annually, commencing from the financial year ending 30 June 2023.

## 5. Material Litigation

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

## 6. Dividends

Our Board continues to reward our shareholders with sustainable dividends. Total dividends paid out for the FY2022 amounted to RM10,070,642, i.e., RM0.0125 per ordinary share.

## 7. Earnings Per Share

	<b>AUDITED</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owner of our Company	22,231	3,984
Weighted average number of ordinary shares ('000)	805,651	805,651
Basic earnings per ordinary share (sen)	2.76	0.49

**8. Related Party Transactions**

<b>Transacting related parties</b>	<b>Nature of transactions</b>	<b>FY2022 RM'000</b>
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	20
Bonia International Holdings Pte Ltd ("BIH")	Trademarks royalties paid to BIH based on percentage of transacted sales for the trademarks rights granted	62
<b>Total</b>		<b>82</b>

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.