



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Contents

Unaudited Condensed Consolidated Statements Of Comprehensive Income

Condensed Consolidated Statements Of Financial Position

Unaudited Condensed Consolidated Statements Of Changes in Equity

Unaudited Condensed Consolidated Statements Of Cash Flow

Notes to the Interim Financial Report

Additional information



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Unaudited Condensed Consolidated Statement Of Comprehensive Income

	Quarter Ended	Preceding Year Corresponding Quarter	Quarter Ended	Preceding Year Corresponding Quarter	Year to Date Ended	Year to Date Ended	Year to Date Ended	Year to Date Ended
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RMB'000	RMB'000	RM'000	RM'000	RMB'000	RMB'000	RM'000	RM'000
Revenue	18,062	17,964	11,805	11,545	18,062	17,964	11,805	11,545
Cost of sales	(17,502)	(17,699)	(11,439)	(11,375)	(17,502)	(17,699)	(11,439)	(11,375)
Gross profit	560	265	366	170	560	265	366	170
Selling and distribution expenses	(165)	(109)	(108)	(70)	(165)	(109)	(108)	(70)
General and administrative expenses	(4,633)	(6,408)	(3,028)	(4,118)	(4,633)	(6,408)	(3,028)	(4,118)
Other operating expenses	(3)	(2,285)	(2)	(1,469)	(3)	(2,285)	(2)	(1,469)
Operating loss	(4,241)	(8,537)	(2,772)	(5,487)	(4,241)	(8,537)	(2,772)	(5,487)
Finance costs	(335)	(402)	(219)	(258)	(335)	(402)	(219)	(258)
Loss before taxation	(4,576)	(8,939)	(2,991)	(5,745)	(4,576)	(8,939)	(2,991)	(5,745)
Taxation	-	-	-	-	-	-	-	-
Loss after taxation	(4,576)	(8,939)	(2,991)	(5,745)	(4,576)	(8,939)	(2,991)	(5,745)
Other comprehensive (loss)/income for the period (net of tax)	(7,506)	1,590	(4,906)	1,022	(7,506)	1,590	(4,906)	1,022
Total comprehensive loss after tax	(12,082)	(7,349)	(7,897)	(4,723)	(12,082)	(7,349)	(7,897)	(4,723)



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Unaudited Condensed Consolidated Statement Of Comprehensive Income (continue)

	Quarter Ended	Preceding Year Corresponding Quarter	Quarter Ended	Preceding Year Corresponding Quarter	Year to Date Ended	Year to Date Ended	Year to Date Ended	Year to Date Ended
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RMB'000	RMB'000	RM'000	RM'000	RMB'000	RMB'000	RM'000	RM'000
Loss attributable to:-								
- Equity holders of HB	(4,576)	(8,929)	(2,991)	(5,739)	(4,576)	(8,929)	(2,991)	(5,739)
- Non-controlling interest	-	(10)	-	(6)	-	(10)	-	(6)
Total comprehensive loss attributable to:-								
- Equity holders of HB	(12,082)	(7,341)	(7,897)	(4,718)	(12,082)	(7,341)	(7,897)	(4,718)
- Non-controlling interest	-	(8)	-	(5)	-	(8)	-	(5)
(Loss)/earnings Per Share *								
- Basic (cents per share)	(0.59)	(1.15)	(0.38)	(0.74)	(0.59)	(1.15)	(0.38)	(0.74)
- Diluted (cents per share)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:

The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 and RM0.6427 at 31 March 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Condensed Consolidated Statements of Financial Positions

	Unaudited As at 31 March 2024	Audited As at 31 December 2023	Unaudited As at 31 March 2024	Audited As at 31 December 2023
	RMB'000	RMB'000	RM'000	RM'000
Non-Current Assets				
Property, plant and equipment	167,684	169,944	109,598	109,749
Intangible assets	31,620	31,620	20,667	20,420
	199,304	201,564	130,265	130,169
Current Assets				
Inventories	5,112	6,879	3,341	4,443
Trade and other receivables	10,889	13,447	7,117	8,684
Cash and bank balances	621	446	406	288
	16,622	20,772	10,864	13,415
TOTAL ASSETS	215,926	222,336	141,129	143,584
Capital and Reserves				
Share capital	260,129	260,129	170,020	167,991
Reserves	52,801	60,307	34,511	38,946
Accumulated losses	(162,656)	(158,080)	(106,312)	(102,088)
Total Equity	150,274	162,356	98,219	104,849
Current Liabilities				
Trade and other payables	20,996	12,892	13,723	8,325
Amount due to directors	4,915	2,697	3,212	1,742
Bank borrowings	39,741	44,391	25,975	28,668
	65,652	59,980	42,910	38,735
TOTAL LIABILITIES	65,652	59,980	42,910	38,735
TOTAL EQUITY AND LIABILITIES	215,926	222,336	141,129	143,584
Net asset per share attributable to equity holders of the Company (RMB / RM) ⁽¹⁾	0.19	0.21	0.13	0.13

The Company had submitted its Audited Financial Statements for the year ended 31 December 2023 on due date and had made announcement on 30 April 2024.

Note:

- (1) The net assets per share attributable to equity holders of the Company is computed based on the net assets as at 31 March 2024 and 31 December 2023 divided by the number of ordinary shares of 781,993,740.
- (2) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 and RM0.6458 at 31 December 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented, have been or could be converted in RM at this or any other rate.



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)

(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Unaudited Condensed Consolidated Statements Of Changes In Equity

3 months ended 31 March 2024	Share capital	Statutory reserves	Capital reserves	Currency Translation Reserve	Accumulated losses	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	260,129	76,090	(17,106)	1,323	(158,080)	-	162,356
Total comprehensive loss for the period	-	-	-	(7,506)	(4,576)	-	(12,082)
At 31 March 2024	<u>260,129</u>	<u>76,090</u>	<u>(17,106)</u>	<u>(6,183)</u>	<u>(162,656)</u>	<u>-</u>	<u>150,274</u>

3 months ended 31 March 2024	Share capital	Statutory reserves	Capital reserves	Currency Translation Reserve	Accumulated losses	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	170,020	49,732	(11,180)	864	(103,321)	-	106,116
Total comprehensive loss for the period	-	-	-	(4,906)	(2,991)	-	(7,897)
At 31 March 2024	<u>170,020</u>	<u>49,732</u>	<u>(11,180)</u>	<u>(4,042)</u>	<u>(106,312)</u>	<u>-</u>	<u>98,219</u>

Note:

- (1) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 and : RM0.6427 at 31 March 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)

(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Unaudited Condensed Consolidated Statements Of Changes In Equity (continue)

3 months ended 31 March 2023	Share capital	Statutory reserves	Capital reserves	Currency translation reserve	Retained earnings	Non- controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RM'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	259,349	76,090	(17,106)	(741)	(112,250)	(97)	205,245
Total comprehensive loss for the period	-	-	-	1,588	(8,929)	(8)	(7,349)
Deconsolidation of a subsidiary	-	-	-	10	-	105	115
At 31 March 2023	<u>259,349</u>	<u>76,090</u>	<u>(17,106)</u>	<u>857</u>	<u>(121,179)</u>	<u>-</u>	<u>198,011</u>

3 months ended 31 March 2023	Share capital	Statutory reserves	Capital reserves	Currency translation reserve	Retained earnings	Non- controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	166,684	48,903	(10,994)	(476)	(72,143)	(62)	131,912
Total comprehensive loss for the period	-	-	-	1,021	(5,739)	(5)	(4,723)
Deconsolidation of a subsidiary	-	-	-	6	-	67	73
At 31 March 2023	<u>166,684</u>	<u>48,903</u>	<u>(10,994)</u>	<u>551</u>	<u>(77,882)</u>	<u>-</u>	<u>127,262</u>

Note:

- (1) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 and : RM0.6427 at 31 March 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



HB Global Limited
(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED 31 MARCH 2024

Unaudited Condensed Consolidated Statements Of Cash Flow

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
	RMB'000	RMB'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(4,576)	(8,939)	(2,991)	(5,745)
Adjustments for:				
Depreciation and amortisation	2,260	3,489	1,477	2,242
Gain arising from derecognition of a subsidiary	-	(320)	-	(205)
Interest expenses	335	402	219	258
OPERATING LOSS				
BEFORE WORKING CAPITAL CHANGES	(1,981)	(5,368)	(1,295)	(3,450)
In inventories	1,767	(813)	1,155	(523)
In trade and other receivables	2,573	4,448	1,682	2,859
In trade and other payables	8,104	(53)	5,297	(34)
Cash from/(used in) operations	10,463	(1,786)	6,839	(1,148)
Interest paid	(335)	(402)	(219)	(258)
Net cash generated from/(used in) operating activities	10,128	(2,188)	6,620	(1,406)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	(51)	-	(33)
Net cash used in investing activities	-	(51)	-	(33)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase in advances from directors	2,217	-	1,449	-
Net repayment of bank borrowings	(4,664)	(258)	(3,049)	(166)
Net cash used in financing activities	(2,447)	(258)	(1,600)	(166)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,681	(2,497)	5,020	(1,605)
Exchange rate translation differences	(7,506)	1,588	(4,906)	1,021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	446	2,231	292	1,434
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	621	1,322	406	850
CASH AND BANK BALANCES	621	1,322	406	850
LESS: BANK DEPOSITS PLEDGED	-	-	-	-
LESS: BANK OVERDRAFTS	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	621	1,322	406	850

Note:

- (1) The financial statements are presented in Renminbi ("RMB") and translated into Ringgit Malaysia ("RM") for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 and : RM0.6427 at 31 March 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

1. Basis of preparation

a) Basis of accounting

The financial statements are unaudited and have been prepared in accordance with the provisions of the Singapore Companies Act (the “Act”), Singapore Financial Reporting Standards (International) [“SFRS(I)s”] which are simultaneously compliant with International Financial Reporting Standard (IFRSs) issued by the International Accounting Standards Board (IASB) and paragraph 9.22 and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to this unaudited financial report.

b) Changes in accounting policies

The Group has adopted a new financial reporting framework, SFRS(I) on 1 January 2018. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs as issued by the International Accounting Standards Board. An entity that compiles with SFRS(I)s can also elect to simultaneously include an explicit and unreserved statement of compliance with IFRS. The Group has elected to assert dual compliance with both SFRS(I)s and IFRSs with effect from annual periods beginning on or after 1 January 2018. All references to SFRS(I)s and IFRSs are referred collectively as SFRS(I)s in these financial statements, unless specified otherwise. The financial statements for the financial year ended 31 December 2018 are the first set of annual financial statements the Group prepared in accordance with SFRS(I)s. The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2018

On 1 January 2018, the Company adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I). The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

c) Basis of consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

The Group was formed as a result of the restructuring exercise undertaken on 25 September 2009 for the purpose of the Company’s listing on the main market of the Bursa Malaysia Securities Berhad. The acquisition of 100% equity in the subsidiary, namely Rizhao Hengbao Foodstuffs Co., Ltd pursuant to the restructuring exercise under common control has been accounted for using the pooling-of-interest method. Under the pooling-of-interest method, the consolidated financial statements of the Group have been presented as if the Group structure immediately after the restructuring has been in existence since the earliest financial year presented. The assets and liabilities were brought into the consolidated statement of financial position at their existing carrying amounts. The pooling-of-interest method will continue to be used for the entities in existence up to the Group’s reorganization exercise.

All inter-company balances and significant inter-company transactions and resulting unrealized profits and losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated statement of comprehensive income from the effective date in which control is transferred to the Group or in which control ceases, respectively.



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

c) *Basis of consolidation (continue)*

Where accounting policies of a subsidiary do not confirm with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

2. Audit report of the Group's preceding annual financial statements

The Group's audited consolidated financial statements for the financial year ended 31 December 2023 was unqualified but with material uncertainty related to going concern as follows:

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 to the financial statement which indicate as at 31 December 2023, the Group had net current liabilities of RMB39,208,000. The Group also incurred a net loss of RMB47,894,000 for the financial year ended 31 December 2023. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2, indicated that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The auditor UHY Lee Seng Chan & Co has also issued a statement in respect of HB's Financial Statements for 31 December 2023 ("FY2023") to draw an attention to the board and shareholders as regard to key audit matter as follows.

Pursuant to Paragraph 9.19(37) of the Main Market Listing Requirements, the description of the Statement is as follows:

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

i) Impairment of property, plant and equipment and right-of-use assets

The key audit matter highlighted by independent auditors had no material changes or further development as compared to 31 December 2023.

3. Seasonality or cyclicity of operation

The business of the Group was not affected by any significant seasonal and cyclical factors for the financial period other than the holiday effect on the operation for Chinese New Year festival.

4. Unusual items

There were no unusual items for the current quarter.

5. Changes in estimates

There were no material changes in estimates for the current quarter.

6. Changes in share capital and debts

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasure shares for the current quarter.



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

7. Dividends

In view of the current business climate, no dividend was declared or paid by the Group in the current quarter under review.

8. Segment information

Financial Period Ended 31 March 2024					
	<u>Ready-to-serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	13,622	1,724	-	2,716	18,062
Segment results	1,359	82	-	(881)	560
Other income					-
Unallocated costs					(4,801)
Finance expenses					(335)
Loss before income tax					(4,576)
Income tax expense					-
Loss for the year					(4,576)
Other segment information:					
Depreciation and amortisation					2,260
Capital expenditures					-

Financial Period Ended 31 March 2024					
	<u>Ready-to-serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	8,903	1,127	-	1,775	11,805
Segment results	888	54	-	(576)	366
Other income					-
Unallocated costs					(3,138)
Finance expenses					(219)
Loss before income tax					(2,991)
Income tax expense					-
Loss for the year					(2,991)
Other segment information:					
Depreciation and amortisation					1,477
Capital expenditures					-



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

8. Segment information (continue)

Note:

- (1) The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6536 at 31 March 2024 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.

Financial Period Ended 31 March 2023					
	<u>Ready-to- serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	10,259	3,191	-	4,514	17,964
Segment results	1,460	253	-	(1,448)	265
Other income					-
Unallocated costs					(8,802)
Finance expenses					(402)
Loss before income tax					(8,939)
Income tax expense					-
Loss for the year					(8,939)
Other segment information:					
Depreciation and amortisation					3,489
Capital expenditures					51

Financial Period Ended 31 March 2023					
	<u>Ready-to- serve Food</u>	<u>Frozen Vegetables</u>	<u>Technology</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	6,593	2,051	-	2,901	11,545
Segment results	938	163	-	(931)	170
Other income					-
Unallocated costs					(5,657)
Finance expenses					(258)
Loss before income tax					(5,745)
Income tax expense					-
Loss for the year					(5,745)
Other segment information:					
Depreciation and amortisation					2,242
Capital expenditures					33



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

8. Segment information (continue)

Note:

- (1) The financial statements are presented in Renminbi (“RMB”) and translated into Ringgit Malaysia (“RM”) for information purposes and reference at the exchange rate of RMB1: RM0.6427 at 31 March 2023 with comparatives are shown for illustration purpose. This translation should not be construed as a representation that RMB amounts actually represented have been or could be converted in RM at this or any other rate.

9. Subsequent events

There were no material subsequent events as at the date of this announcement that will affect the results of the current quarter.

10. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter.

11. Contingent liability or assets

There were no material contingent liabilities or assets which may have material effect on the financial position of the Group.

12. Non-current assets

There was no material acquisition or disposal of non-current assets during the current quarter.

13. Capital commitment

There was no material capital commitment during the current quarter.

14. Significant related party transactions

Key management personnel compensation is analysed as follows:

	Individual Quarter		Cumulative Quarter	
	RMB'000	RM'000	RMB'000	RM'000
Salaries and other short-term employee benefits	427	279	427	279



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIREMENTS

1. Review of the performance of the Group

Review of Group Comprehensive Income

Group revenue increased by RMB0.1 million from RMB18.0 million in financial period ended 31 March 2023 (“FPE2023”) to RMB18.1 million in financial period ended 31 March 2024 (“FPE2024”). The increase was due to increase in revenue recorded in China subsidiary.

General and administrative expenses in FPE2024 amounted to RMB4.6 million was lower compared to FPE2023 which amounted to RMB6.4 million. This is mainly due to lower expenses incurred by the Company and its subsidiaries resulting from the implementation of cost reduction initiatives.

The Group incurred loss before tax of RMB4.6 million in FPE2024 compared to RMB8.9 million in FPE2023 mainly due to lower expenses incurred in FPE2024.

Review of Statements of Financial Positions

The Company net assets as at 31 March 2024 were approximately RMB150.3 million compared to RMB162.4 million as at 31 December 2023. The decrease was mainly due to total comprehensive loss incurred amounted to RMB12.1 million in FPE2024.

Property, plant and equipment decreased by about RMB2.3 million mainly due to depreciation provided in FPE2024. Decrease in trade and other receivables from RMB13.4 million to RMB10.9 million was mainly due to better average collection period from trade receivables.

Review of Cash Flow Statement

Net cash generated in operating activities was RMB10.1 million in FPE2024 compared to net cash used in operating activities of RMB2.2 million in FPE2023 mainly due to lower expenses and improved working capital cycle in FPE2024.

Cash and cash equivalents as at 31 March 2024 was RMB0.6 million compared to RMB1.3 million as at 31 March 2023.



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

2. Variation of results against immediate preceding quarter

	Current Quarter 31 March 2024		Preceding Quarter 31 December 2023	
	RMB'000	RM'000	RMB'000	RM'000
Revenue	18,062	11,805	23,795	15,367
Loss Before Taxation	(4,576)	(2,991)	(27,843)	(17,982)
Loss After Taxation	(4,576)	(2,991)	(27,843)	(17,982)

The Group recorded revenue of RMB18.1 million in the current quarter compared to RMB11.8 million in the preceding quarter.

Loss before tax in Q1 2024 was lower compared to Q4 2023 mainly due to lower other operating expenses incurred in Q1 2024.

3. Prospects for FY2024

The Group believes that 2024 will continue to be a year full of challenges and uncertainties. These include the ongoing Russia-Ukraine conflict, escalating energy costs, supply chain disruptions, and the impacts of climate change. Among these challenges, the Group believes that managing rising materials costs will be the most significant priority in the long term.

Despite these challenges, the Group is hopeful that the food industry will continue to show promise, especially as global trade and the economy gradually recover. The easing of restrictions has already led to increased consumption, and it is expected that demand will continue to recover. Trading volume is projected to stabilize, and along with it, the margin.

To ensure sustained growth, the Group will explore new markets and opportunities to expand its revenue streams and improve its product competitiveness. Although uncertainties remain, the Group remains optimistic about its prospects and is committed to adapting to changes in the business landscape.

4. Profit forecast

The Group does not have any profit forecast or guarantee in the public documents.

5. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	RMB'000	RM'000	RMB'000	RM'000
Income tax expenses	-	-	-	-

PRC Tax

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 25% for current quarter and financial year-to-date.

Malaysia tax

The Malaysia tax of our Group for the current quarter and financial year-to-date was approximately Nil as compared to the applicable tax rate ranging from 15% to 24%.



HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

6. Sales of unquoted investment / properties

There was no sale of unquoted investments / properties in the current financial year.

7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities for the current financial year.

8. Status of utilization of proceeds

On 28 December 2022, ordinary shares of 7,700,000 have been issued at an issuing price of RM0.155 via private placement.

On 5 July 2023, ordinary shares of 4,280,000 have been issued at an issuing price of RM0.117 via private placement.

Utilization of the proceeds as of 31 March 2024 were as follows:

	RMB'000	RM'000
Proceeds from issuance of shares via private placement	2,604	1,702
Expenses for private placement	(81)	(53)
Working capital	(2,523)	(1,649)
Balance @ 31 March 2024	-	-

Utilization of proceeds are in RM amounts which were translated to RMB at 31 March 2024 exchange rate of RMB1: RM0.6536.

9. Group's borrowings and debt securities

The Group's borrowings and debt securities as of 31 March 2024 were as follows:

		RMB'000	RM'000
Short term:			
Bank loans (secured)			
Rural Commercial Bank of Juxian	# 1	400	262
Bank of Rizhao	# 2	17,000	11,111
China Construction Bank	# 3	22,341	14,602
Total loans		39,741	25,975

The bank borrowings which consist of bank loans are secured on the followings:

- (i) legal charges over the leasehold land and buildings of certain subsidiaries;
- (ii) legal charges over the land-use-rights of certain subsidiaries;
- (iii) a corporate guarantee provided by a third party;
- (iv) a jointly and severally guarantee provided by certain directors and key management personnel of certain subsidiaries.



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)
(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Bank loans pertain to a subsidiary are denominated in renminbi and comprise the following loans:

- (a) Bank loan #1 bears fixed interest rate of 12% per annum and are repayable within one year.
- (b) Bank loan #2 bears fixed interest rate of 6% per annum and is repayable within one year.
- (c) Bank loan #3 which was originally repayable within a year with interest payable at a weighted average rate of 5.35% per annum. However, the bank has ceased to charge interest since the financial year ended 31 December 2020. In addition, during previous financial year, the subsidiary has reached a verbal agreement with the bank whereby the subsidiary is required to make a monthly repayment of RMB100,000 to the bank with effect from February 2023.

10. Off-balance sheet financial instrument risks

There were no financial instruments with off-balance sheet risks as at the date of this report.

11. Changes in material litigation

There was no material litigation for the current financial period.

12. Realised and Unrealised Profit/Losses Disclosure

The accumulated losses as at 31 March 2024 and 31 December 2023 are analysed as below:

	Current Financial Period		Preceding Financial Period	
	RMB'000	RM'000	RMB'000	RM'000
Total accumulated losses of the Company and its subsidiaries:				
- Realised	(162,656)	(106,312)	(158,080)	(102,088)
- Unrealised	-	-	-	-
Total Group accumulated losses	(162,656)	(106,312)	(158,080)	(102,088)



恒宝环球

HB Global Limited

(Company Registration No.: 200608505W)

(Malaysian Foreign Company Registration No.: 995221-H)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED 31 MARCH 2024

13. Earning per share

Basic Earning per Share

	Quarter Ended <u>31 March 2024</u>	Preceding Year Corresponding Quarter <u>31 March 2023</u>	Quarter Ended <u>31 March 2024</u>	Preceding Year Corresponding Quarter <u>31 March 2023</u>	Year to Date Ended <u>31 March 2024</u>	Year to Date Ended <u>31 March 2023</u>	Year to Date Ended <u>31 March 2024</u>	Year to Date Ended <u>31 March 2023</u>
	RMB'000	RMB'000	RM'000	RM'000	RMB'000	RMB'000	RM'000	RM'000
Loss attributable to - equity holders of the company	(4,576)	(8,929)	(2,991)	(5,739)	(4,576)	(8,929)	(2,991)	(5,739)
- Non-controlling interest	-	(10)	-	(6)	-	(10)	-	(6)
Weighted average number of ordinary shares in issue ('000)	781,994	777,714	781,994	777,714	781,994	777,714	781,994	777,714
(Loss)/earnings per share - Basic (cents per share)	(0.59)	(1.15)	(0.38)	(0.74)	(0.59)	(1.15)	(0.38)	(0.74)

By Order of the Board

Shen Hengbao
Chief Executive Officer