



Press Release

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HO WAH GENTING BERHAD GROUP Q3 SALES SURGED BY 103.5%

KUALA LUMPUR, 26 November 2020 – Ho Wah Genting Berhad (“HWGB” or the “Company”) (Bursa Stock Code:9601), announced its financial results for the third quarter ended 30 September 2020 (“Q3 2020”) today, HWGB Group’s revenue grew by 103.5% to RM96.1 million for the Q3 2020 compared with RM47.2 million in the preceding year’s corresponding quarter amid the unprecedented uncertainties arising from the Covid-19 pandemic outbreak.

For the cumulative nine months ended 30 September 2020, HWGB Group’s total revenue stood at RM197.5 million, representing a rise of 34.7% vis-à-vis RM146.6 million in preceding year corresponding nine months ended 30 September 2019. The higher revenue achieved for the financial period ended 30 September 2020 was mainly due to higher demand from existing customers of USD46.5 million as compared to USD34.6 million in the manufacturing division. The weakening of RM against the USD also contributed to the higher revenue which is denominated in RM.

In line with the substantial increase in revenue, net profit from manufacturing division for the nine months stood higher at RM5.5 million compared to RM4.3 million in preceding year corresponding period.

Nonetheless, on the Group level, HWGB recorded a net loss of RM1.5 million. This was mainly attributable to initial operating expenses incurred for the newly setup healthcare division pursuant to the recent diversification into healthcare business which include expenses on application(s) for necessary license(s) and/ or approval(s) for Covid-19 related medical devices and pharmaceuticals, purchasing of medical devices and staff costs incurred for the recruitment of professionals.

Commenting on the HWGB Group’s steadfast performance, HWGB Chief Executive Officer, Dato’ Aaron Lim noted: "Despite the commendable financial results from our core business unit, the management will continue to adopt prudent approach to manage the unpredictable uncertainties arising from the global Covid-19 pandemic." "We hope that the diversification will help to turnaround the Group and well position ourselves for the upcoming 2021 financial year which bodes well with our plans in rolling out Covid-19 related medical devices under the pipelines", Dato’ Aaron Lim further added.

“Our diversification into the healthcare-related business gives us a firm foundation for plans to roll out COVID-19-related medical devices while we have also invested in the research and development of vaccine for the prevention of COVID-19. We see a successful vaccine as bringing in sustainable long-term revenue for the Company”. “The race to produce a COVID-19 vaccine through conducting Phase IV clinical trial based on the poliomyelitis virus vaccine is well on the way through our joint venture partner, E-MO Biology Inc (“**EBI**”), which last month obtained approval from the United States Food and Drug Administration for the Phase IV clinical trial. As soon as the Phase IV clinical trial is proven effective, we will start mass producing the vaccine”.

Please refer to the US Food and Drug Administration website below for more information on EBI’s Phase IV clinical study.

<https://www.clinicaltrials.gov/ct2/show/NCT04639375>

ABOUT HO WAH GENTING BERHAD

Ho Wah Genting Berhad (“**HWGB**” or the “**Company**”) is principally engaged in investment holdings and the provision of management services to its subsidiaries. The Company had on 30 June 2020 diversified its existing businesses to include healthcare related industry which mainly involved in health supplement, biotechnology and health technology. In addition, the Company and its subsidiaries (“**HWGB Group**” or the “**Group**”) are also engaging in the businesses of investment holdings; manufacturing of wires and cables and moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment; trading of wires and cables; and travel agent and tour related services.

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