



HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statement of Comprehensive Income for the period ended 30 September 2020

	Note	Individual Quarter		Cumulative Quarters	
		2020 Jul - Sep RM'000	2019 Jul - Sep RM'000	2020 Jan - Sep RM'000	2019 Jan - Sep RM'000
Continuing operations					
Revenue					
- sales of goods		96,056	46,195	196,980	143,090
- rendering of services		14	971	488	3,336
- rental income		22	56	66	166
		<u>96,092</u>	<u>47,222</u>	<u>197,534</u>	<u>146,592</u>
Cost of sales					
- sales of goods		(91,034)	(43,402)	(184,756)	(132,231)
- rendering of services		(10)	(902)	(451)	(3,168)
- rental income		-	-	-	-
		<u>(91,044)</u>	<u>(44,304)</u>	<u>(185,207)</u>	<u>(135,399)</u>
Gross profit		5,048	2,918	12,327	11,193
Other operating income		985	1,115	3,198	2,216
Distribution costs		(1,744)	(685)	(3,173)	(2,191)
Administrative expenses		(3,774)	(2,907)	(10,153)	(8,780)
Other operating expenses		(89)	(329)	(830)	(1,206)
Net allowance for expected credit loss of receivables		1	-	4	3
Profit from operations	Part B 6	427	112	1,373	1,235
Finance income	Part B 7	1	2	28	55
Finance costs	Part B 8	(426)	(493)	(1,144)	(1,541)
Net finance costs		(425)	(491)	(1,116)	(1,486)
Share of losses of an associate	Part B 11	-	-	-	-
Profit/(Loss) before taxation		2	(379)	257	(251)
Income tax expense	Part B 9	(784)	(343)	(1,741)	(1,655)
Loss for the period		(782)	(722)	(1,484)	(1,906)
Other comprehensive gain/(loss):					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of retirement benefits obligations		-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(717)	255	188	250
Other comprehensive gain/(loss) for the period, net of tax		(717)	255	188	250
Total comprehensive loss for the period		(1,499)	(467)	(1,296)	(1,656)
Loss attributable to:					
Owners of the Company		(773)	(722)	(1,473)	(1,906)
Non controlling interests		(9)	#	(11)	*
		<u>(782)</u>	<u>(722)</u>	<u>(1,484)</u>	<u>(1,906)</u>
Total comprehensive loss attributable to:					
Owners of the Company		(1,490)	(467)	(1,285)	(1,656)
Non controlling interests		(9)	#	(11)	*
		<u>(1,499)</u>	<u>(467)</u>	<u>(1,296)</u>	<u>(1,656)</u>
Loss per share attributable to owners of the Company					
- Basic (sen)	Part B 16	(0.20)	(0.21)	(0.30)	(0.55)
- Diluted (sen)	Part B 16	N/A	N/A	N/A	N/A

* Represents debit of RM311

Represents debit of RM53

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statement of Financial Position as at 30 September 2020

	Note	Unaudited as at 30 Sep 2020 RM'000	Audited as at 31 Dec 2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		32,451	33,391
Right of use assets		992	636
Investment in an associate	Part B 11	-	-
		33,443	34,027
Current assets			
Inventories		49,638	31,303
Trade receivables		18,246	15,804
Other receivables, deposits and prepayments		6,476	1,487
Amount due from an associate		3,965	3,965
Fixed deposits with licensed bank		100	100
Cash and bank balances		20,440	8,559
		98,865	61,218
TOTAL ASSETS		132,308	95,245
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company:			
Share capital		109,093	97,526
Reserves		15,601	18,512
Accumulated losses		(84,194)	(82,755)
		40,500	33,283
Non controlling interests		275	6
TOTAL EQUITY		40,775	33,289
Non-current liabilities			
Lease liabilities	Part B 12	744	403
Long term borrowings	Part B 12	4,794	5,036
Retirement benefits obligation		5,000	4,556
Deferred tax liabilities		2,451	2,451
		12,989	12,446
Current liabilities			
Trade payables		30,233	18,028
Other payables and accruals		21,280	18,099
Amount due to holding company		10,000	-
Tax payables		884	145
Lease liabilities	Part B 12	63	113
Short term borrowings	Part B 12	16,084	13,125
		78,544	49,510
TOTAL LIABILITIES		91,533	61,956
TOTAL EQUITY AND LIABILITIES		132,308	95,245
Net Assets per share (RM)		0.08	0.10
Net Tangible Assets per share (RM)		0.08	0.10

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



HO WAH GENTING BERHAD

(Company no. 272923-H)

Condensed Consolidated Statement of Changes in Equity for the period ended 30 September 2020

	Attributable to Shareholders of the Company							Total equity RM'000	
	Share capital RM'000	Revaluation reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000		Non controlling interests RM'000
At 1 January 2020	97,526	10,019	2,691	7,348	(1,546)	(82,755)	33,283	6	33,289
Transactions with owners:									
Issuance of shares pursuant to Private Placement	4,230	-	-	-	-	-	4,230	-	4,230
Employee Share Option ("ESOS") exercised	2,757	-	-	-	-	-	2,757	-	2,757
Transfer of ESOS Reserve upon exercise of ESOS	2,525	-	(2,525)	-	-	-	-	-	-
Employee Share Option ("ESOS") lapsed	-	-	(14)	-	-	14	-	-	-
Warrants 2016/2021 ("Warrants D") exercised	1,495	-	-	-	-	-	1,495	-	1,495
Transfer of Warrant Reserve upon exercise of Warrants D	560	-	-	(560)	-	-	-	-	-
Dilution of shareholdings in a subsidiary	-	-	-	-	-	20	20	280	300
Total transactions with owners	11,567	-	(2,539)	(560)	-	34	8,502	280	8,782
Other comprehensive income/(loss) for the period									
Remeasurement of retirement benefits obligations	-	-	-	-	188	-	188	-	188
Foreign currency translation differences	-	-	-	-	188	(1,473)	(1,473)	(11)	(1,484)
Other comprehensive gain for the period	-	-	-	-	188	(1,473)	(1,285)	(11)	(1,296)
Total comprehensive income for the period									
At 30 September 2020	109,093	10,019	152	6,788	(1,358)	(84,194)	40,500	275	40,775
Preceding year's 9 months period ended 30 September 2019 (Unaudited)									
At 1 January 2019	86,350	10,019	2,713	7,348	(1,163)	(75,234)	30,033	466	30,499
Transactions with owners:									
Employee Share Options ("ESOS") lapsed	-	-	(19)	-	-	19	-	-	-
Issuance of shares pursuant to Private Placement	2,921	-	-	-	-	-	2,921	-	2,921
Acquisition of non-controlling interest	-	-	-	-	-	(30)	(30)	(460)	(490)
Total transactions with owners	2,921	-	(19)	-	-	(11)	2,891	(460)	2,431
Other comprehensive income/(loss) for the period									
Foreign currency translation differences	-	-	-	-	250	-	250	-	250
Remeasurement of net retirement benefit obligations	-	-	-	-	250	-	250	-	250
Other comprehensive income/(loss) for the period	-	-	-	-	250	(1,906)	(1,906)	*	(1,906)
Loss for the period	-	-	-	-	250	(1,906)	(1,656)	-	(1,656)
Total comprehensive income/(loss) for the period									
At 30 September 2019	89,271	10,019	2,694	7,348	(913)	(77,151)	31,268	6	31,274

* Represents RM311

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019



HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statements of Cash Flows for the period ended 30 September 2020

	Note	Unaudited 30 Sep 2020 RM'000	Unaudited 30 Sep 2019 RM'000
Cash flows from / (used in) operating activities			
Profit/(Loss) before taxation		257	(251)
Adjustments for:			
Bad debts written off	Part B 6	-	34
Depreciation - Property, plant and equipment	Part B 6	2,615	2,578
Depreciation - Right of use assets	Part B 6	94	10
Interest expense	Part B 8	1,144	1,541
Interest income	Part B 7	(28)	(55)
Inventories written off	Part B 6	1	-
(Loss)/Gain on disposal of plant and equipment	Part B 6	26	(28)
Gain on disposal of shares in a subsidiary	Part B 6	-	(122)
Allowance for expected credit loss no longer required	Part B 6	(4)	(3)
Provision for retirement benefit obligations		419	372
Unrealised loss on foreign exchange	Part B 6	17	243
Unrealised gain on foreign exchange	Part B 6	(631)	(314)
Operating profit before working capital changes		3,910	4,005
(Increase)/Decrease in inventories		(17,857)	4,654
(Increase)/Decrease in trade and other receivables		(6,878)	296
Increase in trade and other payables		25,262	66
Cash generated from operations		4,437	9,021
Income tax paid		(840)	(1,960)
Interest paid	Part B 8	(1,144)	(1,541)
Interest received	Part B 7	28	21
Retirement benefits paid		(41)	(9)
Net cash from operating activities		2,440	5,532
Cash flows from/(used in) investing activities			
Increase in fixed deposits pledged		-	55
Acquisition of non-controlling interest		-	(490)
Net cash flow on disposal of a subsidiary		-	(3)
Advances to an associate		-	(1,844)
Purchase of plant and equipment		(1,796)	(1,484)
Proceeds from disposal of plant and equipment		-	35
Proceeds from disposal of shares in a subsidiary		-	8
Net cash used in investing activities		(1,796)	(3,723)
Cash flows from/(used in) financing activities			
Proceeds from issuance of shares pursuant to private placement	Part A 7 (a)	4,230	2,921
Proceeds from exercise of ESOS	Part A 7 (b)	2,757	-
Proceeds from exercise of Warrants 2016/2021	Part A 7 (c)	1,495	-
Proceeds from trade financing		76,038	57,156
Repayment of trade financing		(73,239)	(55,202)
Repayment of term loan(s)		(225)	(5,347)
Proceeds from hire purchase liabilities		400	-
Repayment of hire purchase liabilities		(99)	(71)
Payment of lease liabilities		(10)	(9)
Net cash from/(used in) financing activities		11,347	(552)
Exchange differences		(110)	413
Net increase in cash and cash equivalents		11,881	1,670
Cash and cash equivalents at beginning of period		8,559	5,001
Cash and cash equivalents at end of period		20,440	6,671
Cash and cash equivalents at end of period comprises:			
Cash and bank balances		20,440	6,671
Deposits with licensed banks		100	100
Deposits pledged as security		(100)	(100)
		20,440	6,671

The Condensed Consolidated Statement Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019



HO WAH GENTING BERHAD
Company No: 272923-H
(Incorporated In Malaysia)

NOTES TO FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

PART A

1. Basis of Preparation

The interim financial report is unaudited and has been prepared and presented in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of Bursa Malaysia Securities Berhad (“BMSB”) Listing Requirements. The interim financial report does not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2019.

2. Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2019 except for the adoption of the following standards which are applicable to its financial statements effective from 1 January 2020:

Amendments to MFRS 3	:	Business Combinations – <i>Definition of a Business</i>
Amendments to MFRS 4	:	Insurance Contracts - <i>Extension of the Temporary Exemption from applying MFRS 9 Financial Instruments</i>
Amendments to MFRS 7	:	Financial Instruments: Disclosures, MFRS 9 Financial Instruments and MFRS 139 Financial Instruments: Recognition and Measurement – <i>Interest Rate Benchmark Reform</i>
Amendments to MFRS 16	:	Leases – COVID-19 – <i>Related Rent Concessions</i>
Amendments to MFRS 101	:	Presentation of Financial Statements – <i>Definition of Material</i>
Amendments to MFRS 101	:	Presentation of Financial Statements – <i>Classifications of Liabilities as Current or Non-current - Deferral of Effective Date</i>
Amendments to MFRS 108	:	Accounting Policies, Changes in Accounting Estimates and Errors – <i>Definition of Material</i>

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

At the date of authorisation of the Condensed Report, the following Standards were issued but not effective and have not been adopted by the Group:



PART A (continued)

2 Significant Accounting Policies (continued)

		Effective date
MFRS 4	: Insurance Contracts	01 January 2021
MFRS 7	: Financial Instruments - <i>Disclosure</i>	01 January 2021
MFRS 16	: Leases – <i>Interest Rate Benchmark Reform – Phase 2</i>	01 January 2021
Amendments to MFRS 9	: Financial Instruments	01 January 2021
Amendments to MFRS 139	: Financial Instruments – <i>Recognition and Measurement</i>	01 January 2021
Amendments to MFRS 3	: Business Combinations – <i>Reference to the Conceptual Framework</i>	01 January 2022
Amendments to MFRS 116	: Property, Plant and Equipment – <i>Proceeds before Intended Use</i>	01 January 2022
Amendments to MFRS 137	: Provisions, Contingent Liabilities and Contingent Assets – <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	01 January 2022
Annual Improvements to MFRS Standards 2018 – 2020		
-	Amendment to MFRS 1 First Time Adoption of Malaysia Financial Reporting Standards	01 January 2022
-	Amendments to MFRS 9 Financial Instruments	01 January 2022
-	Amendments to MFRS 141 Agriculture	01 January 2022
MFRS 17	: Insurance Contracts	01 January 2023
Amendments to MFRS 101	: Presentation of Financial Statements – <i>Classifications of Liabilities as Current or Non-current</i>	01 January 2023
Amendments to MFRS 17	: Insurance Contracts	01 January 2023
Amendments to MFRS 10 and MFRS 128	: Consolidated Financial Statements and Investments in Associates and Joint Ventures – <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	The effective date of these Standards have been deferred, and yet to be announced by MASB.

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material impact to the financial statements of the Group.

3. Qualification of Financial Statements

There has not been any qualification made by the auditors on the audited financial statements of the Group for the year ended 31 December 2019.

4. Seasonality or Cyclicity of Operations

Based on past historical trend, sales of the Moulded Power Supply Cord Sets Division (the main revenue contributor to the Group) would gradually increase in the second quarter and normally peak in the third quarter arising from increase in customers' demand in anticipation of the festive seasons towards year end and then demand would slowly decline in the fourth quarter until the first quarter of the following year.



PART A (continued)

5. Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items of unusual nature affecting the assets, liabilities, equity, net income, or cash flows of the Group during the current quarter under review.

6. Material Change in Estimates

There were no changes in estimates that had a material impact to the results of the current quarter under review.

7. Issuance and Repayment of Debt and Equity Securities

(a) Private Placement of Shares

On 6 April 2020, the Company had increased its issued and paid up share capital by way of private placement of 45,973,800 new ordinary shares representing approximately 10% of the issued shares of the Company. On 8 April 2020, the Company announced the completion of the private placement with the listing of and the quotation of 45,973,800 new ordinary shares at an issue price of RM0.0920 per share. A total of RM4,229,590 was raised for working capital purpose.

(b) Exercise of Employee Share Options Scheme (“ESOS”)

Allotment Date	Listing and Quotation Date	No. of ESOS Exercised Units	No. of Ordinary Shares Issued Units	Exercise Price RM	Total Proceeds RM	Transfer of ESOS Reserve to Share Capital RM
08/05/2020	13/05/2020	1,250,000	1,250,000	0.1220	152,500	130,750
14/05/2020	18/05/2020	1,500,000	1,500,000	0.1220	183,000	156,900
12/06/2020	15/06/2020	2,812,500	2,812,500	0.2200	618,750	588,375
15/06/2020	17/06/2020	1,032,500	1,032,500	0.1220	125,965	108,000
30/06/2020	02/07/2020	2,541,500	2,541,500	0.1220	310,063	265,841
15/07/2020	17/07/2020	803,200	803,200	0.1220	97,990	84,015
17/07/2020	20/07/2020	163,750	163,750	0.2200	36,025	34,257
29/07/2020	03/08/2020	1,180,400	1,180,400	0.1220	144,009	123,470
30/07/2020	04/08/2020	3,146,625	3,146,625	0.2200	692,258	658,274
26/08/2020	28/08/2020	1,616,025	1,616,025	0.2200	355,525	338,072
27/08/2020	01/09/2020	152,400	152,400	0.1220	18,593	15,941
28/09/2020	30/09/2020	80,075	80,075	0.2200	17,616	16,752
29/09/2020	01/10/2020	40,300	40,300	0.1220	4,917	4,215
Period ended 30/09/2020		16,319,275	16,319,275		2,757,211	2,524,862
16/10/2020	20/10/2020	20,276	20,276	0.2200	4,461	4,242
19/10/2020	21/10/2020	100	100	0.1220	12	10
LPD*		16,339,651	16,339,651		2,761,684	2,529,114

* Latest practical date being 19 November 2020



PART A (continued)

7. Issuance and Repayment of Debt and Equity Securities (continued)

(c) Exercise of Warrants 2016/2021 (“Warrant D”)

Allotment Date	Listing and Quotation Date	No. of Warrants Exercised	No. of new Ordinary Shares Issued	Exercise Price	Total Proceeds	Transfer of Warrant Reserve to Share Capital
		Units	Units	RM	RM	RM
12/08/2020	14/08/2020	4,000	4,000	0.3200	1,280	480
28/08/2020	01/09/2020	50,000	50,000	0.3200	16,000	6,000
04/09/2020	07/09/2020	200,000	200,000	0.3200	64,000	24,000
09/09/2020	11/09/2020	3,867,160	3,867,160	0.3200	1,237,491	464,059
15/09/2020	18/09/2020	19,600	19,600	0.3200	6,272	2,352
23/09/2020	25/09/2020	530,000	530,000	0.3200	169,600	63,600
Period ended 30/09/2020		4,670,760	4,670,760		1,494,643	560,491
22/10/2020	23/10/2020	2,000	2,000	0.3200	640	240
LPD*		4,672,760	4,672,760		1,495,283	560,731

* Latest practical date being 19 November 2020

8. Dividends Paid

No dividend was paid in the current quarter under review.

9. The Status of Corporate Proposals

(a) Proposed Placement of Irredeemable Convertible Preference Shares (“ICPS”), Proposed Debt Settlements and Proposed Amendments

On **10 June 2020**, the Company through its adviser, M&A Securities Sdn Bhd (“M&A Securities”) announced that it wishes to undertake the followings:

- (i) Proposed placement of up to 63,393,900 ICPS in the Company at an issue price of RM0.4969 per ICPS to Ho Wah Genting Holding Sdn Bhd (“HWGH”) and other investors. (“Proposed Placement of ICPS”);
- (ii) Proposed settlement of debt amounting to RM20.0 million owing to creditors of the Company namely HWGH and Prime King Investment Ltd (“PKIL”) via the issuance of 40,249,550 new ordinary shares in HWGB (“HWGB Shares or Shares”) (“Settlement Shares”) at the issue price of RM0.4969 per Settlement Share (“Proposed Debt Settlements”) and
- (iii) Proposed amendments to the Constitution of HWGB to facilitate the Proposed Placement of ICPS (“Proposed Amendments”)

The Proposed Debt Settlements will be inter-conditional upon each other whilst the Proposed Debt Settlements is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.



PART A (continued)

9. The Status of Corporate Proposals (continued)

(a) Proposed Placement of Irredeemable Convertible Preference Shares (“ICPS”), Proposed Debt Settlements and Proposed Amendments (continued)

On **03 September 2020**, the Company through its adviser, M&A Securities had announced that the Company had on the same date mutually agreed with HWGH and the other investors respectively, to terminate the Subscription Agreements.

As such, the Company will not be proceeding with the Proposed Placement of ICPS and the Proposed Amendments. The Proposed Debt Settlements will remain unchanged.

On **09 September 2020**, the Board of Directors of the Company had announced that they have on the same date appointed Mainstreet Advisers Sdn Bhd (“Mainstreet”) as the independent adviser to advise the non-interested directors and shareholders of the Company, on the fairness and reasonableness of the Proposed Debt Settlement which is in accordance with Notes (3) and (4) of paragraph 18.01 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by Securities Commission (“Rules”).

On **06 October 2020**, the Company through its adviser, M&A Securities had announced that, after due consideration, the Board has resolved to revise the inter-conditionality of the Proposed Debt Settlement.

The two (2) components of the Proposed Debt Settlement, namely Proposed HWGH Debt Settlement and Proposed PKIL Debt Settlement will not be inter-conditional upon each other and the Proposed Debt Settlement is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

Further, in view that the Proposed HWGH Debt Settlement and Proposed PKIL Debt Settlement will not be inter-conditional upon each other, the Board has clarified that the scope of MainStreet, the independent adviser appointed pursuant to Rule 18 of the Rules shall be as follows:

- (i) Comment on whether the Proposed HWGH Debt Settlement are fair and reasonable insofar as the non-interested Directors and shareholders of HWGB are concerned pursuant to Rule 18 of the Rules;
- (ii) Comment on whether the Proposed HWGH Debt Settlement are detrimental to the non-interested directors and shareholders of HWGB; and
- (iii) Advise the non-interested shareholders of HWGB whether they should vote in favour of the resolution pertaining to the Proposed HWGH Debt Settlement at the EGM.

Save for the above, the rest of the terms of the Proposed Debt Settlement shall remain unchanged.



PART A (continued)

9. The Status of Corporate Proposals (continued)

(b) Third Batch of ESOS Offered

On **14 October 2020**, the Company had announced that it had on the same date offered a total of 22,599,000 share options at the option price of RM0.6200 to eligible employees of the Company and of the Group in accordance with the Company's ESOS By-Laws. Details of the offer of share options are as follows:

(i)	Date of the Offer of the Option	14 October 2020
(ii)	Number of Option offered	22,599,000
(iii)	Exercise price of Option offered	RM0.6200
(iv)	Closing price of HWGB's on the date of offer	RM0.7600
(v)	Number of Option offered to the Company's Directors under the ESOS	Nil
(vi)	Vesting period of the Option offered	N/A

10. Segmental Reporting

During the financial period, the Company diversified and ventured into a new segment, the Healthcare Division which consist of HWGB Biotech Sdn Bhd (formerly known as HWG Consortium Sdn Bhd), D'Viria Nano Tech Sdn Bhd (formerly known as Rex Oriental Sdn Bhd), Astramern Sdn Bhd (formerly known as Astramune Sdn Bhd) and HWGB Medical Devices & Supplies Sdn Bhd (formerly known as HWG Duty Free Sdn Bhd). Except for HWGB Medical Devices & Supplies Sdn Bhd which is 70% owned, the rest of the above mentioned companies are wholly owned by HWGB.

Also, during the financial period, the Company reclassified its wholly owned subsidiary, Ho Wah Genting Trading Sdn Bhd which is under the Wires and Cables Division to Investment Division after the said subsidiary has temporarily ceased operations in 2019.

Analysis of the Group's segmental revenue, results, assets and liabilities for business segments for the financial period ended 30 September 2020 are as follows:



PART A (continued)

10. Segmental Reporting (continued)

Current year's 9 months period ended 30 September 2020

Segmental revenue by strategic/functional division units

	Investments RM'000	Moulded Power Supply Cords Sets RM'000	Healthcare RM'000	Travelling Services RM'000	Total RM'000	Elimination RM'000	Group RM'000
External revenue	66	196,832	148	488	197,534	-	197,534
Inter-segment revenue	18	-	-	2	20	(20)	-
	84	196,832	148	490	197,554	(20)	197,534
Segmental revenue by regions							
Malaysia	84	-	148	490	722	(20)	702
The rest of Asia	-	23,128	-	-	23,128	-	23,128
North America	-	173,704	-	-	173,704	-	173,704
	84	196,832	148	490	197,554	(20)	197,534

Results

Operating profit/(loss)	(5,686)	8,166	(860)	(181)	1,439	(66)	1,373
Profit/(Loss) before interest and tax	(5,686)	8,166	(860)	(181)	1,439	(66)	1,373
Profit/(Loss) before tax	(5,870)	7,234	(860)	(181)	323	(66)	257
Profit/(Loss) after tax	(5,870)	5,493	(860)	(181)	(1,418)	(66)	(1,484)
Non-controlling interest	1	-	9	1	11	-	11
Profit/(Loss) attributable to owners of the Company	(5,869)	5,493	(851)	(180)	(1,407)	(66)	(1,473)

Assets and liabilities as at 30 September 2020

Segment Assets - Consolidated total assets	116,731	101,656	6,412	1,317	226,116	(93,808)	132,308
Segment liabilities - Consolidated total liabilities	33,088	77,016	6,700	315	117,119	(25,586)	91,533

Segmental non-current assets by regions as at 30 September 2020

Malaysia	80,176	-	132	44	80,352	(69,797)	10,555
The rest of Asia	-	21,592	-	-	21,592	1,296	22,888
North America	-	-	-	-	-	-	-
	80,176	21,592	132	44	101,944	(68,501)	33,443



PART A (continued)

10. Segmental Reporting (continued)

Preceding year's 9 months period ended 30 September 2019
Segmental revenue by strategic/functional division units

	Investments	Moulded Power Supply Cord Sets	Travelling Services	Total	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	166	143,090	3,336	146,592	-	146,592
Inter-segment revenue	18	-	37	55	(55)	-
	184	143,090	3,373	146,647	(55)	146,592
Segmental revenue by regions						
Malaysia	184	-	3,373	3,557	(55)	3,502
The rest of Asia	-	28,579	-	28,579	-	28,579
North America	-	114,511	-	114,511	-	114,511
	184	143,090	3,373	146,647	(55)	146,592
Results						
Profit/(Loss) from operations	(5,565)	6,817	(65)	1,187	48	1,235
Profit/(Loss) before interest and tax	(5,565)	6,817	(65)	1,187	48	1,235
Profit/(Loss) before tax	(6,178)	5,939	(60)	(299)	48	(251)
Profit/(Loss) after tax	(6,178)	4,284	(60)	(1,954)	48	(1,906)
Non-controlling interest	-	-	*	*	-	*
Profit/(Loss) attributable to owners of the Company	(6,178)	4,284	(60)	(1,954)	48	(1,906)
Assets and liabilities as at 31 December 2019						
Segmental assets - Consolidated total assets	119,464	81,485	1,789	202,738	(107,493)	95,245
Segmental liabilities - Consolidated total liabilities	37,988	62,526	606	101,120	(39,164)	61,956
Segmental non-current assets by regions as at 31 December 2019						
Malaysia	80,526	-	47	80,573	(69,976)	10,597
The rest of Asia	-	22,062	-	22,062	1,368	23,430
North America	-	-	-	-	-	-
	80,526	22,062	47	102,635	(68,608)	34,027

* Represents RM311



PART A (continued)

10. Segmental Reporting (continued)

Preceding year's 9 months period ended 30 September 2019
Segmental revenue by strategic/functional division units

	As previously stated		Reclassification Adjustments		As restated	
	Investments RM'000	Wires and Cables RM'000	Investments RM'000	Wires and Cables RM'000	Investments RM'000	Wires and Cables RM'000
External revenue	166	-	-	-	166	-
Inter-segment revenue	18	-	-	-	18	-
	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>	<u>-</u>
Segmental revenue by regions						
Malaysia	184	-	-	-	184	-
The rest of Asia	-	-	-	-	-	-
North America	-	-	-	-	-	-
	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184</u>	<u>-</u>
Results						
Profit/(Loss) from operations	(5,634)	69	69	(69)	(5,565)	-
Profit/(Loss) before interest and tax	(5,634)	69	69	(69)	(5,565)	-
Profit/(Loss) before tax	(6,105)	(73)	(73)	73	(6,178)	-
Profit/(Loss) after tax	(6,105)	(73)	(73)	73	(6,178)	-
Non-controlling interest	-	-	-	-	-	-
Profit/(Loss) attributable to owners of the Company	<u>(6,105)</u>	<u>(73)</u>	<u>(73)</u>	<u>73</u>	<u>(6,178)</u>	<u>-</u>
Assets and liabilities as at 31 December 2019						
Segmental assets - Consolidated total assets	97,874	21,590	21,590	(21,590)	119,464	-
Segmental liabilities - Consolidated total liabilities	<u>27,144</u>	<u>10,844</u>	<u>10,844</u>	<u>(10,844)</u>	<u>37,988</u>	<u>-</u>
Segmental non-current assets by regions as at 31 December 2019						
Malaysia	80,507	19	19	(19)	80,526	-
The rest of Asia	-	-	-	-	-	-
North America	-	-	-	-	-	-
	<u>80,507</u>	<u>19</u>	<u>19</u>	<u>(19)</u>	<u>80,526</u>	<u>-</u>



PART A (continued)

11. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the previous year audited financial statements.

12. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period.

13. Changes in the Composition of the Group

- (a) On 17 February 2020, the Company incorporated a subsidiary, 3H Healthtech AI Sdn Bhd with an issued and paid up capital of RM100. The Company holds 60% equity interest and LIU Marketing Sdn Bhd holds the balance 40%.
- (b) On 13 March 2020, the Company incorporated a wholly owned subsidiary, Astramern Sdn Bhd (formerly known as Astramune Sdn Bhd) with an issued and paid up capital of RM100.

14. Contingent Liabilities and Contingent Assets

The Company and the Group have no material contingent liabilities and contingent assets at the end of the current quarter under review.

15. Capital Commitments

There were no material capital commitments for the Company and the Group at the end of the current quarter under review.



PART B
ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

1. Group's Financial Performance Review And Segmental Analysis

Summary of Statement of Comprehensive Income of the Group

	Individual Quarter (Third Quarter)		Changes		Cumulative Quarters (Year to-date)		Changes RM'000	%
	Current Year Quarter 30/09/2020 RM'000	Preceding Year Corresponding Quarter 30/09/2019 RM'000	RM'000	%	Current Year to-date 30/09/2020 RM'000	Preceding Year Corresponding Period 30/09/2019 RM'000		
Revenue	96,092	47,222	48,870	103.5	197,534	146,592	50,942	34.8
Profit/(Loss) from operations	427	112	315	281.3	1,373	1,235	138	11.2
Profit/(Loss) before interest and taxation	427	112	315	281.3	1,373	1,235	138	11.2
Profit/(Loss) before taxation	2	(379)	381	100.1	257	(251)	508	202.4
Loss after taxation	(782)	(722)	(60)	-8.3	(1,484)	(1,906)	422	22.1
Loss attributable to owners of the Company	(773)	(722)	(51)	-7.1	(1,473)	(1,906)	433	22.7



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)
1. Group’s Financial Performance Review And Segmental Analysis (continued)

A. Overall Review of Group’s Financial Performance

The higher revenue of RM197.53 million (2019: RM146.59 million) recorded for the financial period ended 30 September 2020 was mainly due to higher sales of USD46.47 million as compared to USD34.57 million from the Moulded Power Supply Cord Sets Division in Indonesia due to higher demand from existing customers. The weakening of RM against the USD also increased the Group’s revenue which is denominated in RM. The average exchange rate used for the financial period ended 30 September 2020 was RM4.2353/USD (2019: RM4.1388/USD).

The turnaround from loss before taxation of RM0.25 million in the immediate preceding year’s corresponding period as compared to a profit before taxation of RM0.25 million in the current financial period were due to the followings:

- (i) Higher profit before taxation of RM7.23 million (2019: RM5.94 million) from the Moulded Power Supply Cord Sets Division;
- (ii) Lower loss before taxation of RM5.87 million (2019: RM6.11 million) from the Investment Division;
- (iii) Higher loss before taxation of RM0.18 million (2019: RM0.06 million) from the Travelling Services Division; and
- (iv) The loss before taxation of RM0.86 million (2019: RMnil) incurred by the newly ventured Healthcare Division.

B. Summary of Statement of Financial Positions of the Group

	Unaudited 30/09/2020 RM’000	Audited 31/12/2019 RM’000	Changes RM’000	%
Non-current assets	33,443	34,027	(584)	-1.7
Current assets	98,865	61,218	37,647	61.5
Current liabilities	(78,544)	(49,510)	29,034	58.6
Non-current liabilities	(12,989)	(12,446)	543	4.4
Equity attributable to owner of the Company	(40,500)	(33,283)	7,217	21.7
Non-controlling interest	(275)	(6)	269	>1,000.0
Total equity	(40,775)	(33,289)	7,486	22.5

Figures in bracket denotes credit balances

The decrease of RM0.58 million or 1.7% in non-current assets were due to the followings:

- (i) Purchase of plant and equipment of RM1.80 million;
- (ii) RM0.35 million increase in carrying amount on consolidation of a foreign subsidiary due to weakening of RM against USD; and
- (iii) Depreciation charged on property, plant and equipment and right of use assets of RM2.71 million.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

2. Group’s Financial Performance Review And Segmental Analysis (continued)

B. Summary of Statement of Financial Positions of the Group (continued)

The increase of RM37.65 million or 61.5% in current assets were mainly due to the followings:

- (i) Increase in inventories of RM18.34 million to cater for the sales of the Moulded Power Supply Cord Sets Division and the inventories for the Healthcare Division;
- (ii) Increase in trade receivables of RM2.44 million from the higher sales in the current quarter;
- (iii) Increase in other receivables of RM4.99 million due to advanced payments made for the purchase of raw materials and healthcare merchandise; and
- (iv) Increase in cash and bank balances of RM11.88 million mainly the proceeds from the issuance of new ordinary shares from private placement and exercise of ESOS and warrants.

The increase of RM29.03 million or 58.6% in current liabilities were mainly due to the followings:

- (i) Increase in trade payables of RM12.21 million for the purchase of inventories by the Moulded Power Supply Cord Sets Division;
- (ii) Increase in other payables of RM3.18 million from advances received;
- (iii) Net increase in short term borrowings of RM2.96 million to purchase raw materials;
- (iv) Advances from HWGH of RM10.0 million for working capital purpose; and
- (v) Increase in tax payable of RM0.74 million from a foreign subsidiary.

The increase in non-current liabilities of RM0.54 million or 4.4% were mainly due to the followings:

- (i) Increase in retirement benefits obligation of RM0.44 million for a foreign subsidiary.
- (ii) Net increase in lease liabilities of RM0.34 million from the purchase of a new leased plant and equipment.

The increase was reduced by the repayment of long term borrowings of RM0.24 million.

The increase in “equity attributable to owner of the Company” of RM7.22 million or 21.7% were due to the followings:

- (i) RM4.23 million from the issuance of 45,973,800 new ordinary shares of the Company pursuant to Private Placement of new ordinary shares at an issue price of RM0.0920 per placement share;
- (ii) RM2.76 million from the issuance of 16,319,275 new ordinary shares of the Company pursuant to exercise of ESOS as stated in Note 7 (b) above;
- (iii) RM1.50 million from the issuance of 4,670,760 new ordinary shares of the Company pursuant to the exercise of Warrants 2016/2021 as stated in Noted 7 (c) above; and
- (iv) The total comprehensive loss for the period attributable to the owners of the Company of RM1.29 million.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

1. Group’s Financial Performance Review And Segmental Analysis (continued)

B. Summary of Statement of Financial Positions of the Group (continued)

The increase in non-controlling interest (“NCI”) from RM6,000 to RM275,000 were due to dilution of shareholdings by the Company from the disposal of 30% shareholdings in a subsidiary to NCI for RM300,000 and NCI’s share of losses in subsidiaries not wholly owned by the Company.

The increase in “total equity” of RM7.49 million or 22.5% were due to similar reasons stated in the increased in equity attributable to owner of the Company and the increase in NCI above.

C. Summary of Statement of Cash Flows of the Group

	Unaudited 30/09/2020	Unaudited 30/09/2019	Changes	
	RM’000	RM’000	RM’000	%
Net cash from operating activities	2,440	5,532	(3,092)	-55.9
Net cash used in investing activities	(1,796)	(3,723)	1,927	51.8
Net cash from/(used in) financing activities	11,347	(552)	11,899	>1,000.0
Exchange differences	(110)	413	(523)	-126.6
Net increase in cash and cash equivalent	<u>11,881</u>	<u>1,670</u>	<u>10,211</u>	

The “net cash from operating activities” for the financial period ended 30 September 2020 was RM2.44 million as compared to RM5.53 million for the financial period ended 30 September 2019.

The “net cash from operating activities” were due to the followings:

- (i) Net cash from “operating profit before working capital changes” of RM2.77 million after deducting the net interest paid RM1.14 million;
- (ii) Increase in inventories of RM17.86 million to cater for the sales of the Moulded Power Supply Cord Sets Division and the inventories for the Healthcare Division;
- (iii) Increase in trade and other payables of RM25.26 million for the purchase of inventories and advances received;
- (iv) Payment of income tax of RM0.84 million; and
- (v) Increase in trade and other receivables of RM6.88 million from the higher sales in the current quarter and advance payment to purchase merchandise.

The “net cash used in investing activities” of RM1.80 million was for the purchase of plant and equipment.

The “net cash from financing activities” of RM11.35 million for the financial period ended 30 September 2020 were mainly from the net drawdown of trade financing facilities of RM2.80 million, proceeds from issuance of new ordinary shares of RM8.48 million for working capital purpose, drawdown of RM0.40 million hire purchase facility to partial finance the purchase of plant and equipment and deducting the repayment of term loans of RM0.23 million and lease liabilities of RM0.11 million.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)
1. Group’s Financial Performance Review And Segmental Analysis (continued)

D. Segmental Analysis

I. Moulded Power Supply Cord Sets Division

Summary of revenue by regions	Cumulative Quarters			
	30/09/2020	30/09/2019	Changes	
	USD’000	USD’000	USD’000	%
Sales to external parties				
North America	41,013	27,668	13,345	48.2
The rest of Asia	5,461	6,905	(1,444)	-20.9
	<u>46,474</u>	<u>34,573</u>	<u>11,901</u>	<u>34.4</u>

Note: “The rest of Asia” refers to Indonesia, Singapore, Thailand, Vietnam and Taiwan.

The sales to North America increased by USD13.35 million or 48.2% compared to the financial period ended 30 September 2019. The increase was mainly due to higher demand from the existing buyers.

The sales to “the rest of Asia” was USD5.46 million, a decrease of USD1.44 million or 20.9% compared to the preceding year’s corresponding period. This was due to lower purchase orders from existing customers.

Summary of results	Cumulative Quarter			
	30/09/2020	30/09/2019	Changes	
	USD’000	USD’000	USD’000	%
Revenue	46,474	34,573	11,901	34.4
Operating profit	1,927	1,647	280	17.0
Profit before interest and taxation	1,927	1,647	280	17.0
Profit before taxation	1,707	1,435	272	19.0
Profit after taxation	1,296	1,035	261	25.2
Profit attributable to owner of the Company	<u>1,296</u>	<u>1,035</u>	<u>261</u>	<u>25.2</u>

The higher profit before taxation of USD1.71 million (2019: USD1.44 million) for the financial period ended 30 September 2020 were due to higher revenue generated.

II. Healthcare Division

Revenue for this newly set-up division was at RM0.15 million (2019: RMnil) for the current financial period ended 30 September 2020.

The Healthcare Division incurred a loss before taxation of RM0.86 million (2019: RMnil). The losses incurred were mainly due to low revenue and initial operating expenses incurred to set up the division onto full operation scale.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

1. Group’s Financial Performance Review And Segmental Analysis (continued)

D. Segmental Analysis (continued)

III. Travel Services Division

Summary of revenue by products

	Cumulative Quarter			
	30/09/2020	30/09/2019	Changes	
	RM'000	RM'000	RM'000	%
Sales to external parties				
Tour packages	334	1,573	(1,239)	-78.8
Cruise tour	6	276	(270)	-97.8
Hotel booking	47	188	(141)	-75.0
Air tickets	90	1,243	(1,153)	-92.8
Other tour related services	11	56	(45)	-80.4
	<u>488</u>	<u>3,336</u>	<u>(2,848)</u>	<u>-85.4</u>
Sales within HWGB Group				
Air tickets	2	37	(35)	-94.6
	<u>490</u>	<u>3,373</u>	<u>(2,883)</u>	<u>-85.5</u>

The Travel Services Division recorded a lower revenue of RM0.49 million (2019: RM3.37 million) for the financial period ended 30 September 2020 due to cancellation of bookings caused by the outbreak of the COVID-19 contagious disease.

The Travel Services Division recorded a loss before taxation of RM0.18 million (2019: RM0.06 million). The higher loss before taxation in the current financial period was due to lower revenue recorded.

IV. Investment Division

Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries.

At Company level, the Company recorded a lower loss before taxation of RM6.06 million (2019: RM6.21 million). The lower loss before taxation in the current financial period was due to lower finance costs of RM0.11 million (2019: RM0.47 million) incurred.

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 30 September 2020 have not been affected by any transactions or events of a material or unusual nature which have arisen from 30 September 2020 to the date of issue of this quarterly report.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

2. Comparison of Current Year’s Quarter Against Preceding Year’s Corresponding Quarter’s Result (Individual 3rd Quarter 2020 vs Individual 3rd Quarter 2019)

The Group recorded higher revenue of RM96.09 million (3Q 2019: RM47.22 million) an increase of RM48.87 million or 103.5%. The higher revenue of USD22.74 million (3Q 2019: USD11.08 million) recorded in the current quarter was due to higher demand from existing customers of the Moulded Power Supply Cord Sets Division.

The Group recorded a profit before taxation of RM2,000 as compared to a loss before taxation of RM0.38 million in 3Q 2019. The profit before taxation recorded was due to the followings:

- (i) Higher profit before taxation of RM3.32 million (3Q 2019: RM1.51 million) earned from higher revenue of the Moulded Power Supply Cords Sets Division;
- (ii) Initial losses of RM0.53 million (3Q 2019: RMnil) incurred to set up the Healthcare Division; and

Higher loss before taxation of RM2.70 million (3Q 2019: RM1.98 million) of the Investment Division.

3. Comparison of Current Quarter Against Preceding Quarter’s Results (Individual 3rd Quarter 2020 vs Individual 2nd Quarter 2020)

The Group recorded a higher revenue of RM96.09 million (2Q 2020: RM53.27 million) an increase of RM42.82 million or 80.4%. The higher revenue of USD 22.74 million (2Q 2020: USD12.32 million) in the current quarter was due to higher demand from existing customers of the Moulded Power Supply Cords Sets Division.

The Group recorded a profit before taxation of RM2,000 in the current quarter as compared to a loss before taxation of RM1.70 million in the immediate preceding quarter. The profit before taxation recorded in the current quarter was due to the followings:

- (i) Higher profit before taxation of RM3.32 million (2Q 2020: RM1.00 million) earned from the Moulded Power Supply Cord Sets Division;
- (ii) Initial losses of RM0.53 million (2Q 2020: RM0.33 million) incurred to set up the Healthcare Division; and
- (iii) Higher loss before taxation of RM2.70 million (2Q: 2020: RM2.29 million) of the Investment Division.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

4. Commentary on Prospects

The Board is of the opinion that business operations in Moulded Power Supply Cord Sets Division remain challenging in view of the intense competition in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high volatility of copper price and high working capital requirement.

To counter these unfavourable conditions, the Moulded Power Supply Cord Sets Division will continue to focus on lean manufacturing process for better operational productivity, improve efficiencies, and better product quality in order to be more competitive and attract more customers.

The outbreak of COVID-19 contagious disease has caused global concern in increasing economic hardship for consumers and businesses, create uncertainties in the market and dampen the global economic outlook.

The outbreak of COVID-19 contagious disease had also put the Group’s 49% associate Dufry HWG Shopping Sdn Bhd, which operate a sole travel retail outlet in Sky Avenue Mall, Genting Highlands and also the Group’s Travel Services Division in a challenging year as most of the travelers and tourists are reluctant to travel or being barred from travelling during this period.

The Group is expecting a challenging operating and financial performance for the financial year ending 31 December 2020.

The Group had on 30 June 2020 obtained shareholders approval to diversify into healthcare related business. The Board is hopeful that this new venture will provide additional revenue and income in near future.

Meanwhile, the Board will continue to explore viable, synergistic and profitable business ventures to improve the Group’s performance.

5. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the financial period ended 30 September 2020.



PART B – Additional Information Required By BMSB’s Listing Requirements (continued)

6. Profit/(Loss) from operations

Profit/(Loss) from operations is derived at:

	Individual Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
After charging:				
Retirement benefit obligations	139	124	419	372
Bad debts written off	-	-	-	34
Depreciation - Property, plant and equipment	867	874	2,615	2,578
Depreciation – Right of use assets	35	4	94	10
Expenses related to short term leases	6	6	18	18
Loss on foreign exchange				
- Realised	9	(1)	11	173
- Unrealised	(205)	73	17	243
And crediting:				
Allowance for expected credit loss no longer required – Trade receivables	1	-	4	3
Gain on disposal of plant and equipment	-	19	-	28
Rental income from premises	111	148	340	439
Gain on foreign exchange				
- Realised	198	-	504	-
- Unrealised	(188)	302	631	314

7. Finance income

	Individual Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Interest income from fixed deposit	-	1	-	13
Interest income from bank accounts	1	1	28	8
Interest income from loan to an associate	-	-	-	34
	1	2	28	55

8. Finance costs

	Individual Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Interest expense				
– hire purchase liabilities	9	6	24	19
– lease liabilities	1	2	3	4
– promissory notes	-	124	-	371
– term loans	65	142	181	503
– trade finance	351	219	936	644
	426	493	1,144	1,541



PART B - Additional Information Required By BMSB's Listing Requirements (continued)

9. Income tax expense

Taxation for current quarter and financial year to date under review comprises the following:

	Individual Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
a. Expected income tax payable				
i. Current income tax expense				
- Malaysia	-	-	-	-
- Overseas	(784)	(343)	(1,741)	(1,655)
	(784)	(343)	(1,741)	(1,655)
ii. Over/(Under) provision in prior year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	-	-	-	-
b. Deferred tax				
Current year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	-	-	-	-
Over/(Under) provision in prior year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	-	-	-	-
Total	(784)	(343)	(1,741)	(1,655)

10. Purchase or Disposal of Quoted Securities/Other Financial Assets

There was no purchase or disposal of quoted securities and/or other financial assets during the financial period ended 30 September 2020.

11. Investment in an associate

There was no purchase or disposal of equity stakes in an associate during the current quarter.

The investment in associate as at 30 September 2020 is as follows:

	Unaudited 30/09/2020 RM'000	Audited 31/12/2019 RM'000
Unquoted shares at cost	980	980
Share of post acquisition loss	(980)	(980)
	-	-

The Group's share of post-acquisition loss was capped at RM0.98 million, being the equivalent cost of investment in the associate.



PART B - Additional Information Required By BMSB's Listing Requirements (continued)

11. Investment in an associate (continued)

The summarised financial information of the Company's associate is as follows:

(a) Summarised statement of comprehensive income

	Unaudited 30/09/2020 RM'000	Unaudited 30/09/2019 RM'000
Revenue	5,344	17,742
Loss before tax	(4,348)	(2,227)
Net loss/Total comprehensive loss	<u>(4,348)</u>	<u>(2,227)</u>

(b) Summarised statement of financial position

	Unaudited 30/09/2020 RM'000	Audited 31/12/2019 RM'000
Assets		
Non-current assets	6,662	14,885
Current assets	<u>6,597</u>	<u>9,937</u>
Total assets	<u>13,259</u>	<u>24,822</u>
Liabilities		
Non-current liabilities	10,060	6,722
Current liabilities	<u>12,416</u>	<u>22,969</u>
Total liabilities	<u>22,476</u>	<u>29,691</u>
Net liabilities	<u>(9,217)</u>	<u>(4,869)</u>

12. Group Borrowings and Debt Securities

	As at third quarter ended 30 September 2020					
	Long term Denomination		Short term Denomination		Total borrowing Denomination	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured borrowings						
Term Loan 1	-	3,473	-	189	-	3,662
Term Loan 2	-	1,321	-	149	-	1,470
Trade financing*	-	-	3,789	15,746	3,789	15,746
	-	4,794	3,789	16,084	3,789	20,878
Lease liabilities						
Hire purchase liabilities	-	720	-	51	-	771
Other lease liabilities	-	24	-	12	-	36
	-	744	-	63	-	807
	-	<u>5,538</u>	<u>3,789</u>	<u>16,147</u>	<u>3,789</u>	<u>21,685</u>

* USD1.0000 is equivalent to RM4.1555



PART B - Additional Information Required By BMSB's Listing Requirements (continued)

12. Group Borrowings and Debt Securities (continued)

	As at fourth quarter ended 31 December 2019					
	Long term Denomination		Short term Denomination		Total borrowing Denomination	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured borrowings						
Term Loan 1	-	3,600	-	189	-	3,789
Term Loan 2	-	1,436	-	132	-	1,568
Trade financing*	-	-	3,128	12,804	3,128	12,804
	-	5,036	3,128	13,125	3,128	18,161
Lease liabilities						
Hire purchase liabilities	-	378	-	92	-	470
Other lease liabilities	-	25	-	21	-	46
		403		113		516
	-	5,439	3,128	13,238	3,128	18,677

* USD1.0000 is equivalent to RM4.0930

13. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 19 November 2020, being the latest practicable date.

14. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2019.

15. Material Litigation

There is no material litigation for the Group as at 19 November 2020, being the latest practicable date.



Ho Wah Genting Berhad (Company No: 272923-H)
[Notes to Quarterly Financial Report – continued]

PART B - Additional Information Required By BMSB's Listing Requirements (continued)

16. Loss per share

Basic

	Individual Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Loss attributable to shareholders of the Company (RM'000)	(773)	(722)	(1,473)	(1,906)
Weighted average number of ordinary shares ('000) – basic	495,306	348,035	495,306	348,035
Basic (sen)	<u>(0.20)</u>	<u>(0.21)</u>	<u>(0.30)</u>	<u>(0.55)</u>

Diluted

As at 30 September 2020 and 30 September 2019, the diluted loss per share was not presented in the financial statements as there is an anti-dilutive effect on the loss per share.

By Order of the Board
Coral Hong Kim Heong
(MAICSA 7019696)
Company Secretary

Date: 26 November 2020