



HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statement of Comprehensive Income for the period ended 31 December 2020

| | Note | Individual Quarter | | Cumulative Quarters | |
|---|-----------|--|--|---|---|
| | | 3 Months 01/10/2020 to 31/12/2020 RM'000 | 3 Months 01/10/2019 to 31/12/2019 RM'000 | 12 Months 01/01/2020 to 31/12/2020 RM'000 | 12 Months 01/01/2019 to 31/12/2019 RM'000 |
| Continuing operations | | | | | |
| Revenue | | | | | |
| - sales of goods | | 90,491 | 32,577 | 287,471 | 175,667 |
| - rendering of services | | 13 | 1,764 | 501 | 5,100 |
| - rental income | | 23 | 37 | 89 | 203 |
| | | <u>90,527</u> | <u>34,378</u> | <u>288,061</u> | <u>180,970</u> |
| Cost of sales | | | | | |
| - sales of goods | | (87,751) | (30,756) | (272,507) | (162,987) |
| - rendering of services | | (19) | (1,661) | (470) | (4,829) |
| - rental income | | - | - | - | - |
| | | <u>(87,770)</u> | <u>(32,417)</u> | <u>(272,977)</u> | <u>(167,816)</u> |
| Gross profit | | <u>2,757</u> | <u>1,961</u> | <u>15,084</u> | <u>13,154</u> |
| Other operating income | | 478 | 323 | 3,676 | 2,539 |
| Distribution costs | | (1,197) | (690) | (4,370) | (2,881) |
| Administrative expenses | | (17,146) | (2,573) | (27,299) | (11,353) |
| Other operating expenses | | (925) | (492) | (1,755) | (1,698) |
| Net allowance for expected credit loss of receivables | | (4,360) | (4,042) | (4,356) | (4,039) |
| Loss from operations | Part B 6 | <u>(20,393)</u> | <u>(5,513)</u> | <u>(19,020)</u> | <u>(4,278)</u> |
| Finance income | Part B 7 | (4) | 268 | 24 | 323 |
| Finance costs | Part B 8 | (830) | (354) | (1,974) | (1,895) |
| Net finance costs | | (834) | (86) | (1,950) | (1,572) |
| Share of losses of an associate | Part B 11 | - | - | - | - |
| Loss before taxation | | <u>(21,227)</u> | <u>(5,599)</u> | <u>(20,970)</u> | <u>(5,850)</u> |
| Income tax expense | Part B 9 | 283 | 488 | (1,458) | (1,167) |
| Loss for the period | | <u>(20,944)</u> | <u>(5,111)</u> | <u>(22,428)</u> | <u>(7,017)</u> |
| Other comprehensive gain/(loss): | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Remeasurement of retirement benefits obligations | | 112 | (496) | 112 | (496) |
| Gain on revaluation of buildings, net of tax effect | | 8,268 | - | 8,268 | - |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translation differences | | | | | |
| - gain/(loss) during the period | | (1,010) | (661) | (822) | (411) |
| - reclassification to profit or loss on disposal as a subsidiary | | - | 28 | - | 28 |
| Other comprehensive gain/(loss) for the period, net of tax | | <u>7,370</u> | <u>(1,129)</u> | <u>7,558</u> | <u>(879)</u> |
| Total comprehensive loss for the period | | <u>(13,574)</u> | <u>(6,240)</u> | <u>(14,870)</u> | <u>(7,896)</u> |
| Loss attributable to: | | | | | |
| Owners of the Company | | (20,924) | (5,111) | (22,397) | (7,017) |
| Non controlling interests | | (20) | - | (31) | - |
| | | <u>(20,944)</u> | <u>(5,111)</u> | <u>(22,428)</u> | <u>(7,017)</u> |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (13,554) | (6,240) | (14,839) | (7,896) |
| Non controlling interests | | (20) | - | (31) | - |
| | | <u>(13,574)</u> | <u>(6,240)</u> | <u>(14,870)</u> | <u>(7,896)</u> |
| Loss per share attributable to owners of the Company | | | | | |
| - Basic (sen) | Part B 17 | (4.16) | (1.39) | (4.45) | (1.91) |
| - Diluted (sen) | Part B 17 | N/A | N/A | N/A | N/A |

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 31 December 2020

| | Note | Unaudited as at 31 Dec 2020 RM'000 | Audited as at 31 Dec 2019 RM'000 |
|---|-----------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 41,820 | 33,391 |
| Right of use assets | | 957 | 636 |
| Investment in an associate | Part B 11 | - | - |
| | | 42,777 | 34,027 |
| Current assets | | | |
| Inventories | | 49,237 | 31,303 |
| Trade receivables | | 17,870 | 15,804 |
| Other receivables, deposits and prepayments | | 9,427 | 1,487 |
| Amount due from an associate | | - | 3,965 |
| Fixed deposits with licensed bank | | 100 | 100 |
| Cash and bank balances | | 25,374 | 8,559 |
| | | 102,008 | 61,218 |
| TOTAL ASSETS | | 144,785 | 95,245 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the Company: | | | |
| Share capital | | 109,408 | 97,526 |
| Reserves | | 35,786 | 18,512 |
| Accumulated losses | | (104,990) | (82,755) |
| | | 40,204 | 33,283 |
| Non controlling interests | | 255 | 6 |
| TOTAL EQUITY | | 40,459 | 33,289 |
| Non-current liabilities | | | |
| Lease liabilities | Part B 12 | 591 | 403 |
| Long term borrowings | Part B 12 | 4,852 | 5,036 |
| Retirement benefits obligation | | 4,730 | 4,556 |
| Deferred tax liabilities | | 4,698 | 2,451 |
| | | 14,871 | 12,446 |
| Current liabilities | | | |
| Trade payables | | 25,794 | 18,028 |
| Other payables and accruals | | 40,482 | 18,099 |
| Amount due to holding company | | - | - |
| Tax payables | | 766 | 145 |
| Lease liabilities | Part B 12 | 175 | 113 |
| Short term borrowings | Part B 12 | 22,238 | 13,125 |
| | | 89,455 | 49,510 |
| TOTAL LIABILITIES | | 104,326 | 61,956 |
| TOTAL EQUITY AND LIABILITIES | | 144,785 | 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 31 December 2020

| Note | Attributable to Shareholders of the Company | | | | | | Sub-total RM'000 | Non controlling interests RM'000 | 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 | | | |
| Current period 12 months ended 31 December 2020 (Unaudited) | | | | | | | | | |
| 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 | 2,919 | - | - | - | - | - | 2,919 | - | 2,919 |
| Transfer of ESOS Reserve upon exercise of ESOS | 2,678 | - | (2,678) | - | - | - | - | - | - |
| Grant of equity settled share options to employees | - | - | 13,096 | - | - | - | 13,096 | - | 13,096 |
| Employee Share Option ("ESOS") lapsed | - | - | (30) | - | - | 30 | - | - | - |
| 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 | 11,882 | - | 10,388 | (560) | - | 50 | 21,760 | 280 | 22,040 |
| Other comprehensive income/(loss) for the period | | | | | | | | | |
| Remeasurement of retirement benefits obligations | - | - | - | - | - | 112 | 112 | - | 112 |
| Gain on revaluation of buildings, net of tax effect | - | 8,268 | - | - | - | - | 8,268 | - | 8,268 |
| Foreign currency translation differences | - | - | - | - | (822) | - | (822) | - | (822) |
| Other comprehensive gain/(loss) for the period | - | 8,268 | - | - | (822) | 112 | 7,558 | - | 7,558 |
| Loss for the period | - | - | - | - | - | (22,397) | (22,397) | (31) | (22,428) |
| Total comprehensive income/(loss) for the period | - | 8,268 | - | - | (822) | (22,285) | (14,839) | (31) | (14,870) |
| At 31 December 2020 | 109,408 | 18,287 | 13,079 | 6,788 | (2,368) | (104,990) | 40,204 | 255 | 40,459 |
| Preceding year's 12 months period ended 31 December 2019 (Audited) | | | | | | | | | |
| 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 | - | - | (22) | - | - | 22 | - | - | - |
| Issuance of shares pursuant to Private Placement | 2,921 | - | - | - | - | - | 2,921 | - | 2,921 |
| Issuance of shares pursuant to creditors capitalisation | 8,255 | - | - | - | - | - | 8,255 | - | 8,255 |
| Acquisition of non-controlling interest | - | - | - | - | - | (30) | (30) | (460) | (490) |
| Total transactions with owners | 11,176 | - | (22) | - | - | (8) | 11,146 | (460) | 10,686 |
| Other comprehensive income/(loss) for the year | | | | | | | | | |
| Foreign currency translation differences | | | | | | | | | |
| - loss during the year | - | - | - | - | (411) | - | (411) | - | (411) |
| - reclassification to profit or loss on disposal of subsidiary | - | - | - | - | 28 | - | 28 | - | 28 |
| Remeasurement of net retirement benefit obligations | - | - | - | - | - | (496) | (496) | - | (496) |
| Other comprehensive income/(loss) for the year | - | - | - | - | (383) | (496) | (879) | - | (879) |
| Loss for the year | - | - | - | - | - | (7,017) | (7,017) | - | (7,017) |
| Total comprehensive income/(loss) for the year | - | - | - | - | (383) | (7,513) | (7,896) | - | (7,896) |
| At 31 December 2019 | 97,526 | 10,019 | 2,691 | 7,348 | (1,546) | (82,755) | 33,283 | 6 | 33,289 |

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 31 December 2020

| | Note | Unaudited 12 Months 01/01/2020 to 31/12/2020 RM'000 | Audited 12 Months 01/01/2019 to 31/12/2019 RM'000 |
|---|--------------|--|--|
| Cash flows from / (used in) operating activities | | | |
| Loss before taxation | | (20,970) | (5,850) |
| Adjustments for: | | | |
| Bad debts written off | Part B 6 | - | 34 |
| Depreciation - Property, plant and equipment | Part B 6 | 3,713 | 3,376 |
| Depreciation - Right of use assets | Part B 6 | 129 | 96 |
| Interest expense | Part B 8 | 1,974 | 1,895 |
| Interest income | Part B 7 | (24) | (323) |
| Inventories written off | Part B 6 | 48 | - |
| Loss/(Gain) on disposal of plant and equipment | Part B 6 | 25 | (41) |
| Gain on disposal of shares in a subsidiary | Part B 6 | - | (119) |
| Allowance for expected credit loss | Part B 6 | 4,388 | 4,044 |
| Allowance for expected credit loss no longer required | Part B 6 | (32) | (5) |
| Provision for retirement benefit obligations | | 452 | 583 |
| Grant of equity settled share options pursuant to ESOS | | 13,096 | - |
| Foreign currency translation reserve reclassified to profit or loss on disposal of a subsidiary | | - | 28 |
| Unrealised loss on foreign exchange | Part B 6 | 359 | 483 |
| Unrealised gain on foreign exchange | Part B 6 | (92) | (43) |
| Operating profit before working capital changes | | 3,066 | 4,158 |
| Increase in inventories | | (19,385) | (4,235) |
| (Increase)/Decrease in trade and other receivables | | (10,616) | 544 |
| Increase in trade and other payables | | 30,729 | 13,364 |
| Cash generated from operations | | 3,794 | 13,831 |
| Income tax paid | | (1,021) | (2,338) |
| Interest paid | Part B 8 | (1,974) | (1,895) |
| Interest received | Part B 7 | 24 | 149 |
| Retirement benefits paid | | (65) | (9) |
| Net cash from operating activities | | 758 | 9,738 |
| Cash flows from/(used in) investing activities | | | |
| Increase in fixed deposits pledged | | - | 54 |
| Acquisition of additional shares in a subsidiary | | - | (490) |
| Net cash flow on disposal of a subsidiary | | - | 4 |
| Advances to an associate | | - | (1,935) |
| Purchase of plant and equipment | | (2,285) | (1,551) |
| Proceeds from disposal of plant and equipment | | - | 48 |
| Proceeds from disposal of shares in a subsidiary to non-controlling interest | | 300 | - |
| Net cash used in investing activities | | (1,985) | (3,870) |
| Cash flows from/(used in) financing activities | | | |
| Proceeds from shares issued pursuant to private placement | Part A 7 (a) | 4,230 | 2,921 |
| Proceeds from shares issued pursuant to exercise of ESOS | Part A 7 (b) | 2,919 | - |
| Proceeds from shares issued pursuant exercise of Warrants 2016/2021 | Part A 7 (c) | 1,495 | - |
| Proceeds from trade financing | | 133,726 | 71,293 |
| Repayment of trade financing | | (123,954) | (69,250) |
| Repayment of term loan(s) | | (172) | (7,286) |
| Proceeds from hire purchase liabilities | | 400 | - |
| Repayment of hire purchase liabilities | | (137) | (95) |
| Payment of lease liabilities | | (13) | (12) |
| Net cash from/(used in) financing activities | | 18,494 | (2,429) |
| Exchange differences | | (452) | 119 |
| Net increase in cash and cash equivalents | | 16,815 | 3,558 |
| Cash and cash equivalents at beginning of period | | 8,559 | 5,001 |
| Cash and cash equivalents at end of period | | 25,374 | 8,559 |
| Cash and cash equivalents at end of period comprises: | | | |
| Cash and bank balances | | 25,374 | 8,559 |
| Deposits with licensed banks | | 100 | 100 |
| | | 25,474 | 8,659 |
| Deposits pledged as security | | (100) | (100) |
| | | 25,374 | 8,559 |
| The Condensed Consolidated Statement Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 | | - | - |